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Hallmark University Journal of Management and Social Sciences (Vol. 2, No. 1, February 2020) consists of research papers that cut across several domains of knowledge in management and social sciences. The journal seeks to provide a credible outlet for the dissemination of research findings, towards the expansion of the frontiers of knowledge. The journal boasts global reach, as its contents will be accessible from around the world via the Hallmark University sub-domain: www.hallmarkuniversity.edu.ng/journal. This edition has both online and offline versions to enhance easy open access that expands the visibility of our authors. The Editorial board expresses our profound gratitude to all our reviewers across the globe as well as our contributors.

Eze B. U., PhD, FME, FEB, FIIAS, FISPRM
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AN ECONOMETRIC ANALYSIS OF FISCAL POLICY INSTRUMENTS AND ECONOMIC GROWTH IN NIGERIA

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Abstract

The aim of this study was to investigate the relationships between fiscal policy instruments and economic growth in Nigeria from 1986 to 2016. Within this broad objective, the specific objectives were to ascertain the relationship between (1) government capital expenditure and economic growth; (2) government recurrent expenditure and economic growth; (3) domestic debt and economic growth in Nigeria (4) external debt and economic growth in Nigeria; and (5) taxation and economic growth in Nigeria. This study used annual time series data from 1986 to 2016. The data were sourced from the publications of the Central bank of Nigeria (CBN), the Debt Management Office (DMO), and the National Bureau of Statistics (NBS). The estimation method was the ordinary least squares (OLS). The estimated technique was the Auto-Regressive Distributed-Lag (ARDL) technique with the aid of Excel and EViews software. An Auto-Regressive Distributed-Lag (ARDL) model was estimated and evaluated using some diagnostic tests (serial correlation test, normality test, specification error test, stability test, and forecasting performance test). The empirical results showed that only capital expenditure and the past value of economic growth had a significant impact on economic growth in Nigeria (only in the long run) during the period of study. Capital expenditure had a positive (6.29) and significant at (5%) while the past value of economic growth had a negative (-1.19) and significant at (5%) impact on economic growth in Nigeria in the long run. However, recurrent expenditure, public debts (domestic debt and external debt), and tax revenue had no significant impacts on economic growth in Nigeria in both the short run and the long run. To effectively use fiscal policy tools in achieving sustainable economic growth, it was recommended that government should skew public expenditure away from recurrent expenditure to the capital expenditure, avoid unnecessary borrowing, develop new strategies of implementing tax revenue generation, and ensure that fiscal policies are pursued with a high degree of transparency. Given that inflation had a negative and significant impact on economic growth (GDP) in Nigeria, it is therefore suggested that there must be fiscal and monetary policy alignment.

Keywords: ARDL, Economic growth, Fiscal policy, Public debt, Tax revenue.

Introduction

A country's economic policies play key roles in regulating the level of its economic activity (Barro & Sala-i-Martin, 1995) since they can set the framework within which economic activities take place. The two major economic policies for regulating the level of economic activity in a country are the fiscal policy and monetary policy (Todaro & Smith, 2009). Fiscal policy deals with public expenditure, public debt, and taxation and is often administered by the executive, whereas monetary policy deals with the money supply and interest rates and is often administered by the monetary authority (Central Bank) (Dwivedi, 2008).

Nigeria is a key region in West Africa. It is a federation that consists of 36 autonomous states; Nigeria is a multi-ethnic and culturally

diverse society. With an abundance of resources, it is Africa's biggest oil exporter, and also has the largest natural gas reserves on the continent. One of the key policy objectives of Nigeria is to promote a sustainable economic growth process that could improve the living standard of the people. In Nigeria, different programmes (such as SAP, NEEDS, and Vision 20: 20) have been attempted in order to achieve this objective of sustainable economic growth. Structural Adjustment Programme (SAP) was introduced in 1986 to ensure that macroeconomic policies were determined more by the dictates of market forces. It was the thinking of policy-makers at the time that SAP will among others lead to the diversification of the country's export portfolio of goods and services (Obadan & Ayodele, 1998).

From 2003 to 2007, Nigeria attempted to implement an economic reform programme called the National Economic Empowerment Development Strategy (NEEDS). Under the economic framework of NEEDS, the government also adopted a Medium Term Expenditure Framework (MTEF) which theme was fiscal consolidation, job creation and inclusive growth. In this framework, the government intended to skew public expenditure away from recurrent expenditure to the capital expenditure. In 2007, to consolidate the perceived gains of the reforms, government-initiated and liquidated the outstanding indebtedness of the country to London Club of creditors; invested heavily in the energy sector; suspended the import duty waivers; tax holidays and rebates were conceded to industrialists to shore up revenue to government and also reform the financial sector of the Nigerian economy.

The National Economic Empowerment Development Strategy (NEEDS) has also widened the revenue generation through more efficient tax reforms and boosting the non-oil sector. For instance, the 2012 federal budget was tagged with the theme: fiscal consolidation and job creation. In that respect, government's effort was to invest in key priority sectors: power, agriculture, education, housing, transport (railways), direct job creation, roads and rail projects, maternal and child health programmes and aviation. In its efforts to reduce the cost of governance, the federal government resolved to rationalize government agencies with overlapping functions. This led to some modest savings that were ploughed back into productive sectors that improved the welfare of Nigerians (Federal Ministry of Finance, 2012).

A longer-term economic development programme was the United Nations (UN)-sponsored National Millennium Goals for Nigeria. Under the programme, which covered the years 2000 to 2015, Nigeria was committed to achieving a wide range of objectives involving poverty reduction, education, gender equality, health, and international development cooperation. Nigeria's current goal is to become one of the top twenty (20) economies in the world by the year 2020. As the government began to implement the structural reforms outlined in its Economic Recovery and Growth

Plan 2017-2020, growth was expected to strengthen further in the medium term, reaching about 2.8 percent by 2019.

There is no doubt that the Nigerian economy has undergone fundamental structural changes over the last four decades. However, these structural shifts that occurred did not result in any appreciable and sustained economic growth and development (Agu, Idike, Okwor, & Ugwunta, 2014). This is evidenced in the adverse inflationary trend, undulating foreign exchange rates, unfavourable balance of payments as well as increasing unemployment rates (Agu, Idike, Okwor, & Ugwunta, 2014; Iyoha & Oriakhi, 2002). One major reason adduced for the failure of these policy measures is the relatively weak scientific efforts at explaining the changes in economic growth in Nigeria. As a result, policy decisions are not anchored on scientific models that track major economic indices (Adenikinju, Busari, & Olofin, 2009).

Against this background, this study applied a scientific model to analyze the relationships between fiscal policy instruments and economic growth in Nigeria between 1986 and 2016. This study attempted to do this by applying the autoregressive distributed lag (ARDL) approach suggested by Pesaran, Shin, and Smith (2001). The ARDL approach can be used to simultaneously estimate short-term and long-term relationships (Ghatak & Siddiki, 2001).

Review of Literature

Economic growth has long been considered an important goal of economic policy with a substantial body of research dedicated to explaining how this goal can be achieved (Fadare, 2010). According to Jhingan (2008), economic growth is an increase in the capacity of an economy to produce goods and services compared from one period of time to another. Economic growth can be either positive or negative. Positive growth is associated with an increase in the number of goods and services produced by an economy over time. Negative growth can be referred to as the shrinking of the economy. Negative growth is associated with economic recession and economic depression.

There are only a few ways to generate economic growth (Forsythe, 2012). The first is discovering new or better economic resources. A second

way to generate economic growth is to grow the labour force (that is, more workers generate more economic goods and services). A third way to generate economic growth is to create superior technology or other capital goods. The fourth method is increased specialization. This means labourers become more skilled at their crafts, raising their productivity through trial and error or more practice. An increase in economic growth caused by more efficient use of inputs (such as labour productivity, physical capital, energy or materials) is referred to as *intensive growth*. GDP growth caused only by an increase in the number of inputs available for use (increased population, new territory) is called *extensive growth* (Bjork, 1999).

Economic growth is most frequently expressed in terms of an increase in the gross domestic product (GDP), a measure of the economy's total output of goods and services. It is the increase in the amount of the goods and services produced by an economy over time. As more goods and services are produced, the real GDP increases and people are able to consume more. It is conventionally measured as the percentage rate of increase in the gross domestic product (GDP) (Dolan, Frendreis, & Tatalovich, 2009).

Growth is usually calculated in real terms, that is, inflation-adjusted terms. This is done in order to eliminate the distorting effect of inflation on the price of goods produced (Bjork, 1999). The economic growth rate is calculated from data on the gross domestic product (GDP) estimated by countries' statistical agencies. An economic growth rate is a measure of economic growth from one period to another in percentage terms. In practice, it is a measure of the rate of change that a nation's gross domestic product (GDP) goes through from one year to another. It can be stated as follows:

$$\text{Economic Growth Rate} = \frac{GDP_2 - GDP_1}{GDP_1} \quad (1)$$

The economic growth rate provides insight into the general direction and magnitude of growth for the overall economy. There are several instruments used in stimulating and sustaining economic growth. These include but are not limited to fiscal policy and monetary policy. Fiscal policy is examined hereunder.

Fiscal Policy: Types and Instruments

The term fiscal policy has conventionally been associated with the use of taxation, public debt, and public expenditure to influence the level of economic activities (Dwivedi, 2008). Fiscal policy affects the rate of growth through the effects and impact of public expenditure and tax policy (Shkendije, 2015). Thus, fiscal policy aims at stabilizing the economy.

There are two types of fiscal policy. They are expansionary fiscal policy and contractionary fiscal policy. When an economy is in a recession, expansionary fiscal policy is used to stimulate economic growth. Typically in this type of fiscal policy, the government either spends more, cuts taxes or does both if it can. The idea is to put more money in consumers' hands, so they spend more. A recession results in a recessionary gap meaning that aggregate demand (GDP) is at a level lower than it would be in full employment situation. To close this gap, a government will typically increase its spending which will directly increase the aggregate demand (since government spending creates demand for goods and services). At the same time, the government may choose to cut taxes, which will indirectly affect the aggregate demand by allowing the consumer to have more money at their disposal to consume and invest. The actions of this expansionary fiscal policy help an economy to grow.

Contractionary fiscal policy is essentially the opposite of expansionary fiscal policy. It is rarely used because its goal is to slow economic growth. When an economy is in a state where growth is at a rate that is getting out of control (causing inflation) contractionary fiscal policy can be used to bring it to a more sustainable level. That is because the long-term impact of inflation can damage the standard of living as much as a recession.

The tools of fiscal policy are government (public) spending, taxation, and public debt (Dwivedi, 2008). Taxes provide the major revenue source that funds the government. The two broad components of taxation are direct and indirect taxation. Each of these has its components and varying effect on the economic growth of a nation. Direct taxes are taxes levied directly on private individuals, corporations, and property. They make up 20% to 40% of total taxes for

most less developed countries (LDCs) (Todaro & Smith, 2009). Indirect taxes are usually defined as taxes that are levied against goods and services and thus only indirectly on people (Samuelson, 1982). Such taxes include tariff duties (import and export duties), excise taxes (purchase, sales, and turnover taxes) and value-added taxes which tax is charged only on the costs added at each stage of production. Indirect taxes constitute the primary source of fiscal revenue for LDCs (Todaro & Smith, 2009).

The second tool is the government or public spending. Public spending takes the form of capital expenditure and recurrent expenditure. Capital expenditure includes expenditure on public works and goods, while recurrent spending includes expenditure on maintaining the workforce (salaries and allowances).

The third tool is public debt. Public debt refers to loans incurred by the government to finance its activities when other sources of public income fail to meet the requirements. It is the total of the nation's debts which covers debts of local and state and national governments (Makau, 2008).

Many empirical studies have tried to trace and analyse the relationship between fiscal policy (government expenditure, taxation, and public debt) instruments and economic growth in Nigeria. Some of these studies have generated mixed findings. Some of these findings are cited hereunder.

Government Expenditure and Economic Growth: Government or public expenditure is a tool of fiscal policy which is used by the government to influence growth in an economy. Public spending takes the form of capital expenditure and recurrent expenditure. Capital spending includes expenditure on public works and goods, while recurrent spending includes expenditure on maintaining the workforce (salaries and allowances).

Some empirical studies have explored the impact of government expenditure on economic growth in Nigeria but with contradictory results. While some scholars argue that increase in government expenditure on socio-economic and physical infrastructures encourages economic growth (such as Chude & Chude, 2013; Dauda, 2010; Eiya & Izedonmi, 2010; Onyemaechi, 2014), others (such as Ighodaro & Oriakhi, 2010;

Nurudeen & Usman, 2010; Ogundipe & Olwatobi, 2013; Olulu, Erhieyowe, & Ukawe, 2014) claim that increasing government expenditure does not promote economic growth and that higher government expenditure may slow down overall performance of the economy.

Public Debt and Economic Growth: Public debt refers to loans incurred by the government through the domestic source and the external source to finance its activities when other sources of public income fail to meet the requirements (Ozurumba & Kanu, 2014). It is expected that developing countries when facing a scarcity of capital would resort to borrowing from either internal or external sources to supplement domestic saving (Aluko & Arowolo, 2010). While taxes generally provide the bulk of the revenue, public borrowings bridge the resource gap between receipt and expenditure. The primary deficit is the difference between taxation and government expenditure on goods and services. Economic theory suggests that reasonable levels of borrowing by a developing country are likely to enhance its economic growth (Pereira & Xu, 2000).

There have been empirical studies on the relationship between public debt and economic growth in Nigeria but with contradictory results. While some scholars argue that increase in public debt encourages economic growth (such as Adenike, Adekunle, & Abiodun, 2007; Osinubi & Olareru, 2006), others (such as Abula & Mordecai, 2016; Adofu & Abula, 2010; Eiya & Ibadin, 2015) claim that increasing public debt does not promote economic growth.

Taxation and Economic Growth: Taxation is a source of government revenue by which individuals and corporate bodies are mandatorily required to pay certain proportion of their earnings to the government in order to generate the needed revenue for the provision of basic amenities and create enabling condition for the economic wellbeing of the society [Ebiringa & Emeh, 2012; Ifurueze & Ekezie, 2014; International Monetary Fund (IMF), 2012; Takumah, 2014]. Therefore tax is a strong fiscal tool for the government in any nation to stimulate the economy.

Some studies have explored the relationship between taxation and economic growth with contradictory results. At one extreme of the

debate is the belief that tax serves as a growth driver (such as Ibadin & Oladipupo, 2015; Salami, Apelogun, Omidia, & Ojoye, 2015; Izedonmi & Okunbor, 2014) while at the other extreme is the observation or belief that there is a negative or non-significant relationship between taxation and economic growth (such as Ebiringa & Emeh, 2012; Ilaboya & Mgbame, 2012).

Inflation and Economic Growth: Inflation is an economic situation in which prices are rising rapidly and continuously, causing a corresponding fall in the value of money (Melberg, 1992; Osamwonyi, 2011). The effects of inflation on an economy can be positive or negative. Negative effects of inflation include an increase in the opportunity cost of holding money, uncertainty over future inflation which may discourage investment and savings, and if inflation is rapid enough, shortages of goods as consumers begin to hoard goods thinking that there will be a future increase in prices. Positive effects include ensuring that Central Banks can adjust real interest rates (to mitigate recessions) and encouraging investment in non-monetary capital projects.

There have been empirical studies on the relationship between inflation and economic growth in Nigeria with contradictory results. Some studies (such as Aminu & Anono, 2012) found a positive relationship between inflation economic growth in Nigeria, some others (such as Bakare, Kareem, & Oyelekan, 2015, Bassey & Onwioduokit, 2011; Omoke, 2010) found a negative and economic growth in Nigeria.

Based on the sample survey of literature on the relationship between fiscal policy instruments and economic growth, some observations can be made. First, most of the studies carried out examined the individual relationship between fiscal policy instruments and economic growth in Nigeria. This study attempted to fill this gap by analyzing the combined impacts of three fiscal policy instruments (government expenditure, public debt, and taxation) on economic growth in Nigeria. Secondly, the majority of the studies employed the static ordinary least squares (OLS) regression techniques. The static ordinary least squares (OLS) regression estimation techniques do not capture the short-run and long-run impacts of the variables simultaneously. This

study attempted to fill this gap by employing the autoregressive distributed lag (ARDL) method of analysis the short-run and long-run relationships between fiscal policy instruments and economic growth in Nigeria from 1986 to 2016. Thirdly, previous studies carried out did not include moderating variables. This study also filled this gap by adding the inflation variable to serve as a moderating variable in the analysis.

Theoretical Framework and Model Specification

The investigation of the relationship between fiscal policy instruments and economic growth in Nigeria is anchored on the neoclassical framework which advanced a steady growth state. The economic implication of this model or theory is that taxes and government spending can have a consistent effect on output at both the short run and long run.

The starting point of conventional economic growth theorization is the neoclassical model developed by Robert Solow (1956) and Trevor Swan (1956) which involved a series of equations showing the relationship between labour-time, capital goods, output and investment. A major issue with growth modelling is the determination of the variables to include as potential growth determinants (Petrakos, Arvanitidis, & Pavleas, 2007; Ristanović, 2010). This issue results because of the open-endedness of growth theories whereby the validity of one causal theory does not imply the falsity of another.

To deal with the issue of open-endedness, some researchers such as Levine and Renelt (1992) have proposed ways to deal with the robustness of variables in growth regressions by identifying a set of potential variables for inclusion. Inclusion of a variable in the final choice requires that its associated coefficient proves to be robust. A coefficient is robust if the sign of its OLS stays constant across a set of regressions representing different possible combinations of other variables. The bulk of modern empirical work on growth has focused on growth regressions of the type pioneered by Barro (1991). A generic form for growth regression is:

$$g_i = X_i\gamma + Z_i\pi + \varepsilon_i \quad (2)$$

Where g_i is growth in economy i over a given period. X_i represents variables which presence is

suggested by Solow's (1956) growth model: a constant, initial income and a set of country-specific savings and population growth controls. The Solow's model is often treated as a baseline from which to build up more elaborate growth models, hence these variables tend to be common across studies. Z_i , in contrast, consists of variables chosen to capture additional growth determinants that a researcher believes are important and so generally differ across the analysis.

Starting from the key macroeconomic relation, with the aim to considering the impact that fiscal policy tools (government expenditure, public debt, and taxation) have on economic growth (proxied by GDP), Equation (2) is augmented by the influence of government expenditure (capital expenditure and recurrent expenditure), public debt (domestic debt and external debt), tax revenue, and inflation.

$$GDP_t = f(CAPEXP_{Dt}, RECEXP_{Dt}, DOMDBT_t, EXTDBT_t, TAXREV_t, INFL_t) \quad (3)$$

Where:

GDP = Gross domestic product
 CAEXP_D = Capital expenditure
 RECEXP_D = Recurrent expenditure
 DOMDBT = Domestic debt
 EXTDBT = External debt
 TAXREV = Tax revenue
 INFL = Inflation

The autoregressive representation of the model can be stated as:

$$GDP_t = \alpha_0 + \alpha_1 GDP_{t-1} + \alpha_2 CAEXP_{Dt} + \alpha_3 RECEXP_{Dt} + \alpha_4 DOMDBT_t + \alpha_5 EXTDBT_t + \alpha_6 TAXREV_t + \alpha_7 INFL_t + \varepsilon_t \quad (4)$$

Therefore, *apriori* expectations of the coefficients are:

$\alpha_1 > 0$: An increase in the previous value of economic growth will lead to an increase in economic growth.

$\alpha_2 > 0$: An increase in capital expenditure will lead to an increase in economic growth.

$\alpha_3 > 0$: An increase in recurrent expenditure will lead to an increase in economic growth.

$\alpha_4 > 0$: An increase in domestic debt will lead to an increase in economic growth.

$\alpha_5 > 0$: An increase in external debt will lead to an increase in economic growth.

$\alpha_6 > 0$: An increase in taxation will lead to an increase in economic growth.

$\alpha_7 < 0$: An increase in inflation will lead to a decrease in economic growth.

The method of analysis used in this study was the autoregressive distributed lag (ARDL) model. The model was introduced by Pesaran, Shin, and Smith (2001). The Autoregressive Distributed Lag (ARDL) approach is a regression technique for determining long-run and short-run relationships among variables under study simultaneously. The ARDL approach has the advantage that it can be applied irrespective of

the order of integration of the series (Banerjee, Dolado, & Mestre, 1998; Ghatak & Siddiki, 2001) and can, therefore, be estimated directly as a multivariable single equation.

Following Pesaran, Shin, and Smith (2001), the autoregressive distributed lag (ARDL) representation of the model (Equation 4) is specified as follows:

$$\begin{aligned}
\Delta GDP_t = & \alpha_0 + \sum_{i=1}^n \alpha_{1i} \Delta GDP_{t-i} + \sum_{i=0}^n \alpha_{2i} \Delta CAEXPD_{t-i} + \sum_{i=0}^n \alpha_{3i} \Delta REEXPD_{t-i} + \sum_{i=0}^n \alpha_{4i} \Delta DOMDBT_{t-i} \\
& + \sum_{i=0}^n \alpha_{5i} \Delta EXTDBT_{t-i} + \sum_{i=0}^n \alpha_{6i} \Delta TAXREV_{t-i} + \sum_{i=0}^n \alpha_{7i} \Delta INFL_{t-i} + \beta_1 GDP_{t-1} + \beta_2 CAEXPD_{t-1} \\
& + \beta_3 REEXPD_{t-1} + \beta_4 DOMDBT_{t-1} + \beta_5 EXTDBT_{t-1} + \beta_6 TAXREV_{t-1} + \beta_7 INFL_{t-1} + \varepsilon_t \quad (5)
\end{aligned}$$

where :

GDP_t = Current value of gross domestic product,

GDP_{t-i} = Past values of gross domestic product,

$CAEXPD_t$ = Current value of capital expenditure,

$CAEXPD_{t-i}$ = Past values of capital expenditure,

$REEXPD_t$ = Current value of recurrent expenditure,

$REEXPD_{t-i}$ = Past values of recurrent expenditure,

$DOMDBT_t$ = Current value of domestic debt,

$DOMDBT_{t-1}$ = Past values value of domestic debt,

$EXTDBT_t$ = Current value of external debt,

$EXTDBT_{t-1}$ = Current value of external debt,

$TAXREV_t$ = Current value of taxes,

$TAXREV_{t-i}$ = Past values of taxes,

$INFL_t$ = Current value of inflation,

$INFL_{t-i}$ = Past values of inflation.

t = time period, $\sum$ = summation, Δ denotes the first difference operator,

α_0 is the constant component, and ε_t is the residual or stochastic term.

The left-hand side of the model (Equation 5) is the economic growth represented by the gross domestic product (GDP). The terms with the summation signs α_1 to α_7 on the right-hand side of the model (Equation 5) represent the short-run relationship of the model. The first to the seventh term with beta signs $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$, and β_7 on the right-hand side of the model (Equation 5) correspond to the long-run relationship of the model.

Empirical Analysis and Results

Before performing the main analyses, the summary statistics were performed using the coefficient of skewness and kurtosis, normal

probability plots and Jarque-Bera test of normality. The time series were then tested for stationarity both graphically and with formal testing schemes by means of Augmented Dickey-Fuller and Philips-Perron tests of a unit root. The series that were non-stationary were appropriately transformed before proceeding to the main econometric analyses.

Time Series Analysis

Before performing formal tests, it is always advisable to plot the time series under study. Such plots give an initial clue about the likely nature of the time series. The figures below show the line graphs of the historical performance of the variables used in this study.

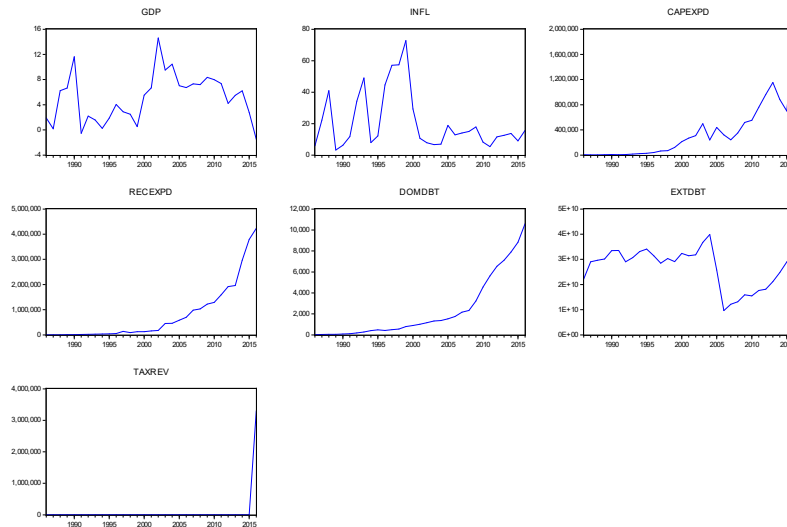


Figure 1: Variables at Levels

Source: Researchers' calculation by EViews (2017).

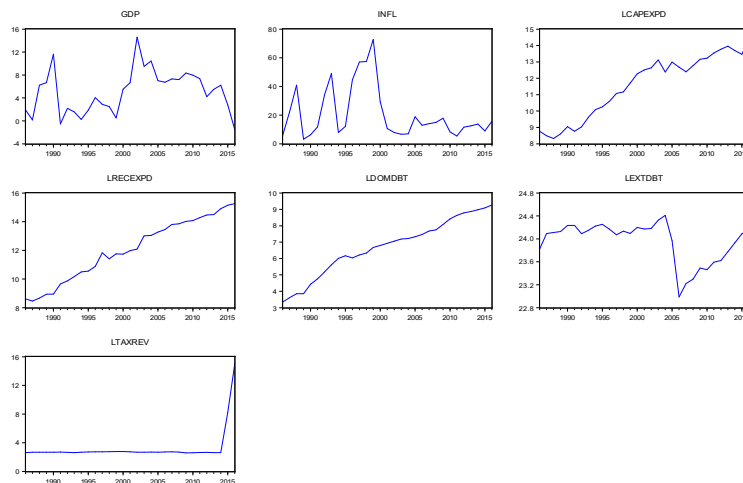


Figure 2: Logarithm of Variables (Excluding GDP and Inflation)

Source: Researchers' calculation by EViews (2017).

Figure 1 shows the multiple graphs of the series at their level form while figure 2 shows the graphs of the logarithmic values of the series. The graphs show that there is little evidence to

suspect the presence of structural break or outlier in the seven variables but the graphs of logarithmic series display a more stable variance than the changes in the original series.

Descriptive Statistics

The descriptive statistics of the variables were also conducted.

Table 1: Descriptive Statistics of Variables in Nigeria (1986-2016) at Levels

Variable	Mean	Median	Std.Dev.	Skewness	Kurtosis	Jarque-Bera	Observations
GDP	5.09	5.52	3.80	0.32	2.73	0.63 (0.00)	31
INFL	20.70	12.88	18.28	1.40	3.87	10.16 (0.00)	31
CAPEXPD	344055	239451	42577	1.75	6.22	29.26 (0.00)	31
RECEXPD	781044	158563	11368888	1.78	5.27	22.57 (0.00)	31
DOMDBT	2320	1017	2981	1.43	3.82	11.49 (0.00)	31
EXTDBT	2.68	2.91	7.74	-0.72	2.52	2.97 (0.23)	31
TAXREV	106683	14.52	593212	5.29	29.0	1020 (0.00)	31

Source: Researchers' calculation by EViews (2017).

Table 1 above provides a descriptive statistics of the macroeconomic variables used for the study. The table shows the mean, standard deviation, skewness, kurtosis, and normality of the variables. The mean of the variables shows their average values from 1986 to 2016. The standard deviation shows that there are some dispersions in all the variables. Lastly, skewness, kurtosis and Jarque-Bera (JB) statistics showed that all the variables, but external debt, are normally distributed at a 1% level of significance. The absence of outliers, especially the gross domestic product (GDP), indicates that we can model economic growth in Nigeria without having extremely large or small values that deviate from the historical gross domestic product (GDP)

series. The descriptive statistics show that the variables have some variations and using them in the models will require identifying their stationarity properties.

Unit Root Tests for the Variables

The use of ARDL models does not impose pre-testing of variables for unit root problems. However, unit root tests are conducted in this study to find out if there are mixtures in the order of integration of our variables. The order of integration of the time series was investigated by applying the Augmented Dickey-Fuller (1979) test. The Augmented Dickey-Fuller (ADF) unit root test results for the time series variables are presented in Table 2 below.

Table 2: Unit Root Test Results

Variable	ADF Test Statistic at Level	ADF Test Statistic at 1st Difference	95% Critical ADF Value	Order of Integration	Remark
D(GDP)	-1.413245	-9.483909*	-2.976263	I (1)	Stationary
D(LCAPEXP)	-2.113901	-7.740756*	-2.976263	I (1)	Stationary
D(LRECEXP)	-2.449084	-5.528311*	-2.976263	I (1)	Stationary
D(LDOMDBT)	-2.008831	-3.921428*	-2.976263	I (1)	Stationary
D(LEXTDBT)	-2.149070	-3.922862*	-2.976263	I (1)	Stationary
D(LTAXREV)	-2.055883	-4.520957*	-2.981038	I (1)	Stationary
D(INFL)	-2.522499	-6.376856*	-2.981038	I (1)	Stationary

Note: * = 1 percent significance.

Source: Researchers' calculation by EViews (2017).

Table 2 shows that the ADF test statistic for each of the variables is greater than the respective critical values. This means that there is a unit root in each of the time series. The results show

that all the variables became stationary after first difference. That is, they are integrated of order $I(1)$. Thus co-integration tests can be applied for all variables.

Co-Integration Test

The Engel and Granger (1987) co-integration test is used for single-equation models. The co-

integration test result for the research model is presented in Table 3 below.

Table 3: Engel and Granger Residual Based Co-Integration Test

SERIES	ADF	5% CRITICAL VALUE	ORDER OF INTEGRATION	REMARK
RESIDUAL	-5.34	-2.972	I (0)	Co-integrated

Source: Researchers' calculation by EViews (2017).

The results in Table 3 show that there is co-integration among economic growth (represented by GDP), capital expenditure (**CAPEXP**), recurrent expenditure (**RECEXP**), domestic debt (**DOMDBT**), external debt (**EXTDBT**), tax revenue (**TAXREV**), and inflation (**INFL**). Since the ADF test value for the residual is greater (absolute values) than the critical value, it is said to be stationary. Thus, the time series are co-integrated, implying that a long-run stable relationship exists among the variables used in this study. This means that any short-run

deviation in their relationships would return to equilibrium in the long-run.

Model Estimation, Diagnostics, and Interpretation

The autoregressive-distributed lag (ARDL) is a technique that allows us to simultaneously estimate the short-run and long-run coefficients of our model. The estimated **parameterized Autoregressive Distributed Lag (ARDL)** model is presented in Table 4.

Table 4: Parameterized ARDL Model Estimates

Dependent Variable: D(GDP)

Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	51.92205	131.9748	0.393424	0.7043
D(GDP(-1))	0.159253	0.297002	0.536202	0.6064
D(INFL)	-0.075038	0.037418	-2.005370	0.0798
D(INFL(-1))	0.077061	0.042902	1.796220	0.1102
D(LCAPEXP)	2.793788	2.877037	0.971064	0.3600
D(LCAPEXP(-1))	-1.875221	2.796515	-0.670556	0.5214
D(LDOMDBT)	3.981510	6.114121	0.651199	0.5332
D(LDOMDBT(-1))	-9.166036	6.220659	-1.473483	0.1788
D(LEXTDBT)	0.866510	3.596317	0.240944	0.8157
D(LEXTDBT(-1))	0.208865	2.778431	0.075174	0.9419
D(LRECEXP)	-6.654669	4.431976	-1.501513	0.1716
D(LRECEXP(-1))	1.754805	3.312084	0.529819	0.6106
D(LTAXREV)	-0.078093	0.623649	-0.125219	0.9034
D(LTAXREV(-1))	-13.86734	14.00989	-0.989825	0.3512
GDP(-1)	-1.189198	0.476158	-2.497488	0.0371
INFL(-1)	-0.180002	0.065501	-2.748082	0.0251
LCAPEXP(-1)	6.289444	2.430302	2.587927	0.0322
LDOMDBT(-1)	-1.626676	6.475035	-0.251223	0.8080
LEXTDBT(-1)	-3.304933	4.329669	-0.763322	0.4672
LRECEXP(-1)	-4.750191	5.676289	-0.836848	0.4270
LTAXREV(-1)	13.04977	13.99055	0.932755	0.3782
R-squared	0.912545	Mean dependent var	-0.057931	
Adjusted R-squared	0.693909	S.D. dependent var	3.801947	
S.E. of regression	2.103446	Akaike info criterion	4.485453	
Sum squared resid	35.39589	Schwarz criterion	5.475564	
Log likelihood	-44.03907	Hannan-Quinn criter.	4.795543	
F-statistic	4.173802	Durbin-Watson stat	2.317079	
Prob(F-statistic)	0.021966			

Source: Researchers' calculation by EViews (2017).

Following Hendry's (1995) general to a specific modelling approach, all the insignificant explanatory variables were deleted from the parameterized model to arrive at the parsimonious model. The parsimonious representation is presented in Table 5 below.

Table 5: Parsimonious ARDL Model Result

Dependent Variable: D(GDP)

Method: Least Squares

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	51.92205	131.9748	0.393424	0.7043
D(INFL)	-0.075038	0.037418	-2.005370	0.0798
GDP(-1)	-1.189198	0.476158	-2.497488	0.0371
INFL(-1)	-0.180002	0.065501	-2.748082	0.0251
LCAPEXPD(-1)	6.289444	2.430302	2.587927	0.0322
R-squared	0.912545			
Adjusted R-squared	0.693909			
F-statistic	4.173802			
Prob(F-statistic)	0.021966			
Durbin-Watson stat	2.317079			

Source: Researchers' calculation by EViews (2017).

The equation of the estimated model is stated in Equation 6

$$\Delta(GDP)_t = 51.92 - 0.08\Delta INFL_{t-1} - 1.19GDP_{t-1} - 0.18INFL_{t-1} + 6.29LCAPEXPD_{t-1} \quad (6)$$

(0.393) (-2.0) (-2.497) (-2.75) (2.59)

{0.70} {0.08} {0.04} {0.03} {0.03}

Note:

*t-values are in brackets.

*probability values are below t-values.

After estimating the empirical **ARDL** model, a variety of diagnostic tests were carried out to enhance the credibility of the model. The Breusch-Godfrey serial correlation LM test; the

Jarque-Bera test for normality; and the cumulative sum of squares (CUSUM-SQ) test for model stability were conducted. The results of the respective tests are presented in Table 6.

Table 6: ARDL Model Diagnostic Tests

TEST	F-STATISTIC	P-VALUE
Serial Correlation: Breusch-Godfrey serial correlation LM test	0.11	0.26
Normality: Jarque-Bera test.	0.41	0.82

Source: Researchers' calculation by EViews (2017).

The diagnostics indicate that the residuals were serially uncorrelated and normally distributed based on Breusch-Godfrey serial correlation LM test and Jarque-Bera test respectively.

The existence of a stable and predictable relationship is considered a necessary condition for the formulation of fiscal policy strategies. The stability properties of the ARDL model were examined. Because the model is a multivariable model, we computed the recursive statistic to get

a further impression of the stability of the model through time. In view of this, we applied the CUSUM-of-squares (CUSUM-SQ) test, which Brown, Durbin, and Evans (1975) developed. According to Bahmani-Oskooee and Wing NG (2002), if the plot of these statistics remains within the critical bound of the 5% significance level, the null hypothesis (i.e. that all coefficients in the model are stable) cannot be rejected. A graphical presentation of this test for our ARDL model is provided in Figure 3.

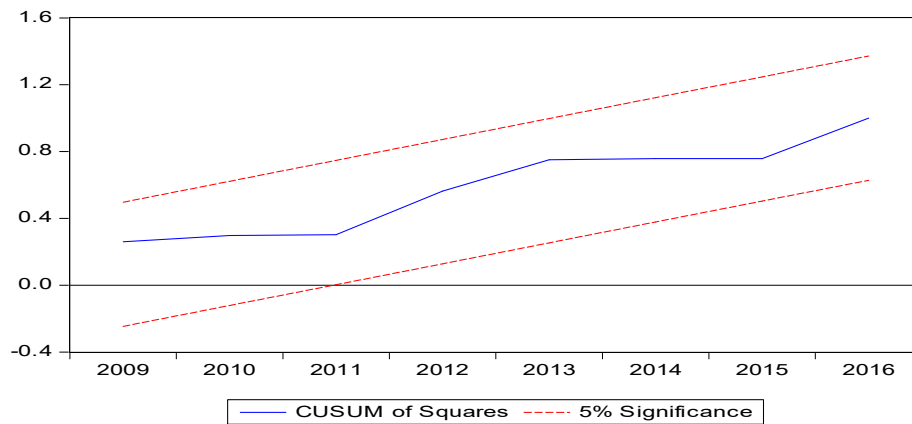


Figure 3: Cumulative sum of squares (CUSUM-SQ) of recursive residuals plot.

Source: Researchers' calculation by EViews (2017).

Since the plots of the cumulative sum of squares (CUSOM-SQ) statistics for economic growth do not cross the critical value lines as Figure 3 clearly indicate, it is, therefore, safe to conclude that ARDL economic growth model is stable and economic growth can be used as a target variable.

The diagnostic results of the model show that the **ARDL** model performs very well. In other words, this **ARDL** model can be applied in explaining the impact of fiscal policy tools on economic growth in Nigeria. We can, therefore, interpret the model.

By considering recent empirical studies in the context of fiscal policy and economic growth, an empirical multivariate autoregressive distributed-lag model was constructed which emphasized the effect of fiscal policy instruments on economic growth. Diagnostic tests for serial correlation (Breusch-Godfrey serial correlation LM test), normality (Jarque-Bera test), and stability (CUSUM-of-squares tests) were performed on the estimated model. The empirical results from the parsimonious **ARDL** model are reported in Table 7 below.

Table 7: The ARDL Model Results for Interpretation

Dependent Variable: D(GDP)

	Coefficient	(t-statistic)	Probability
Constant	51.92	(0.393)	0.70
Independent Variables			
Short-Run Results			
Previous Gross Domestic Product	0.159	0.536	0.60
Current inflation	-0.08	(-2.0)***	0.08
Previous value of inflation	0.08	1.80	0.11
Current capital expenditure	2.79	0.97	0.36
Previous capital expenditure	-1.88	-0.67	0.52
Current recurrent expenditure	-6.65	-1.50	0.17
Previous recurrent expenditure	1.75	0.53	0.61
Current domestic debt	3.98	0.65	0.53
Previous domestic debt	-9.17	-1.47	0.18
Current external debt	0.87	0.24	0.82
Previous external debt	0.21	0.08	0.94
Current tax revenue	-0.08	-0.13	0.90
Previous tax revenue	-13.87	-0.99	0.35
Long-Run Results			
Previous Gross domestic product	-1.19	(-2.497)**	0.04
Previous Inflation	-0.18	(-2.75)**	0.03
Capital expenditure	6.29	(2.59)**	0.03

Recurrent expenditure	−475	−0.84	0.43
Domestic debt	−1.63	−0.25	0.81
External debt	−3.30	−0.76	0.47
Tax revenue	13.05	0.93	0.34
R-squared	0.91		
Adjusted R-squared	0.69		
F-statistic	4.17		
Prob (F-statistic)	0.02		
Durbin-Watson statistic	2.31		

t-statistics are in parenthesis; ** implies significance at a 5% confidence level, *** implies significance at a 10% confidence level. Others without an asterisk are not significant.

Source: Researchers' calculation by EViews (2017).

Table 7 presents the results of short-run and long-run estimates of the parsimonious model.

The coefficient of determination ($R^2 = 0.91$) of the estimated model shows that about 91% of the changes in the economic growth of Nigeria is jointly explained and accounted for by the fiscal policy variables in the estimated **ARDL model**. This, when adjusted for the degree of freedom based on the adjusted coefficient of determination (Adjusted R-squared = 0.69), shows that the **ARDL model** has about 69% explanatory power of economic growth in Nigeria. The *F*-test which is used to determine the overall statistical significance of a regression model shows that the overall regression is statistically significant at 5% level. This implies that the **ARDL model** has a satisfactory goodness-of-fit.

Discussion of Findings

This study investigated the relationships between fiscal policy instruments (government expenditure, taxation, and public debt) and economic growth (GDP) in Nigeria using annual time series data from 1986 to 2016. The study disaggregated government expenditure into capital expenditure and recurrent expenditure, and public debt into domestic debt and external debt. The data were sourced from the publications of the Central Bank of Nigeria (CBN), Debt Management Office (DMO), and the National Bureau of Statistics (NBS). A model was formulated, estimated (using OLS), and validated (using standard statistical and econometric techniques).

The relationship between government capital expenditure and economic growth in Nigeria

Findings:

Short-run: Current capital expenditure had a positive but not significant impact on economic growth in Nigeria. This positive relationship is consistent with the theory. However, an insignificant relationship is consistent with the finding of Ogundipe and Oluwatobi (2013). Previous capital expenditure had a negative but not significant impact on economic growth in Nigeria in the short run.

Long-run: Capital expenditure had a positive (6.29) and not significant (5%) impact on economic growth in Nigeria. This is consistent with the theoretical expectation that says that an increase in government expenditure will lead to an increase in economic growth. This result is consistent with extant literature in Nigeria (such as Chude & Chude, 2013; Dauda, 2010; Eiya & Izedonmi, 2010). The result is not consistent with the findings of Ighodaro and Oriakhi (2010) and Nurudeen and Usman (2010).

The relationship between government recurrent expenditure and economic growth in Nigeria

Findings:

Short-run: Recurrent expenditure had a negative and not insignificant relationship with economic growth in Nigeria. This negative relationship is not consistent with the theory. This result is consistent with the finding of Ogundipe and Oluwatobi (2013). Previous recurrent expenditure had a positive and not significant

relationship with economic growth in Nigeria in the short run.

Long-run: Recurrent expenditure had a negative and not significant impact on economic growth in Nigeria. This is not consistent with the theoretical expectation that says that an increase in government expenditure will lead to an increase in economic growth.

The relationship between domestic debt and economic growth in Nigeria

Findings:

Short-run: Current domestic debt had a positive and not significant impact on economic growth in Nigeria in the short run. This relationship (positive) is consistent with the theoretical expectation that says that an increase in public debt will lead to an increase in economic growth. However, the impact is not significant. This result is not consistent with any of the reviewed extant literature in Nigeria. The previous domestic debt had a negative and not significant impact on economic growth in Nigeria in the short run.

Long-run impact: Domestic debt had a negative and not significant impact on economic growth in Nigeria in the long run. This finding is not consistent with the theoretical expectation that says that an increase in public debt will lead to an increase in economic growth. This result is consistent with extant literature in Nigeria such as Abula and Mordecai (2016).

The relationship between external debt and economic growth in Nigeria

Findings:

Short-run: Current external debt had a positive and not significant impact on economic growth in Nigeria in the short run. This finding (positive relationship) is consistent with the theoretical expectation that says that an increase in public debt will lead to an increase in economic growth. Previous external debt also had a positive and not significant impact on economic growth in Nigeria in the short run.

Long-run impact: External debt had a negative and insignificant impact on economic growth in Nigeria in the long run. This finding is not consistent with the theoretical expectation that says that an increase in public debt will lead to an increase in economic growth. This result is consistent with extant literature in Nigeria such as Abula and Mordecai (2016).

The relationship between tax revenue and economic growth in Nigeria

Findings:

Short-run impact: Current tax revenue had a negative and not significant impact on economic growth in Nigeria in the short run. This result is not consistent with the theoretical expectation that says that an increase in taxation will lead to an increase in economic growth. This result is not consistent with any of the reviewed extant literature in Nigeria. Previous tax revenue also had a negative and not significant impact on economic growth in Nigeria in the short run.

Long-run impact: Tax revenue had a positive and not significant impact on economic growth in Nigeria. This result is consistent with the theoretical expectation that says that an increase in taxation will lead to an increase in economic growth. This result is not consistent with any of the reviewed extant literature in Nigeria.

Other Findings:

- i. The previous value of economic growth had a positive and not significant impact on its current value in the short run in Nigeria.
- ii. The past value of economic growth had a negative (-1.19) and significant (5%) impact on its current value in the long run in Nigeria. The inference that can be drawn from this is that economic growth function follows the rational expectation theory. That is expectations that are formed about past levels of economic growth affect the current economic growth.

Conclusion and Policy Recommendations

This study was carried out to ascertain the relationship between fiscal policy instruments and economic growth (changes in GDP) in Nigeria. The study can conclude from the findings that there was no fiscal policy variable that had a significant impact on economic growth in Nigeria in the short-run. The fiscal policy variables that had significant impacts on economic growth in Nigeria in the long-run were the previous gross domestic product (negative) and capital expenditure (positive).

Based on the findings, the following recommendations were made:

1. It was found that capital expenditure had a positive (6.29) and significant (5%) impact on economic growth in Nigeria while recurrent expenditure did not. It is,

therefore, recommended that the government should skew public expenditure away from recurrent expenditure to the capital expenditure.

2. It was found that public debts (domestic debt and external debt) had no significant impact on economic growth in Nigeria. It is, therefore, recommended that the government should avoid unnecessary borrowings.
3. It was found that tax revenue had no significant impact on economic growth in Nigeria. Hence, it is recommended that the government should develop new strategies of implementing tax revenue generated in Nigeria.
4. It was found that the previous value of economic growth had a negative (-1.19) and significant at (5%) impact on economic growth in Nigeria. It is, therefore, recommended that the government should ensure transparency in fiscal policies implementation, especially in budget implementation.

Contribution to Knowledge

The study has contributed to knowledge in the following ways. Firstly, most of the previous studies carried out examined the individual relationship between fiscal policy instruments and economic growth in Nigeria; this study contributes to by analyzing the combined impacts of three fiscal policy instruments (government expenditure, public debt, and taxation) on economic growth in Nigeria. Secondly, majority of the previous studies employed the static ordinary least squares (OLS) regression techniques that do not capture the short-run and long-run impacts of the variables simultaneously. Therefore, this study contributes to knowledge by employing the autoregressive distributed lag (ARDL) method to simultaneously analyze the short-run and long-run impacts of fiscal policy instruments on economic growth in Nigeria. Thirdly, most previous studies carried out did not include moderating variables. This study contributes to knowledge by including the inflation variable to serve as a moderating variable in the analysis.

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DETERMINANTS OF PUBLIC PROCUREMENT CORRUPTION IN NIGERIA

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Abstract

This study explores the factors influencing public procurement corruption in Nigeria. The population of the study consist of 168 procurement officers selected at random from different Ministries, Departments and Agencies (MDAs) of the Federal Government of Nigeria. Primary data were collected through the use of questionnaires. Data generated were analysed using descriptive statistics and multiple regressions. The findings revealed that all three determinants (economic, social and organizational) investigated in the study influence public procurement corruption. However, organizational factor was found to be the most significant predictor of public procurement corruption in Nigeria ($t= 3.348, p < 0.05$) followed by Economic determinant ($t= 3.278, p < 0.05$. and then by Social determinants ($t= 2.041, p < 0.05$). It was concluded that corruption in public sector procurement is endemic hence the need to identify the root causes and make efforts to combat it. The study, therefore, recommends that the accounting officers at various MDAs should ensure that strong internal control mechanisms are put in place to detect and prevent corrupt practices. Also, the Bureau of Public procurement should ensure the regular audit of MDAs procurement processes and ensure any public official culpable of a corrupt or fraudulent act while carrying out public procurement is punished in line with the provision of the Public Procurement Act.

Keywords: Corruption, Public Procurement, Determinants of Public Procurement Act, Fraud triangle theory

JEL Classifications: D73; H57

1. Introduction

In recent times, the issue of corruption has taken the centre stage of most discussion on reforms in public procurement and financial management at global, continental and national levels. This is because there are undeniable shreds of evidence that public sector purchasing is the most vulnerable to corruption (OECD, 2016). The negative impact of corruption on a country's social institutions cuts across the divide of both developed and developing countries. To this end, Bernaldez (2014) stressed that corruption continues to challenge social scientists as a phenomenon that seems invincible, which has proven to plague societies since the government, as a social institution, was invented. Corruption, as a social plague, affects both developing and developed economies of the world, private and public sector alike. However, needless to say, it is more prevalent in developing and less developed countries.

Pertinent to Africa, Apolloni and Nshombo (2013) observed that corruption is the major scourge of governments in Africa. Thus, there is no gainsaying the fact that corruption is widespread in Nigeria and the negative impacts of this treacherous menace are obvious in all spheres of our national life, social structure, and milieu.

Procurement indeed provides the opportunity for corrupt practices due to high funds available for procurement projects. It has been argued that few activities provide the leeway for sharp or fraudulent practices than public procurement (European Commission, 2015). At the continental level, for example, Pelizzo, Araral, Pak and Xun (2016) discovered from a bi-continental empirical study between Sub-Sahara Africa and Asia that, securing government contracts was the most significant motivation for bribery [corruption]. Furthermore, while Blackburn and Powell (2011), Evrensel (2010),

and Aidt, Dutta and Sena (2008) converge on the position that corruption has a negative effect on growth, Egger and Winner (2005) maintains that corruption has a negative effect on foreign direct investment. In the same vein, Anokhin and Schulze (2009) concluded that corruption has a negative effect on innovation. Growth, foreign direct investment, and innovation are critical for national competitiveness at both firm and country levels and corruption can impede the positive microeconomic and macroeconomic effects that they should otherwise have on an economy. Similarly, at the country level, the many cases of procurement frauds and public procurement policy infractions recorded in Nigeria lend credence to this assertion.

Public procurement is the means of acquisition of goods and services for the public good by utilising third parties, that is, contractors, suppliers, and consultants. Proficient public procurement is guided by the need to ensure competition, value for money, social efficiency, transparency and ethical standards. Anything short of these will pave ways for corruption which are without multiple attendant consequences. According to research conducted by Mawenya (2008), findings from the study revealed that corrupt practices in sub-Saharan Africa which Nigeria is part of gulped about 70% of government procurement which in return inflates the cost of contracts by about 20-30%. United Nations Office on Drugs and Crime (UNODC) in a survey conducted in 2017 assessed that the total amount of bribes paid to government officials in Nigeria in the twelve months before the survey was about four hundred billion Naira (the equivalent of \$2.5 billion). This huge amount according to UNODC is comparable to 39% of the combined nation's education budgets in 2016. Consequently, the Independent Corrupt Practices and other Related Offences Commission (ICPC) revealed that 60% of corruption cases in Nigeria are procurement related.

Successive governments in Nigeria have come up with several strategies and policies in a bid to curtail corrupt or fraudulent practices in public procurement. Prominent among the policies is the enactment of the Public Procurement Act (2007). However, despite the introduction of the Act, as well as various efforts undertaken to combat the menace, the battle against

corruption in government procurement seems unending. Corruption in public sector procurement has become widespread and not until the root causes of this plague are identified, it would be very challenging to combat it. It is against this backdrop that this article attempts to investigate factors stimulating corruption in government procurement. Specifically, the study intends to investigate the economic, social and organizational determinants of public procurement corruption in Nigeria.

The rest of the paper is arranged as follows. The next section provides a review of existing related literature. Section 3 discusses the methodology adopted. Section 4 dwells on the findings and discussion. The closing section offers some workable solutions to reducing if not totally eradicating corruption in government procurement.

2.0 Literature Review

2.1 Concept of Corruption in Public Procurement

A conceptual flotilla and vertigo abound when it comes to defining corruption across multidisciplinary studies. However, despite the difficulty in explaining what corruption is, there is a widely accepted definition. According to Transparency International (2018), corruption can be defined as the "Abuse of entrusted power for private gain". Following this definition, corruption in public procurement can be seen as the abuse of entrusted power or position by public officials in charge of procurement for private or personal gain. As striking as this definition is, it does not consider the fact that unethical behaviour in public procurement is not committed by public officials only. Wide-scale public sector corruption is also perpetrated between private to private individuals, and most high and low scale corruption in the public sector cannot be successful without the connivance of private individuals and in most cases private institutions.

The Corruption Perception Index conducted by Transparency International (TI) in 2018 revealed that Nigeria with a score of 27 out of 100 is one of the most corrupt countries in the world in an assessment that ranked 180 countries (See table 1 for ranking of most corrupt African countries). It is disheartening to note that despite the huge outcry on the damaging effect of

corruption, Nigeria has consistently performed abysmally in the perception results. Meanwhile, other African countries like Botswana, Namibia

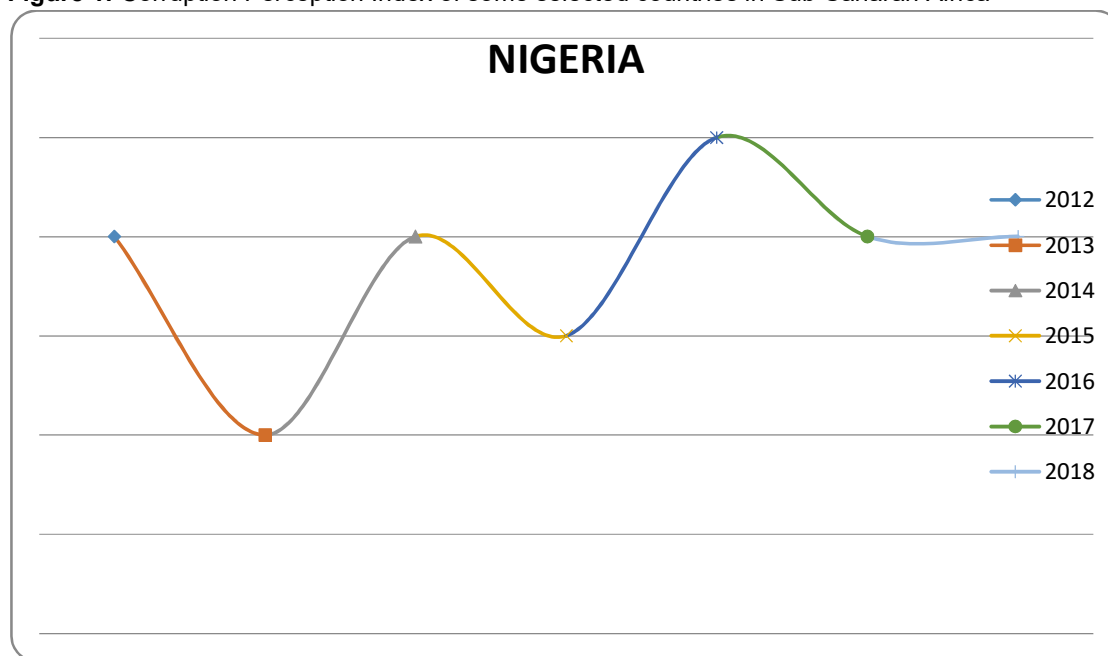
and Rwanda have not only scored higher than Nigeria but have experienced a consistent improvement.

Table 1: Corruption Perception Index for some Selected Countries in Sub-Saharan Countries

COUNTRY/YEAR	2018	2017	2016	2015	2014	2013	2012
BOTSWANA	61	61	60	63	63	64	65
COTE D'IVOIRE	35	36	34	32	32	27	29
GAMBIA	37	30	26	28	29	28	34
GHANA	41	40	43	47	48	46	45
NAMIBIA	53	51	52	53	49	48	48
NIGERIA	27	27	28	26	27	25	27
RWANDA	56	55	54	54	49	53	53
SAO TOME & PRINCIPE	46	46	46	42	42	42	42

Source: Authors computation based on the Corruption Perception Index given by Transparency International

Figure 1: Corruption Perception Index of some selected countries in Sub-Saharan Africa



Note. (Corruption Perception Performance Rating from 2012 – 2018)

The focus of this paper is to identify and investigate factors that most critically influence and predispose both public officials handling government procurement and bidders participating in the bidding process to corrupt practices. In this study, we define public procurement corruption as, *the engagement of public officials or bidders, in any illegal, unethical or morally wrong act before or after the bidding process, contrary to the laid down principle and regulation guiding public procurement with the intention of achieving a personal or selfish*

gain. By this definition, it thus means that corruption can be perpetrated by a public official who is saddled with the responsibility of effecting public procurement for private gain and can as well take place among bidders themselves either for their advantage or to the disadvantage of the procuring entity. This is referred to as private to private corruption. It can also take place between a public official and bidders in the public procurement process. These examples of corrupt behaviours in public procurement would include *bribery, contract splitting, extortion,*

fraud, embezzlement, conflict of interest, bid-rigging and nepotism.

2.2 Forms of Public Procurement Corruption

Corruption perpetrated by public officials in government purchasing manifests at every stage of the procurement process, be it at the pre-bidding stage where specifications are designed in a manner that it favours only one particular contractor; or at the bidding stage where eligibility criteria are structured in a way to favour a preferred bidder contrary to the provision of the Procurement Act; or at the post bidding stage where poor or low quality work is accepted because contractors have used part of the project fund to bribe procurement official. However, public procurement corruption involving two or more bidders (private to private corruption) takes place during the bidding process. For instance, bidders participating in a bidding process may agree among themselves to take turns to win the contract which is known as bid rotation. Also, participating bidding firms can connive to suppress the bidding process. In this case, bidders may agree not to submit their bids even after indicating interest by paying for the tender so that a particular firm can win the contract. Bidders who had earlier submitted their tenders can also agree to withdraw their submitted tenders based on agreement and understanding among themselves. They can, thereafter, be compensated by the winner by sub-contracting part of the contract to them.

According to Okoduwa (2011), fraudulent or corrupt practices in government procurement oftentimes involves the collaboration of persons. It can occur as a result of synergy between a consultant and a public official in charge of public procurement, where a consultant during project execution influences documents or figures in the process, to meet an agreed outcome with the collusion of the procuring entity; or where a supplier supplies substandard goods not fit for purpose intended and everyone pretends not to see it, or a public official in charge of public procurement who may design a specification to favour a preferred bidder or between contractors where there may be an agreement between them to take turn to win a bid or by the contractor who may influence a project with budget office or legislative arm to favour himself due to some political relationship

or privilege s/he may have.

Badenhorst (1994) posits that the purchasing environment offers chances for corruption and unethical practices. This is because it usually involves a huge amount of money which makes the environment susceptible to corruption. Public procurement is claimed to gulp about 15% –30% of a country Gross Domestic Product (GDP), meaning that several billions of dollars of taxpayers' money are spent annually for the procurement of goods and services. According to the UNODC (2013), the volume and complexity of any procurement play an important role when it comes to corruption. Invariably, larger procurements are usually vulnerable to corruption. This accounts for the prevalent procurement corrupt practices in procurement contracts. The incidence of corruption in government purchasing as established by the OECD revealed that 243(57%) out of the 427 foreign bribery cases tried using the OECD Anti-Bribery Convention between 1999 and 2014 have to do with the issue of bribery in government contracts.

2.3 Consequences of Corruption in Public Procurement

Public procurement corruption, no doubt, has grave direct and indirect costs on the economic, political and social growth of a nation. Corruption is one of the major reasons contract prices in construction projects are inflated and why the government could not achieve value for money. According to Sewpersadh and Mubangizi (2017), public procurement corruption undermines the constitutional values of public procurement and the inability of the government to avert the menace of corruption in this sector would mean that the government will not be able to fulfil its constitutional and social contract obligation. In a study that analyzed the economic costs of corruption using a basic Keynesian model, Alino (2013) demonstrated that the presence of corruption in a government had negative multiplier effects for government expenditure. The study concluded that corruption reduces the impact of government expenditure on the economy vis-a-vis the impact of investment expenditure on the economy. At the macro level, the study further revealed that GDP and GDP growth rates are overestimated for countries with a certain proportion of government expenditure going to corruption.

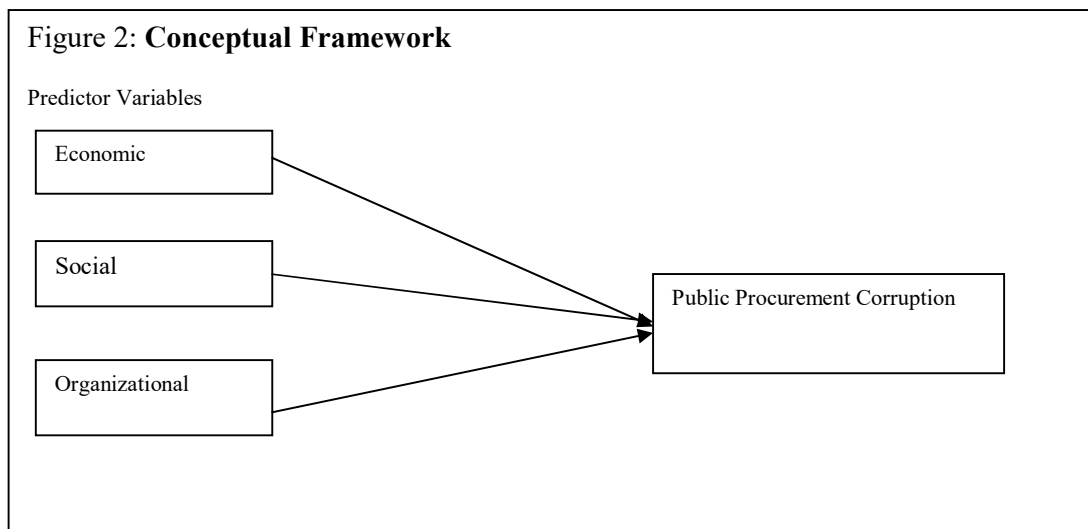
Similarly, in another empirical study to establish the influence of corruption on national competitiveness, Ulman (2013) discovered that corruption significantly influences a country's competitiveness. He noted that countries rated with small national competitiveness rates, according to the Global Competitiveness Index report data (2012-2013), statistically and practically proved to be more corrupt than countries rated with high levels of national competitiveness.

The direct implications of public procurement corruption are waste of public funds as a result of misappropriation, higher costs, and impediments to concerted efforts to lessen if not eradicate poverty. This is because those giving the bribes try to find how to recoup their money by increasing prices, demanding payment for work not executed, reducing the quality of work or using substandard materials (OECD, 2015a). In addition to this perspective, Transparency

International (2018) maintains that "Corruption corrodes the fabric of society. It undermines people's trust in political and economic systems, institutions and leaders. It can cost people their freedom, health, money – and sometimes their lives".

2.4 Conceptual Framework and Hypotheses

To give direction to the study, a conceptual framework was developed by the researchers based on the review of related literature on public procurement corruption. Several factors have been identified in the extant literature to be responsible for incidences of corrupt practices in government procurement. The factors include but are not limited to economic, political, social and organizational factors. However, in this study, three of the determinants namely economic, social and organizational factors are considered.



Source: Authors, 2019

2.4.1 Economic Motivation for Public Procurement Corruption

Literature is replete with pieces of evidence of economic factors such as poverty, income level, and high cost of living influencing corruption in public procurement particularly in the developing nations. For instance, the study conducted by Basheka (2011) revealed that economic factors such as the size of an organization, worker's remuneration, collusion and conflict of interest and political factors such as non-prosecution of corrupt officials influence corrupt practices in public procurement in Uganda. Similarly, the

study by Fiorino and Galli, (2010) on the analysis of the determinants of corruption from the Italian regions revealed that the level of corruption is positively linked with higher income inequality. Van and Weder (2001) through a cross country study using regression analysis established the fact that there exists a significant relationship between corruption and low salary of civil servants and advocated for an increase in salaries paid to civil servants if the fight against corruption will be won. They posit that government officials who are poorly remunerated but are working in places where

there is a movement of huge financial benefits to private individuals or firms through contracts tend to accept bribes (Van & Weder, 1997). In the same vein, Shamija (2006) observes that corruption has become an instrument used by Nigerians to meet their needs most in the urban centres where the cost of living is very high and in places where salaries are owed in arrears or too little to meet their basic needs. However, it has been contended that public officials who receive fat salaries are not likely to be interested in collecting or requesting for bribes (Rajib & Subarna, 2002) and that poor economic conditions alone are not sufficient to explain why people indulge in corrupt practices (Mauro, 1995). We, therefore, proposed our first hypothesis thus:

H₀₁: Economic factors do not significantly influence public procurement corruption.

2.4.2 Social Explanations for Corrupt Practices in Public Procurement

The social indices usually measured in corruption-related matters include the level of education, religion, gender, and values. Sometimes, it is based on morality and belief system. The influence of social factors on corruption in public procurement cannot be overemphasised. Many authors have argued that religion or societal belief to an extent determines the tendency of an individual's involvement in corrupt practices. Ikobi-Anyali (2017) maintains that corruption becomes widespread in a society that is devoid of moral and ethical standards. Shadabi (2013) surveyed the impact of religion on corruption and revealed that religion does not influence corruption. In essence, the study revealed that the higher the level of religious belief the lesser the tendency to be involved in corrupt practices. We, therefore, proposed our second hypothesis thus:

H₀₂: Social factors do not significantly influence public procurement corruption.

2.4.3 Organisational Motivation for Corruption in Public Procurement

The role organisational factors such as internal control mechanism, good working condition, periodic audit, organizational values and tradition play in the reduction of corrupt practices have been emphasised in the literature. For instance, Basheka and Tumutegyeize (2010) observed that organizational variables such as

lack of skilled professionals and technical knowledge in matters relating to the drafting of flawless specification without bias, project and contract management, and procurement implementation may be responsible for the many incidences of corrupt practices in public procurement. However, Hassan (2016) has a different view and argues that organizational factors are not significantly related to public procurement corruption. Therefore, we proposed our third hypothesis:

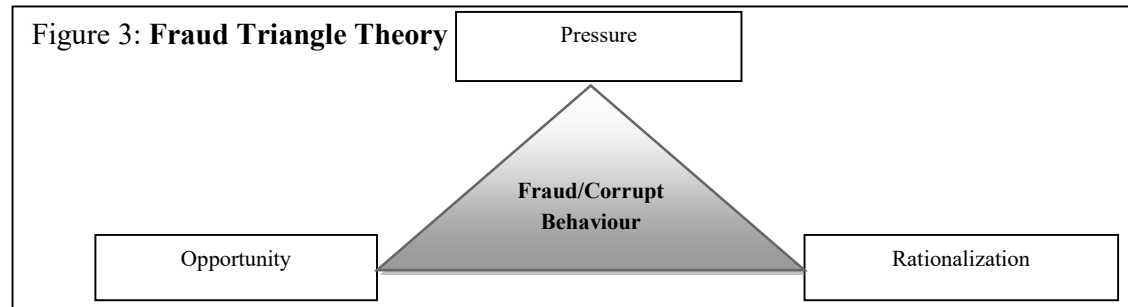
H₀₃: Organizational determinants do not influence public procurement corruption in Nigeria.

2.5 Theoretical Framework: Fraud Triangle Theory

This study employed the Fraud Triangle Theory to explain the motive behind unethical, corrupt or fraudulent practices. This theory was developed by an American criminologist known as Donald Cressey. Cressey (1953) in his theory asserts that people commit corrupt or fraudulent acts when they are under pressure such as financial problems and there is an opportunity (for example, weak internal control) to make some money through any means without being caught coupled with a rationalisation (justification) for such action particularly when they are first time offenders. Matthew, Patrick and Denise (2013) in line with the fraud theory proposed that motivational factors and organizational/environmental factors all combine to create an avenue for corrupt behaviour of public officials in public procurement. In essence, all these three factors namely pressure, opportunity, and rationalization must be present before an individual can commit unethical behaviour. Someone who is under financial pressure but working in an organization where it is very easy to detect criminal tendencies coupled with stiff penalties would find it difficult to commit such crime even in the face of serious pressure. The fraud triangle theory is relevant to this study because public procurement is such that it requires a high level of trust but with the tendency of abuse or misuse of power for private gain or benefit. Poor remuneration, high cost of living, materialism and poverty could mount financial pressure on a public servant in charge of public procurement who probably is not well paid or not being paid as at when due. S/he could see an acceptance

of bribe or breaking of laid down rules as a way of meeting his or her financial needs or augmenting his or her poor income and taking

the opportunity of the weak internal control mechanisms in the organization to involve in unethical behaviour.



Source: Wells, J. T. (2005).

3.0 Methodology

A survey on procurement officers in Ministries, Departments, and Agencies (MDAs) across Nigeria was conducted between April and August 2019 to determine their perception about factors influencing corruption in public procurement. Several factors have been identified in extant literature. However, the study focused on the economic, social and organizational factors. Questionnaires were administered to procurement officers that came from different MDAs across Nigeria for a three (3) weeks procurement conversion training programme organized by the Bureau of Public Procurement (BPP) in Lagos in April 2019.

A total of 340 procurement officers attended the conversion training. To get the appropriate sample size for the study, Slovin's formula ($n = N/1 + Ne^2$ where $e = 0.05$ for confidence level of 95%, n = sample size, while N = sample population) was used. $\{n = 340/1 + 340 \times 0.05^2 = 340/1 + 340 \times 0.0025 = 340/1 + 0.85 = 340/1.85\} = 183.7$. Therefore, 184 respondents were sampled using questionnaires. Out of the 184 questionnaires given out, only 177 were retrieved while 9 out of the 177 questionnaires were unusable due to partial completion. Thus, 168 valid questionnaires were used for the study which represents a 91.3% response rate. This response rate is acceptable in comparison to the recommended cut-off rate of 20% as proposed by Ojha and Gokhale (2009), and the 30% acceptable response rate which in the case of a general questionnaire is very good according to Fischer (2004).

Two approaches to establishing the validity of the research instrument were adopted in the study, namely the face and content validity. The

face validity was determined by the subjective evaluation of two experts versed in facets related to the dependent variable-public procurement corruption. While the content validity of the research instrument was ascertained by carefully adapting the measures of each construct to be in tandem with reviewed extant literature pertinent to the subject matter. In addition, Cronbach's alpha (α) was determined to confirm the internal consistency of the four-point scale used in the survey. Table 2 gives the Cronbach's alpha values. The economic determinants subscale has 3 items and ($\alpha = .740$), social determinants subscale has 3 items and ($\alpha = .676$), organizational determinants subscale has 3 items and ($\alpha = .734$), while public procurement corruption subscale has 4 items and ($\alpha = .660$). According to Wim, Katrien, Patrick & Patrick (2008), reliability coefficients between 0.6 and 0.8 are acceptable. Owing to this, since the value for each of the determinants is above 0.5, the scale adopted is reliable.

4.0 Results and Discussion of Findings

4.1 Economic Determinants of Public Procurement Corruption

Out of the 168 respondents sampled 13 (7.7%) strongly disagreed and 14 (8.3%) disagreed that poor remuneration influence corrupt practices in public procurement while 32 (19.0%) agree and 109 (64.9 %) strongly agree that poor remuneration influences corrupt practices in public procurement. Similarly, 16 (9.5%) strongly disagreed and 18 (10.7%) disagreed that low level of income influence corrupt practices in public procurement while 43(25.6%) agree and 91(54.2%) strongly agree that low level of income influences corrupt practices in public procurement. Also, out of the 168 respondents,

22 (13.1%) strongly disagreed and 22 (13.1%) disagreed that poverty influences corrupt practices in public procurement while 37 (22.0%) agree and 87 (51.8%) strongly agree that poverty influences corrupt practices in public procurement.

The major economic determinant variable that influences corrupt practices in government procurement in Nigeria in the opinion of the respondent is poor remuneration of civil servants with a mean score of 3.41. Poorly paid civil servants who are saddled with the responsibility of carrying procurement activities in their various MDAs would receive bribe if offered just to meet their financial challenges. Specifically, most of the respondents agree that economic determinants influence corruption in public procurement in Nigeria as shown in Table 2 with an average mean score of 3.26. This is in agreement with the findings by Basheka (2011) and Hassan (2016) who argue that economic factors are more significant determinants of public procurement corruption but finding from this present study proved otherwise.

4.2 Social Determinants of Public Procurement Corruption

Out of the 168 respondents sampled 10(6.0%) strongly disagreed and 8(4.8%) disagreed that non-prosecution of corrupt public officers/contractors influence corrupt practices in public procurement while 41(24.4%) agree and 109(64.9%) strongly agree. Similarly, 6(3.6%) strongly disagreed and 7(4.2%) disagreed that weak moral value influences corrupt practices in public procurement while 45(26.8%) agree and 110(65.5%) strongly agree. Also, out of the 168 respondents, 9(5.4%) strongly disagreed and 15(8.9%) disagreed that greed influences corrupt practices in public procurement while 47(28.0%) agree and 97(57.7%) strongly agree. The major social determinant variable that influences corrupt practices in government procurement in Nigeria in the opinion of the respondent is weak moral value with a mean score of 3.54.

Corruption has been seen as a moral issue by sociologists. An individual who is handsomely paid but has weak moral value will no doubt be involved in a fraudulent act. Specifically, most of the respondents agree that social determinants influence corruption in public procurement in

Nigeria as shown in Table 2 with an average mean score of 3.43. This, however, did not agree with the findings by Gwido and Ayugi (2018) which opine that social attributes like religion lacked a significant effect on corruption.

4.3 Organisational Determinants of Public Procurement Corruption

Out of the 168 respondents sampled 6(3.6%) strongly disagreed and 5(3.0%) disagreed that weak internal control mechanism influences corrupt practices in public procurement while 28 (16.7%) agree and 129(76.8 %) strongly agree. Similarly, 6(3.6%) strongly disagreed and 5 (3.0%) disagreed that wide use of discretion influences corrupt practices in public procurement while 44(26.2%) agree and 113(67.3%) strongly agree. Also, out of the 168 respondents, 9(5.4%) strongly disagreed and 3(1.8%) disagreed that lack of professionalism influences corrupt practices in public procurement while 39(23.2%) agree and 117(69.6 %) strongly agree. The major organizational determinant variable that influences corrupt practices in government procurement in Nigeria in the opinion of the respondent is a weak internal control mechanism with a mean score of 3.67. Suffice it to say that, though public procurement offers a ground for corruption, with a strong internal control system it will be difficult if not impossible to commit a fraudulent act.

The fear of being caught and severely punished (dismissal/imprisonment) would deter corrupt practices. Specifically, most of the respondents agree that organizational determinants influence corruption in public procurement in Nigeria as shown in Table 2 with an average mean score of 3.60. This is in agreement with the findings by Basheka and Tumutegyeize (2010), who discovered empirical studies that organizational determinant is a major cause of public procurement in Uganda, and Apolloni and Nshombo (2013) organizational determinants have a significant relationship with procurement corruption in Africa. This, however, negates the finding by Hassan (2016), whose research study established that organizational factor does not significantly relate to public procurement corruption.

Table 2: Descriptive Statistics of the Determinants of Public Procurement Corruption

Indicators (Factors)	N	M	AVE	SD	α
Poor remuneration	168	3.41		.937	
Low level of income	168	3.24	3.26	.988	.740
Poverty	168	3.13		1.079	
Non-prosecution of corrupt official	168	3.48		.840	
Weak moral value	168	3.54	3.43	.741	.676
Greed	168	3.38		.860	
Weak internal control system	168	3.67		.706	
Wide use of discretion	168	3.57	3.60	.722	.734
Lack of professionalism	168	3.57		.778	
Bribery is a common phenomenon in Nigeria Public procurement	168	3.74		.631	
Bid rigging affects procurement outcomes	168	3.82	3.78	.528	
Face to face contact with public officials encourages corrupt practices	168	3.82		.505	
Corruption allows the breaking of rules in public procurement	168	3.73		.596	.660

Note. AVE = Average value explained (mean score); α = Cronbach alpha

Correlation Analysis

Pearson's Product Moment Correlation was carried out to establish the strength of association between the variables. The result of the correlation analysis is presented in Table 3. The finding shows that economic determinants and public procurement corruption were

significantly correlated, $r=0.360$ and $p =0.000$ ($p<0.05$); social determinants and public procurement corruption were significantly correlated, $r=0.323$ and $p =0.000$ ($p <0.05$) as well as organizational determinants and public procurement corruption were significantly correlated $r=0.370$ and $p =0.000$ ($p<0.05$).

Table 3: Correlation Analysis

Variable		Public Procurement Corruption	Economic Factor	Social Factor
Economic Factor	Pearson Correlation	.360**		
	Sig. (2-tailed)	.000		
	N	168		
Social Factor	Pearson Correlation	.323**	.333**	
	Sig. (2-tailed)	.000	.000	
	N	168	168	
Organisational Factor	Pearson Correlation	.370**	.276**	.354**
	Sig. (2-tailed)	.000	.000	.000
	N	168	168	168

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

Regression Analysis

Multiple regression analysis was used to check if and to what extent the determinants (economic, social and organizational factors) predicted public procurement corruption. SPSS 20.0 was used in computing the measurements of the multiple regressions adopted for the study. Table 4 gives the regression model summary and Analysis of Variance while Table 5 gives the regression coefficient. Durbin–Watson (DB) statistic was used to test for the presence of autocorrelation among the study variables. The D-B = 1.416 which confirmed that the variables are independent. The adjusted coefficient of

determination indicates that economic, social and organizational factors account for 21.5% variation in public procurement corruption. (Adjusted R square, which is 0.215 {21.5%, $F(3,167) = 16.21$, $p < .05$ }).

Table 5 showed that there is a significant relationship between economic determinant and public procurement corruption ($\beta_1 = 0.209$, $p < .05$), social determinants and public procurement corruption ($\beta_2 = 0.122$, $p < .05$) as well as an organizational determinant and public procurement corruption ($\beta_3 = 0.227$, $p < .05$).

Table 4: Analysis of Variance

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.858	3	2.953	16.214	.000 ^b
	Residual	29.868	164	.182		
	Total	38.726	167			

R = 0.478, R₂ = 0.229, Adj.R² = 0.215, Std Error = 0.427, D-B = 1.416

Table 5: Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.713	.290		5.911	.000
	Economic Factor	.209	.064	.239	3.238	.001
	Social Factor	.122	.060	.155	2.041	.043
	Organisational Factor	.227	.068	.250	3.348	.001

a. Dependent Variable: Public Procurement Corruption

5. Conclusion and Recommendations

The study has been able to add to the existing pool of knowledge on factors that predict the outcome of public procurement corruption in Nigeria. Although public procurement was not designed to breed corruption, the factors measured and investigated in the study help us to understand how individuals become prone to corrupt practices when and where public procurement processes are required. The study confirmed that economic, social and organizational factors contribute in one way or the other to public procurement corruption, which is not only draining and wasting the country's scarce economic resources, but also affects every facet of human endeavour.

However, organizational factor was seen to have a stronger predictor effect on the predisposition to public procurement corruption than both social and economic factors, whereas the economic factor had a stronger predictor effect than social factor.

The policy implications of the outcome of this study is centred around the premise that for a successful fight against public procurement corruption, administrative frameworks, public sector reforms, and mass education programs are required to be put in place by the government to mitigate against the influence of the three significant factors that predict public procurement corruption in Nigeria. To achieve

this, we also recognize that, peculiar country-specific and context-specific strategies are needed to combat the corruption plague in the Nigerian public sector, especially because the influence of these predictor factors could vary from time to time according to shifts in the country's economic life cycle. Subsequent to this, the study recommends the following:

- (i) Accounting officers at various MDAs should ensure that strong internal control mechanisms in place to detect and prevent corrupt practices.
- (ii) The Bureau of Public Procurement should ensure a regular audit of MDAs procurement processes and ensure any public official culpable of the corrupt or fraudulent act while carrying out public procurement is punished appropriately.
- (iii) At different levels of government, an integration of a modern e-government framework is recommended as this will help to put checks and balances that will mitigate against administrative and financial corrupt practices.
- (iv) The emphasis on the three pillars of corporate governance, that is, transparency, accountability, and full disclosure to the public on government procurement related

dealings will be useful in stemming the tide of public procurement corruption and other associated practices.

- (v) Early retirement planning for civil servants will also prove useful as a long term strategy for reducing the incidence of all shades of corruption in the Nigerian public sector.
- (vi) We finally recommend that at the national level, a nation-wide teaching curriculum, especially at the secondary and tertiary levels of education, should be developed and integrated as a subject and course on anti-corruption. This will contribute to the early sensitization of youths to the dangers and perils of corruption in our society for the present and future generations.

For future research, we also recommend that the moderating role of religion as a socio-cultural factor in mitigating the spike in the growing trend of public sector corruption as well as the roles of organizational culture, organizational climate, organizational citizenship behaviour, and organizational politics be examined in broader studies encompassing a larger and more diverse nation-wide sample with individual and comparative studies cutting across public and private sectors respectively.

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IMPACT OF VALUE ADDED TAX (VAT) ON REVENUE GENERATION BY FEDERAL INLAND REVENUE SERVICE IN NIGERIA (2001 – 2017)

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Abstract

This study examines the impact of Value Added Tax (VAT) on revenue generated by Federal Inland Revenue Service in Nigeria (2001 – 2017). The specific objective of the study is to examine the impact of value-added tax on revenue collected by the Federal Inland Revenue Service (FIRS) in Nigeria. The study employed Augmented Dickey Fuller (ADF) and Phillip Perron (PP) test to check for the stationarity of the variables, while Ordinary Least Square (OLS) of multiple regression method was used to estimate the model. The result revealed that the VAT is shown to be positive and statistically significant to influence government revenue. From the coefficient of the variable, an increase in VAT collected had a proportional impact on government revenue. The result of the study further revealed that control variables of Petroleum Profit Tax (PPT) shown to be positive and statistically significant to influence government revenue. From the coefficient of the variable, an increase in PPT collected had a proportional impact on government revenue. The estimated coefficient of Company Income Tax and Others (CITO) shown to be positive and statistically significant at a 5 percent level to influence Government revenue. It was concluded that the Value Added Tax had contributed significantly to government revenue generated in Nigeria. The study, therefore, recommends the need for the Federal Inland Revenue Service to intensify effort on Value Added Tax collection in Nigeria since the study found a significant positive impact of Value Added Tax on government revenue generation in Nigeria.

Keywords: Value Added Tax, Revenue Generation, Regression, Federal Inland Revenue Service, Nigeria.

JEL code: H25

1. Introduction

Value Added Tax (VAT) in Nigeria is a consumption tax that was established by the Value Added Tax Act of 1993. It is a Federal Tax which is managed by the Federal Inland Revenue Service (FIRS) of Nigeria (Adeyemo, Fakile, Obigbemi, and Ben-Caleb (2017). Value Added Tax (VAT) is a consumption tax that is being charged and embraced by many developed and developing countries, which is relatively easy to administer and very difficult to evade (Owolabi and Okwu, 2011). The aim of value-added tax in Nigeria was to increase the revenue base of government and make funds available for development that will accelerate economic growth.

The need to diversify revenue base of the nation stem from the fact that the government at the federal level has curtailed most of the capital projects, while allocation to the states of the federation has reduced resulting in the inability of many states to provide critical infrastructural

facilities and pay workers' salaries as a result low revenue generation. Value Added Tax (VAT) is a major revenue source of advanced nations of the world, which much attention is not focused on by the Federal Government of Nigeria (Adegbe, et al., 2016).

Value Added Tax is administered in Nigeria by the Federal Inland Revenue Service (FIRS) through the VAT Directorate located at its Head office Abuja. Thus, the jurisdiction of VAT lies with the Federal Government of Nigeria and the proceeds of VAT are distributed among the three tiers of government in a given ratio. For instance, the initial policy on the distribution of VAT was that 80 percent of it would be shared among the states and federal capital territory and the federal government would retain 20 percent as administrative charges (Sanni, 2011). However, Sanni (2011) noted that due to VAT successful implementation and protests from state governments, the distribution of VAT was altered and local governments were included in

the distribution formula and it was distributed as follows; 15 percent to the Federal Government, 50 percent to the State Governments and the Federal Capital Territory, Abuja, and 35 percent to the Local Governments. As a result of the uncommon nature of the VAT system of taxation in Nigeria, majority of the populace perhaps may not be aware of its existence. Consequently, the low credibility of the government makes people scorn the payment and collection of VAT.

The issue of value-added tax on revenue generation in Nigeria has been discussed by various researchers. Some of these studies focused on the relationship between total taxes at all level of economic growth. Most of these studies failed to capture other control variables that could affect government revenue other than VAT. The present study focuses on VAT and other control variables on government revenue and the period of the study were updated to capture 2017 VAT collected by the Federal Inland Revenue Service of the Federal Government of Nigeria. This study, therefore, aims to examine the impact of Value Added Tax (VAT) on revenue generated by the Federal Inland Revenue Service in Nigeria. The research question arising from the foregoing is what has been the impact of VAT collected by FIRS on revenue generation in Nigeria? To answer this question, this study, therefore, examined the impact of value-added tax collected by FIRS on revenue generation in Nigeria. The above specific objective is achieved through the following null hypothesis after testing.

H_0 : there is no significant impact of value-added tax collected by FIRS on revenue generation in Nigeria.

2. Literature Review

According to Fathi and Esmaeilian (2012), VAT is a multi-stage system of taxation with tax being levied on value addition at each stage of transaction in the production/ distribution chain. Adereti, Adesina & Sanni (2011) define VAT as a consumption tax levied at each stage of the consumption chain and borne by the final consumer of the product or service. Revenue generation according to Worlu and Emeka (2012) is an income expected by the government within the budget period. It consists of recurrent and capital revenue.

This study is hinged on Ibn Khaldun's theory of taxation which is explained in term of two different effects; the arithmetic effect and the economic effect which the VAT rate have on revenue. The two effects have an opposite result on revenue in case the VAT rate is increased or decreased. According to the Arithmetic effect, if the VAT rate is lowered, the VAT revenue will be lowered by the amount of the decrease in the rate. The reverse is the case for an increase in VAT rates (Ishlahi, 2006). The economic effect, however, recognized the positive impact that lower VAT rates have on work, output and employment, thus the tax base provides incentives to increase these activities whereas raising VAT rate has the opposite economic effect by penalizing participation in the taxed activities. At a very high VAT rate, negative economic effect dominates positive arithmetic effect, therefore, reducing the VAT revenue (Ishlahi, 2006).

Some empirical studies related to this study are considered below in a bid to identify the contributions to knowledge and gaps.

Omondi (2019) examined the effect of value-added tax /sales tax on economic growth in Kenya from 1973 to 2010. The study adopted econometric exposition based on its ability to determine the strength and direction of relationships between variables. The study employed the ordinary least square technique in estimating the model. The study revealed a positive and insignificant relationship between value-added tax and economic growth in Kenya. A positive and insignificant correlation between VAT Revenue and GDP means some problems are inhibiting its potency. The study concluded that the effect of value-added tax on the economy is not large enough to influence economic growth. It recommended that the government should reform the VAT system to engineer a system that would have a significant impact on economic growth. The reviewed work is similar to the present research in that they both discuss Value Added Tax. The difference arises from the fact that the present study is conducted in Nigeria and findings may not apply to other nations.

Using a recursive dynamic Computable General Equilibrium (CGE) model, Aminu (2019) investigated how government can implement an

increase in the rate of Value Added Tax (VAT) to ensure that the final rate of 15% is achieved in a way that satisfies the public and also ensures maximum revenue generation for the government. The objective model was solved and simulated for 10 years. The study found that the best policy option is to increase the rate by 2.5% yearly for the next 4 years. The option delivers the best outcomes for real GDP, investment, intermediate imports, government expenditure and household consumption when compared to alternative options that require 5% increment and 10% increment. The study concluded that 2.5% VAT policy option will deliver the best set of results/outcomes for the economy, households, firms and government. However, the study did not investigate other control variables that may affect government revenue other than VAT. The present researcher intends to fill this gap left out in the study.

Ocheni (2018) examined the impact of Value Added Tax on Nigeria economic growth. The study employed the least square method of estimation which revealed that VAT has a positive and significant effect on economic growth. The study also found a long-run relationship between total revenue collections and economic growth. Granger causality test revealed the existence of the unidirectional and bi-directional causation effects between VAT and Real Gross Domestic Product (RGDP) and between Total Revenue Collected (TRC) and RGDP respectively. The study recommended that the government should create an enabling environment to ensure the cooperation of revenue collection officials, especially VAT assessors and collectors. The government should systematically fight corruption among the tax collectors by ensuring that functional tax offices in every council area coordinate a vigorous campaign to educate people and seek their cooperation. The reviewed work is similar to the present research in that they are both about Value Added Tax. The difference arises from the fact that the present study focuses on the impact of VAT collected by FIRS on government revenue.

Omodero, Michael and John (2018) examined the impact of internally generated revenue (IGR) on the economic development of Nigeria. This study made use of ex-post facto research design to specifically examine the impact of total IGR

(TIGR), Federal Government Independent Revenue (FGIR), States IGR (SIGR) and Local Governments IGR (LIGR) on the Real Gross Domestic Product (RGDP i.e. a proxy for economic development) of the country. The time-series data employed covered a period from 1981 to 2016 and were obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin. The statistical tool used for the data analysis was the multi-regression and t-test for the test of hypotheses. The findings of the study revealed that TIGR, SIGR and LIGR have a robust and significant positive impact ($p\text{-value} = 0.000 < 0.05$) on RGDP, while FGIR also indicated positive and significant influence on RGDP. The study revealed the existence of a high correlation between the dependent and independent variables and concluded that the positive impact of IGR is not out of place but the physical evidence is apparently lacking and therefore government policies that could eradicate sharp practices in the government system are required. Both studies are similar to the extent that they focus on revenue collection. However, the present study focuses on the impact of VAT collected by FIRS on government revenue.

Adeyemo, Fakile, Obigbemi, and Ben- Caleb (2017) conducted a study to re-evaluate the effectiveness and efficiency of the administration of VAT in Nigeria, as well as to appraise the benefits inherent in the adoption of VAT with respect to its impact on Nigerian economic growth within the period of 1994-2014. The study used relevant secondary data from the Central Bank of Nigeria (CBN) Statistical Bulletin, Federal Inland Revenue Service (FIRS), and other relevant government agencies. The empirical analysis was based on multiple regression techniques. Economic growth was proxied by Gross Domestic Product and the result showed that there is no significant relationship between Value Added Tax and Economic growth but there is a significant relationship between Value Added Tax and the total revenue generated in Nigeria. The study recommended that the government should increase the VAT rate for luxury goods such as tobacco, by so doing VAT will be made progressive with a greater impact on the rich than the poor. More so, the bracket of goods and services on which VAT is charged should be

expanded, thus leading to an increase in VAT revenue. Both studies are similar to the extent that they focus on the impact of VAT collected by FIRS on government revenue. However, the present study focuses on only government revenue, as against Gross Domestic Product used by Adeyemo et al (2017).

Oseni, (2017) in another study examined the effects of Value Added Tax (VAT) on government revenue generation profile in Nigeria being one of the sources of government revenues and an important variable in fiscal policies. This was a library study where existing literature on the subject matter was reviewed to ascertain the effects of VAT on government revenue generation and how it can be enhanced to boost the government revenue generation profile effectively and efficiently. The paper concluded that value-added tax has a positive effect on government revenue generation profile in Nigeria, thereby contributing to its economic growth and development. It recommended that the government should improve the living condition of citizens by the judicious utilization of VAT proceeds effectively and efficiently. The paper also recommended that the value-added tax bases be widened to bring the informal sector into the value-added tax net to stem possible evasion even by faithfully complying. The reviewed work is similar to the present research in that they are both about Value Added Tax on government revenue. The difference arises from the fact that the present study focuses on the recent VAT collected by FIRS.

Adegbe, Jayeoba and Kwabai, (2016) evaluated the impact of VAT on the Nigerian economy between the period of its introductions to date to discover the imperativeness of its reform. Ex-post-factor, descriptive and analytical research approach were adopted for the work. Data on VAT and GDP were obtained from 1994 to 2015 and analyzed to determine the relationship that exists between them. It was discovered that VAT has a positive relationship with GDP. The coefficient of the model shows that a 1% increase in VAT will lead to a 0.88% increase in GDP indicating a perfect positive correlation between VAT and GDP. The study concluded that VAT is due for total reform in rate and a clear definition of exempted goods and services. The study, therefore, recommended that the

current 5% VAT rate should be reviewed upward to a minimum of 10%, Integrated Tax Offices should be strengthened to increase efficiency and effectiveness, Federal Inland Revenue Service should address tax evasion, governments at all levels should use VAT revenue judiciously to encourage taxpayers and should clearly define exempted goods and services to charge vatiable goods that are currently not vatiable. The reviewed work is similar to the present research in that they are both about Value Added Tax. The difference arises from the method of data analysis and the period of the study.

Lawrence and Victor (2016) investigated the relationship between VAT and macroeconomic performance in Nigeria. The main objective of their study was to empirically investigate the impact of VAT on the level of economic growth in Nigeria. The study covered the period between 1994 and 2014. Co-integration technique and Short-run dynamic analysis were used for the research. The parsimonious Error Correction Mechanism (ECM) result indicates that VAT is statistically significant in explaining the level of economic growth in Nigeria. The result indicated an invalidation of the null hypothesis of no significant relationship between VAT and the level of economic growth in Nigeria. The Johansen cointegration test indicated a long-run relationship among the variables. The result recommended, amongst others, an increase in the VAT rate and efficient utilization of the proceeds from it. But the research work used a time series of 20 years that ended in the year 2011. The reviewed work is similar to the present research in that they are both about Values Added Tax. The difference arises from the method of data analysis and the time gap of the study.

Taiwo, Samson, and James (2015) studied the impact of tax reforms on revenue generation in the Lagos State of Nigeria using Time Series quarterly data between 1999 and 2012 obtained from the records of Tax Payer Statistics and the Revenue Status Report of Lagos State Internal Revenue Service (LIRS). Data collected were analysed using ordinary least square regression techniques (OLS). The study showed that Lagos State captured more people into the tax net as there was a continuous increase in taxpayers'

cumulative growth (more than 20% each year); and found that the primary source of revenue generation in Lagos State was the internally generated revenue (IGR) in which tax revenue constituted about 80%. The result also showed that between 1999 and 2005, there was no noticeable increase in revenue generated from tax; but from 2006, there was a sharp, steady and noticeable increase in the tax revenue generated. On the pattern of tax administration in the state, from 2006, the state concentrated more on tax reforms with less dependence on other sources of internal revenue generation. The result further revealed that there is a long-run relationship between the tax reforms and revenue generated in Lagos State, thus, the tax reforms had a positive and significant effect on the revenue structure of the State. The study concluded that tax reforms had significantly contributed to revenue generation in Lagos State, which had enabled the state to carry out her responsibilities to the citizenry with less reliance on the Federal Government. The findings of the reviewed work may not apply to the entire country because the study was conducted in Lagos State.

Okoli and Afolayan (2015) examined the correlation between VAT and national revenue in Nigeria. The study examined the extent to which VAT has contributed to federally collected revenue in Nigeria and subsequently, its position among the other three components of tax. Hence, the study employed an Error Correction Model (ECM) for the analysis. Data spanning from 1994 to 2012 sourced from the Central Bank of Nigeria's annual report & CBN Statistical Bulletin were used for the analysis. The result from the study revealed that VAT is the second-long term source of the total federally collected revenue. The study recommended that all identified loopholes should be plugged for VAT revenue to contribute more to total federally collected revenue. The reviewed work is similar to the present research in that they are both on Value Added Tax. The difference arises from the method of data analysis and the period of the study.

In another study, Izedonmi and Jonathan (2014) examined the roles of value-added tax on the economic growth of Nigeria. The study empirically examined the contribution of VAT to

the development of the Nigerian economy. Time series data on Gross Domestic Product (GDP), VAT Revenue, Total Tax Revenue and Total (Federal Government) Revenue from 1994 to 2010 sourced from the Central Bank of Nigeria (CBN) were analyzed, using both simple regression analysis and descriptive statistical method. Findings showed that VAT revenue and total revenue account for as much as 92% significant variations in GDP in Nigeria. A positive and insignificant correlation exists between VAT revenue and GDP. Both economic variables fluctuated greatly over the period though VAT Revenue was more stable. The paper, therefore, recommended that all identified administrative loopholes should be plugged for VAT revenue to continue to contribute significantly to the economic growth of the country. However, the study used an index of industrial production as against GDP. Both studies are similar in that they focus on the impact of VAT. The variance is in the method of data analysis and the period of the study.

Ihenyen and Mieseigha (2014) examined taxation as an instrument of economic growth in Nigeria. Using annual time series data sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin during the period 1980 through 2013, data of Corporate Income Tax (CIT), Value Added Tax (VAT) and Economic Growth (GDP) were estimated using the Ordinary Least Square (OLS) technique. The empirical result suggested that the hypothesized link among corporate income tax, Value Added Tax and economic growth indeed exist in the Nigerian context. Thus, the result offers tantalizing evidence that taxation is an instrument of economic growth in Nigeria. This conclusion points to the need for additional measures by the government in ensuring that taxpayers do not avoid and evade tax so that income can be properly redistributed in the economy. The reviewed work make emphasis on taxation but the present study focuses on VAT collected by FIRS on government revenue. Afubero and Okoye (2014) examined the impact of taxation on revenue generation in Nigeria, regarding FCT and some selected states in the country. An attempt is also made in the study at highlighting the concept and nature of taxation, objectives of taxation, features of the Nigerian tax system, taxation as a tool for wealth

creation and employment, classification of taxes, Nigeria's major taxes and other issues that relate to taxation. In achieving the objectives of the study, the researchers adopted primary sources of data to present and analyze the information for the study. Hypotheses testing were conducted using regression analysis computed with the aid of SPSS version 17.0. The research discovered, among other things, that taxation has a significant contribution to revenue generation and taxation has a significant contribution to Gross Domestic Product (GDP). The research recommended that Well- Equipped DataBase (WEDB) on all taxpayers should be established by the Federal, State and Local Governments to identify all possible sources of income taxpayers for tax purpose and the tax collection processes must be free from corruption. Also, the Federal, State and Local Governments should urgently modernize and automate all its tax system, improve taxpayers' convenience in the assessment and payment process at the same time as entrenching effective and modern human resources management practice by the tax authorities. The reviewed work makes emphasis on taxation in FCT and some selected states in the Country while the present study focuses on VAT collected by FIRS on government revenue.

Onwuchekwa and Aruwa (2014) on the study on Value added tax and economic growth in Nigeria investigated the impact of VAT on the economic growth of Nigeria. Ordinary Least Square technique was employed to test the hypotheses formulated. The result shows that VAT contributed significantly to the total tax revenue of the government and by extension the economic growth of Nigeria. VAT revenue growth had consistently increased though it was not that explosive. To boost total tax revenue, the study noted the need to boost revenue collected from VAT. This can be achieved not necessarily by increasing the VAT rate of 5% percent but by closing every VAT revenue leakage, sensitizing the managers of companies operating in Nigeria on the need to remit the The functional model is specified as follows:

VAT revenue collection and proper training of the Federal Inland Revenue staff in charge of VAT revenue collections. Both studies are similar in their focus on the impact of VAT collected by FIRS. The difference arises from the period of the study.

From the review of the previous studies, it was observed that most of them focused on the relationship between either total tax revenue of governments at all levels or VAT revenue on economic growth and the various periods. However, some of the studies did not capture other control variables that may affect government revenue other than VAT. The present researcher filled this gaps left out in the study by focusing on VAT and other control variables on government revenue and the period of the study was updated to capture 2017 VAT collected by the Federal Inland Revenue Service of the Federal Government of Nigeria.

3. Methods

This study adopts the causal research design. Causality study measures the impact of cause and effect relationship between an independent variable and dependent variable which is aimed at revealing the casual effect between VAT and government revenue in Nigeria. To achieve this objective, the study specifically employed the time series data. The study variable was a value-added tax, with control variables petroleum profit tax, company income tax and others, education tax and consolidated account tax. The data were obtained from the statistical bulletin of the Central Bank of Nigeria (CBN) and reports of Federal Inland Revenue Service (FIRS) from 2001 to 2017. This research design was adopted because it has been used in prior studies to investigate the possible cause and effect relationships between Value Added Tax and government revenue.

The study employed inferential statistics to analyze the data. Ordinary Least Square (OLS) of multiple regression method was used to analyze the data. Data collected on the variables were processed using E-views version 9.

$$Y = f(X) \dots\dots\dots (1)$$

Econometric model is specified as follows:

$$\ln GREV_t = \beta_0 + \beta_1 \ln VAT_t + \beta_2 \ln PPT_t + \beta_3 \ln CITO_t + \beta_4 \ln ET_t + \beta_5 \ln CT_t + \mu \dots\dots (2)$$

Where;

$\ln GREV$ = log of Government Revenue Generation

β_0 = Constant

$\beta_1 - \beta_5$ = Coefficients of the parameters estimated

$\ln VAT$ = log of Value Added Tax

$\ln PPT$ = log of Petroleum Profit Tax

$\ln CITO$ = log of Company Income Tax & Others

$\ln ET$ = log of Education Tax

$\ln CT$ = log of Consolidated Account Tax

μ = Error term measuring errors outside the control of the model which is assumed to be normally distributed that is, $N(\mu, \sigma^2)$.

This section discusses the diagnostic test of the variables and hypotheses testing to conclude.

4.1 Stationarity Test

Table 1 presents the summary of unit root test to ascertain whether the data on the study variables are stationary or not.

Table 1: Summary of Unit Root Test

Variables	ADF Test Statistics	Order of integration
<i>$\ln GREV$</i>	-4.0600 (-3.7567)**	I(1)
<i>$\ln VAT$</i>	-2.8720 (-1.9884)**	I(2)
<i>$\ln PPT$</i>	-3.8042 (-3.7597)**	I(1)
<i>$\ln CITO$</i>	-3.2853 (-1.9777)**	I(2)
<i>$\ln ET$</i>	-4.9025 (-3.7597)**	I(1)
<i>$\ln CT$</i>	-2.6886 (-1.9684)**	I(2)

Source: Author Computation, 2019 (E-View 9)

Table 1 indicates that GREV, PPT and ET are stationary at first difference or first order of integration. But, VAT, CITO and CT are stationary at the second difference or second order of integration with their ADF test statistics greater than the critical values. Thus, the shocks have been removed from the model as the time

series data is confirmed stationary to run the regression output.

4.2 Results of the Null Hypotheses Testing

Table 2 presents summary information about the impact of Federal (FIRS) VAT collected on revenue generation in Nigeria.

Table 2: Regression Estimate

Variables	Coefficients	Std Error	T – Statistics	Prob. Values
C	-6.118808	1.626048	-3.762994	0.0031
lnVAT	0.010017	0.001565	6.400638	0.0029
lnPPT	0.653100	0.030892	21.14168	0.0000
lnCITO	0.271160	0.128095	2.116865	0.0479
lnET	0.061906	0.041182	1.503213	0.1609
lnCT	0.082689	0.060093	1.376020	0.1962
R – Squared: 0.995788			Adjusted R – Squared: 0.993000	
F – Statistics: 454.9598			Prob(F – Statistics): 0.000000	
D – W Stat: 1.769099				

Source: E-views 9 Output: Author's Computation

The multiple linear regression output explaining the impact of FIRS collection on revenue generation in Nigeria is expressed in the

equation form as follows. $GREV = -6.1188 + 0.0100 \ln VAT + 0.6531 \ln PPT + 0.2711 \ln CITO + 0.0619 \ln ET + 0.0826 \ln CT + \mu$

Table 2 indicates the result of the regression output between the explanatory variables and GREV with constant β value of -6.1188. VAT have positive estimated coefficient β value of 0.010017, standard error of 0.001565, t-value of 6.400638 and significance level of 0.0029. Thus, Value Added Tax collected by FIRS is statistically significant. It suggests that the null hypothesis stated above and the conclusion to be drawn that there is a significant impact of value-added tax collected by FIRS on revenue generation in Nigeria should be rejected.

The control variables of Petroleum Profit Tax (PPT) collected by FIRS have positive estimated coefficient β value of 0.653100, standard error of 0.030892, t-value of 21.14168 and significance level of 0.0000. Thus, PPT has a significant positive impact on Government Revenue. Company Income Tax and Others (CITO) collected by FIRS have positive estimated coefficient β value of 0.271160, standard error of 0.128095, t-value of 2.116865 and significance level of 0.0479. Thus, CITO has a significant positive impact on Government Revenue. Educational Tax (ET) collected by FIRS have positive estimated coefficient β value of 0.061906, standard error of 0.041183, t-value of 1.503213 and significance level of 0.1609. Thus, ET has an insignificant positive impact on Government Revenue. Consolidated Account Tax (CT) collected by FIRS have positive estimated coefficient β value of 0.082689, standard error of 0.060093, t-value of 1.376020 and significance level of 0.1962. Thus, CT has an insignificant positive impact on government revenue.

In diagnose test of the model, the values of R^2 and adjusted R^2 are 0.995 and 0.993 respectively. The R^2 value indicated that 99.50 percent of the variation in the dependent variable (GREV) is explained by the independent variables captured within the model while only 0.50 percent captured outside the model by error term. This implies that VAT and other control variables are explained 99.50 percent within the model. The F statistic value (P-value) is 454.9598 with a significance level of 0.0000. The value of F statistic and F probability revealed that independent variable contributes to the prediction of the dependent variables and the model is adequate. The value of Durbin

Watson (DW) 1.769099 indicated the absence of autocorrelation problem.

4.3 Discussions

The summary output of multiple linear regression in Table 4.2 indicates the effect of the explanatory variables on the response variable. Value Added Tax has a significant positive effect on government revenue in Nigeria. Thus, the hypothesis (H_0) is rejected because the result is significant. This implies that VAT impacted significantly on government revenue in Nigeria. Value Added Tax collected has a positive impact on government revenue thereby contributing to its economic growth and development. The result is similar to the findings of Adeyemo et al (2017); Oseni (2017); Adegbe et al (2016); Lawrence and Victor (2016); Taiwo et al (2015); Okoli and Afolayan (2015) whose found positive and significant relationship between Value Added Tax and Government revenue generation. The result negates the findings of Omondi, (2019) and Izedonmi and Jonathan (2014) who discovered that value-added tax has an insignificant impact on revenue generation. This study postulates that value-added tax collected by FIRS has a positive impact on government revenue generation in Nigeria thereby contributing to its economic growth and development.

Based on the result of the control variables in the model, it was glaring that Petroleum Profit Tax (PPT), Company Income Tax and Others (CITO), Educational Tax (ET) and Consolidated Account Tax (CT) collected by FIRS also exacted a positive impact on Government Revenue. The introduction of control variables in the study aids in reducing the effect of the spuriousness of the model. From the above analysis, the stated hypothesis that (H_0) VAT has no significant impact on revenue collection is rejected and therefore the alternative is established.

5. Conclusion and Recommendations

This study examines the impact of Value Added Tax (VAT) on revenue generated by Federal Inland Revenue Service in Nigeria (2001 – 2017). A VAT is a multi-stage system of taxation with tax being levied on value addition at each stage of transaction in the production chain. Nigeria derives her revenue from different sources which include VAT, among other

sources. The finding of the study revealed that Value Added Tax has a significant positive effect on revenue collections by the Federal Inland Revenue Service and consequently, total Government Revenue in Nigeria. This finding is in harmony with the studies of Adeyemo et al (2017); Oseni (2017); Adegbe et al (2016); Lawrence and Victor (2016); Taiwo et al (2015); and Okoli and Afolayan (2015). It was also found out that control variables- Petroleum Profit Tax, Company Income Tax and Others, Educational Tax and Consolidated Account Tax also exacted a positive impact on Government Revenue. This study, therefore, concludes that Value Added

Tax has a significant positive effect on Government Revenue in Nigeria. The study, therefore, recommends the need for the Federal Inland Revenue Service to intensify efforts on Value Added Tax collection and for the government to reform the VAT collection mechanism and obtain necessary legislations to increase the VAT rate to the world average. The policy implication of this study is that VAT increase will result in higher inflation, interest rate hike, and an increase in unemployment. Further studies on VAT should consider cross-countries study on other nations VAT through panel data research.

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APPENDIX

Unit Root Test

Null Hypothesis: D(GREV) has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.060087	0.0305
Test critical values: 1% level	-4.728363	
5% level	-3.759743	
10% level	-3.324976	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 15

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(GREV,2)

Method: Least Squares

Date: 01/15/19 Time: 15:08

Sample (adjusted): 2003 2017

Included observations: 15 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GREV(-1))	-1.180633	0.290790	-4.060087	0.0016
C	1749688.	1257743.	1.391133	0.1894
@TREND("2001")	-148420.2	125077.6	-1.186625	0.2583
R-squared	0.578933	Mean dependent var		142557.5
Adjusted R-squared	0.508755	S.D. dependent var		2828535.
S.E. of regression	1982488.	Akaike info criterion		32.01446
Sum squared resid	4.72E+13	Schwarz criterion		32.15607
Log-likelihood	-237.1084	Hannan-Quinn criter		32.01295
F-statistic	8.249518	Durbin-Watson stat		2.093072
Prob(F-statistic)	0.005573			

Null Hypothesis: D(VAT,2) has a unit root

Exogenous: None

Lag Length: 0 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-2.872069	0.0075
Test critical values: 1% level	-2.740613	
5% level	-1.968430	
10% level	-1.604392	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations
and may not be accurate for a sample size of 14

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(VAT,3)

Method: Least Squares

Date: 01/15/19 Time: 15:13

Sample (adjusted): 2004 2017

Included observations: 14 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(VAT(-1),2)	-0.895801	0.311901	-2.872069	0.0131
R-squared	0.383697	Mean dependent var		5.17E+09
Adjusted R-squared	0.383697	S.D. dependent var		6.25E+10
S.E. of regression	4.91E+10	Akaike info criterion		52.13911
Sum squared resid	3.13E+22	Schwarz criterion		52.18476
Log-likelihood	-363.9738	Hannan-Quinn criter.		52.13488
Durbin-Watson stat	1.768835			

Null Hypothesis: D(PPT) has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.804284	0.0465
Test critical values: 1% level	-4.728363	
5% level	-3.759743	
10% level	-3.324976	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations
and may not be accurate for a sample size of 15

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(PPT,2)

Method: Least Squares

Date: 01/15/19 Time: 15:14

Sample (adjusted): 2003 2017

Included observations: 15 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(PPT(-1))	-1.097146	0.288398	-3.804284	0.0025
C	4.89E+11	4.62E+11	1.059728	0.3101
@TREND("2001")	-4.42E+10	4.62E+10	-0.957615	0.3572
R-squared	0.546712	Mean dependent var		3.64E+10
Adjusted R-squared	0.471165	S.D. dependent var		1.03E+12
S.E. of regression	7.46E+11	Akaike info criterion		57.69113
Sum squared resid	6.68E+24	Schwarz criterion		57.83274
Log-likelihood	-429.6835	Hannan-Quinn criter.		57.68962
F-statistic	7.236631	Durbin-Watson stat		2.049307
Prob(F-statistic)	0.008674			

Null Hypothesis: D(CITO,2) has a unit root

Exogenous: None

Lag Length: 3 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.285399	0.0038
Test critical values:		
1% level	-2.792154	
5% level	-1.977738	
10% level	-1.602074	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 11

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(CITO,3)

Method: Least Squares

Date: 01/15/19 Time: 15:16

Sample (adjusted): 2007 2017

Included observations: 11 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(CITO(-1),2)	-6.336855	1.928793	-3.285399	0.0134
D(CITO(-1),3)	4.392409	1.813567	2.421973	0.0460
D(CITO(-2),3)	2.775953	1.377155	2.015716	0.0837
D(CITO(-3),3)	1.817500	0.858608	2.116798	0.0721
R-squared	0.872213	Mean dependent var		3.49E+10
Adjusted R-squared	0.817447	S.D. dependent var		3.35E+11
S.E. of regression	1.43E+11	Akaike info criterion		54.48986
Sum squared resid	1.44E+23	Schwarz criterion		54.63455
Log-likelihood	-295.6942	Hannan-Quinn criter.		54.39866
Durbin-Watson stat	2.183182			

Null Hypothesis: D(ET) has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.902527	0.0075
Test critical values: 1% level	-4.728363	
5% level	-3.759743	
10% level	-3.324976	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations
and may not be accurate for a sample size of 15

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(ET,2)

Method: Least Squares

Date: 01/15/19 Time: 15:16

Sample (adjusted): 2003 2017

Included observations: 15 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(ET(-1))	-1.335090	0.272327	-4.902527	0.0004
C	2.95E+10	3.12E+10	0.945749	0.3629
@TREND("2001")	-1.92E+09	3.10E+09	-0.620020	0.5468
R-squared	0.666990	Mean dependent var		2.06E+09
Adjusted R-squared	0.611488	S.D. dependent var		8.24E+10
S.E. of regression	5.14E+10	Akaike info criterion		52.33910
Sum squared resid	3.17E+22	Schwarz criterion		52.48071
Log-likelihood	-389.5432	Hannan-Quinn criter.		52.33759
F-statistic	12.01747	Durbin-Watson stat		1.952431
Prob(F-statistic)	0.001364			

Null Hypothesis: D(CT,2) has a unit root

Exogenous: None

Lag Length: 0 (Automatic - based on SIC, maxlag=3)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-2.688660	0.0112
Test critical values: 1% level	-2.740613	
5% level	-1.968430	
10% level	-1.604392	

*MacKinnon (1996) one-sided p-values.

Warning: Probabilities and critical values calculated for 20 observations
and may not be accurate for a sample size of 14

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(CT,3)

Method: Least Squares

Date: 01/15/19 Time: 15:18

Sample (adjusted): 2004 2017

Included observations: 14 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(CT(-1),2)	-1.609417	0.598594	-2.688660	0.0186
R-squared	0.334111	Mean dependent var		3.08E+09
Adjusted R-squared	0.334111	S.D. dependent var		1.68E+10
S.E. of regression	1.37E+10	Akaike info criterion		49.58772
Sum squared resid	2.44E+21	Schwarz criterion		49.63336
Log-likelihood	-346.1140	Hannan-Quinn criter.		49.58349
Durbin-Watson stat	1.327340			

Dependent Variable: LNGREV

Method: Least Squares

Date: 01/16/19 Time: 10:34

Sample: 2001 2017

Included observations: 17

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.118808	1.626048	-3.762994	0.0031
LN VAT	0.010017	0.001565	6.400638	0.0229
LN PPT	0.653100	0.030892	21.14168	0.0000
LNCITO	0.271160	0.128095	2.116865	0.0479
LN ET	0.061906	0.041182	1.503213	0.1609
LN CT	0.082689	0.060093	1.376020	0.1962
R-squared	0.995188	Mean dependent var		15.55421
Adjusted R-squared	0.993000	S.D. dependent var		0.548553
S.E. of regression	0.045894	Akaike info criterion		-3.054385
Sum squared resid	0.023169	Schwarz criterion		-2.760310
Log-likelihood	31.96228	Hannan-Quinn criter.		-3.025154
F-statistic	454.9598	Durbin-Watson stat		1.769099
Prob(F-statistic)	0.000000			

A BOX-JENKINS APPROACH TO MODELLING EXCHANGE RATES IN NIGERIA

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ABSTRACT

This objective of this study was to develop a univariate autoregressive integrated moving average (ARIMA) model as suggested by Box and Jenkins (1976) for Nigerian exchange rate series covering the sustainable democratic transitions between 1999 and 2018 using quarterly returns. The study used the correlogram for autocorrelation function (ACF) and partial autocorrelation function (PACF) of the first-order difference of exchange series to identify and estimate a parsimonious ARIMA model. Diagnostic tests for serial correlation (Breusch-Godfrey serial correlation LM test) and normality (Jarque-Bera test) of the model were performed. Forecast of exchange rate dynamics using the ARIMA (p, 1, q) model was conducted and the forecast performance evaluated using RMSE, MAE and Theil Inequality coefficient. ARIMA(4,1,2) model was the most appropriate model under model identification, selection, parameter estimation, diagnostic checking, and forecast evaluation; the first-quarter and the fourth-quarter lagged exchange rate values were statistically significant in explaining Nigerian exchange rate dynamics; the model was serially uncorrelated and normally distributed, and the ARIMA (4,1,2) univariate model was able to produce forecasts based on the historical patterns in the data which indicates that ARIMA (4,1,2) model was efficient and relevant for forecasting exchange rate. We, therefore, recommended that to put the exchange rate under control, there is a need for high transparency in policymaking and implementation. We also recommend that government should develop an economic structure that can compete favourably with international communities which will be characterized by high investment inflows into the country thereby improving the real foreign exchange rate in Nigeria for better economic development and growth.

Keywords: ARIMA, Box-Jenkins, Correlogram, Exchange rate, PACF, Univariate.

1. Introduction

Foreign exchange is a major issue in the discussion of the world economy because it is important for policymaking (Hina & Qayyum, 2015). Exchange rate dynamics is crucial as it has a significant impact on the macroeconomic fundamentals such as oil price, interest rate, wage, unemployment, and the level of economic growth (Nyoni, 2018). The main objectives of exchange rate policy in Nigeria are to preserve the value of the Naira and maintain enough foreign exchange reserves (Oleka & Okolie, 2016). In Nigeria, the Central Bank maintains the stability of the Naira exchange rate to achieve its objective of maintaining price stability because domestic prices (inflation and interest rates) are very responsive to exchange rate fluctuations (CBN, 2016). This is underscored by the fact that incessant exchange rate fluctuations may: (i) lead to huge losses or gains for traders in the foreign exchange market; (ii)

deteriorate or improve balance of payments; (iii) cause significant losses or gains to both foreign and local investors; and (iv) distort international comparisons (Nyoni, 2018). Thus, both the government and profit-maximizing investors are keenly interested in the dynamics in the exchange rate to make policy/investment decisions. Therefore, it is necessary to provide a time series model that could be used to explain the dynamics of the exchange rate. This would provide useful information to both the investors in terms of how to make investment decisions and relevant monetary authorities in the formulation of appropriate liquidity supply policies to protect and strengthen the domestic currency. This study aimed to empirically develop a dynamic model and apply it in explaining the behaviour of the exchange rate series in Nigeria between 1999 and 2018. This was done by developing and estimating a linear dynamic stochastic model based on Box and

Jenkins (1976) univariate autoregressive integrated moving average (ARIMA) approach. The motivation was derived from the fact that reliable and adequate estimates of exchange rates are very essential for planning and policy-making by the government and other relevant agencies.

2. Exchange Rate and Exchange Rate Forecasting

The exchange rate is a relative price that measures the worth of a domestic currency in terms of another currency (CBN, 2016; Khan & Jain, 2009; Nwankwo, 2014). The exchange rate determines the relative prices of domestic and foreign goods, as well as the strength of external sector participation in international trade (Mohammed & Abdulmuahymin, 2016). The exchange rate of a Naira per US dollar is the amount of Naira required to obtain one unit of US dollar (Campbell, 2010; Jhingan, 2005; Omojolaibi & Gibadebo, 2014). The centrality of exchange rates in the formulation of monetary policy derives from the fact that for most countries, the prevailing objective of monetary policy is price stability (Adeoye & Saibu, 2014). Therefore, central banks should pay special attention to exchange rates and the value of their domestic currency.

Economic growth is one of the fundamental macroeconomic policy objectives which countries all over the world continue to strive to achieve and Nigeria is not an exception (Nyoni & Bonga, 2018). The status of a country's economic wellbeing is reflected by the real exchange rate (Arize & Osang, 2000). Many authors in Nigeria (such as Adelowokan, Adesoye, & Balogun, 2015; Akpan & Atan, 2012; Bakare, 2011; Eze & Okpala, 2014; Isola, Oluwafunke, & Victor, 2016; Nyoni & Bonga, 2018; Obansa, Okoroafor, Aluko, & Eze, 2013; Obi, Oniore, & Nnadi, 2016) have confirmed that there is a need for proper exchange rate management if economic growth is to be sustained.

The evolution of the Nigerian foreign exchange market was influenced by such factors as the changing patterns of international trade, institutional changes in the economy and structural shifts in production (CBN, 2011). The oil boom experienced in the nineteen seventies led to enhanced foreign exchange receipts,

hence the need to develop a local foreign exchange market became paramount (Mojekwu, Okpala, & Adeleke, 2011). Nigeria has adopted two main exchange regimes. As an integral part of the Structural Adjustment Programme introduced in 1986, Nigeria adopted the flexible exchange rate through a second-tier foreign exchange market (Umar & Soliu, 2009). Since then, several variants (Auction System, Dutch Auction System, Wholesale Dutch Auction System and Rental Dutch Auction System) have been operated in determining the exchange rate of Naira to US dollar (Mojekwu, Okpala, & Adeleke, 2011).

Forecasting of the exchange rate is the foremost endeavour of the practitioners and researchers in the spree of international finance, particularly in the case of the exchange rate which is floating (Nyoni, 2018). The importance of forecasting the exchange rates in practical aspect is that an accurate forecast can render valuable information to the investors, firms, and central banks for use in allocation of assets, hedging risk, and policy formulation (Alam, 2012). The significance of exchange rates forecasting stems from the reality that the findings of a given financial decision made today is conditional on the exchange rate which will be succeeded in the upcoming period. For this reason, the forecasting exchange rate is essential for various international financial transactions, namely speculation, hedging as well as capital budgeting (Moosa, 2008). In this study, we rely on the Box-Jenkins ARIMA approach to model the Naira/USD exchange rate in Nigeria from 1999 to 2018.

3. Theoretical Framework and Methodology

The critical role played by exchange rate dynamics in international trade and overall economic performance of all countries, in general, cannot be overemphasized (Ismail, 2009). The common finding in time series multivariate regression analyses is that the error residuals are correlated with their own lagged values (serial correlation) which violate the standard assumption of regression theory that disturbances are not correlated with other disturbances. To deal with the issue, the Box-Jenkins (1976) autoregressive integrated moving average (ARIMA) methodology has been suggested (Hanke & Wichern, 2005;

Roberts, 2006). This is because ARIMA methodology is not embedded within any underlying economic theory or structural relationship, and the forecasts from the models are based purely on the past behaviour and previous error terms of the series of interest (Hanke & Wichern, 2005; Roberts, 2006). That is, ARIMA is a forecasting technique that completely ignores independent variables in making a forecast.

Any forecasting technique that ignores independent variables also essentially ignores all potential underlying theories except those that hypothesize repeating patterns in the variable under study. Since the advantages of developing theoretical underpinnings of a particular equation before estimating them have been emphasized in regression theory, why would we advocate ARIMA? The major reasons why an ARIMA model is superior to time-series multivariate regressions are: (1) The use of ARIMA is appropriate when little or nothing is known about the dependent variable being forecasted or when all that is needed is one or two-period forecast (Hanke & Wichern, 2005; Roberts, 2006) and (2) ARIMA can sometimes produce better explanations of the residuals from an existing regression equation (in particular, one with omitted variables or other problems). In these cases, ARIMA has the potential to provide short-term forecasts that are superior to more theoretically satisfying regression models.

The Box-Jenkins (1976) methodology refers to the set of procedure for identifying, fitting, and checking autoregressive integrated moving average (ARIMA) models with time-series data (Hanke & Wichern, 2005; Roberts, 2006). The Box-Jenkins (ARIMA) econometric modelling takes into account historical data and decomposes it into *Autoregressive* (AR) process, where there is a memory of past events; an *Integrated* (I) process, which accounts for stabilizing or making the data stationary, making it easier to forecast; and a *Moving Average* (MA) of the forecast errors, such that the longer the historical data, the more accurate the forecasts will be, as it learns over time. ARIMA models, therefore, have three model parameters, one for the $AR(p)$ process, one for the $I(d)$ process, and one for the $MA(q)$ process, all combined and interacting among

each other and recomposed into the ARIMA (p,d,q) model. The ARIMA models apply only to a stationary data series, where the mean, the variance, and the autocorrelation function remain constant through time. The only kind of nonstationarity supported by the ARIMA model is simple differencing of degree. In practice, one or two levels of differencing are often enough to reduce a nonstationary time series to apparent stationarity (Hanke & Wichern, 2005; Pindyck & Rubinfeld, 1981; Roberts, 2006). The autoregressive integrated moving average (ARIMA) processes are built on the following basic assumptions:

1. absence of outliers;
2. shocks are randomly distributed with a mean of zero and constant variance over time;
3. residuals are normally distributed; and
4. residuals are independent.

The Box-Jenkins methodology of the forecast is different from most methods because it does not assume any particular pattern in the historical data of the series to be forecast. It uses an iterative approach of identifying a possible model from a general class of models. The chosen model is then checked against the historical data to see whether it accurately describes the series. The models fit well if the residuals are generally small, randomly distributed, and contain no useful information. If the specified model is not satisfactory, the process is repeated using a new model designed to improve on the original one. This iterative procedure continues until a satisfactory model is found. At this point, the model can be used for forecasting.

Box and Jenkins (1976) introduced the ARIMA (p,d,q) class of processes which have been applied to a wide variety of time series forecasting applications. They are applied in cases where data show evidence of non-stationarity, where an initial differencing step can be applied to remove the non-stationarity. The general methodology of the Box-Jenkins approach involves model identification, model estimation and diagnostic checking followed by forecasting.

The ARIMA approach combines two different specifications (called **processes**) into one equation. The first specification is an *autoregressive* process (hence the AR in

ARIMA), and the second specification is a *moving average* (hence the MA in ARIMA). ARIMA modelling advocates that there is a correlation between a time series data and its own lagged data.

A p th-order autoregressive process expresses a dependent variable as a function of past values of the dependent variable. More generally, the function can be written as:

$$z_t = \delta + \phi_1 z_{t-1} + \phi_2 z_{t-2} + \dots + \phi_p z_{t-p} + \varepsilon_t \quad (1)$$

where

z_t is the response (dependent) variable being forecasted at time t .

$z_{t-1}, z_{t-2}, \dots, z_{t-p}$ is the response variable at time lags $t-1, t-2, \dots, t-p$, respectively?

$\phi_1, \phi_2, \dots, \phi_p$ are the parameters to be estimated.

ε_t is the error term at time t .

Since there are p different lagged values of Y in the equation, it is often referred to as a " p th-order" autoregressive process.

A q th-order moving-average process expresses a dependent variable z_t as a

function of the past values of the q error terms, as in:

$$z_t = \mu + \varepsilon_t - \theta_1 \varepsilon_{t-1} - \theta_2 \varepsilon_{t-2} - \dots - \theta_q \varepsilon_{t-q} \quad (2)$$

where

z_t is the response (dependent) variable being forecasted at time t .

μ is the constant mean of the process.

$\theta_1, \theta_2, \dots, \theta_q$ are the coefficients to be estimated.

ε_t is the error term at time t .

$\varepsilon_{t-1}, \varepsilon_{t-2}, \dots, \varepsilon_{t-q}$ are the errors in previous

periods that are incorporated in the response z_t .

Such a function is a moving average of past error terms that can be added to the mean of z to obtain a moving average of past values of z . Such an equation would be a " q th-order" moving-average process.

To create an ARIMA model, we begin with an econometric equation with no independent variables ($z_t = \phi_0 + \varepsilon_t$) and add to it both the autoregressive (AR) process and the moving-average (MA) process.

Autoregressive process Moving average process

$$z_t = \phi_0 + \phi_1 z_{t-1} + \phi_2 z_{t-2} + \dots + \phi_p z_{t-p} + \varepsilon_t - \theta_1 \varepsilon_{t-1} - \theta_2 \varepsilon_{t-2} - \dots - \theta_q \varepsilon_{t-q} \quad (3)$$

where $\varepsilon_t, \varepsilon_{t-1}, \varepsilon_{t-2}, \dots, \varepsilon_{t-q}$ are random shocks, $\phi_1, \phi_2, \dots, \phi_p$ and $\theta_1, \theta_2, \dots, \theta_q$ are the autoregressive (AR) parameters and moving average (MA) parameters respectively. It can be proven that for this model $\delta = \mu(1 - \phi_1 - \phi_2 - \dots - \phi_p)$.

A highly useful operator in time-series theory is the lag or backshift operator, B defined by $Bz_t = z_{t-1}$. Model for non-seasonal series is denoted by ARIMA (p, d, q). Here p indicates the order of the autoregressive part, d indicates the amount of difference, and q indicates the order of the moving average part. If the original series is stationary, $d = 0$ and the ARIMA models reduce

to the ARMA models. The difference linear operator (Δ) is defined by:

$$\Delta z_t = z_t - z_{t-1} = z_t - Bz_t = (1 - B)z_t \quad (4)$$

The stationary series y_t is obtained as the d th difference (Δ^d) of z_t ,

$$y_t = \Delta^d z_t = (1 - B)^d z_t \quad (5)$$

ARIMA (p, d, q) has the general form:

$$\phi_p(B)(1 - B)^d z_t = \delta + \theta_q(B)\varepsilon_t \quad (6)$$

$$\phi_p(B)y_t = \delta + \theta_q(B)\varepsilon_t \quad (7)$$

Following Box and Jenkins (1976), an autoregressive moving average (ARIMA) model for the exchange rate (EXCRT) may be specified as thus:

$$EXCRT_t = \phi_0 + \phi_1 EXCRT_{t-1} + \phi_2 EXCRT_{t-2} + \dots + \phi_p EXCRT_{t-p} + \varepsilon_t + \theta_1 \varepsilon_{t-1} + \theta_2 \varepsilon_{t-2} + \dots + \theta_q \varepsilon_{t-q} \quad (8)$$

where $EXCRT$ is the exchange rate series and ϕ s θ s are the parameters to be estimated.

For the Box-Jenkins approach, this equation can be applied to a time series if the series is stationary. If a time series is non-stationary, then steps must be taken to convert the series into a stationary one before ARIMA can be applied. Hence, the input series for ARIMA needs to be stationary, that is, it should have a constant mean, variance, and autocorrelation through time. To determine the stationarity of the data,

$$EXCRT_t^* = \Delta EXCRT_t = EXCRT_t - EXCRT_{t-1} \quad (8)$$

If the first-difference does not produce a stationary series then first differences of this first-differenced series can be taken. The

$$EXCRT_t^{**} = (\Delta EXCRT_t^*) = EXCRT_t^* - EXCRT_{t-1}^* = \Delta EXCRT_t - \Delta EXCRT_{t-1} \quad (9)$$

In general, successive differences are taken until the series is stationary. The number of differences required to be taken before a series becomes stationary is denoted with the letter d . In practice, d is rarely more than two (Makridakis, Wheelwright, & Hyndman, 1998). The dependent variable in Equation 9 must be stationary, so the $EXCRT$ in that equation may $EXCRT$ $EXCRT^*$ be, or even $EXCRT^{**}$. If a forecast of $EXCRT^*$ or $EXCRT^{**}$ is made, then it must be converted back into $EXCRT$ terms before its use; for example, if $d = 1$, then

$$ARIMA(2, 1, 1): EXCRT_t^* = \phi_0 + \phi_1 EXCRT_{t-1}^* + \phi_2 EXCRT_{t-2}^* + \varepsilon_t + \theta_1 \varepsilon_{t-1} \quad (11)$$

where $EXCRT_t^* = \Delta EXCRT_t = EXCRT_t - EXCRT_{t-1}$

Once a tentative model has been selected, the parameters for that model must be estimated. The parameters in ARIMA models are estimated by minimizing the sum of squares of the fitting errors. In general, these least-squares estimate must be obtained using a nonlinear least-squares procedure. Once the least-squares estimate and their standard errors are determined, t values can be constructed and interpreted in the usual way. Parameters that are judged significantly different from zero are retained in the fitted model; parameters that are not significant are dropped from the model.

Before using the model for forecasting, it must be checked for adequacy. A model is adequate if the residuals cannot be used to improve the

we can check through ADF or PP test, or even look through the pattern of correlogram of ACF and PACF. According to the principle of parsimony, simple models are preferred to complex models when all things being equal (Hanke, Wichern, & Reitsch, 2001). The goal is to develop the simplest model that provides an adequate description of the major features of the data. A nonstationary series can often be converted into a stationary one by taking the first difference of the variable in question.

resulting series is a second-difference transformation:

$$EXCRT_{T+1}^{\hat{}} = EXCRT_T + EXCRT_{T+1}^{*} \quad (10)$$

ARIMA stands for **AutoRegressive Integrated Moving Average**. (If the original series is stationary and d , therefore, equals 0, this is shortened to ARMA). As a shorthand, an ARIMA model with p , d , and q specified is usually denoted as ARIMA (p , d , q) with the specific integers chosen inserted for p , d , and q , as in ARIMA (2, 1, 1). ARIMA (2, 1, 1) would indicate a model with two autoregressive terms, one difference, and one moving average term:

forecasts. That is, the residuals should be random. An overall check of model adequacy is provided by a χ^2 test based on the Ljung-Box Q -statistic. This test looks at the sizes of the residual autocorrelations as a group. If the p -value associated with the Q -statistic is small, the model is considered inadequate. One should consider a new or modified model and continue the analysis until a satisfactory model has been determined. Although ARIMA models involve differences, forecasts for the original series can always be computed directly from the fitted model. Forecasts are often more useful if they are accompanied by a confidence interval, which is a range within which the actual value of the

dependent variable is expected to lie. This is given as:

$$EXCR\hat{T}_{T+1} \pm S_F t_c \quad (12)$$

where S_F is the estimated standard error of the forecast and t_c is the critical two-tailed t -value for the desired level of significance.

3. Review of Some Empirical Literature on Application of ARIMA

The ARIMA approach is a specific subset of univariate modelling in which a time series is expressed in terms of past values of itself (the autoregressive component) plus current and lagged values of the error term (the moving average component). The method does not

apply to the econometric modelling approach of using explanatory variables suggested by economic theory, choosing instead to rely only on the past behaviour of the variable being modelled (Box & Jenkins, 1976; Meyler, Kenny, & Quinn, 1998). Pankratz (1983) pointed out that the Box-Jenkins (ARIMA) approach is a powerful and flexible method for short term forecasting because ARIMA models place more emphasis on the recent past. In the literature, the Box-Jenkins method has been used in attempts to analyze macroeconomic series. Some studies have applied the Box-Jenkins (ARIMA) approach in modelling financial time series. The table below shows a summary of the empirical studies done in Nigeria and other places.

Table 1: Summary of Empirical Literature on Application of ARIMA to Exchange Rate Dynamics

Author	Year	Country	Study Period	Method	Key Finding (s)
Ajao, Obafemi, & Bolarinwa, Alam	2017 2012	Nigeria Bangladesh	1972-2017 2006-2010	ARIMA models AR and ARMA models	ARIMA (0, 1, 0) is the optimal model. Both the ARMA and AR models jointly outperform other models, in terms of in-sample data set.
Appiah & Adetunde	2011	Ghana	1994-2010	ARIMA models	ARIMA (1, 1, 1) model is the most appropriate.
Chamalwa, Rann, & Idris, (2016).	2016	Nigeria	1981-2012	ARIMA models	ARIMA (2, 1, 2) is the best fit model.
Deka & Resatoglu	2019	Turkey	2004-2018	ARIMA models	ARIMA (3,1,3) is the best model for forecasting foreign exchange rate for Turkey.
Mbaga & Olubusoye	2014	Nigeria	2007-2012	FROEXNN and ARIMA models	FOREXNN models are superior to ARIMA models.
Mohammed & Abdulmuahymin Ngan	2016 2016	Nigeria Vietnam	1972-2014 2013-2015	ARIMA models ARIMA models	ARIMA (0, 2, 1) is the best fit model. ARIMA model is suitable for forecasting.
Nwankwo	2014	Nigeria	1982 – 2011	ARIMA models	The best fit model is ARIMA (1, 1, 0).
Nyoni	2018	Nigeria	1960-2017	ARIMA models	ARIMA (1, 1, 1) is the best fit model.
Olakorede, Olanrewaju, & Ugbede	2018	Nigeria	1980-2015	ARIMA models	ARIMA (0, 1, 1) is the best fit model.
Olatunji & Bello	2013	Nigeria	2000-2012	ARIMA models	ARIMA (1, 1, 2) is appropriate.
Olatunji & Bello	2015	Nigeria	2000-2012	ARMA & ARIMA models	ARIMA (1, 1, 2) and ARMA (1, 1) models are optimal.
Onasanya & Adeniji	2013	Nigeria	1994-2011	ARIMA models	The best fit model is ARIMA (1, 2, 1) model.
Osarumwense & Waziri	2013	Nigeria	1990-2010	ARIMA models	ARIMA (0, 1, 1) is appropriate.

From the review of empirical literature review, we found no evidence that the Box-Jenkins (ARIMA) methodology has been properly applied to modelling exchange rate dynamics in Nigeria. This paper also differs from the reviewed studies in the following:

- quarterly exchange rate data were used;
- diagnostic tests were performed; and
- the forecast performance of the estimated model was evaluated.

4. Empirical Analysis and Results

The data on the exchange rate was sourced from the Central Bank of Nigeria (CBN). The first

step in modelling a series is to check the structure of the data to obtain some preliminary knowledge about the stationarity of the series (existence of a trend or a seasonal pattern). Before performing formal tests, the graph of the time series under study was plotted. Such plots give an initial clue about the likely nature of the time series. We have to determine the trend of the series of being constant, linear or non-linear, etc. The in-sample period of exchange rate data from 1999 to 2018 is plotted with the aid of Eviews. The exchange rate series is shown in Figure 1.

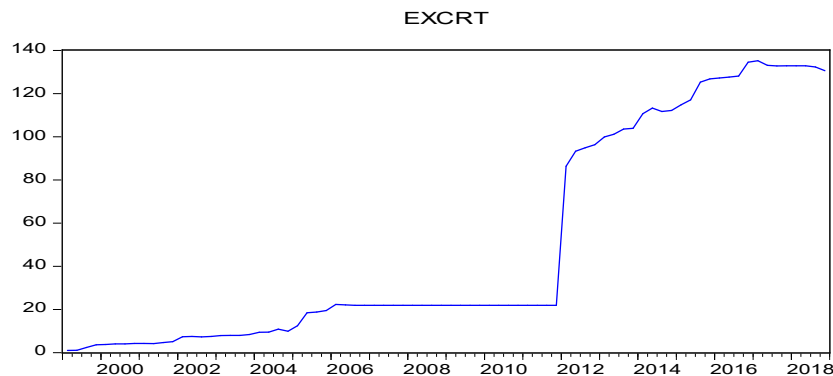


Figure 1: Variable at level

Source: Authors' Calculations

Figure 1 above shows the line graph of the historical performance of the exchange rate series used in this study. The figure shows the graph of the series at their level form. Figure 1 shows that there is little evidence to suspect the presence of a structural break or outlier in the variable (exchange rate series). The absence of outliers indicates that we can model exchange rate dynamics in Nigeria without having extremely large or small values that deviate from the historical exchange rate series. The descriptive graphs show that the variable has

some variations and using them in the models will require identifying their stationarity properties.

4.1 Unit Root Test for the Exchange Rate Series

A stationary series must be obtained before it can be used to estimate and develop a model. The unit root tests help to determine the stationarity of a series. The Augmented Dickey-Fuller (ADF) was used to test for the stationarity of the exchange rate series.

Table 2: ADF test for exchange rates at a level

Null Hypothesis: EXCRT has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=2)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-0.032669	0.9522
Test critical values: 1% level	-3.51536	
5% level	-2.898623	
10% level	-2.586605	

*MacKinnon (1996) one-sided p-values

Source: Authors' Calculations

According to the ADF test for exchange rate series in Table 1, the ADF test statistic is -0.032669 which is greater than test critical values of -3.515536, -2.898623, and -2.586605 at 1%, 5%, and 10% significance levels respectively. The p-value of 0.9522 strongly disagrees that the series is stationary. Thus, we do not reject the null hypothesis of being non-

stationary. Thus, the exchange rate time series need to be differenced to obtain a stationary series. The process is continued until a stationary series is found. We check the stationarity for the first-order difference of exchange rate series. Similarly, we use the ADF test to determine the series' stationarity.

Table 3: ADF test for the exchange rate at the first difference

Null Hypothesis: D(EXCRT) has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=2)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-8.044907	0.0000
Test critical values: 1% level	-3.516676	
5% level	-2.899115	
10% level	-2.586866	

*MacKinnon (1996) one-sided p-values

Source: Authors' Calculations

The ADF test for a first-order difference from the original exchange rate series is shown in Table 3. The *t*-statistic for the first lagged difference series is -8.044907 which is smaller than the test critical values of -3.516676, -2.899115, and -2.586866 at 1%, 5%, and 10% significance levels respectively. Hence, the zero in *p*-value indicates that the ADF *t*-statistic is significant. Thus, we reject the null hypothesis that states that the first-order difference for daily exchange rate series is non-stationary. With the information obtained above, we have the stationary series after one lagged difference from the original exchange rate series. In the next step, we used the first-order difference for exchange rate series to find our models using the Box-Jenkins approach.

4.2 ARIMA Model

ARIMA models are univariate models that consist of an autoregressive polynomial, an order of integration (*d*), and a moving average polynomial. Since the exchange rate became stationary after first-order difference (ADF test), the model that we are looking at is ARIMA (*p*,1,*q*). We have to identify the model, estimate suitable parameters, perform diagnostics for residuals, and finally forecast the exchange rate series.

The following procedure was followed in estimating the univariate autoregressive integrated moving average (ARIMA) model that was specified. First, the exchange rate series variable was transformed to stabilize the variable. Second, potential models were identified using the autocorrelation function (ACF) and the partial autocorrelation function (PACF) and estimated via the ordinary least squares (OLS) method. Third, the best model is selected using the Akaike Information Criterion (AIC) and the Schwarz Information Criterion (SIC). Fourth, the selected model was estimated and diagnostic tests of residuals were performed. Finally, the estimated model was used to forecast the exchange rate and the forecast performance evaluated.

4.2.1 ARIMA Model Identification

We computed the series correlogram which consists of ACF and PACF values. We also calculated the Ljung-Box Q-statistics. We observe the patterns of the ACF and PACF and then determine the parameter values *p* and *q* for the ARIMA model. In choosing the lag length, a rule of the thumb is to compute ACF up to 1/3 or 1/4 of the length of the time series. The correlogram for ACF and PACF of the first-order difference series is plotted in Figure 4.

Correlogram of D(EXCRT)

Date: 02/09/20 Time: 12:09

Sample: 1999Q1 2018Q4

Included observations: 78

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
*** .	*** .	1	-0.450	-0.450	16.388	0.000
. .	** .	2	-0.053	-0.320	16.621	0.000
. .	** .	3	-0.012	-0.262	16.633	0.001
. .	* .	4	0.026	-0.187	16.690	0.002
. .	* .	5	-0.017	-0.171	16.716	0.005
. .	* .	6	0.027	-0.110	16.780	0.010
* .	* .	7	-0.070	-0.184	17.208	0.016
. * .	* .	8	0.088	-0.079	17.903	0.022
. .	. .	9	-0.012	-0.041	17.916	0.036
. .	* .	10	-0.046	-0.081	18.112	0.053
. .	* .	11	0.008	-0.082	18.117	0.079
. .	* .	12	0.010	-0.079	18.127	0.112
. .	* .	13	-0.041	-0.143	18.287	0.147
. * .	. .	14	0.097	-0.025	19.211	0.157
. .	. .	15	-0.046	-0.020	19.422	0.195
. .	. .	16	-0.009	-0.022	19.429	0.247
. .	. .	17	-0.005	-0.032	19.431	0.304
. .	* .	18	-0.039	-0.106	19.591	0.356
. * .	. .	19	0.092	0.010	20.496	0.365
. .	. .	20	-0.028	0.017	20.578	0.422
. .	. .	21	-0.036	-0.002	20.723	0.476
. .	. .	22	0.013	-0.014	20.742	0.537
. .	* .	23	-0.022	-0.071	20.797	0.593
. .	. .	24	0.038	-0.022	20.966	0.641
. .	. .	25	-0.004	-0.009	20.968	0.694
. .	. .	26	-0.047	-0.064	21.236	0.730
. .	. .	27	0.059	-0.014	21.658	0.755
. .	. .	28	0.010	0.008	21.670	0.796
. .	. .	29	-0.049	-0.022	21.977	0.821
. .	. .	30	0.026	0.008	22.062	0.852
. .	. .	31	-0.017	-0.012	22.102	0.880
. .	. .	32	0.015	0.009	22.132	0.904

Figure 4: Correlogram of the first-order difference EXCRT series**Source:** Authors' Calculations

In Figure 4, 32 lags of autocorrelation and partial autocorrelation were generated. From the Figure, the ACF started dying sinusoidally after lag 4 (AR) and PACF died out after lag 4 (MA). Thus, the p and q values for the ARIMA ($p, 1, q$) model were set at 2 and 2 respectively. So, we temporarily set our ARIMA model to be ARIMA (4, 1, 4). From these four (4) possible ARIMA combinations, the AIC and SIC criteria were used to select the most desirable ARIMA model.

The results of all the ARIMA combinations are presented in Table 4.

4.2.2. ARIMA Model Selection, Estimation, and Interpretation

Once tentative ARIMA (p, d, q) models have been selected, the parameters for the models must be estimated. The parameters in ARIMA models are estimated by minimizing the sum of squares of the fitting errors with the aid of EViews software. Table 4 shows the results

Table 4: ARIMA models for exchange rate

Variable	ARIMA (4,1,1)	ARIMA (4,1,2)	ARIMA (4,1,3)	ARIMA (4,1,4)
C	2.34 (0.00)	0.22 (0.53)	8.66 (0.92)	0.13 (0.78)
AR(1)	1.02 (0.00)	2.48 (0.09)	-0.07 (0.98)	0.03 (0.99)
AR(2)	-1.20 (0.57)	0.70 (0.37)	0.78 (0.46)	0.12 (0.96)
AR(3)	0.01 (0.93)	-0.17 (0.95)	0.33 (0.87)	0.12 (0.95)
AR(4)	-0.02 (0.85)	0.43 (0.05)	-0.03 (0.93)	0.28 (0.80)
MA(1)	-0.98 (0.00)	-1.86 (0.06)	0.01 (0.99)	-0.25 (0.91)
MA(2)		-3.67 (0.03)	-0.94 (0.40)	-0.43 (0.84)
MA(3)			0.02 (0.80)	-0.41 (0.84)
MA(4)				-0.45 (0.74)
R^2	0.04	0.25	0.07	0.25
AjR^2	-0.02	0.19*	-0.01	0.16
F-statistic	0.64 (0.67)	3.80 (0.00)	0.82 (0.56)	2.43 (0.00)
DW	1.99	2.12	1.96	2.06
AIC	6.99	6.77*	6.99	6.82
SIC	7.18	6.99	7.21	7.10

Source: Authors' Calculations

In selecting the best ARIMA model of exchange rate dynamics, we subjected all the ARIMA models to Akaike Information Criterion (AIC) and Schwarz Information Criterion (SIC). The results in Table 4 above show that ARIMA (4,1,2) model

$$\Delta EXCRT_t = 0.23 + 2.47\Delta EXCRT_{t-1} + 0.70\Delta EXCRT_{t-2} - 0.17\Delta EXCRT_{t-3} + 0.42\Delta EXCRT_{t-4}$$

$$\text{t-statistic: } (0.63) \quad (3.67) \quad (0.89) \quad (-1.23) \quad (3.06)$$

$$\text{Prob. value: } [0.53] \quad [0.09] \quad [0.37] \quad [0.22] \quad [0.05]$$

$$-1.86\varepsilon_{t-1} - 3.67\varepsilon_{t-2}$$

$$\text{t-statistic: } (-2.46) \quad (-4.09)$$

$$\text{Prob. value: } [0.06] \quad [0.03]$$

(13)

In Table 4, ARIMA (4,1,2) results indicate that the coefficients of AR (1), AR(4), MA(1), and MA (2) were significant. The R -squared of ARIMA (4,1,2) is 0.25 which implies that that about 25% of the variation in the exchange rate in Nigeria is explained by past values of the exchange rate and the past errors. It also indicates that the dependency on the estimated value by the series is not strong. This can be understood by the fact that ARIMA models are univariate models. The F -test which is used to determine

is preferred to other ARIMA model since it has the lowest values of AIC of 6.77. The adjusted R -squared of 0.25 is also the largest. The model equation can be formed as:

the overall statistical significance of a regression model shows that the overall regression is statistically significant at 1% level. These results indicate that the overall ARIMA (4,1,2) model is statistically different from zero and had)) has a satisfactory goodness-of-fit.

4.2.3 ARIMA (4,1,2) Diagnostic Tests

Before using the model for forecasting, it must be checked for adequacy. Basically, a model is adequate if the residuals cannot be used to improve the forecasts. That is the residuals

should be random. An overall check of model adequacy is provided by a χ^2 test based on the Ljung-Box Q-statistic. This test looks at the sizes of the residual autocorrelations as a group. If the

p -value associated with the Q-statistic is small, the model is considered inadequate. This is presented in Figure 5.

Correlogram of Residuals

Sample: 1999Q1 2018Q4

Included observations: 75

Q-statistic probabilities adjusted for 6 ARMA terms

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
.*)	.*)	1	-0.095	-0.095	0.7053	
.	.	2	-0.034	-0.043	0.7970	
.	.	3	0.036	0.029	0.9018	
.	.	4	0.011	0.016	0.9119	
.	.	5	0.024	0.029	0.9584	
.	.	6	0.008	0.014	0.9643	
.	.	7	-0.024	-0.021	1.0135	0.314
.	.	8	0.063	0.058	1.3555	0.508
.	.	9	0.003	0.011	1.3561	0.716
.	.	10	-0.065	-0.060	1.7315	0.785
.	.	11	-0.002	-0.018	1.7318	0.885
.	.	12	-0.008	-0.016	1.7372	0.942
.	.	13	-0.015	-0.017	1.7578	0.972
.*)	.*)	14	0.076	0.074	2.3020	0.970
.	.	15	-0.034	-0.015	2.4156	0.983
.	.	16	-0.037	-0.038	2.5494	0.990
.	.	17	-0.029	-0.045	2.6321	0.995
.	.	18	-0.047	-0.051	2.8552	0.996
.	.	19	0.061	0.052	3.2339	0.997
.	.	20	-0.048	-0.040	3.4751	0.998
.*)	.*)	21	-0.072	-0.069	4.0260	0.998
.	.*)	22	-0.039	-0.069	4.1918	0.999
.	.*)	23	-0.051	-0.066	4.4761	0.999
.	.	24	0.000	0.003	4.4761	0.999
.	.	25	-0.031	-0.027	4.5885	1.000
.	.	26	-0.062	-0.059	5.0474	1.000
.	.	27	0.025	0.002	5.1203	1.000
.	.	28	-0.017	-0.027	5.1548	1.000
.*)	.	29	-0.068	-0.054	5.7436	1.000
.	.	30	-0.015	-0.024	5.7714	1.000
.	.	31	-0.037	-0.047	5.9516	1.000
.	.	32	-0.012	-0.027	5.9701	1.000

Figure 5: Correlogram of EXCRT residual series

Source: Authors' Calculations.

The figure shows that ARIMA (4,1,2) is adequate because the p -values associated with the Q-statistic are large.

After estimating the parameters for the ARIMA (4,1,2) model, it was also necessary to examine

the statistical properties of the estimated ARIMA model by performing diagnostic checking of the model adequacy. The ARIMA (4,1,2) was also tested for normality (Jarque-Bera) and serial correlation. The results are shown in Table 5.

Table 5: ARIMA (4,1,2) diagnostic test

TEST	F-STATISTIC	P-VALUE
Serial correlation: The breusch-Godfrey serial correlation LM test	15.19	0.91
Normality: Jarque-Bera test	370	0.00

Source: Authors' Calculations

The results reported in **Table 5** suggest that the model was serially uncorrelated and normal based on the Breusch-Godfrey serial correlation LM test and Jarque-Bera (JB) test for the residual from ARIMA (4,1,2).

4.2.4 Forecast and Forecast Evaluation for ARIMA (4,1,2) Model

The forecast of exchange rate series using ARIMA (4,1,2) model was conducted. The duration of forecasts was from 1999 to 2018. Some forecasting measurements such as root mean squared error (RMSE), mean absolute error (MAE) and Theil inequality coefficient was computed. These are shown in Table 6.

Table 6: Forecasting performance of ARIMA (4,1,2) model

Forecast Performance	ARIMA (2,1,2)
RMSE	0.32
MAE	0.19
Theil Inequality Coeff.	0.50

Source: Authors' calculations

The benchmark is 0.5. If forecast values are less than 0.5, a small forecast error will be obtained. Thus, smaller RMSE, MAE, and Theil Inequality coefficient are preferred. From the results, we can conclude that the model is relevant for the forecasting exchange rate in Nigeria.

5. Discussion of Findings, Conclusion, and Policy Implication

The objective of this study was to develop a univariate autoregressive integrated moving average (ARIMA) model as suggested by Box and Jenkins (1976) for the Nigerian exchange rate and examine the forecasting performance of the estimated model. The exchange rate series covered the sustainable democratic transitions between 1999 and 2018 using quarterly returns. We used the Augmented Dickey-Fuller (ADF) method to determine the stationarity of the exchange rate series. The study used the correlogram for autocorrelation function (ACF) and partial autocorrelation function (PACF) of the first-order difference of exchange rate series to identify and estimate a parsimonious ARIMA model. Diagnostic tests for serial correlation

(Breusch-Godfrey serial correlation LM test) and normality (Jarque-Bera test) of the model were performed. Forecast of exchange rate dynamics using the selected ARIMA (4,1,2) model was conducted and the forecast performance evaluated using RMSE, MAE, and Theil Inequality coefficient.

We can conclude from the results that ARIMA (4,1,2) model was found to be the most appropriate model under model identification, selection, parameter estimation, diagnostic checking and forecast evaluation; from the ARIMA (4,1,2) model, the first-quarter and the fourth-quarter lagged exchange rate values were statistically significant in explaining Nigerian exchange rate dynamics; the model was serially uncorrelated and normally distributed, and the ARIMA (4,1,2) univariate model was able to produce forecasts based on the historical patterns in the data which indicated that ARIMA (4,1,2) model was efficient and relevant for forecasting exchange rate during the sample period.

The estimated exchange rate equation showed that the expected exchange rate was an important determinant of the actual exchange rate during the estimation period. The major inference that can be drawn from this study is that expectations that are formed about previous values of the exchange rate affect the current values of the exchange rate. To put exchange rate under control, we recommend that alternative models of exchange rate dynamics in Nigeria should consider the past values of the exchange rate as potential explanatory variables and a need for high transparency in policymaking and implementation. We also recommend that government should develop an economic structure that can compete favourably with international communities which will be characterized by high investment inflows into the country, thereby improving the real foreign exchange rate in Nigeria for better economic development and growth.

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EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL COMMITMENT AND EMPLOYEES' DEVIANT BEHAVIOR: EVIDENCE FROM NATIONAL BUREAU OF STATISTICS IN NIGERIA

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Abstract

This study assessed the effect of leadership styles on organizational commitment and employees' deviant behaviour in the National Bureau of Statistic (NBS). The main objective of this study is to assess the effect of the various leadership styles on organization commitment and employee deviant behaviour in NBS. For this study, probability sampling technique of simple random sampling was used to select 225 NBS staff for the study in the North Central Zone. The primary source of data was used through the means of Questionnaire for data collection. The logistic multiple regression statistics were used to analyse the collected data through SPSS software version 20. The results from the test of five hypotheses revealed that standardized coefficients of transformational leadership style (TFLS) are 0.306; this indicates a positive relationship between TFLS and deviant behaviour. The p-value for TFLS is (0.011), which is less than (0.05) significant level indicates that it is statistically significant. Authentic leadership style (AULS) is 0.235; this indicates a positive relationship between AULS and deviant behaviour. The value of transactional leadership style (TSLS) is 0.834; this indicates a positive relationship between TSLS and deviant behaviour. The p-value for TSLS is (0.005), which is less than (0.05) significant level indicates that it is statistically significant. Leadership style has a significant effect on organizational commitment. Organizational commitment mediates the relationship between leadership styles and deviant behaviour. The study recommended that leaders should apply different leadership style under different situations and overuse of any one leadership style may disappoint employees or harm leadership effectiveness.

Keywords: Transformational leadership style, Authentic leadership style, Transactional leadership style, Deviant behaviour and Organizational commitment

1.0 Introduction

As businesses continue to struggle to ensure sustainable competitive advantage, organizations need to understand the factors that influence their performance. The growing significance placed on understanding employees and their behaviour within the organization has produced a great deal of interest in investigating employee deviant behaviour (Christian & Ellis, 2011).

Employees exhibit a variety of behaviours at work which might impact on co-workers and the organization as a whole. Organizations usually expect a set norm in the workplace. However, if the work behaviour is not in compliance with expected norms, then it affects the organization. Research on the subject matter has shown that deviant behaviour is on the increase and it constitutes a problem to the organizations (Holtz & Harold, 2013).

Employee deviant behaviour occurs when an employee violates the policies or regulations that

could affect the organization or staff wellbeing (Robinson & Bennett, 2012; Christian & Ellis, 2011). Employees' deviant behaviour is critical to the attainment of the corporate goal. Not only does it affect the effectiveness of the organization, but it also has financial implications (Appelbaum, Iaconi & Matousek, 2011).

Behaviour is considered deviant when employees are non-conforming to an organization's policies, core values, and culture, among others and such behaviour impede the vision, welfare and organizational standards (Jawad, Tabassum, Raja & Abraiz, 2013; Bennett and Robinson, 2013); also, deviant behaviours are believed to be detrimental to the goals and interests of other members of the organization (Lawal & Babalola, 2008; Greenbag, 2002). Deviant behaviour is counterproductive and whether such behaviour is noticeable or not, it does not only have adverse effects on organizational productivity

(Appelbaum & Shapiro, 2007) but may escalate to high profile embarrassments and affect organizations' drive for professionalism and institutionalized standards if not strategically managed (Chirasha & Mahapa, 2012).

Deviant behaviour in the organization is expressed in the following ways: absenteeism, late-coming, poor quality of work, destruction of property, sabotage, theft of property, misuse of time and resources, abuse against others, unethical verbal/physical actions, intentionally working slow, or taking long breaks, favouritism, gossiping, harassment and the likes (Muafi, 2011; Raja & Abraiz, 2013; Bennett & Robinson, 2012). As already stated, all these affect organization efficiency and performance.

The kind of leadership style exhibited by managers to a large extent influences organizational valued outcomes such as low employee deviant behaviour, reduced absenteeism, customer satisfaction, and organizational effectiveness (Lim, 2007). However, different situations may call for different leadership styles according to the situational model of leadership style. The style adopted should be favourable to the interest of individual members whose attitudes and behaviours determine the achievement of the set objectives of the organization.

Employee deviant behaviour has increasingly attracted interest among researchers in the area of organizational behaviour (Fox, Spector, & Miles, 2001; Holtz & Harold, 2013; Riasudeen & Narayanan, 2014). This is because employees more than ever before are expressing high aggressiveness, sabotaging tendencies and collapsed industrial and interpersonal relationship (Fox, Spector, & Miles, 2001) making managerial roles more challenging than ever. Effective management of organizations plagued by deviant tendency requires an understanding of what triggers such attitude, the extent of stress and frustration it poses (Mulki, Jaramillo, & Locander, 2006).

From the aforementioned, it is evident that deviance in the workplace has been and is still a major concern to researchers. Though studies have associated organizational justice with deviant behaviour (Bechtoldt, Welk, Zapf, & Hartig, 2007; Holtz & Harold, 2013; Nasurdin, Ahmad, & Razalli, 2014; Özduran & Tanova,

2017), it might be noted that those studies have not concentrated on the effect of leadership styles on organization commitment and employee deviant behaviour. To the best of the author's knowledge, no study has ever been conducted on the effect of leadership styles on organizational commitment and employees' deviant behaviour, from the perspective of the National Bureau of Statistics. In addressing this research gap, this study assesses the effect of the various leadership styles on organizational commitment and employees' deviant behaviour in Nigeria.

In line with the research objectives, the following hypotheses were tested:

Ho₁: Transformational leadership style has no significant effect on employees' deviant behaviours

Ho₂: Authentic leadership style has no significant effect on employees' deviant behaviours

Ho₃: Transactional leadership style has no significant effect on employees' deviant behaviours

Ho₄: leadership styles (Transformational, Authentic and Transactional) have no significant effect on employees' commitment

Ho₅: organizational commitment does not mediate the relationship between leadership styles and deviant behaviour

2. Literature Review

Deviant Behaviour

Workplace deviance refers to voluntary behaviours by employees that violate significant organizational norms, policies, or rules and in so doing threaten the well-being of the organization and/or its members or both (Robinson and Bennett, 2012). Workplace deviance also can be described as the deliberate or intentional desire to cause harm to an organization (Omar, Halim, Zainah, Farhadi, Nasir & Kairudin 2011). Examples of workplace deviance include both behaviours directed at organizations (e.g., theft, sabotage, aggression, absenteeism, violence, coming to work late, and putting little effort into work) and individuals in the workplace, such as supervisors or co-workers (e.g., making fun of others, playing mean pranks, acting rudely, arguing).

Leadership Style

Leadership style is defined as the pattern of behaviours that leaders display during their work

with and through others (Hersey & Blanchard, 2003). Leadership style could also be seen as the pattern of interactions between leaders and subordinates. According to Hersey et al. (2003), the term "leadership style" can be interpreted as leadership behaviour with two independent dimensions: task and interpersonal relationships. Leadership style is the manner and approach of providing direction, implementing plans, and motivating people. As seen by the employees, it includes the total pattern of explicit and implicit actions performed by their leader. Thus, leadership style is a leader's style of providing direction, implementing plans, and motivating people. Leadership styles have three main dimensions, namely transactional, authentic and transformational leadership (Adnan & Mubarak, 2010).

Organizational Commitment

Organizational commitment is influenced by the job environment created by the employee's supervisor. This organizational environment, together with the employee's ability and motivation, will largely determine eventual performance (Cummings & Schwabs, 2003). Organizational commitment has also been shown to positively affect motivation, organizational citizenship, and job performance (Meyer et al., 2002). Three essential dimensions related to the definitions of organizational commitment have been found in the literature. These three types of commitment are affective, continuance and normative (Greenberg, 2005). Affective commitment deals with the attachment of an employee with his organization and the organizational goals. Continuance commitment deals with the commitment to pursue continuous work in an organization because of the inter-employee relations and other non-transferable investments like retirement benefits, etc. Normative commitment refers to a sort of obligation on the part of an employee, due to which he is willing to stay (or continue working) in an organization (Alam & Ramay, 2011).

Theoretical Framework

The theory underpinning this study is the Leader-Member Exchange (LMX) Theory. In LMX theory, a leader and a follower are referred to as a *dyad*, and LMX is defined as the quality of the dyadic relationship between a leader and

a follower (Liden & Maslyn, 1998). The leader-follower dyad is in explicit focus in LMX since leaders are expected to develop unique dyadic relationships with all followers in their workgroups (Graen & Uhl-Bien, 1995). The research studies that have investigated the potential predictors of LMX have revealed that workgroup cohesiveness, organizational climate, organizational support, job characteristics, and leader power were related to LMX (Cogliser & Schriesheim, 2000; Wayne et al., 2002; Piccola & Colquit, 2006). On the other hand, the previous literature confirms that quality of LMX is positively related to follower's role clarity, job satisfaction, organizational commitment, social interactions, job performance, and citizenship behaviours and negatively related to role ambiguity, role conflict, intentions to turnover (Gerstner & Day, 1997; Schriesheim et al., 1999; Mayfield & Mayfield, 2009). It is suggested that Social Exchange Theory (SET) explains the interaction of leaders and employees and the reasons for differences in the influences of LMX quality on individual outcomes (Greguras & Ford, 2006; Xerri, 2013).

Informal observation of leadership behaviour suggests that a leader's action is not the same towards all subordinates. The importance of potential differences in this respect is brought into sharp focus by Graen's leader-member exchange model, also known as the vertical dyad linkage theory. The theory views leadership as consisting of several dyadic relationships linking the leader with a follower. The quality of the relationship is reflected by the degree of mutual trust, loyalty, support, respect, and obligation.

According to the theory, leaders form different kinds of relationship with various groups of subordinates. One group, referred to as the in-group, is favoured by the leader. Members of in-group receive considerably more attention from the leader and have more access to the organizational resources. By contrast, other subordinates fall into the out-group. These individuals are disfavoured by the leader. As such, they receive fewer valued resources from their leaders.

Leaders distinguish between the in-group and out-group members based on the perceived similarity to personal characteristics, such as

age, gender, or personality. A follower may also be granted an in-group status if the leader believes that person to be exceptionally competent at performing his or her job. The relationship between leaders and followers follows three stages:

Role taking: When a new member joins the organization, the leader assesses the talent and abilities of the member and offers them opportunities to demonstrate their capabilities.

Role making: An informal and unstructured negotiation on work-related factors takes place between the leader and the member. A member who is similar to the leader is more likely to succeed. A betrayal by the member at this stage may result in him being relegated to the out-group

The LMX scale assesses the degree to which leaders and followers have mutual respect's capabilities, feel a deepening sense of mutual trust, and have a sense of strong obligation to one another. Taken together, these dimensions determine the extent to which followers will be part of the leader's in-group or out-group.

In-group followers tend to function as assistants or advisers and to have higher quality personalized exchanges with the leader than do out-group followers. These exchanges typically involve a leader's emphasis on assignments to interesting tasks, the delegation of important responsibilities, information sharing, and participation in the leader's decisions, as well as special benefits, such as personal support and favourable work schedules.

Empirical Review

Arun and Sandhya (2016) studied the impact of transformational leadership style on deviant behaviour in an organization and they found that transformational leadership style significantly influences individual deviant behaviour and organisational variables like job dissatisfaction, organisational commitment, psychological well-being, etc., towards positive organisational outcomes irrespective of the location of the study. It implies that leaders in today's organisations have to consider imbibing transformational leadership behaviours to become more effective in their trade.

Anna, Sean, Ross, and George (2013) investigated the impact of authentic leadership on followers' morality, operationalized as ethical. The breakdown of the population is as follows:

decision-making, in the face of temptation. This experiment finds that authentic leadership and temptation interacted to affect individuals' ethical decision-making. Specifically, authentic leadership significantly inhibited individuals' from making unethical decisions in the face of temptation, whereas followers of neutral or less authentic leaders were more likely to succumb to temptation. Authentic leadership did not have a significant impact on ethical decision-making when temptation was absent. Further, results showed a significant moderated-mediated effect whereby the interactive effect of authentic leadership and temptation on individuals' guilt appraisal was mediated through the nature of the ethical decision.

Ramachandran & Krishnan (2009) in their study used a sample of 98 employees working in the U.S., India, and China. The study showed that affective and normative commitment is positively related to transformational leadership. Normative commitment is higher in India-China combined than in the U.S. Transformational leadership is positively related to normative commitment in India and China but not in the U.S., and to affective commitment in the U.S. and India but not in China.

Sajeet and Rabindra (2014) studied the causal linkage between leadership styles and deviant work behaviours of the employees. The study also investigated the moderating role of organizational justice between leadership styles and deviant workplace behaviours which causes great financial hardship to both the organization and its stakeholders. The study finds out that there is a strong and positive significant relationship between leadership styles and employee deviant behaviour in an organization.

3.0 Methodology

This study adopted the cross-sectional survey method and considers employees as a unit of analysis. The population for this study consists of all staff of the national bureau of statistics, the north-central zone which comprises 448 staff. North-Central is made up of six (6) states and Abuja the federal capital situated geographically in the Middle-Belt region of Nigeria. The states are Abuja, Benue, Kogi, Kwara, Nasarawa, Niger and Plateau.

Names of the Zone	Number of Staff
Abuja	150
Benue	74
Kogi	43
Nasarawa,	70
Niger	60
Plateau	51
Kwara	29
Total	477

Source: National Bureau of Statistics

For this study, probability sampling technique of simple random sampling was used to select NBS staff for the study in North Central Zone. The questionnaire was used for data collection. A 5-point Likert scale questionnaire ranging from "Strongly Agree" to "Strongly Disagree" will be the main instrument of data collection for the study.

The sample size for this study is 225. The individual sample size per zone was determined using the population allocation formula as specified by Ayatse, Tsegba and Akombo (2012). This research relied mainly on the

primary data sourced through the means of the questionnaire.

3.1 Statistical Instrument for Data Analysis

Regression analysis was used to determine the moderation between dependent and independent variables. SPSS Version 20 software was used to test the results of the hypothesis. The logistic multiple regression statistics were used to analyse the collected data.

Therefore, the model used in testing the hypotheses of this study is presented below:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e \quad \text{--- equation 1}$$

$$\text{Employee Deviant Behaviour (DB)} = \alpha_0 + \beta_1 \text{Transformational leadership (TFLS)} + \beta_2 \text{Authentic leadership (AULS)} + \beta_3 \text{Transactional leadership (TSLS)} + e \quad \text{--- equation 1}$$

$$\text{Organizational commitment (OC)} = \alpha_0 + \beta_1 \text{Transformational leadership (TFLS)} + \beta_2 \text{Authentic leadership (AULS)} + \beta_3 \text{Transactional leadership (TSLS)} + e \quad \text{--- equation 2}$$

4.0 Findings

A total of 225 questionnaires were distributed to the staff of national bureau of statistics North Central Zone while 180 questionnaires were successfully retrieved which represents 80% of the respondents and 45 questionnaires were not returned. In all, a total of 180 valid questionnaires were analysed out of the total of

225 questionnaires administered. The above-average response rate of 80% was considered adequate for the analysis.

4.1 Test of Hypotheses

Hypothesis One: Transformational leadership style has no significant effect on employee deviant behaviours.

Table 2: Test of significant of Deviant Behaviour

Hypotheses	Relationships	Std Beta	Std Error	T- value	P-Value	Decision
H ₁	TFLS → DB	0.306	0.284	12.0995	0.011	Supported
H ₂	TSLS → DB	0.834	0.525	2.5886	0.005	Supported
H ₃	AULS → DB	0.235	0.224	31.0491	0.000	Supported

P < 0.05, Where TFLS; Transformational Leadership Style, TSLS; Transactional Leadership Style, AULS; Authentic Leadership Style

Source: Summary from SPSS Version 20 output, 2019

Table 2 shows that standardized coefficients of transformational leadership style (TFLS) are 0.306 this indicates a positive relationship between TFLS and deviant behaviour. The p-value for TFLS is (0.011) is less than (0.05) significant level which indicates that it is statistically significant. This means we reject the Null hypothesis by accept the alternative hypothesis and conclude that the transformational leadership style has a significant effect on employee deviant behaviours in an organization.

Hypothesis Two: Authentic leadership style has no significant effect on employee deviant behaviours.

The hypothesis is tested and the regression result in table 2 shows that standardized coefficients of authentic leadership style (AULS) are 0.235; this indicates a positive relationship between AULS and deviant behaviour. The p-value for AULS is (0.000) is less than (0.05) significant level which indicates that it is statistically significant. This means we reject the

Null hypothesis by accepting the alternative hypothesis and conclude that authentic leadership style has a significant effect on employee deviant behaviours.

Hypothesis Three: Transactional leadership style has no significant effect on employee deviant behaviours. The hypothesis is tested and the regression result in table 2 shows that standardized coefficients of transactional leadership style (TSLS) are 0.834; this indicates a positive relationship between TSLS and deviant behaviour. The p-value for TSLS is (0.005) is less than (0.05) significant level which indicates that it is statistically significant. This means we reject the Null hypothesis by accept the alternative hypothesis and conclude that, transactional leadership style has a significant effect on employee deviant behaviours.

Hypothesis Four: Leadership styles (Transformational, Authentic and Transactional) have no significant effect on organizational commitment.

Table 3: Test of significant of Organization Commitment

Hypotheses	Relationships	Std Beta	Std Error	T- value	P-Value	Decision
H ₄	TFLS → OC	0.124	0.058	2.1379	0.011	Supported
H ₄	TSLS → OC	0.308	0.175	2.7600	0.005	Supported
H ₄	AULS → OC	0.075	0.068	2.1029	0.000	Supported

P < 0.05, Where TFLS; Transformational Leadership Style, TSLS; Transactional Leadership Style, AULS; Authentic Leadership Style, OC; Organisational Commitment

The above table shows that standardized coefficients of transformational, transactional and authentic leadership style indicate a positive relationship between leadership styles and deviant behaviour. The p-value for leadership styles which is less than (0.05) significant level which indicates that it is statistically significant. This means we reject the Null hypothesis by

accepting the alternative hypothesis and conclude that leadership styles have a significant effect on organisational commitment.

Hypothesis Five: Organisational commitment does not mediate the relationship between leadership styles and deviant behaviour.

Table 4: Test of mediation between Organization Commitment, Leadership Styles and Deviant Behaviour

HYP	Relationship	Std Beta	Std Error	T-value	Lower Limit	Upper Limit	Decision
H ₅	OC → LS → DV	4.689	0.376	12.4707	0.43	0.186	Supported

P < 0.05, Where LS; Leadership Style, OC; Organisational Commitment, DB; Deviant Behaviour

Source: Summary from SPSS Version 20 output, 2019

The hypothesis 5 is tested and the regression result in table 4 shows that a strong direct relationship exists between organisational commitment, leadership styles and deviant behaviour following Preacher and Hayes (2008) and Hair Jr et al. (2013; 2017). Therefore, we conclude that Organisational commitment mediates the relationship between leadership styles and deviant behaviour.

Discussion of Findings

Transformational Leadership Style and Deviant Behaviour

The findings show that standardized Deviant behaviour (DB) will increase by 0.306 units with one unit increase in standardized transformational leadership style. The model indicates that transformational leadership is significantly explaining the variation in the dependent variable (Deviant Behaviour). The outcome of this study is consistent with the result of a study by Arun and Sandhya (2012) who concluded that the transformational leadership style significantly influences individual deviant behaviour in an organisation.

Authentic Leadership Style and Deviant Behaviour

The result from regression model suggests a significant positive relationship between authentic leadership style and employee deviant behaviour in an organisation and the outcome of these findings is consistent with the result of a study by Anna, et al., 2013 and Ali, 2016 who concluded that there is a positive relationship between organisational deviant behaviours and authentic leadership style

Transactional Leadership Style and Deviant Behaviour

These findings suggest that there is a positive relationship between the transactional leadership style and employee deviant. The outcome of this study is consistent with the result of a study by Arun and Sandhya (2012) who concluded that transactional leadership style significantly influences individual deviant behaviour in an organisation.

Leadership Styles and Organization Commitment

A positive and significant relationship was observed to exist between leadership style and organisational commitment. This means that

when the leaders in an organization listen to their workers, it encourages employee participation, teamwork, freedom in doing organisation activities, an organisational commitment by the employee is enhanced. This commitment is exemplified in the workers' desire to spend most of their career in the organisation, belief in the mission and values of the organization.

The result in table 3 shows that standardized Organisational Commitment (OC) will increase by 0.124, 0.308 and 0.075 units with one unit increase in standardized transformational, authentic and transactional leadership styles. The model indicates that transformational, authentic and transactional leadership styles are explaining the variation in the dependent variable (organisational commitment). Therefore, there is a significant impact of leadership style on organisational commitment. Findings further showed that leadership styles are a significant predictor of affective, continuance and normative commitment.

The outcome of this study is consistent with the result of a study by Sher, et al., 2017; Shamir, et al., 2003; Andri, 2009; Drago et al, 1992; Samad, 2007; Opkara, 2004; Warsi, Fatima & Sahibzada;2009; and Lo et al. (2009) who concluded that leaders are more able to inspire commitment of employees in an organization.

Organization commitment and Deviant Behaviour

The findings from Table 6 show that organisational commitment mediates the relationship between leadership styles and deviant behaviour. The outcome of this study is consistent with the result of a study by Mahmut, 2011; Elizabeth and Dhurup, 2015; Preacher and Hayes (2008) and Hair Jr et al. (2013; 2017)

5.0 Conclusion

This study assessed leadership styles on organisation commitment and employee deviant behaviour. The study found that there is a significant relationship between leadership style, organisational commitment and employee deviant behaviour. Hence, the organization should create environments where employees can optimize their potential and add value to the organisational goal to reduce deviant behaviours. In this way, leadership play a very

important role in creating and maintaining these environments.

To reduce or eliminate deviance to enhance organization performance, the leadership needs to consider the employees' reactions to organisational policies and practice, as well as the views employees hold and what attract them most to the organisation. If the employee's reaction to organisational practices is positive, they will likely be attracted by the harmonious relationships maintained in the organisation. Consequently, an employee may engage in deviant behaviour as a way to ventilate their dissatisfaction with the organisation or simply to retaliate upon their peers. To avoid this situation, the leadership needs to build a trusting environment. When an employee shows high positive reactions to their organisations, they tend to perform their jobs better with little or no supervision. Therefore, good leaders are those who lead by example, pay attention to individual people, and who respond to problems quickly, decisively and ably.

5.1 Recommendations

In line with the findings of this study, the following recommendations are made:

- i. To enhance the job satisfaction and psychological wellbeing of employees, the managers need to articulate an unambiguous and inspiring vision, communicating it to all levels within the

organisation, instilling a sense of meaning to routine tasks, leading by example, building a culture of trust, mutual care and understanding and treat employees with dignity.

- ii. Organisations need to constantly assess and refine the communication channels and processes within the organisations and empower the managers to use them effectively. Building an emotional rapport with employees to influence their attitudes and behaviours in an organization.
- iii. Managers have to be trained to show empathy, possess active listening skills and provide intellectual stimulation to enhance the relational quality with the employees especially the skilled human resource of the company. Leaders employing individual consideration style through encouragement, participation, delegation, caring for and coaching are found to be more effective.
- iv. Leadership behaviours should involve in building trust, inspiring a shared vision, encouraging creativity, emphasizing development, and recognizing accomplishments in an organisation.
- v. It is also suggested that leaders should apply different leadership style in different situations. In other words, the overuse of any one leadership style may disappoint employees or harm leadership effectiveness.

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WESTERN SAHARA AS THE LAST AFRICAN COLONY: THE ROLE OF NIGERIA AND THE AFRICAN UNION IN THE LIBERATION OF THE LAST COLONIAL TERRITORY IN AFRICA

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Abstract

Western Sahara has been a point of conflict for African leaders, international organisations and great powers, all of which have conflicting positions on Western Sahara's claim of independence. The African leaders through the instrumentality of the continental organisation, the African Union (AU), recognized the self-determination struggle of the Saharawi Arab Democratic Republic (SADR) and subsequently admitted her to its fold. Apart from the support of the African Union in the quest for the independence of SADR, other African nations play frontline roles; and Nigeria is among the prominent nations. This study aims to investigate and examine the role of the African Union and Nigeria in the liberation of Western Sahara. The findings of the study revealed that the challenges facing Western Saharawi people are both externally and internally inflicted. The study, thus, concludes by recommending among other factors that the AU members while taking decisions on Western Sahara should involve the African civil society organisations and international civil society organisations in sensitizing the world on the need to uphold Western Sahara's right to self-determination and raising the importance of the territory's status to the international community.

Keywords: Colony, African Union, Nigeria, Territory, Western Sahara.

Introduction

Nigeria is widely referred to as the giant of Africa, owing to its large population, a huge territory, natural resources and booming economy. According to Agubuzu (2008), Nigeria's role in the politics of Africa is not by accident or mere sheer luck rather it was a well thought out foreign policy that Africa should be her centre. Therefore, the big brother role or the Afrocentrism of Nigeria started in 1960 during the regime of Sir Tafawa Balewa, the first Nigerian executive leader. The Prime Minister in his pre-independence foreign policy statement on 20th August 1960 stated that:

At independence, Nigeria's foreign policy would pay very particular attention to adapting clear and practicable policies as regard Africa. It will aim to assist any African country to find solutions to its problems and foster the growth of common understanding among all the nations.

Furthermore, while addressing the 15th Regular Session of the United Nations General Assembly on October 7th, 1960, Sir Abubakar Tafawa Balewa according to Black Past (2009) said that "Nigeria remains an African nation and part and parcel of the African continent and cannot consider itself neutral in anything that

affects the African continent and all questions about Africa. The peace of Africa is the peace of Nigeria. Its tribulations are our tribulations and we cannot be indifferent to its future". Again, the constitution of the Federal Republic of Nigeria (1979) specified Nigeria's objectives at the external level as follows:

The state shall promote African Unity as well as the total political, economic, social and cultural liberation of Africa and all other forms of international cooperation conducive to the consolidation of universal peace and mutual respect and friendship among all people and states, and shall combat racial discrimination in all its manifestations (FRN, 1979).

Similarly, the 1999 constitution of the Federal Republic of Nigeria states that the Nigerian State shall promote African Unity, as well as total political, economic, social and cultural liberation of Africa. Hence, the principles of which Africa as centre-piece of Nigeria's foreign policy are anchored include, but not limited to the following:

- a. Promotion of African integration and support for African Unity.
- b. Promotion of international cooperation for the consolidation of universal peace and

- mutual respect among all nations, and elimination of discrimination in all its manifestations;
- c. Respect for international law and treaty obligations as well as the seeking of the settlement of international disputes by negotiation, mediation, conciliation, arbitration and adjudication; and
- d. Promotion of just world order.

Based on the above-stated objectives and principles, we can infer that Nigeria's pursuit of peace and unity in Africa is not by accident but a purely thought out foreign policy which considers Africa as its centrepiece. Moreover, history also beckons on her as the country with the largest concentration of black people in the world with enormous natural resources to act as a hegemon in African affairs. This policy of 'Pax Nigeriana' which stresses that Nigeria should play Big Brother to other African countries was spelt out by Ex-President Shehu Shagari in one of his Presidential addresses thus:

The size, the population and the economic potential of this country have imposed on us a special duty to respond responsibly to international issues and problems. When it is realized that Nigeria's population makes every fifth African, as well as every sixth black person in the world a Nigerian, it becomes doubly incumbent upon us in formulating our policies, to bear in mind our historical responsibilities to Africa and the black diaspora (Shagari, 1982).

To be sure, it has to be recognized that Nigeria has been playing the role of history bestowed on her with great dignity and honour. Nigeria played a front line role in the liberation of South Africa and Namibia and raised her banner of peace in Congo, Sudan, Sierra Leone, Liberia and Cote d' Ivoire just to mention a few. In the case of Western Sahara, Nigeria also took a principled position by recognizing the right of self-determination which amounted to the right of the Saharawi people to independence. Again, Nigeria and Nigerians exhibited great solidarity during the visit of President Brahim Ghali, the leader of the Saharawi Arab Democratic Republic SADR (Western Sahara) in June 2019 to Nigeria. The Nigerian Movement for the

Liberation of Western Sahara (NMLWS), the Nigerian Labour Congress (NLC) and the civil society organizations were invited to meet with the President of Western Sahara. During the meeting, the President of the Nigerian Labour Congress (NLC) Mr Ayuba Wabba, who was represented by the President of the National Union of Road Transport Workers (NURTW), Najeem Yasin, said that NLC was fully aware and involved in the struggle of the Saharawi people against Morocco's colonial grip. According to him, "as long as Western Sahara is not free, Africa is not free; and all Africans and African countries must be involved in the struggle" (Agbola, 2019).

Again, it should also be taken into cognizance that Nigeria is not the only entity that shows interest in the issue of Western Sahara. Other countries, regional and global organizations do. The most remarkable is the Organization of African Unity (OAU) now the African Union (AU). The OAU during its Summit of 1978 set up a committee of "Five Wise Men". Among other recommendations of the Committee were an all-parties conference and the recognition of the right of the Saharawis to self-determination. These recommendations opened the way for the recognition of the SADR by many African states such that in 1979 when the Monrovia Summit of the OAU endorsed the recommendations, SADR already enjoyed the recognition of 17 African states (Orabator, 1982). Western Sahara gained more international support in the face of Moroccan intransigence. By 1987, 70 countries from Africa, Latin America, Oceania, Asia and one European country had recognized the SADR. This was after the OAU had at its November 1984 Addis Ababa Summit taken the unprecedented decision to admit the SADR as a full-member state, with its President, Mohammed Abdelaziz elected as one of OAU's eight Vice Presidents. OAU's action was subsequently endorsed by the Non-Aligned Movement's Foreign Ministers Conference held in Luanda in September 1985. This was followed in December 1985, with a UN General Assembly resolution ratified at the world body by 92 votes to seven, with 39 abstentions. The resolution was an endorsement of an earlier OAU Resolution AHG 104, which had called on Morocco and the Polisario to engage in direct negotiations aimed at achieving a ceasefire and

creating conditions for a peaceful and fair referendum, under the auspices of the OAU and UNO, without any administrative or military encumbrances (Hodges, 1986). Moreover, one of the objectives of the AU according to the AU Constitutive Act (2004) is to achieve greater unity and solidarity between the African countries and the people of Africa; and to promote peace, security and stability on the continent.

Having seen the efforts of Nigeria and the African Union (AU) in their quest to decolonize entire Africa, yet, the Western Sahara conflict remains unresolved, are they external forces or vested interests that are supporting Morocco to perpetuate internal colonialism in Africa? Or are the efforts of Nigeria and the African Union laced with double standards? These are some of the questions the study wish to address. Western Sahara, also known as the Saharawi Arab Democratic Republic (SADR), remains a flashpoint and a constant reminder of the fact that European colonialism might have ended in Africa officially, but the blunder the Spanish colonizers committed is still on with the Kingdom of Morocco claiming sovereignty over entire Western Sahara, a former Spanish colony. Thus, the study is aimed at critically assessing and examining the role Nigeria and the Africa Union have played in the liberation and recognition of Saharawi Arab Democratic Republic (SADR) at the continental level, and their quest at making SADR recognized at the United Nations' level to change its observation status and achieve full independence. To achieve this aim, the paper is structured into sections. With this introductory overview, it proceeds to discuss the area known as Western Sahara. Section three analyses the dimensions in the Saharawi question; section four discusses the progress made so far by Nigeria and the AU in the decolonization of Western Sahara. Section five examines the challenges in the decolonization of Western Sahara, while section six concludes with policy recommendations.

Western Sahara: The Historical and Political Context

Western Sahara is a sparsely-populated area of mostly desert, situated on the northwest coast of Africa. Western Sahara, according to Mumford (2017), borders Morocco to the north, Algeria to

the east, Mauritania to the southeast and the Atlantic Ocean to the west. The territory is 284,000 square kilometres and is inhabited by the native Saharawi population and Moroccans. It is a partially recognized state that controls a thin strip of an area in the Western Sahara region and claims sovereignty over the entire territory of Western Sahara. According to Ayandele (1966), the conflict over Western Sahara, formerly Spanish Sahara could be traced back to the Berlin Conference of 1884/85 during which Western imperialist powers parcelled out African territories among themselves. The conference had shared out Western Sahara to Spain, thus, inaugurating the modern history of the Saharawis. Before the territory was arbitrarily shared out to Spain, its people had a pre-colonial history of independent socio-political organisation. The decision of the Berlin Conference to parcel Western Sahara to Spain took into account effective Spanish presence in the area before 1884.

In the nineteenth century, Moroccan kings had laid claims to Spanish territories in the region. For instance, in 1859, the Moroccan King, Sidi Mohammed IV had plunged his country into war with Spain over the Spanish fortification of Melilla. The Moroccan army was resoundingly defeated by Spanish troops who advanced menacingly on the heart of Morocco, which they could have occupied by military conquest but for British intervention. In a subsequent treaty of 1860, Morocco ceded more territories around Melilla to Spain, which had also won exclusive rights over Melilla. Morocco similarly undertook to indemnify Spain to the tune of four million pounds which was paid from Morocco's customs receipts into Spanish coffers up to the 1880s. In the same vein, Morocco signed a most-favoured-nation agreement with Spain, forbidding her from granting trading privileges to other European powers without extending similar privileges to Spain. In effect, Spanish territories in North Africa, including Western Sahara rested on military conquest. Western Sahara was, therefore, a colonial territory like Morocco before the latter regained her independence from France in 1956 (Ayandele, 1966).

The problem arose according to Mordi (2015) when Spain refused to decolonize peacefully.

Spain was a backward country which was untouched by the ravages of the Second World War and therefore, could afford to hold tightly to her colony in the era of decolonization. Having been shielded from the aftermath of the Second World War on account of her non-involvement, Spain suffered no loss of prestige, unlike Britain and France, for instance. She was thus under no immediate compulsion to negotiate or facilitate a peaceful transfer of power to the Saharawis, whose earlier nationalist uprisings had been brutally suppressed by Spain in 1958. Under the Spanish policy of assimilation, there was no room for the expression of nationalist sentiments by subject peoples, and the Spanish state ruled out any possibility that its colonial subjects in Africa whose territories were reorganised as overseas extensions of Spain could ever become citizens of independent African states. By conferring the status of an overseas province on Western Sahara, Spain could argue that the former became equivalent to the metropolitan provinces. By this arrangement, the colonized Saharawis, like their metropolitan counterparts, were on paper entitled to the same privileges and immunities; a strategy which Spanish authorities deployed to counter criticisms of their colonial policy in Africa in the wake of the movement towards decolonization.

Mordi (2015) goes ahead to assert that this Spanish overseas provinces strategy became effective in 1956 when on the attainment of independence, Morocco immediately renewed with vigour, her claims not only to Western Sahara but also to Mauritania and part of Mali and Algeria in furtherance of her dreams of a 'Greater Morocco'. In her renewed quest for territorial aggrandizement, Morocco sought to capitalize on a hostile world opinion against the anachronistic Spanish colonialism. When Mauritania attained independence in 1960, Morocco narrowed her attention to the Western Sahara, which is rich in phosphate deposits. The discovery and development of the mineral in the 1960s, however, further strengthened the resolve of Spain to cling on to the desert territory. The failure of Spain to decolonize peacefully could also be attributed to the character of the metropolitan government. Spain was ruled by a military dictatorship until 1975. The Spanish dictator, General Francisco Franco, was at the head of an old-fashioned dictatorship,

which closed all avenues to constitutional grant of independence through the grooming of a successor African elite to which power would have been handed over as was done by France and Britain and this controlled the pace of the movement towards independence in their colonies.

Since Spain had failed to groom a successor-elite who could hold the forte and pander to her whims and caprices, she decided to mend fences with her former African rivals in a neo-colonial arrangement which would allow her access to the rich phosphate resources of Western Sahara. This took the form of a Tripartite Agreement, which the dictator, Francisco Franco, who died on 20 November 1975, signed virtually on his death-bed on 14th November 1975 in Madrid, with Morocco and Mauritania. Spain undertook to transfer her administration of the Western Sahara and authority over the latter's coastal waters to the two signatory powers (Mordi, 2015). It has been observed according to Naylor (1987) that this "ambiguous 'de-administration' rather than authentic decolonization", had the potential to provide the Saharawi with an opportunity to express their attitude to self-determination, probably through an internationally recognized referendum. More importantly, however, it guaranteed Spanish sovereignty over the territory, freed Madrid from the possibility of a direct military confrontation with Morocco, and provided Madrid with an elbow room to manoeuvre the contending signatory powers for control of Western Sahara.

The Saharawis according to Arieff (2013) saw in the intrigues and agreement between the colonial power and the two signatory powers a window of opportunity to re-assert their claim over and press for the independence of Western Sahara from Spanish colonialism. On 10th May 1973, a small group of Saharawi intellectuals had banded together to form *the Frente Popular de Liberacion de Saguia el Hamray Rio de Oro, or Polisario Front* (The Popular Front for the Liberation of Saguia el Hamra and Rio de Oro). In the wake of the rapprochement between Spain and the signatory powers, the Polisario Front strengthened its resolve to wrest power from Spain and forcefully resist the arrangement embodied in the Tripartite Agreement, which had

reflected Moroccan and Mauritanian opposition to Spain's plan for an independent Western Sahara State after a referendum on self-determination. In its resolve, the Polisario drew inspiration from the fact that Western Sahara remained a Spanish colony although the United Nations (UN) had since 1963 listed it among territories to be decolonized in Africa. Besides, while Spain schemed to manoeuvre itself out of the colony without losing face, Morocco had intensified its territorial claim and at its request the United Nations General Assembly in 1974 referred the issue to the International Court of Justice (ICJ), which, on October 12, 1975, declined to uphold Morocco's claim of territorial integrity over Western Sahara.

King Hassan II argued according to Stockton (2015) that Western Sahara was, like totally Moroccan and that he would abide by the judgment of the Court. In October of that year, days after the Court ruled that the Saharawi people owed the land and that they must approve of any land deals by popular vote. On November 14, 1975, Spain, Morocco, and Mauritania signed the Madrid Accords as we stated earlier which led to both Morocco and Mauritania moving in to annex the territory of Western Sahara. On 26th February 1976, Spain informed the United Nations that as of that date it had terminated its presence in Western Sahara and relinquished its responsibilities, leaving no Administering Powers (United Nations, 1979). Neither Morocco nor Mauritania gained international recognition, and war ensued with the independence-seeking Polisario Front. Despite Polisario's massive disadvantage in material, they still managed to inflict injuries on the Moroccan armies and many injuries on the Mauritians to the extent that the Mauritians abandoned the areas under their control. The United Nations considers the Polisario Front to be the legitimate representative of the Saharawi people, and maintains that the people of Western Sahara have a right to "self-determination and independence".

As at today, the Saharawi Arab Democratic Republic (SADR) government controls about 20-25% of the territory it claims. It calls the territories under its control the Liberated Territories or Free Zone. Morocco controls and administers the rest of the disputed territory and calls these lands its Southern Provinces. The

SADR government considers the Moroccan-held territory to be occupied territory, while Morocco considers the much smaller SADR-held territory to be a buffer zone. The SADR was officially recognized by 85 members of the United Nations (UN) of which 37 members withdrew their recognition in the late 1990s. The United Nations is yet to admit SADR as a full member of the United Nations, but SADR is fully recognized by the African Union (AU). In 1984, Morocco withdrew its membership from the Organisation of African Unity (OAU) now African Union (AU) in protest and it remained the only African state that was not a member of AU until January 31st, 2017 when it was re-admitted as the 55th member of the African Union.

In 1988, both Morocco and SADR according to Mumford (2017) accepted a UN Peace Plan and in 1991, the United Nations Security Council brokered a ceasefire which was monitored by the United Nations Mission for the Referendum in Western Sahara (MINURSO). Probably, Morocco might have understood the prominent role the African Union could play in the process of the resolution of the Western Saharan conflict. For the past 27 years, the United Nations has been unable to resolve the conflict, thus, its decision to return to the continental union after more than 30 years in the political wilderness in African politics was seen as the fulfilment of the African Union's objective of accelerating the political and socio-economic integration of the continent. For now, the question of the non-self-governing territory of the Western Sahara which was inscribed in 1963 in the United Nations list of non-self-governing territories has remained unresolved, despite the adoption of a multitude of resolutions by the United Nations and the African Union. These resolutions as it called for definite measures to enable the people of Western Sahara to exercise their rights to self-determination.

Perspectives or Dimensions to the Western Sahara Question

Analysts and commentators on Western Sahara have different perspectives or views on the Saharawi question. The study will review two of such perspectives. First, is the issue of decolonization and the right of the Saharawi people to exercise their legitimate right of self-determination of which the main aim is to attend

total freedom and independence. Gambari (2016) sees the Saharawi quest for independence as the continuation of the African struggle for decolonization which is a journey that never finished and that the journey to uncertainty should not be feared because, through action, change has occurred elsewhere in Africa and can occur in Western Sahara. It was this belief that made the Saharawi people embrace national liberation war since they were pricked by the treacherous manner in which Western Sahara was illegally shared out to local imperialists in Morocco and Mauritania, thereby thwarting their efforts at attaining independence. Again, the Saharawi leaders believe that they have the right to exercise their legitimate right of self-determination which may be the reason why they always reply their detractors who feel that Western Sahara would not be a viable state because it has a small population with vast territories to administer and unproven abilities at taxation. SADR leaders argue that if given the opportunity as a full-fledged country with universal recognition, that they will create the first fully democratic country in North Africa.

The second perspective is the sovereignty issue

Sovereignty over Western Sahara belongs to the people of the territory as the International Court of Justice ruled in 1975 and the Polisario Front is the authentic representative of the people of Western Sahara. However, the Polisario Front backed by the then Organization for African Unity (OAU) agreed to a Referendum to be conducted by the United Nations through its Mission for the Referendum in Western Sahara MINURSO. Under the United Nations, neither Morocco nor the Polisario has moved away from their original incompatible positions that would break the stalemate. The latest UN resolution on Western Sahara which was proposed by the former Secretary-General, Antonio Guterres, in April 2017, to the Security Council; advising them to re-launch the long-dormant peace process with new dynamics and spirit. In this regard, the UNSC in resolution 2351 (2017) supported the proposal of the Secretary-General and at the same time renewed MINURSO mandate until 30th April 2018. The resolution further called on the parties to resume direct negotiations within the earlier parameters it had specified to enable the people of Western

Sahara to exercise their rights to self-determination. But thanks to Moroccan obstruction, that referendum has never taken place. The United Nations has done almost nothing, and the United States and the European Union – both of which railed against Russia's intrusion into Ukraine – have refused to defend the Saharawis (Ross, 2017).

The Role of the African Union and Nigeria in the Resolution of the Western Sahara Question

The African Union has always kept its firm recognition of Western Sahara's right to self-determination as part of the decolonization process because it highlights the fundamental principles. The AU strives for a continent-wide union, which necessitates the inclusion of SADR because the majority of its member states officially recognize SADR as a legitimate government. SADR is a founding member of the AU and the recognition of its sovereign status signifies many of the AU's fundamental values, including territorial integrity, the respect for colonial borders and national sovereignty. The AU's stance on Western Sahara's status remains a question of decolonization and upholding international law, in correspondence with the 1975 ICJ ruling and UN Resolutions. The OAU (now AU) twice-elected former SADR's president, Mohammed Abdelaziz, as vice president, in 1985 and 1990, is indicative of the political support and recognition it receives. The AU recognizes Polisario's liberation struggle and many member states express solidarity with its struggle for independence (Mumford, 2017).

The African Union's role in the Western Sahara question can also be seen in the legal stance AU adopts on matters of resource exploitation in Western Sahara. From the Office of the Legal Counsel and Directorate for Legal Affairs of the AU Commission, legal opinions have been given in the context of relevant UN Resolutions and OAU/AU Decisions on the actions of the Moroccan authorities, foreign companies or any group that has been involved in the exploitation of Western Sahara's resources. The Pan-African Parliament (PAP) condemned the actions of a Swiss International Organisation, among other meetings in the Western Sahara territory, and appealed to civil society organizations in AU member states to boycott any such event. The

Peace and Security Council (PSC) of the AU takes a clear stance against resource exploitation in the territory, seen in its recommendation for a global boycott of products from companies involved in the illegal exploitation of Western Sahara's natural resources. The PSC according to Mumford (2017) urged Morocco not to enter into contracts on an exploration of Western Sahara's natural resources. And it was based on this assertion that Westphal (2017) feels that Morocco's interest in Western Sahara is nothing but to exploit the abundant fishing resources, the largest phosphate deposits in the world and considerable oil reserves. The raw materials boost Morocco's employment market, as well as its shares in the global phosphate market, and could also reduce its dependency on oil imports. On January 27, 2012, Mumford (2017) reports that the AU Executive Council adopted a decision to request the African Commission on Human and Peoples Right (ACHPR) to carry out the mission in Western Sahara to investigate human rights violations. Due to ACHPR efforts, Western Sahara's humanitarian needs were included in the AU agenda. After receiving the legal opinion of the AU Commission and concerns from AU member states, which refute Morocco's actions and back the position of SADR, the UN Economic Commission for Africa upheld the AU's legal findings. Most recently, on 25 March 2017, the PSC called on the ACHPR to undertake a humanitarian mission in Western Sahara. The AU Commission works to coordinate AU's progress with the UN by bringing forward all relevant AU declarations. The AU Assembly reiterated its calls for a resolution to Western Sahara's undermined status, pressuring the UN Security Council to assume its responsibility to guarantee self-determination, protect Western Sahara's natural resources and protect human rights.

Apart from the African Union's role in the Western Sahara question, other individual African countries have played prominent and special roles in the actualization of the Saharawi Arab Democratic Republic (SADR) quest for self-determination. In North Africa, Algeria and Libya stand out. Algeria was the first country in Africa to recognize SADR in 1976, which prompted Morocco to break off diplomatic relations with Algeria. Not only have Algeria and

Libya tried all they could to undermine Morocco's lobbying for international endorsement of its claim to the territory, but they have also actively helped the Polisario gain international recognition as the government-in-exile. In Southern Africa, South Africa stands tall as a dependable ally of the SADR. In 2004, South Africa officially decided to recognize the SADR. Successive administrations in South Africa have continued to echo this diplomatic support of the decolonization of Western Sahara. South Africa's principled stance on Western Sahara according to Njikelana (2010) is underpinned by the following principles:

1. Multilateralism and international legality in seeking a just, lasting and mutually acceptable political solution, which will provide for the self-determination of the people of Western Sahara.
2. The centrality of the African Union and United Nations in the resolution of the conflict.
3. The sanctity of inherited colonial borders in Africa and the right of peoples of former colonial territories to self-determination and independence as contained in the Constitutive Act of the African Union.
4. Respect for international human rights law in occupied territories, notably the right to freedom of association, assembly, movement and expression.
5. Respect for international humanitarian law and support for the provision of humanitarian assistance to the Saharawi refugees in a way that is predictable, sustained and timely.
6. And end to the illegal exploration and exploitation of the natural resources of Western Sahara in the illegally occupied territory and the discouragement of the involvement of foreign companies in such activities.
7. Support for the integration and stability of the Maghreb Union as a building block of the African Union.

South Africa continues to render political support and humanitarian assistance to the Saharawi Arab Democratic Republic. Under the African Renaissance Fund (ARF), South Africa coordinates several projects that aim to benefit the Saharawi population. These include a contribution to a landmine clearance project in

the east of the territory and construction of a sports development complex in the territory. Zimbabwe is another Southern African country that supports SADR diligently. After Morocco gained the support of 39 member states for its re-admission, Zimbabwe's former President, Robert Mugabe lampooned other African leaders, saying that they lacked principles and that they took the stance due to donor money.

In West Africa, the role and support of Nigeria towards the SADR is unshakable and prominent. Recall that it was the recognition Nigeria gave SADR that led to her admission as a member of the OAU/AU in November 1984. The position Nigeria took and the role it played in the Saharawi quest for self-determination was not different from that of the Organisation of African Unity and successor, the African Union. Coincidentally, President Buhari's first administration in 1984 was when Nigeria decided to accord recognition to SADR as a full member of the OAU. Buhari's first administration according to Gambari (2016) was committed to the complete decolonization of Africa and displayed its Afrocentric foreign policy in the Western Sahara affairs. Buhari's recognition of Saharawi Arab Democratic Republic (SADR) helped to save the 20th Summit of the OAU from collapse while shifting the focus of the Organisation towards the serious economic and social crises facing the continent.

In his second coming as a democratically elected leader of Nigeria in 2015, Buhari still reminded the world leaders during the 70th United Nations General Assembly in 2015 that the unresolved question of self-determination of the Palestinian people and those of Western Sahara must now be assured and fulfilled without any further delay or obstacles. Outside the official response of the Nigerian government to the issue of Western Sahara, the Academic Staff Union of Universities (ASUU) and the Nigerian Labour Congress (NLC) and other civil society organizations have inaugurated a liberation movement known as the Nigerian Movement for the Liberation of Western Sahara (NMLWS) on 12th March 2016. Considering the principled position of Nigeria and other African countries on Western Sahara, NMLWS resolved that all African countries should ensure the isolation of Morocco by imposing economic, military and diplomatic sanctions against

Morocco, just as was successfully done with the apartheid regime in South Africa. Therefore, the Movement declares as follows:

1. We condemn the Moroccan intransigence and refusal to abide by international law.
2. We condemn Morocco's obstruction of the ongoing UN and AU peace process. This was evident in the refusal by Morocco to receive the former United Nations Secretary-General, Mr Ban Ki Moon during his visit to the region. We affirm that referendum on self-determination is the only way to settle the decolonizing conflict in Western Sahara.
3. We call on the UN Mission (MINURSO) to assume the responsibility of monitoring and protecting human rights in Western Sahara. In this regard, we express our solidarity with the defenceless Saharawis in the occupied territories, victims of Moroccan bestiality. We strongly condemn the inhuman conditions of detention of the 23 political prisoners of Gdeim Izik. We express our solidarity with them in their hunger strike declared on March the 1st 2016.
4. We condemn the plans of the Dangote Group of Companies in Nigeria to import phosphates from Western Sahara. We call on Dangote and his Group to abstain from going further with the plan. Such a deal will be in breach of International Law, the African Union position and the Nigerian Government's principled position of full support for the Saharawi Republic. Therefore, we call on all Nigerian companies and individuals trading in and intending to trade in goods plundered from Western Sahara, to stop such activities, as this will amount to an endorsement of cruel colonial oppression.
5. We salute the Saharawi people for the protests and demonstrations that they organized in La Aaiun, Smara, Bakhla, Bojador, Assa, Guelmin, against Moroccan occupation.
6. We express solidarity with and salute the courage and solidarity of the Saharawi people in their response to the flood disaster in the Refugee Camps in October 2015.
7. We call for the release of all the Saharawi people held as political prisoners in Morocco.
8. We commend the African Union for its principled position and steady commitment to the decolonization of Western Sahara.

9. Even though this is a concession on the part of the people of Western Sahara, we call on the UN to, without further delay; conduct a referendum on the future of Western Sahara.
 10. We call on the Government of Nigeria and other member nations of the African Union and the rest of the world to intensify their efforts at decolonizing the last colony in Africa.
 11. We call on all African countries to set up National Movements for the Liberation of Western Sahara in their respective countries.
 12. We call on all countries of the world to prevail on France, Spain and US to terminate their support for, and assistance to Morocco in her continued occupation of the territory of Western Sahara, and her heartless exploitation of the natural resources of Western Sahara. In this regard, we urge the United Nations Security Council to assume its responsibility and act decisively on the Western Sahara issue.
 13. We call on all labour unions to wage a relentless war against Moroccan colonialism in Western Sahara.
 14. The Nigerian Movement for the Liberation of Western Sahara will fashion out a framework for a successful campaign for the end of colonialism in Western Sahara (Fashina, 2016).
- with the US and France, providing Morocco with economic and military support. France supported Moroccan interests during the Cold War because it was the colonial power in Morocco and maintained diplomatic relations with the country. France has been the only third party to intervene militarily in Western Sahara conflict; it did so in 1977 to support Morocco. Saudi Arabia sided with Morocco and supported it militarily and economically as a way to counter Soviet influence in North Africa. Morocco labelled Polisario as a Communist revolutionary group fighting on behalf of Algerian geopolitical interests as a strategy to legitimize the US and French military and economic support for Morocco's involvement in Western Sahara.
- c. Western Sahara's phosphate reserves, fisheries and gas are a fundamental part of Morocco's economy. Morocco's phosphate industry is one of the largest in the world, accounting for more than 72% of all phosphate rock reserves in the world, with about 10% of Morocco's phosphate income coming from Western Saharan mines. In 2013, 2.2 million tons of phosphate rock worth \$333 million were transported out of Western Sahara. The US plans to invest \$2.45 billion in Morocco's national phosphate industry (OCP) from 2012-2030. Morocco issued \$107 million in oil licenses in 2013 to corporations importing oil to the US, to French, the the UK and US-based oil companies. North Africa is of economic interest also for the European Union, which Morocco supplies with phosphates, gas and agricultural products. Morocco's fishing industry claimed Western Sahara's coastal fishing resources, which account for EU-Morocco fisheries agreements. European states support the Moroccan administration of Western Sahara in exchange for the continued access to natural resources. Morocco supported Russian activity in Western Sahara's resources and development in exchange for Russian support of Moroccan interest in the UN Security Council (Mumford, 2017).
 - d. The involvement of foreign industry in Western Sahara provokes questions concerning Western Sahara's Non-Self-Governing Territory status in regards to resource exploitation. On February 5, 2002, the UN legal counsel issued an opinion

Challenges in the Decolonization of Western Sahara

There are several challenges on the way to the decolonization of Western Sahara, and the constraints are majorly externally propelled and include the following:

- a. The inability of getting all the five Permanent Members of the UN Security Council (P5) to support the struggle. The Referendum has not been held after many years that the UN ordered that it should be held to determine the true wishes of the people. The presumption is that in a free and fair referendum conducted under the auspices of the UN, the people would opt for independence.
- b. The Cold War dimension. During the cold war era, the Polisario Front received support from Algeria and Libya because Polisario's independence efforts were seen as revolutionary insurgency according to Mumford (2017), while Morocco was aligned

explaining that continued exploration and exploitation of resources in Western Sahara without local consent is a violation of international law. The UN Security Council backed the position that Morocco's continued involvement in disregard to the Saharawi's interests is a violation of international law. Morocco maintains a military presence in Western Sahara to ensure its control over the territory and protect its economic investments. It also lobbied some AU member states for political support in exchange for phosphates to reach Morocco's goal of becoming the world's largest producer of phosphate-based fertilizer by 2017 (Grande-Gascon and Ruiz-Seidedos, 2012).

In summary, we can affirm that the challenges facing the Western Saharawi people are both externally and internally inflicted. The game of interest being exhibited by the members of the five Permanent Members of the Security Council (P5) is well known to the world. The United Nations has been working for a resolution of the political status of Western Sahara since 1991 through a referendum to determine the true wishes of the people, yet, the referendum has not been held after many years that it was ordered. In Africa, though the African Union as a continental body has recognized the SADR and admitted her to its fold, the activities of the various African countries tend to work against the wishes of the AU. For instance, on January 30, 2016, when Morocco's application for re-admission was considered after 33 years in political wilderness in African politics, 39 out of the 54 AU member states voted in favour of Morocco. It was this double standard which characterizes the AU politics that made the former President of Zimbabwe, Robert Mugabe to describe some African leaders as lacking in principles which made them vote in favour of Morocco due to donor money given to them by Morocco.

Conclusion

In this study, we have critically assessed and examined the role of Nigeria and the Africa Union in the liberation and recognition of Saharawi Arab Democratic Republic (SADR)

and their quest at making SADR recognized at the United Nations' level to change its observation status and achieve full independence, thus, ending a liberation struggle that started in 1976. We have also examined the challenges in the decolonization of Western Sahara. As daunting as the obstacles may appear, the study submits that the Saharawi people will overcome these constraints in the nearest future. This is predicated on some historically informed facts about African history.

One, it was unimaginable that slavery and slave trade could end in Africa as powerful kings and chiefs depended on it for power and economic well-being, yet, the notorious trade on human beings ended in Africa.

Secondly, some people held the view that colonialism could not end in Africa but the Second World War brought profound changes to Africa. The war threw up decisive shifts in power, away from Europe, thus, Africa benefitted from the Atlantic Charter of 1941, supporting the right of all peoples to choose their government. Many world observers never believed that Apartheid Regime will end in South Africa, yet it ended. Some leaders in Sudan did not believe that South Sudan will one day receive independence via referendum, yet, it happened. These examples drawn from history show the resilience and the ability of Africa to triumph against great odds, and it is this resilience that will turn the last colony in Africa to full independence. Therefore, the study recommends that AU should encourage other member states to emulate the role of Nigeria by launching similar Movement for the Liberation of Western Sahara and incorporating the African civil society organizations and international civil society organizations into playing major roles in upholding the Western Sahara's right to self-determination and raising the importance of the territory's status to the international community. After all, both Morocco and Western Sahara were colonial territories as was argued by Mordi (2015), though Morocco has attained independence, she should therefore not be allowed to pose a stumbling block to the attainment of the same goal by the remaining colony, Western Sahara.

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CROSS-CULTURAL TRAINING AND EXPATRIATE ADJUSTMENT: A STUDY OF ASIAN EXPATRIATES ON ASSIGNMENT IN NIGERIA

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Abstract

The issues surrounding expatriate adjustment outside the frontiers of their national boundaries have drawn the attention of human resource experts and scholars in international business in recent years. Previous studies were silent on how contextual themes like pre-departure training, post-arrival training, cross-cultural awareness training and social intelligence training affect Asian expatriates' adjustment in Nigeria. We, therefore, focused on the expatriates from Asia because they constitute a preponderance of expatriates that have migrated into Africa generally and Nigeria in particular in past years. A structured questionnaire was used in collecting primary data from 450 respondents from the six geo-political zones across Nigeria. The data were analysed using Chi-square, in line with other cross-cultural training dimensions. The study found that pre-departure training, post-arrival training, cross-cultural awareness training and social intelligence training positively influenced the adjustment of Asian expatriates in Nigeria.

Keywords: Culture, expatriate adjustment, cross-cultural training, Asia and Nigeria

Introduction

The training and development of expatriates have become a fundamental issue generating a lot of concerns for multinational corporations (MNCs) in recent times. A key index for evaluating the performance of expatriates stems from how fast they adjust and efficiently execute their duties in their respective host countries. Previous research like Potosky (2016) reveals that about 16% to 40% of all expatriate workers mostly managers abandon their overseas positions prematurely without completing their foreign assignments due to the inability to perform their duties following the expectations or their failure to adjust to the culture and environment of the host country. However, in as much as there is an increasing feeling that the level of failure of expatriate workers and managers is not as high as it is being reported, the challenge is still considered as critical

(Clarke, Corbin, & Punnett, 2017). This figure appears even more significant if expatriate workers' failures are considered alongside the cases of expatriate workers who remain at their international postings and subsequently, perform poorly (Haile, & White, 2019). Clarke, Corbin, & Punnett (2017) also argued that the total cost associated with expatriate failure, along with their low performance, is more likely to be much higher, and it is, therefore, critical to indicate the approaches that can be used in decreasing and eradicating such failure. Academic gurus and human resource experts have been looking for ways of tackling this much-neglected field of research and also look into how to assist expatriates' adjust in the course of carrying out overseas assignments (Osman-Gani & Rockstuhl, 2009).

The concept of cross-cultural training has been evaluated by different scholars (Demel

&Mayrhofer, 2016; Dowling & Welch, 2004) who concur that the idea of cross-cultural training is among the most essential and fundamental fields both in terms of study and practice for professionals in international human resource management (IHRM) in the contemporary global economy. The essence of the cross-cultural training (CCT) is to teach managers and workers of one culture how to interact with the citizens of another culture successfully and to support their desire to adjust quickly while on an overseas assignment. However, previous studies, such as Kealy and Protheroe (1996) suggest that there has been uncertainty regarding its effectiveness. Moreover, the practice of CCT is not yet a general notion across MNCs, and the most frequently repeated and compelling reason alluded to by MNCs for not engaging CCT is that they are not convinced that CCT is either effective or useful (Sit, Mak, & Neill, 2017). Nigeria has lately emerged as a prospective location for foreign expansion for MNCs. As a newly emerging market in the West African sub-region with a multi-religious identity and multicultural affiliations, it has unique characteristics and it is considered to be a unique location by many Asian expatriate workers and managers. Therefore, this is the posting where cross-cultural training is needed.

The motive behind this paper is to explore and investigate the impact of CCT on the adjustment challenges of Asian expatriates in Nigeria. As far as we know, previous studies (Okpara & Kabongo, 2011; Konanahalli, & Oyedele, 2016; Abugre, 2018; Aslam, 2019) were silent on how contextual themes like pre-depart training, post-arrival training, and cross-cultural awareness training, as well as social intelligence training specifically influence the adjustment process of expatriates from some selected Asian countries in Africa, particularly Nigeria. From the above premise, there is unmistakably a research gap which prompted this inquiry. The present paper endeavours to fill that research gap and extend our comprehension of this underlying theme. The results from this paper will aid global HR executives to produce effective CCT approaches that can assist expatriate workers and managers, as well as their families in adapting and adjusting to Nigeria's multicultural setting. It may likewise strengthen further research on this central theme.

This paper is structured as follows: the review of extant literature about the phenomenon of interest and underpinning theories in the area of expatriate management. In the next section, the paper presents the methodology and the sample of the study.

Literature Review: Culture

The true meaning of culture has been a subject of very long and heated unresolved debates accounting for well over 100 definitions (Baldwin & Lindsley, 1994; Frisby 2018; and Salzman, 2018). Culture can be interpreted by different people to mean different things depending on what phenomenon a researcher wants to explain. In most parts of the 20th century, social scientists argued on various aspects of the definition of culture, resulting in a change in its meaning to values; knowledge shared and products of a group of people.

However, Culture in itself is multidimensional and has in itself very many sources of confusion, conflicts and misrepresentations arising from poor understanding. For example, (Ferramosca & Ghio, 2018; and Kroeber and Kluckhohn, 1991) completed a study that reported more than 160 definitions of culture. Pieterse (2019) defines culture as that complex whole which comprises knowledge, art, belief, law, custom, morals, and other capabilities and habits acquired by man over time as a member of the society. Ahmadi (2018), and Ferraro and Koch (1994) offer a less complicated definition as everything that people have, think, and do as members of society. De Mooij (2019) and Hofstede (1980) opine that culture can be defined as "the interactive aggregate of common characteristics that influence a human group's response to its environment. Culture as a mental map that directs individuals in their relations with their surroundings and to other people (Baldwin, & Mussweiler 2018; Downes & Thomas 1997). Hall (1984) & Hall (2016) made an essential contribution to the conceptualization of culture in arguing that when interacting with people from different cultural communities, we are interacting with other worldviews, and that surface behaviour is tied to deep and hidden networks of meaning, values and expectations that our hosts share which we do not fully understand.

Given the extensive spread of the term "Culture", it is quite understandable why culture

could be a serious source of concern for an individual moving from one culture to another. Culture can well create cross-cultural adjustment problems for an expatriate. International assignments typically involve a high level of interactions within multiple cultural contexts that are substantially different from interactions in domestic assignments. Some of these interactions include the communications that involve legal, economic, physical and technical demands. The conception of culture in international assignments is related to how people identify the globe and the influence this perception has on their performances (Chang, Chou, & Han, 2018; Chiu-Yu Lee, 2006). Different cultures can cause individuals to comprehend the same subject in diverse ways, resulting in miscommunication and misunderstanding when an individual crosses into another culture different from their own (Chang, Chou, & Han, 2018; Chiu-Yu Lee, 2006). The world has different cultures and individuals that have relocated from one culture have to deal with the challenges of adapting to a new culture different from what they are used to in their own culture. Typically "Culture Shock" occurs when individuals who are conversant with a particular type of culture encounter another culture which would require adapting to new ways of life, norms and patterns of interaction. Some studies have observed that a critical problem for the expatriate is more the adaptation to an unfamiliar culture than it is with their professional expertise (Chang, Chou, & Han, 2018; Chiu Yu-Lee, 2006). All these bring to the fore the need for cultural integration and adaptation by an expatriate as successful expatriation will require extensive cross-cultural interactions.

Cross-Cultural Training

Cross-cultural training can be described as "the educative process used to improve intercultural learning by developing the cognitive, affective and behavioural competencies required for successful interaction in diverse cultures (Susanto & Rostiani, 2012). Cognitive competencies may deal with the expatriate's rationality in making decisions while affective competencies may deal with abilities to handle emotion during intercultural interactions with other people from the different culture the expatriate is interacting with. Behavioural

competencies may deal with the abilities of people to better manage relationships with other people (Susanto & Rostiani, 2012). The overall objective of cross-cultural training is to educate members of one culture to effectively interact with members of another culture, as well as predispose them to rapid adjustment to their new positions in their destination locations (Okpara & Kabongo, 2011). Three components have been identified by cross-cultural researchers as being indicative of success, including personal adjustment to the new host environment, professional effectiveness in accomplishing business responsibilities, and interpersonal adjustment. Thus, cross-cultural training programmes should provide expatriates with the knowledge, skills, and abilities needed for cross-cultural adjustment, effective business performance, and cross-cultural interactions (Baumgarten, 1995; Bennet et al., 2000; Forster, 2000). Andresen, & Bergdolt, (2017) suggests that there are two significant classifications of cross-cultural training - regular training where the information is disseminated through a unidirectional communication as is the case in most schools, colleges and universities and experimental training where the expatriate gets to participate in the training process by simulating real-life experiences. Several authors have at different times, using different samples, studied the effectiveness of these two training methods on expatriate adjustment and job performance with American Managers, Japanese Managers and French Managers (Okpara, & Kabongo, 2017). Very few authors have studied firstly the existence of these training methods in the practices and systems of African multinationals and their influence on the different facets of adjustment and job performance of African expatriates in Sub-Saharan Africa countries to draw meaningful conclusions. Few studies have also studied whether or not African multinationals give any form of cross-cultural training to spouses and children of their expatriates before and during expatriation.

Some goals of cross-cultural training according to Sit, Mak & Neill (2017) include the following: (a) assisting expatriates in overcoming the difficulties that could potentially undermine their effectiveness while overseas, (b) aiding the individual in developing positive relationships

with host nationals, (c) helping expatriates to accomplish work-related tasks, and (d) enabling expatriates to cope with the stressors effectively encountered while on the foreign assignment.

Studies carried out by Black and Mendenhall (1990) and Wang, Fan, Freeman & Zhu (2017) examining the relationship between cross-cultural training and cross-cultural efficiency show that cross-cultural training is somehow associated with feelings of well-being and self-confidence, the development of appropriate behaviours in the context of the foreign culture and improvement of relationships with the host country's environment and citizens. Another study by Earley (1987) and Branco (2018) found that cross-cultural training had a positive effect on adjustment to the host country's culture as well as a positive impact on the expatriates' managerial performance. Cross-cultural training is expected to be positively related to an expatriate's job performance. The first reason for this expected positive relationship is related to the social learning theory. Black and Mendenhall (1990) and Wang, Fan, Freeman & Zhu (2017) suggested that cross-cultural training before an expatriate's departure facilitates the development of competencies and appropriate behaviours that assist the expatriate in adjusting well to the foreign country by observing and experiencing different cultures directly or indirectly.

Traditionally, various researchers have illustrated seven basic training programs that can be used in cross-cultural training:

- (1) Didactic training programmes that are designed to facilitate cultural orientation and give information on a country's culture, history, geography and institutions
- (2) Culture assimilator (programmes that are designed to highlight intercultural encounters)
- (3) Language training (programmes that teach the expatriate the language of the assigned country)
- (4) Sensitivity training (programmes that are designed to help expatriates increase their overall cultural awareness and accept cultural behaviours and value systems)
- (5) Field experience (programmes that send expatriates to the international assigned locations that help them experience the

emotional stress of living and working in another country)

- (6) Attribution training (programmes that enable expatriates to make isomorphic attributions by learning to explain national host behaviour from the host culture point of view)
- (7) Culture awareness (programmes designed to make the expatriates appreciate their own host country culture as well as differences between the international destination and home countries) (Littrell et al., 2006; Shah, 2016; Tung, 1981). Shah, 2016 and Tung 1981 suggested that the training method should be chosen according to the type of assignment and should depend on the following two factors - the degree of interaction between the expatriate manager and host country's inhabitants and the degree of similarity between the expatriate host country culture and the international destination culture (Okpara & Kabongo, 2011).

Regardless of which training method is chosen, successful cross-cultural training programmes should take into account the needs of the expatriate, the customization of the content and design methodologies as well as the programme quality (Littrell et al., 2006; & Yu, 2016). So far, no empirical study has studied the relationship between training needs analysis of the expatriate and the effectiveness of the expatriate in terms of improved job performance and increased adjustment. Littrell et al. (2006) and Yu (2016) argued that an expatriate's strengths and weaknesses about interpersonal, cognitive, self-maintenance, spousal needs and other skills should be assessed before a specific training programme is designed. They also suggested that the needs assessment should include the collection of information regarding assignment objectives, past international experience, job responsibilities, spousal interests, children's need and family dynamics as well as the program quality (Bhagat & Prien, 1996; Brewster, 1995; Caligiuri et al., 2001).

Cross-cultural adjustment

Adjustment to life in an overseas country while on an assignment has been characterized as being a multi-dimensional procedure. It incorporates the individual's ability to function

effectively within the different realms of everyday living, work-related duties and cooperation with the people of the host country (Takeuchi, Yun & Tesluk, 2009; Alshanbri, Maqsood & Khalafan, 2016). This covers the level of psychological contentment and understanding that a man possesses while working in a different culture. As proposed by Black (1988) and Wang, Fan, Freeman & Zhu (2017), there are three variables of expatriate manager adjustment: (a) "work adjustment" that consists of duties, administration and execution; (b) "relational adjustment" that incorporates dealing with people from the host nation; and (c) "general adjustment" that includes the social life environment in an overseas country. Those factors focus on the individuals, the company and contextual factors. Variables linked to the individual tie a person's capacity for change in a new culture with past overseas experience. Contextual factors involve the duration of time expended in the host nation, the company's logistical support and the spouse's moral support. Company related factors incorporate elements identified with company support (for example, bosses, colleagues and parent-company organization support) and work-related variables (for example, role discretion and role clarity). They also cover incorporate cultural differences that exist between the host-nation subsidiary and the home nation, and the parent company. Finally, company-related factors include preparations and CCT.

Theoretical Review: Social Learning Theory

Black and Mendenhall (1990), as well as, Wang et al., (2017) proposed that social learning theory developed by Bandura (1977) is appropriate in explaining cross-cultural training. Social learning theory illustrated learning as a process that was influenced by observation and experience. Direct and common experiences shape learning and future behaviour such that the observation of behaviour and modelling of that behaviour will result in increased knowledge. Individuals observe appropriate or inappropriate host country's behaviours. By following these behaviours in a structured environment, the expatriate can base his or her behaviours on these models (Littrell, Salas, Hess & Paley, 2006). Bhagat and Prien (1996) also suggested that expatriates would be better equipped to recognize model behaviour in the

host country and would be most likely to reproduce that kind of behaviour.

Methodology

The research design adopted in this study was the quantitative design approach. Quantitative designs are employed in examining the relationship between variables (in this case, the critical factors and expatriate assignment performance) to analyse and represent the relationship mathematically through statistical analysis and inferences established (Sanders & Yang, 2016; Ejohwomu et al., 2017). This methodology was adjudged to be capable of establishing the connection between the critical factors and expatriate assignment performance in Nigeria (Ejohwomu et al., 2017). The methodology adopted is also capable of addressing the various research questions and hypotheses (Easterby-Smith et al., 2012).

Procedure for Data Collection

The data for analysis was acquired through a semi-structured questionnaire administered to Asian expatriate workers and managers in Nigeria from January 2018 to January 2019. From the databases of Expatriate Associations in Nigeria, the estimated population of top managers is 1,200. The total sample consists of 550 Asian expatriate managers who were selected across the six geo-political zones in Nigeria using snowballing sampling techniques. Random sampling was excluded as a means of gathering data because the return rate is often meagre. Participants were selected from a range of companies in different industries (Hospitality, Construction Tourism, Engineering, Real estate, Consulting, Education, Finance, Accounting and Training) to avoid the likelihood of industry-specific CCT confusing the findings. In total, four hundred and eighty (480) questionnaires were distributed; however, only four hundred and fifty (450) were valid for analysis as the remaining were either not properly filled or missing. A structured questionnaire was used in collecting primary data for the study which was divided into two sections. The first part requires the respondent's demography such as gender, age range, marital status, work experience and geo-political zones (where they carry out their primary assignment). While the second part contains sixteen (16) items structured around the hypothesized

statements that were based on four-point Likert scale (4 = Strongly Agree; 3 = Agree; 2 = Disagree, and 1 = Strongly Disagree) in which respondents were expected to either agree or disagree.

Data Analysis

This section presents and discusses the results derived from the data collected from the sampled respondents. The Statistical Package for Social Sciences (IBM-SPSS Statistics 20) software was employed in the analysis of the data. Simple percentage and frequency

distribution were used to analyse the socio-demographic and other related variables at the univariate level, while Chi-Square was used to test for association between variables at the bivariate and multivariate levels respectively.

Socio-Demographic Characteristics of the Respondents

Table 1 presents the socio-demographic characteristics of the respondents. The socio-demographic characteristics presented are gender, age range, marital status, experience, and geo-political zones in Nigeria.

Table 1: Socio-Demographic Characteristics of the Respondents

Demographic Characteristics	Frequency	Total	Percentage (%)
Gender			
Male	367	450	81.55
Female	73		16.22
Age Range			
18-25	13	450	2.8
26-35	149		33.11
36-45	245		54.4
55 above	43		9.55
Marital status			
Married	367	450	81.55
Single	83		18.4
Experience			
1-5 years	13	450	2.8
6-10 years	75		10.0
11-15 years	99		22.0
16 -20 years	135		30.0
21 years above	128		28.4
G. Zones	State		
South West	Lagos	95	150
	Ogun	55	33.33
South-	Delta	50	95
South	Cross River	45	21.11
North	Plateau	25	50
Central	FCT Abuja	25	11.11
North West	Kano	30	60
	Kaduna	20	13.33
South East	Enugu	25	50
	Anambra	25	11.11
North East	Gombe	25	45
	Taraba	20	10

Source: Author's Computation 2019

The table presents the frequency distribution of the respondents' gender. Male constitutes 81.5%, while female makes up 16.2% of the respondents. The implication of this is that the

male gender constitutes the majority of the respondents.

The table also shows the frequency distribution of the respondents' age range. The proportion of

respondents aged 18-25 years is 2.8%, while the proportion of respondents aged 26-35 years is 33.11%. Respondents aged 36-45 years represents 54.4%, and respondents aged 55 years and above represents 9.5%. The implication of this is that majority of the respondents are adults.

The frequency for experience shows that 2.8% of the respondents have works experience that ranges between 1-3years, while the work experience for 4-6years make up 10.0% and the proportion of 7-9 years is 22.0%. Furthermore, the work experience for 10-12 years is made up of 30.0% and that of 12 years above is 28.4%. The import of this is that majority of the respondents that fall within the working experience 10-12 years are many compare to others.

The table further disclosed the location of the respondents; 33.3% of the respondents are located in South West, 21.1% carry out their assignment in South-South, 11.1% of respondents work in North Central, 13.3%, 11.1% and 10% work in North West, South East and North East respectively.

Reliability and Validity

In this research, reliability is measured by using Cronbach's Alpha and inter-item correlation. Inter-item correlation outlines the correlation between individual items and should exceed or be greater than 0.3 (Hair et al, 2010, p.125). Cronbach's Alpha measures internal consistency or how the items are closely related as a group. Cronbach's Alpha of 0.7 and above is considered acceptable, where a scale between 0 (no internal reliability) and 1 (greatest internal reliability) is present (Bryman and Bell, 2010).

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.81	.89	20

The reliability test conducted shows that Cronbach's alpha coefficient value was .81, which is greater than .7 (acceptable value) and

Cronbach's Alpha Based on Standardized Items. Therefore, the scale used for this survey can then be considered reliable.

Descriptive Analysis

Table 3: Descriptive Statistics of Pre-departure training impact on expatriate's adjustment

S/N	Items	SA	A	SD	D
1	My Pre-departure training helped me adjust well in my working environment	142	69	139	100
2.	I pay a short term visit before the commencement of my assignment	30	41	100	179
3.	Prior to my departure, I was involved with other expatriates during training activities	79	90	187	94
4.	The period of notice given before my international assignment aids my adjustment	63	189	87	102
5.	My pre-departure training exposure focus on Nigeria's unique culture.	104	69	100	177

Source: Author's Computation 2019

From table one, descriptive analysis shows that out of 450 respondents, 211 agreed to the fact that pre-departure training helped them to adjust well to their working environment while 239 respondents disagreed. The table also disclosed that 71 respondents pay a short term visit before the commencement of their assignment while 279 respondents have not visited their primary place of assignment. 169 respondents were

involved with other expatriates during training activities while the other respondents were not opportune to train with other expatriates. Furthermore, 252 respondents agreed that the period of notice given before their international assignment aids adjustment process but 189 respondents disagreed. Lastly, 173 respondents agree that pre-departure training receives focus on Nigeria's unique culture while 277 disagreed.

Table 4: Descriptive Statistics of Post-arrival training effect on expatriate's adjustment

S/N	Items	SA	A	SD	D
1	My post-arrival training helped me adjust well in my working environment.	160	140	37	63
2.	Induction programmes and executives briefing on economic and political history have facilitated my adjustment in my new company	69	157	79	145
3.	The parent company puts all expatriates through the same set of learning experiences	79	178	101	92
4.	The parent company provides help in relocation and resettlement.	103	160	109	78
5.	The training I have received was designed to offer the knowledge of skills required to operate effectively.	98	184	100	68

Source: Author Computation 2019

Table 4 describes the post-arrival training effect on the expatriate's adjustment. Given the sample of 450 respondents, 300 respondents agreed that the post-arrival training helped them to adjust in their working environment while 100 respondents disagreed. Also, 226 respondents agreed that induction programmes and executives briefing on economic and political helps adjustment process in their new company while 224 respondents disagreed. Furthermore, 187 respondents disagreed that the parent

company puts all expatriates through the same set of learning experiences while 263 respondents agreed. Also, 282 respondents agreed that the parent company provides help in relocation and resettlement while 187 disagreed. And lastly, 282 respondents agreed that the training received was designed to offer the knowledge of skills required to operate effectively while the rest of the respondents disagreed.

Table 5: Descriptive Statistics of Cross-cultural awareness training and adjustment of expatriates

S/N	Items	SA	A	SD	D
1	My awareness of cultural differences has allowed me to become an effective team member	94	203	53	100
2.	Cross-cultural adjustment helped me increase my productivity	170	89	92	89
3.	Environmental briefing exposure has allowed me to understand the culture better than before	92	190	68	100
4.	The organisation hires an employee who can speak the three major languages including the English language to be my assistant	89	128	165	68
5.	Cross-cultural training has helped me succeed in my company	96	178	76	100

Source: Author's Computation 2019

In table four above, 297 respondents agreed that awareness of cultural differences has allowed them to become an effective team member while 153 disagreed. On cross-cultural adjustment and productivity, 259 respondents agreed that cross-cultural adjustment helped in increasing productivity while 191 respondents disagreed. The analysis also revealed that 282 agreed that environmental briefing exposure has

allowed them to understand the culture better than before while 168 respondents disagreed. Furthermore, 217 respondents agreed that the organisation hires an employee who can speak the three major languages including the English language to be their assistant while 233 respondents disagreed. Generally, 274 respondents agreed that cross-cultural training has helped them to succeed in their company.

Table 6: Descriptive Statistics of Social intelligence and expatriates adjustment

S/N	Items	SA	A	SD	D
1	I can perform well in a job that involves cross-cultural interactions	57	100	154	139
2.	I like having a job that involves regular cross-cultural interactions	79	167	104	100
3.	I feel comfortable when interacting with someone from a different cultural background	98	136	159	57
4.	I initially make contacts with people from different background	173	37	140	100
5.	I consider other people's habits and I do easily approach other people	100	66	134	150

Source: Author's Computation 2019

Table 6 shows that 157 respondents agreed that they can perform well on a job that involves cross-cultural interactions while 293 of the respondents disagreed. It also shows that 246 of the respondents like having a job that involves regular cross-cultural interactions while 204 respondents disagreed. Likewise, 234 respondents agreed that they feel comfortable when interacting with someone from a different

cultural background while 216 respondents disagreed. Furthermore, 210 respondents agreed that they make contacts with people from the different background while 240 respondents disagreed. Lastly, 166 respondents agreed that they consider other people's habits and they do easily approach other people while 284 disagreed.

Test of Hypotheses

HO₁: Pre-departure training has an impact on expatriate's adjustment

Table 7: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.270 ^a	9	.151
Likelihood Ratio	13.104	9	.158
Linear-by-Linear Association	.945	1	.331
N of Valid Cases	450		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.56.

Table 7 presents the Pearson chi-square asymptotic value as 0.151 which is greater than 0.05, by implication; it shows that there will be a significant impact of pre-departure training on

expatriates' adjustment leading to the acceptance of the null hypothesis and the rejection of the alternative hypothesis.

HO₂: Post-arrival training affects expatriate's adjustment

Table 8: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.546 ^a	9	.784
Likelihood Ratio	5.599	9	.779
Linear-by-Linear Association	.016	1	.899
N of Valid Cases	450		

a. 1 cell (6.2%) have expected count less than 5. The minimum expected count is 4.97.

Table 8 presents the Pearson chi-square asymptotic value as 0.784 which is greater than 0.05 by implication; it shows that there will be a significant effect of post-arrival training on

expatriates' adjustment leading to the acceptance of the null hypothesis and the rejection of the alternative hypothesis.

Ho₃: Cross-cultural awareness training does facilitate quicker adjustment of expatriates

Table 9: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.672 ^a	9	.178
Likelihood Ratio	12.184	9	.203
Linear-by-Linear Association	3.321	1	.068
N of Valid Cases	450		

a. cell (6.2%) has expected to count less than 5. The minimum expected count is 4.78.

Table 9 presents the Pearson chi-square asymptotic value as 0.178 which is greater than 0.05, by implication; it shows that cross-cultural awareness training does facilitate quicker

adjustment of expatriates leading to the acceptance of the null hypothesis and the rejection of the alternative hypothesis.

Table: 10 Chi-Square Tests

Ho₄: Social intelligence does influence expatriates adjustment

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.793 ^a	9	.555
Likelihood Ratio	8.147	9	.519
Linear-by-Linear Association	.336	1	.562
N of Valid Cases	450		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.55.

Table 10 presents the Pearson chi-square asymptotic value as 0.555 which is greater than 0.05, by implication; it shows that Social intelligence does influence expatriates

adjustment leading to the acceptance of the null hypothesis and the rejection of the alternative hypothesis

Findings and conclusions

The result from the tested hypothesis on the four dimensions of training (pre-departure training, post-arrival training, cross-cultural awareness training) indicates that there is a positive relationship between these training dimensions and the adjustment of Asian expatriates who are on international assignments with various multinational corporations operating in Nigeria.

Nigeria has a very multi-cultural environment and it is governed by a unique cultural and traditional structure (Almazrouei & Pech, 2014). The Asian expatriate managers may find themselves managing staff from different cultures and nationalities. They, therefore, require a deep and practical understanding of both the local and the various other cultures of the neighbouring countries. They must reach a stage where they can win the trust of their

domestic and foreign colleagues to be able to function efficiently in a respectful and professional environment. Without building such awareness overtime, an expatriate manager may perceive life in Nigeria, especially in Lagos to be somewhat confusing and infuriating due to the hassle and bustle nature of the city. When local norms of behaviour have been comprehended, absorbed and taken on board, the expatriate manager will be significantly more productive and valuable to his or her employer. More precisely, the results of this descriptive study of Asian expatriate managers in Nigeria reveals that the managers who were given CCT adjusted more quickly in their assignments and were relatively happier and more satisfied than those managers who were not given any CCT. Furthermore, CCT reduces the intensity of cultural shock and decrease the time required to adjust to and feel comfortable in the new culture.

It also abridges the length of time needed to become more productive on the job during the assignment in Nigeria. Our results are in tune with previous studies, which have contended that CCT has a significant and positive effect on the process of expatriate adjustment (Tahir, 2018; Okpara & Kabongo, 2011; Waxin & Panaccio, 2005)

Majority of the MNCs selected for this inquiry did not give sufficient pre-departure CCT to their expatriates, their partners, spouses, and accompanying family. These companies do not appear to be convinced about the effectiveness of CCT. Their collective mentality suggests that they expect that a "competent person always knows how to manage himself". This mind-set favours the "learning by doing" approach. None of the MNCs selected for this study provided any formal CCT during the overseas assignment. However, a few of them gave some unstructured or informal support during the transfer in Nigeria. Papademetriou (2015 and Selmer et al. (1998) argued that if CCT were provided during the ethnocentric, cultural shock and conformist stages of adaptation, it would help bring together the practice and theory. This, in turn, would facilitate an immediate connection between the learning and the expatriates' practical, day-to-day, operational experiences.

Furthermore, the dialogue in the group would inspire a shift in the person's frame of reference as well as bolstering their new social skills. We believe that the findings of the present study have substantial ramifications for the practice of CCT as well as for its theory. We propose three key recommendations that have emerged from this current study. First, this study demonstrates that specific components of CCT that enhance the training of an expatriate manager can naturally raise the overall quality of the whole CCT program. More precisely, as our research concentrated on the viability of all kinds of CCT, a conceivable practical ramification is that future expatriates should get sequential CCT as prescribed by Papademetriou (2015 and Selmer et al. (1998). CCT in the host country may enhance the effectiveness of CCT since it permits timely interventions in real life and real-time circumstances. Accordingly, future studies ought to analyse the adequacy of sequential

CCT in home and host countries. Secondly, we believe that MNCs may need to develop additional tools, based on local practice, to help their expatriate managers adjust to the unique culture in Nigeria. Possible advances in CCT could incorporate MNC-wide management information systems explicitly designed to assist managers in Nigeria, as well as in other Africa countries. Managers coming back from Nigeria may likewise record their encounters in both work and life circumstances. The HR department ought to gather this data, process it and summarize its key points for incorporation into CCT for its future expatriate managers moving to Nigeria. Our last recommendation is for the MNC to provide more than merely CCT to enhance the expatriate manager's pre-departure expectations about the host country. For instance, MNCs can offer a trip to the host country before the manager undertakes the international assignment. The purpose of this would be to give them both a formal and a casual opportunity to talk about their move with the other expatriates in the overseas subsidiary. As discussed previously, the MNCs ought to think carefully about the way the information that they provide to the expatriate manager, before his overseas assignment, will impact his/her adjustment process once in the host nation. Finally, for the MNCs assigning expatriates to Nigeria, the conclusions of this paper are bi-dimensional. First, providing CCT to the expatriate manager is a better option rather than not to give any CCT and second CCT ought to be sequential. Meanwhile, the adequacy of the sequential CCT was observed to be limited; it might be fitting to apply complementary means to fortify expatriates' ability.

Recommendation for further inquiries

One of the significant drawbacks of this paper is the dependence on the subjective readings of a small number of expatriate managers in Nigeria. However, quantitative studies contribute to a profound comprehension of the subject prompting innovation and theory-building; blended-method research studies can accommodate opposing demands of theory advancement and the utilization of rigorous research methodologies (Srnrka & Koeszegi 2007; Tajeddini & Mueller 2011). In this paper, only expatriates from Asiatic nations were selected, namely China, India, South Korea,

Turkey and Lebanon. Given its importance, we suggest that future research may study more expatriate managers from different countries, as with the expanded pace of globalization, MNCs from many countries have now invested in Nigeria. This inquiry can likewise be replicated in other African countries like South Africa, Ghana, Kenya, and so forth, to compare the similarities and differences with these results, and in this manner endeavour to develop a broader theoretical model for African countries in general and Sub-Saharan countries in particular.

Future research may likewise incorporate other appropriate issues, (such as organizational culture, size, and so on), in studying the impact of the aspects of CCT that have not been covered in the present study. This will help us to expand this research further and it will ideally give more information to HR managers in designing and planning more suitable CCT programmes to improve the way expatriates acclimatize to different cultural environments.

Also, more demographic variables (such as language proficiency, the age of the expatriate manager, the age of the spouse, the number of children, etc.) ought to be investigated in the future. It would likewise be intriguing to empirically examine the responses of HR managers, consultants and non-managerial employees about the CCT and its impact on expatriate adjustment.

Furthermore, additional extensive research may be undertaken in the future by utilizing mixed research methodologies to add more variables, and this will give more insights into the findings of the present study. More precisely, qualitative empirical research could likewise be utilized for analysing the different variables and their relations with CCT and its impact on expatriate adjustment.

Finally, as far as we know, this is the first study undertaken to identify the connections between CCT and expatriate adjustment of Asian expatriates in Nigeria.

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COMMERCIAL DRIVERS PERCEPTION OF SERVICE QUALITY OF THE POLICE: A SERVQUAL APPROACH

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Abstract

This study examined the relationship between the five dimensions of SERVQUAL service quality and the perception of commercial drivers on services rendered by the police force. Measuring service quality in the public sector is fraught with difficulties, particularly in the public service sector where the customers are vulnerable citizens. The relationships were examined with empirical data collected from 1000 commercial drivers at the Ajah area of Lagos State using three different transportation types (cab drivers, tricycle drivers and motorcycle riders). The reports extended to 15 other sub-dimensions of SERVQUAL. Data was collected with the aid of a closed-ended questionnaire administered randomly on 1000 commercial drivers using stratified sampling techniques. The analysis was done using simple descriptions and percentage. The study found that the quality of services provided by the police in Ajah did not meet the expectations of the commercial motorists. Despite the poor rated service quality of the Police force, the drivers seemed to be more satisfied with the assurance dimension of the force and least satisfied with the dimension of empathy. The conclusion drawn from this finding is that the police force requires general improvement in all areas of their services. To improve on the quality of their services, the principles of empathy, tangibility, responsiveness, assurance and reliability should be upheld by the police service commission, and outstanding police officers rewarded for adherence.

Keywords: Commercial, Motorist, Quality, Service, Police, SERVQUAL, Descriptive Analysis

1. Introduction

The society and its constituents through the social contract theory depend on the public sector for certain essential services that cannot be provided for efficiently through the price mechanism. One of such services is the safety of lives and security of properties against internal unrest and external intrusion. The protection of society is the duty of the executive arm of the government.

The police force is one of the most important parastatals of the executive organ of the government. The society interfaces with the police officers more frequently than other organs of the government. The police are saddled with the duties of providing immediate protection of lives and properties and ensure the maintenance of laws and order globally.

In Nigeria, the Nigeria police force (NPF) founded in 1930 has undergone several reformations under different governments and regimes. One of such reformations is the introduction of service compacts for all Nigerians (SERVICOM) in 2004 to coordinate service rendering in the public sector. It further enabled the masses the opportunity to understand and demand the right services from the public sector and it afforded the citizens the voice to speak up in cases where quality services are deficient. Although the demands for service quality from government agencies have continued to gain currency, the NPF should be the focal point due to the sacrosanct nature of its services.

Despite the increasing clamour for improved service quality delivery from the NPF by Nigerians, the gap between service delivery and expectation continues to widen. However, there

is a need for NPF to improve its image, relationship, service timeliness, and personal commitment to ensure quality service delivery.

The NPF is one of the most discussed agencies of the government due to the crucial roles it plays in nation-building through its multifaceted services aimed at promoting peaceful co-existence in the society. The inability of the NPF to live up to its expectations has resulted in a legendary insecurity problem attributable to inefficiency in the force and reflects the poor global rating of the NPF (Olowe, Nkwuagba & Ayodele, 2018).

The World Internal Security and Police Index International (WISPI, 2018) through its report published by International Police Science Association (IPSA) and the Institute for Economics and Peace, ranked the NPF the worst in the world in terms of its ability to handle internal challenges. Of the 127 countries rated, the NPF ranked first from below at 127th position behind Congo, Kenya, Uganda and Pakistan in that order. The rating was based on four metrics: capacity, process, legitimacy and outcome. Statistics revealed that the NPF cannot measure up to its mandate of maintaining law and order in the country. It also revealed that there are 219 police officers per 100,000 Nigerians. This falls short of the Index median of 300 police officers and the sub-Saharan Africa region mean of 268 police officers. This limits the capacity of the force to measure up to keeping its law and order mandate. To further expose the inefficiencies of the NPF, the three other metrics: process, legitimacy, and outcomes ranked the NPF poorly. Thus, the NPF is deficient of the required standard of operations and service quality (see <https://www.konbini.com/ng/lifestyle/nigerian-police-force-rated-worst-world-npf-not-happy/>).

Besides, the Global security watch rated the NPF very high in areas such as human rights abuse, poor remuneration, corrupt practices, and ill-equipped offices (Global Security, 1983; Olowe, Nkwuagba & Ayodele, 2018). These challenges bear serious implications for professionalism and quality service delivery which hinders the government's desire to build global standard policing in the country. Reports of human rights infringement, extortion of commercial drivers, accidental discharge (killing

of innocent citizens through improper handling of firearms) are modal incidences in the NPF.

Commercial drivers encounter the police officers most frequently in the course of conveying people and materials more than any other set of people in Nigeria, and as such, the drivers should be able to objectively evaluate the service quality of the NPF better than any other set of people in the Nigerian society.

Although service quality of the Nigerian public sector has been investigated by previous studies (Esu & Inyang, 2009; Oyewobi, Suleiman & Muhammad-Jamil, 2012; Rasul & Rogger, 2018), only a few empirical analyses (Olawoyin, Esse, & Madukoma, 2017; Olowe, Nkwuagba, & Ayodele, 2018) focused on the quality of service of the NPF; of these few studies that analyzed service quality of the NPF, none considered the views of commercial drivers who encounter the police officers most frequently. This lacuna in literature forms the kernel of this study. The study is significant in three-fold: Firstly, it extends previous studies on police service quality by incorporating the views of commercial drivers. Secondly, the study opens up new research space in the application of SERVQUAL theory and finally, the policy implications of this study are relevant to the police service commission, strategic and operational security managers and academics to meet the insecurity challenges ravaging the country.

Thus, this research paper evaluates the service quality of the NPF from the perspective of the commercial drivers in Ajah, Lagos, Nigeria. The objective of the study is to identify and address service quality gaps in the NPF and compare these gaps with what has been empirically ascertained for other nations.

This paper is segmented into five parts: the introduction, literature review, methodology, the analysis of results and conclusion.

2. Literature Review

Theoretical Framework

In recent times, there has been an increasing interest in researchers to find out the quality of services provided to customers by service providers. Different models or theories have been applied by these researchers in an attempt to provide empirical inter-relationship between

service quality and the satisfaction derived by customers (Seth, Deshmukh & Vrat, 2005).

The technical and functional mode of service quality by Gronoos (1984) laid the foundation for theoretical formulation in this area of research. A year later, the **SERVQUAL MODEL** was formulated by Parasuraman, Zeithaml and Berry (1985) as adopted for this study.

SERVQUAL MODEL

The SERVQUAL model which is also referred to as the *gap analysis model* was developed by Parasuraman, Zeithaml and Berry (1985) to show the relationship between customers and service providers (Franceschini & Mastrogiacomo, 2018). Their main argument for the SERVQUAL model is that service quality can be ascertained by customers based on the gap between expectation and performance along the quality dimensions (Hisam, Sanyal & Ahmad, 2016). Accordingly, the gap analysis model provides the framework for the definition and measurement of service quality (Saat, 1999; Teeroovengadum, Kamalanabhan & Seebaluck, 2016; Raziei, Torabi, Tabrizian & Zahiri, 2018). The SERVQUAL model is premised on the assumption that service quality depends on the size and direction of the five gaps that might exist in the service delivery process (Ganiyu, 2016; Raziei, Torabi, Tabrizian & Zahiri, 2018; Akter, Wamba & D'Ambra, 2019).

- Gap 1: This is the gap that exists between customer expectations and those expectations perceived by managers as the customers' expectations. These perceived expectations are likened to wrong perception of customers' expectations on the side of the management. It also implies not being aware of what the customers expect. This gap could occur due to wrong assumptions and treating all customers in the same way without recognizing the unique nature of regular customers.
- Gap 2: This is a gap that exists between the perception of customers' expectations from the managers and the service quality specifications of firms. The discrepancy between perception and expectation results in improper service-quality standards.
- Gap 3: This is a gap that exists between service quality specifications and the actual service delivered. This difference is what

Seth, Deshmukh and Vrat (2005) referred to as service performance gap. This gap is traceable to lack of serving skills amongst staff.

- Gap 4: The service delivery external communication gap. It refers to the difference between service delivery and communications to consumers about service delivery. It is also all about whether or not promises match delivery (Seth, Deshmukh & Vrat, 2005).
- Gap 5: The perceived service quality gap is the difference between expected and perceived service. It indicates the difference between customer expectation and perceived service. This fifth gap is a function of the size and direction of the first four gaps.

While gaps one to four show delivery of service functions by the service provider to the service receiver, gap 5 indicates the truth about service quality from the perspective of the receiver of service.

The SERVQUAL theory has a wide range of applications. Previous studies such as (Stefano, Casarotto Filho, Barichello & Sohn, 2015; Beheshtinia & Farzaneh Azad, 2017; Mohamad, AbYazid, Khatibi & Azam, 2017; Herstein, Gilboa, Gamliel, Bergera & Ali, 2018) applied the SERVQUAL model to the hotel industry. The model has also witnessed enormous application in the tourism sector (see Chen, Weiler, Young & Lee, 2016; Ochoa, Vázquez, Nieto, Vilorio & Ariza-Salazar, 2016). In the health sector, we have studies like (Behdioğlu, Acar & Burhan, 2019; Materla, Cudney & Antony, 2019; Singh & Prasher, 2019). In the transportation sector, studies such as Adeniran & Fadare, 2018; Rezaei, Kothadiya, Tavasszy & Kroesen, 2018; Karakasnaki, Psomas & Bouranta, 2019. And in the evaluation of the quality of service of the police, studies such as (Bland, 1997; Donnelly, Kerr, Rimmer, & Shiu, 2006; Bouranta, Siskos, & Tsotsolas, 2015; Bourne, 2016; Olawoyin, Esse, & Madukoma, 2017; Olowe, Nkwuagba, & Ayodele, 2018; Wahyuni, Nurhaeni, & Wahyunengseh, 2018) used SERVQUAL model to analyse the satisfaction of customers.

The application of the SERVQUAL model to various segments of service provision reveals mixed findings from the empirical point of view.

Thus, the next sub-section provides a lucid review of the empirical literature on service quality with special attention to the police force.

Empirical Review

A flurry of studies exists on the application of the SERVQUAL model. More especially in areas like hotel, transportation, tourism, healthcare and education, amongst other areas. Though the SERVQUAL model emerged in 1985, it was not until 1997 when it was applied to analyse the service quality of the Police, thereafter, empirical literature continued to increase but most are based on the developed societies.

Steven-Dietz (1997) examined the relationship between quality service and community policing proxied by the fear of crime. Dietz made use of the qualitative research method and he interviewed 500 residents of Austin, Texas. The result of the study indicated the existence of a weak relationship between the quality of police service and the perception of safety by the residents. The study thus submitted that fear of crime as a proxy for the quality of community policing is a mere theoretical concept that requires clarity before it could be adopted as a yardstick against which the quality of police service is measured. In the review of this empirical study, it is obvious that the study opened a new dimension to the application of SERVQUAL model. It laid the foundation for further research work.

In a related study, Tari (2006) investigated how self-assessment and process management could impact on the quality of service rendered by the Spanish Police force. The report of the study suggested that self-assessment and process management bear a positive impact on the quality of service of the Spanish Police force. The position of this study differs from others as it emphatically focused on self-assessment rather than the customer's assessment of the quality of service.

As the application of SERVQUAL model to service quality of the police extends, Donnelly, Kerr, Rimmer and Shiu (2006) applied the SERVQUAL approach to investigate the quality of service rendered by the Strathclyde Police for Scotland. The study quantified the respondents' expectations of excellent police service and compares these with their perceptions of the service delivered by Strathclyde Police. It further

examined how well the police understood the expectations of the customers. Their findings implied that the police service quality fell short of customer expectation and that the police had a good understanding of citizen's expectations but the gaps in service standard formality impaired the ability of the police to meet the standard of service quality expected by the society.

Min Chen, Tau Lee, Hua Chen and Hsien Tsai (2014) examined the perceptions and satisfaction between Taiwan Police and Taiwan citizens on Kinmen Island using the five dimensions of SERVQUAL model. Their result shows that the perceptions and satisfaction of Taiwan citizens and police officers improve the service quality of the police. The study recommended the consideration of service quality and satisfaction as key determinants of behavioural intentions of Taiwanese citizens.

Bouranta, Siskos, and Tsotsolas (2015) analysed the determinants of citizens' satisfaction with the quality of the police force using the five SERVQUAL dimensions. They used the dyadic survey that quantified citizens' satisfaction and the police service quality including the job satisfaction of the police officers. The result of the multi-criteria analysis revealed that tangibility and responsiveness dimensions constituted a clog in the wheel of service quality by the police force. However, while the police officers were reported to be unsatisfied with their jobs, the citizens were relatively satisfied with the police service quality. Their findings negated the proposition of management theory that customers cannot be satisfied unless the employees are satisfied with their job.

Bourne (2016) investigated the perception of Jamaicans on the service quality of the JCF using the SERVQUAL approach. The result from the descriptive analysis of the data using SPSS indicated that for all cases in Jamaica, the JCF did not meet the service quality expectations of Jamaicans. Their report was anchored on the negative scores obtained for all the SERVQUAL dimensions evaluated in the study. Bourne (2016) recommended that for JCF is to become a high performing organization, the negative gaps between service perception and expectations must be narrowed.

In a study on service compatibility (SEVICOM) and service delivery in the Nigerian Police Force (NPF), Olowe, Nkwuagba, and Ayodele (2018) used the survey design for police service consumers and police officers in Ekiti State, South-West, Nigeria. Stratified and convenient sampling technique was applied based on the Taro Yamane's formula to ascertain the optimum sample size on which the questionnaire was administered. The result of the one-way ANOVA and simple linear regression analysis revealed that SERVICOM had no significant effect on the quality of the service rendered by the NPF. Again, timeliness of service delivery and professionalism of service were not strong enough to positively drive the service quality of the NPF.

Wahyuni, Nurhaeniand and Wahyunengseh (2018) examined the quality of service of the Wonogiri Police and the satisfaction level of Indonesians. From the responses of 96 sampled people, the result of the descriptive quantitative analysis revealed that the quality of service of the Wonogiri Police could be classified as good with specific reference to the statement of the report. However, in general, the Wonogiri police service quality was unsatisfactory and required continuous improvement.

Saruji, Ahmad and Zainuddin (2018) studied the perception of Putrajaya citizens on reliability and responsiveness of the services provided by Polis DiRaja, Malaysia using quantitative analysis. The researchers used the questionnaire to source primary data from 146 respondents who were randomly selected. The result revealed that Putrajaya citizens rated the quality of police service in the area of responsiveness and reliability as moderate. Besides, findings also showed that competency and manners significantly influenced reliability. They concluded that the police should improve on competency and manners if the desire to make Malaysia safe, secured and prosperous will be achieved.

The SERVQUAL model was also used in the security industry. Ekwenye, Theuri, and Mwenda (2018) focused on the quality of service provided by private security firms in Nairobi, Kenya. They used the descriptive research design as well as a semi-structured interview conducted on 55 private security firms in Nairobi. The result of their analysis supports the submission that the

incidences of militia, gang banditry and terrorism are evidence of poor service quality from both the state police and the private security firms. They suggested the need to improve on the strategic management of the security services through a partnership between the state-owned and privately managed security firms in Nairobi.

The reviewed empirical studies imply that the application of the SERVQUAL model in evaluating service quality of the policy remains largely under-researched. In Nigeria for instance, studies that investigated the quality of service of the NPF did not adopt the SERVQUAL dimension except for Olowe, Nkwuagba, and Ayodele (2018). However, their study was carried out in Ekiti state, while this study surveyed the Ajah area of Lagos state with specific interest on the perception of commercial drivers. Lagos is the commercial hub of the country and has more commercial activities. The security personnel has an interface with the citizens in Lagos more than any other known commercial city in Nigeria. Thus, it informed the choice of Lagos state for this study. This depicts a sharp departure from all existing studies and broadens the horizon of the constructs investigated.

3. Methodology

This study examined the perception of commercial drivers on the service quality of NPF. The study which was conducted around Ajah area in Lagos state metropolis, adopted the SERVQUAL model using a five-dimensional approach that includes tangibles, responsiveness, reliability, empathy and assurance. To achieve the objectives of the study, we employed the qualitative method to elicit primary data from respondents with an infinite population. Convenient and stratified sampling techniques were adopted. The convenient sampling technique is inexpensive, fast and easy to adopt while the stratified sampling ensures that the sample is drawn from all possible categories that made up the population.

The commercial drivers were categorized as a private cab (unmarked taxis), taxi, bus, tri-cycles and motorcycle drivers. From the five categories, samples of 1000 participants were drawn conveniently and relevant data obtained through questionnaire administration and semi-structured interviews.

Table 1: Dimensions of service quality (Explanatory Variables)

Determinants	Description
Tangibles	Physical evidence of service (facilities, tools, equipment)
Responsiveness	Willingness or readiness to provide service and timeliness
Reliability	Getting it right the first time, honouring promises, dependability
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring, individualized attention provided to customers

Source: Adapted from Parasursman, Zeithml& Berry (1988)

4. Discussion of Results

Socio-Demographic Characteristics of the Sample

Table 2 contains the socio-demographic attributes of the respondents. From the descriptive statistics, all respondents were males. This implies that within the Ajah area of Lagos, commercial driving is predominantly male occupation. The age bracket of the respondents that fall between 18-29 years, 30-40 years and above 40 years is 25%, 65% and 10% respectively. This implies that commercial driving within the study area is dominated by young able-bodied men who should either be in school or engaged in the real sector of the economy -Agriculture and construction. On the marital status of the respondents, the survey revealed that 45% are married, 40% are single and 15% are divorced. On the educational qualification of the respondents, only 2% holds higher educational qualification, as 35% possessed the school leaving certificates, 60% holds the first school leaving certificate and 3% had no formal education even at primary level. The educational qualification of the respondent shows that the majority of commercial drivers only possesses secondary and lesser educational qualification. This has serious

implications for understanding safety rules, signs, symbols and their applications while driving. We also observed that of the 1000 respondents, 35% drives commercial buses, 30% drives taxes, 25% drives tricycle, 5% drives motorbikes and 5% drives unmarked/private cabs. Again, the majority of our respondents drive buses, taxes and tricycles. These three means of commercial transportation dominate the Ajah area. Finally, over 85% of the respondents have driven for commercial purposes between 1 and 15 years. This long driving experience attribute of our respondents will help elicit reliable opinion on the quality of service rendered by the NPF.

From the socio-demographic data elicited from the respondents, it revealed that most of the divers are not well educated, however, majority of them are well experienced in the driving. Thus, they were able to objectively tick the right answers on the questionnaire administered on them by the researchers. To further ensure clarity and a better understanding of the questions, the researchers did one-on-one administration and collection of the questionnaires from the respondents, thus, 100% successful collection rate.

Table 2: Socio-Demographic Features of the Respondents

Variables	Frequencies (Percent)
Gender	
Male	1000 (100)
Female	0 (0.00)
Total	1000 (100)
Age Group	
18-29 years	250 (25)
30-40 years	650 (65)
>40 years	100 (10)
Total	1000 (100)
Marital Status	
Single	400 (40)
Married	450 (45)

Divorced	150 (15)
Total	1000 (100)
Main Area of Commercial Driving currently involved	
Buses	350 (35)
Taxes	300 (30)
Tricycles (Keke)	250 (25)
Bike (Okada)	50 (5)
Cabs	50 (5)
Total	1000 (100)
Years in Commercial Driving	
< 1 year	100 (10)
1-5 years	400 (40)
6-10 years	300 (30)
11-15 years	150 (15)
> 15 years	50 (5)
Total	1000 (100)
Educational Qualification	
No Formal Education	30 (3)
Primary Education	600 (60)
Secondary Education	350 (35)
Tertiary Education	20 (2)
Professional Certifications	0 (0.00)
Total	1000 (100)

Source: Survey Response computed by Authors, 2019

Table 3: Commercial Drivers Perception of NPF Service Quality in Ajah, Lagos State, Nigeria

S/N	SERVQUAL DIMENSIONS	Frequency (percent)		Remark
Tangible				
1	Are there visually nice-looking facilities at police stations within the Ajah Area?	Yes	302 (30.2)	There are no visually nice facilities at police stations around Ajah
		No	698 (69.8)	
		Total	1000 (100)	
2	Are policemen usually neatly dressed?	Yes	620 (62)	There seems to exist neatness amongst officers of the NPF
		No	380 (38)	
		Total	1000 (100)	
3	Do you think police officers you always encounter have and use modern security equipment?	Yes	345 (34.5)	Policemen within the Ajah area neither have or use technological and modern security gadgets
		No	655 (65.5)	
		Total	1000 (100)	
Reliability				
4	Do police officers provide services exactly as promised?	Yes	150 (15)	Services provided by the officers of NPF are not exact as promised
		No	850 (85)	
		Total	1000 (100)	
5	Do police officers operate at hours that are convenient to your job?	Yes	500 (50)	The available response implies that we cannot decide whether the operating time of the police is convenient for commercial drivers within the study area.
		No	500 (50)	
		Total	1000 (100)	
6	Do you think the services of the officers of the NP are without mistakes or errors?	Yes	100 (10)	There are errors in the services rendered by policemen.
		No	900 (90)	
		Total	1000 (100)	
Responsiveness				
7	Do police officers willingly come to your aid?	Yes	150 (15)	Police officers do not willingly assist commercial drivers
		No	850 (85)	
		Total	1000 (100)	
8	Do policemen intervene on time when	Yes	250 (25)	Officers of the NPF do

	you have problems that require them?	No	750 (75)	not render swift services to meet the needs of commercial drivers on time. Thus, there is no timeliness in the discharge of the duties by NPF
		Total	1000 (100)	
9	Policemen do not extort or demand money from you?	Yes	70 (7)	This response affirms the high level of unethical and corrupt practices in the NPF
		No	930 (93)	
		Total	1000 (100)	
Assurance				
10	Do you think police officers possess the knowledge required to assist you when in distress?	Yes	501 (50.1)	We cannot ascertain if the police officers possess adequate knowledge to handle distress calls
		No	499 (49.9)	
		Total	1000 (100)	
11	Do officers of the NP respond to distress calls from drivers?	Yes	213 (21.3)	Police do not respond to distress calls from commercial drivers
		No	787 (78.7)	
		Total	1000 (100)	
12	Do police provide adequate security services needed for road users' protection?	Yes	312 (31.2)	The security services provided by officers of the NPF are not adequate to assure the safety and security of road users
		No	688 (68.8)	
		Total	1000 (100)	
Empathy				
13	Do you think the security services provided by the NPF satisfies your needs?	Yes	124 (12.4)	The service quality of the NPF does not meet the needs of the respondents
		No	876 (87.6)	
		Total	1000 (100)	
14	Do you think the police is your friend, and as such have your interest at heart?	Yes	10 (1)	Policemen are not considered as friends by respondents, they are not perceived as having at heart the interest of the respondents
		No	990 (99)	
		Total	1000 (100)	
15	Do police officers attend to your security needs specifically in a manner that suits your expectations and needs on and off the road?	Yes	12 (1.2)	The police force does not provide services that take into consideration the individual needs of respondents. Thus, all respondents are treated within a similar manner.
		No	988 (98.8)	
		Total	1000 (100)	

Source: Survey Response compiled by Authors, 2019

The quality of service rendered by the NPF has consistently fallen below the expected standard of service demands by Nigerians. The analysis of the study using the five dimensions of SERVQUAL is presented in Table 3. The result reveals that the NPF performs far below average in terms of tangible, responsive, reliable, assurance and empathy considerations. Empirically, 67.77% of the respondents believed that the perceived service quality of being NPF based on tangible evaluation is very poor, while

only 32.23% rated NPF services high on tangible qualities. This situation is understandable as a result of the lack of modern facilities at the police stations and the average neatness of officers in terms of their appearance, as well as the outdated security gadgets at the disposal of the force that is used for carrying out their regular operations. These factors significantly contribute to the poor standard of service quality provided by the force.

Result also shows that 75% of the respondents rated service quality of the NPF as unsatisfactory while 25% rated it satisfactorily on the reliability dimension of SERVQUAL. In this dimension, the respondents pointed out the lack of adherence to the promised quality of service, frequent errors in the course of discharging their duties and a moderate level of the knowledge of their job.

Further, 15.67% opined that the service quality of the NPF on the responsiveness dimension is good enough while 84.33% disagreed, stating otherwise. From the responses, it is glaring that police officers do not willingly intervene to assist the drivers; they also extort money from motorists and usually fail in timely response to the security needs of these motorists.

Furthermore, with respect to the assurance dimension, the NPF had a higher score which shows an improvement in this area. This is evident as 34.20% of the respondents found assurance in the services of the NPF within the area surveyed. However, 65.80% of the respondents are not assured of safety and protection in the quality of services provided by the police force.

The least performance of police force emanated from the empathy dimension. The available statistical evidence shows that 95.13% of the respondents believed that officers of the NPF do not render quality service due to lack of empathy. This implies that a meagre of 4.87% rated the force high based on empathy dimension. The result practically indicates that police officers do not render tailored services to suit the unique needs of the commercial drivers in Ajah Area of Lagos. The officers of the NPF are not considered as friends.

In summary, the service quality of the NPF has come under intense evaluation by commercial motorists in Nigeria. From the result presented and discussed so far, evidence abounds that motorists perceived the quality of service rendered by policemen as poor and below the average of their expectations. Despite the poor rating of the police's quality of service, the assurance dimension of service quality is the most rated, followed by the tangible dimension, closely following is reliability, while responsiveness and empathy complete the

descending order of service quality magnitude of the police. Thus, the result has established the attainment of the first objective of the study.

To attain the second objective of the study, we compared the outcome of this result with previous studies in this research area. Interestingly, the outcome of this study corroborates that of previous studies (Bourne, 2016; Olowe, Nkwuagba, & Ayodele, 2018; Wahyuni, Nurhaeni & Wahyunengseh, 2018) which submitted that the service quality of the police falls below the expectation of citizens for Jamaica, Nigeria and Indonesia respectively. The study's findings did not agree with the reports by Saruji, Ahmad & Zainuddin (2018) for Spain which concluded that the service quality of the Spanish Police is good and had continued to improve as perceived by Spaniards.

5. Conclusion

This study analysed the service quality of the NPF using the SERVQUAL approach from the standpoint of commercial drivers in Ajah, Lagos, Nigeria. The result indicated that to satisfy the security needs of commercial drivers, the NPF should focus on consistent and timely services (assurance), earn trust and show expertise (reliability), emphasize courteous dealing with people, stop extortion and be willing to help (responsiveness). Their services should also be tailored to fit individual needs, considering their heterogeneity (empathy) and the police should also adapt to the use of modern gadgets in their operations (tangible).

In conclusion, the findings from this study are of interest to the Police Service Commission, academics, and managers of operational security outfits. Despite the significance of this study, there is a need for future researchers to employ the mixed methods in motor analysing the service quality of the police force based on the perception of motorists in other geo-political zones in the country. This study and the previous one by (Olowe, Nkwuagba, & Ayodele, 2018) for Lagos State and Ekiti State respectively are enough for the South-West Zone. With the help of studies from the other zones, we would be able to conclude for the entire country what the service quality of the police is from the perceptions of commercial drivers.

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MANAGERIAL SKILLS AND BUSINESS PERFORMANCE AMONG SMALL AND MEDIUM ENTERPRISES (SMEs) IN OGUN STATE NIGERIA

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Abstract

This study investigates the managerial skill and business performance among small and medium enterprises (SMEs) in Nigeria. The specific objective is to determine the extent to which innovation skills improve business performance. The population of the study consisted of two hundred and eight (280) respondents at Ijebu-Ode Local Government Area in Ogun State. The study employed the pre-test and post-test study design and the formulated hypothesis was validated using primary data gathered through the questionnaire administered to the research respondents. The statistical package for social sciences (SPSS), regression method of data analysis was used to test the hypothesis formulated. Findings indicated that managers of small and medium enterprises (SMEs) in Ijebu-Ode local government area should possess innovation skills to a high extent. Based on the findings above, it was concluded that whether a male or female manages a company, the acquirement of innovation skills by any gender of the managers will improve the business performance of the company or establishment. Therefore, this study recommended that companies should gear up towards capacity building for their managers on the acquisition of necessary skills for better business performance.

Keywords: Managerial Skill, Business Performance, Performance, Innovation Skills, SMEs

1.0 Introduction

Business is the organized effort of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs (Pride, Hughes, & Kapoor, 2013). Pride et al. (2013) further stated that a business is an organization which seeks to make a profit through individuals working toward common goals, and as well continued that the goals of the business will vary based on the type of business and the business strategy being used be it small and medium enterprises (SMEs). Therefore, a business can be said to be a structured job for profit-making.

SMEs according to National Council of Industries refer to business enterprises whose total costs excluding land is not more than two hundred million naira (N200, 000,000.00) only. SMEs occupy a place in economic growth virtually in every country or state. The National Council of Industries further stated that because

of the SMEs significant roles in the development and growth of various economies, it has aptly been referred to as "the engine of growth" and "catalysts for socio-economic transformation of any country."

SMEs may be described as twins. That is Small Scale Enterprise and Medium Scale Enterprise. A small scale enterprise, or more simply, a small business, is one marked by a limited number of employees and a limited flow of finances and materials (Seidel, 2019). Small businesses are privately owned corporations, sole proprietorships or partnerships that have fewer employees and also with less annual income than a regular-sized business or corporation or organization.

Businesses are referred to as "small" in terms of being able to apply for government support and qualify for preferential tax policy varies depending on the country and industry. Small

businesses are not more than fifteen employees under the Australian Fair Work Act (2009) and fifty employees according to the definition used by the European Commission (2017). Small businesses can also be classified according to other methods, such as annual revenues, shipments, sales, assets, or by annual gross or net revenue or net profits, the number of employees is one of the most widely used measures. While a medium scale business is often the awkward middle child of its industry – too large to get the discounts and services afforded to small businesses and too small to have the weight and prestige granted to large enterprises (Weedmark, 2018). It is fewer than 250 employees according to the European Commission. Therefore, a small scale enterprise is an enterprise where its workforce is less or equal to 50 employees while a medium enterprise is a workforce between 51 and 250 employees. By implication, small and medium scale enterprise is a business which its workforce is not more than 250 in best practices.

Managerial competencies can be observed as characteristics such as knowledge, skills or behaviour patterns that contribute to the successful fulfilment of managerial tasks (van Beirendonck, 2004; Markman, 2007; Mitchelmore & Rowley, 2010; Talik et al., 2012). Managerial competencies mean task-oriented or personal oriented skills (Hani & Khaled, 2012). Therefore, incompetencies according to Hellriegel, Jackson, Solcum and Staude (2008) are skills seen as a major factor that can contribute to personal effectiveness of managers. However, contemporary business companies need professionals with managerial skills that would enable an employee to successfully perform in the business and economic environment.

Therefore, a manager needs to acquire skills that will make him or her successful in the task ahead for the success of the organization in its business. However, the manager needs to believe in his or her strength, competence and skill for the growth of his or her organization and the performance of the business the organization is into. Managers are often called upon to provide training and coaching for their employees. They should be able to impart useful wisdom and handy trade secrets that will help

the organization and innovation which is a keyword for the majority of the organizations. Most of the organizations are always striving to develop the best new products and services ahead of another in order to have more customers. Businesses that innovate well stay at the top of the pack, netting new customers with their fresh offerings and keeping existing clients happy with a continuous selection of upgrades (Career Builders, 2007). All the above are made possible when the managers are skilful in performing the task ahead of them and as well being able to coordinate their co-staff (subordinates).

Okorie (2000) sees skill as the manual dexterity through the repetitive performance of an operation. Okorie further stated that skills are acquired when procedural instructions are marched with performance activities. Fischer and Bidell (2005) referred to skill as a capacity to act in an organized way in a specific context. Skill is a quality of performance which depends not only on individual natural ability but also on training, practice and experience (Adeyemo, 2009). Skill acquisition according to Ogbuzuru (2011) is the process by which individuals are expected to learn and continue to practice in a particular task till the learner becomes proficient in the operation and can perform them when required. Therefore, the skills acquired by managers in promoting the organization for optimal performance in its business are regarded as managerial skills.

Several researchers had one way or the other focused on problem-solving, professionalism, communication, and technical skills as managerial skills that are required for business performance. According to Ongoro, Kiragu and Simwa (2013), their study revealed that studies conducted by some researchers focused more on factors influencing the growth and development of SMS enterprise. Such factors include decision making, problem-solving, professionalism, communication, and technical skills.

According to Lavoie (2016), poor management skills carry long-lasting effects and may infect an entire organization and can even affect employee retention. Lavoie further stated that managers instilling fear, creating a negative environment, avoiding recognition affects the

performance workforce in quest of business performance. According to Deeb (2019), bad management has caused organizations to permanently close their doors and poor leadership results in a high turnover of employees; the cost of recruitment and training becomes prohibitive, which can impact a business' ability to continue operations. Deeb further stated that low company morale reduced employee productivity, decrease in profits and business failure, and have affected business performance in recent times.

However, all the factors raised above may not have been playing their roles/purposes in business performance but there is a dearth of researches on conceptual, human relations, **motivation and innovation** skills of managers and business performance which may likely improve business performance in which this study is focused.

The objective of the study is to investigate managerial skills and business performance among small and medium enterprises in Nigeria. The specific objective is to determine the extent to which **innovation** skills improve business performance.

This study shall seek and provide solution and answers to the question, to what extent do **innovation** skills improve business performance?

The research work will be testing the validity and significance of this hypothesis:

H₀₁: Innovation skills will not significantly predict business performance among SMEs in Ijebu-Ode Local Government Area.

The study is subdivided into four sections in which the first section deals with the introduction. Section two of this study elaborates the literature review. Section three deals with research methodology and analysis. Section four focuses on the summary, conclusion, recommendation and finally the references used for the study.

2.0 Literature Review

2.1 Concept of a Business

Business is an activity of an individual that involves selling any product and it is a service undertaken to make money. Business must satisfy a human want or societal needs. The main objective of the business is profit.

Someone that involves a business needs to be skilful for the growth of his or her business. Every business has two parties, the buyer and the seller. Business is just a contract or an agreement between a buyer and a seller (Gurtita, 2018). According to Pride, Hughes & Kapoor (2013), Business is 'the organized effort of individuals to produce and sell, for a profit, the goods and services that satisfy society's needs. The aim of establishing a business may vary based on the type of the business and the strategy to be used for the growth of such business. Therefore, irrespective of the strategy adopted, the business has to meet the needs of the society to a certain extent.

2.1.2 Characteristics of a Business

Three characteristics have to be met to own a business. According to Pride, Hughes and Kapoor (2013), the following are business characteristics:

- Businesses must be the result of individuals working together in an organized way.
- Businesses must satisfy a societal need and must seek to make a profit.
- Businesses are organized around the resources needed to be successful, as well as the type of business that is being operated.
- Businesses must also satisfy a need in the society.
- Businesses must carefully consider what need they are meeting for society to strategically plan for success.

Therefore, from the above, a business must be in such a way that those that will manage it possess the required managerial skills for it to be successful and perform optimally.

2.3 Concept of Performance

The term "performance" is used in foreign research and academic literature to describe the results of companies' business activities (Kotane & Kuzmina-Merlino, 2016). Kotane and Kuzmina-Merlino (2016) further stated that the concept of performance has several meanings and all-encompassing nature and its extreme popularity as an expression in regular speech and concluded that performance is a fact of life. In work or play, indeed in any activity where we input even momentary attention, performance can be felt or, at least, deduced if necessary (Folan, Browne & Jagdev, 2007). Lebas (1995)

considers that performance is never objective; it is only a way of defining where one wants to go. Lebas theory on performance further stated that performance is not an objective reality out there somewhere waiting to be measured and evaluated and that it is socially a constructed reality.

Following Lynch & Cross (1991) and Neely et al., (1997), sets of guidelines detailing the characteristics of performance measures, which had often been reiterated, developed and added to have been presented (Hudson & Bourne, 2001). One of the company's priorities is the achievement of that specific aim (Folan, Browne & Jagdev, 2007). The company must be assessed according to its future goals, referring to the targets the company intends to achieve. Folan, Browne and Jagdev (2007) sees performance as the ability of an object to produce results in a dimension determined a priori, in relation to a target. Thus, it is necessary to have, first, an object whose performance is to be considered; second, a dimension in which one is interested; and, third, a set target for the result. To describe the concept of performance, the related words are used, linking them with the noun "performance": performance management, performance measurement and performance assessment (Kotane & Kuzmina-Merlino, 2016).

Performance management is the management of the system put in place by an entity (with a pre-determined socially constructed reality) that has chosen a relevant viewpoint of itself (its objective) towards which it means to progress, using a set of recognizable characteristics as its measurement apparatus (performance measurement) to monitor this progress (Folan, Browne & Jagdev, 2006).

2.4 Concepts of Small and Medium Enterprises (SMEs)

According to Ashamu (2014), "small and medium enterprises, small and medium business, small and medium industries, and small and medium entrepreneurship are used interchangeably to mean a small and medium firm. Its deliberation was to refer to the operational definition. In Nigeria and worldwide, there seems to be no specific definition for small and medium enterprises. Different authors, scholars and schools have different ideas as to the differences in capital outlay, the 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.

Small and medium enterprises (SMEs) are business venture on a small and medium scale based on the volume of capital base and the number of employees of the organisation. Ashamu (2014) asserted that "the definition of small and medium enterprises differs according to the period, varying in maximum complement from 10 to 20 to 100 employees". Government classification according to Ashamu (2014) designates enterprises with less than 300 employees and capital of less than ₦100 million as small and medium. Bugudu et al., (2016) asserted that "the National Council of Industries in Nigeria defines small and medium enterprises as the business enterprises that have its total cost not exceeding Two hundred million naira (₦200,000,000)". According to Small and Medium-Sized Development Agency of Nigeria (SMEDAN), small and medium enterprises is "a business with less than ten employees and have an annual turnover of under five million naira as micro-enterprise; a business of ten to forty-nine employees with an annual turnover of five to forty-nine million naira as small enterprises and a business with fifty to one hundred and ninety-nine employees with turnover of fifty to four hundred and ninety-nine million naira are medium enterprises".

According to Ranjani (2012), small and medium enterprises are now recognized worldwide as a key source of economic growth and development. Kolawole (2013) contends that small and medium enterprises play a very important role in developing economies. This view appears to be supported by Chijah and Forchu (2010) when they argued that the promotion of small and medium enterprises in developing countries is justified in their abilities to fasten economic growth, alleviate poverty and generate employment. According to Nigeria's National Council on Industry, an SME is defined in terms of employment, that is, as one with between 10 and 300 employees. Currently, small and medium-sized enterprises are defined by their size. In the European Union, SMEs are defined as small or medium-sized if they have

not more than 250 employees and not more than 50 Million Euros turnover respectively, a balance sheet total of less than 43 Million Euro and if not more than 25% of the shares of such an enterprise are in the ownership of another enterprise. The Small and Medium Industries Equity Investment Scheme (SMIEIS) in Nigeria, defines small and medium enterprises (SMEs) as "enterprises with a total capital employed of not less than N1.5 million, but not exceeding N200 million, including working capital, but excluding cost of land and/or with a staff strength of not less than 10 and not more than 300".

2.5 Concept of Managerial Skill

Since organizational goal achievement is the main yardstick for measuring the degree of Small Scale Businesses' (SSBs) performance, a good measurement of SSBs performance should be able to consider the goal of the owner or a policy designed to promote the sector in the areas of some specific results such as output and profitability (Marr & Schiuma, 2003). This is an indication that the managerial skills of an entrepreneur are very vital to the success or failure of the SSBs (Osamwonyi & Tafamel, 2010). Papulova (2007) identified and analysed four areas of managerial skills and these include:

Technical Skills: This skill according to Papulova (2007) is not related to technology, such as skills of engineering. Rather, it represents the managerial skill of using methods like break-even analysis in planning or ability to prepare for and structure work in an organization. Specialized areas of knowledge and expertise and the ability to apply that knowledge makes up a manager's technical skills and this type of skills are especially important for supervisory managers because they work closely with employees who are producing the goods and/or services of the firm (Katz, 2015).

Interpersonal Skills: The skill of knowing how to lead people where the manager will have the ability to motivate workers, solve work conflicts and work with people.

Conceptual Skills: The skills of looking at and working with the organization as a small and controllable unit and appropriately relating it to the surrounding environment.

Communication Skills: The skill of receiving and disseminating information.

2.6 Concept of Innovation Skills

Innovation skills are the type of skills that allow individuals to become creative in their doings. It is a combination of cognitive skills, behavioural skills, functional skills and technical skills. Cognitive skill is the ability to think creatively and critically; behavioural skills is the ability to solve problems and to manage risk; functional skills are the basic skills such as writing, reading and numeracy; and technical skills is the research techniques, project management, or instructional technology engineering.

The development of humanity has been increasingly dependent on innovation and discovery (Nakano & Wechsler, 2018). Innovation is not like operations and in creating something new and useful, it requires working in the realm of the unknown where things do not work very well and things never go quite according to plan (Satell, 2017).

According to the Centre for Management and Organization Effectiveness (CMOE), innovation is the ability to incrementally or boldly change and improve products, processes, services, or solutions in a way that creates distinctive value for the organization. CMOE further stated that innovation is necessary for an organization to reach its full potential, yet many organizations lack this critical skill. Everyone in the organization can develop the capacity to be an innovative force. Innovation skill is a skill that would allow employees to engage in creative thinking by using their talents and experience to affect the organization in a profound way.

2.6 Theoretical Framework

2.6.1 Contingency Theory

The contingency approach is adopted for the study because managerial skills were measured on establishing goals, allocation of resources, communication skill, measuring performance, taking action and self-control. According to Malachy, Olowu and Aliyu (2015), the contingency theory argued that there is no one or single best way or approach to managing organizations. Malachy, Olowu and Aliyu further stated that when a manager makes a decision, he must take into account all aspects of the current situation and act on those aspects that are key to the situation at hand. Therefore, the

contingency approach to management helps the manager to develop a necessary approach in making their organization perform and achieve success in their business based on the situation and condition they are experiencing.

Contingency theory has four important ideas which are:

- There is no universal or one best way to manage.
- The design of organizations and its subsystems must 'fit' into the environment.
- Effective organizations not only have a proper 'fit' with the environment but also between its subsystems.
- The needs of an organization are better satisfied when it is properly designed and the management style is appropriate both to the tasks undertaken and the nature of the workgroup.

3.0 Methodology

The study adopted a descriptive survey research design. This design is appropriate for this study because it guarantees the in-depth information needed for the research work. The study was conducted among small and medium enterprises(SMEs) in Ijebu-Ode Local Government Area of Ogun State.

Ijebu Ode is one of the 20 local governments of Ogun State. Ijebu-Ode is bordered by Ijebu North, Ijebu North East and Odogbolu local governments. The Awujale of Ijebu land is the paramount ruler of Ijebu-Ode. The people of Ijebu-Ode are business-oriented. It has two big Markets that have their major market days every five days. The names of the markets are OkeAje and Ita-Osu markets.

The population of the study consisted of the Small and Medium Enterprises(SMEs) in Ijebu Ode Local Government Area. The small and medium enterprise (SMEs) for this research has the total population of 208 respondents. Using the Taro Yamani technique, a total number of one hundred and eight (108) respondents were sampled from the population through a random sampling procedure. Cross-sectional data were used from the primary source for the study and the questionnaire was used for data collection. The questionnaire was designed to obtain data that were relevant to the study.

For this study, the analytical techniques employed in analyzing the data collected were the Simple Percentage Analysis, the Product Moment Correlation Coefficient and the Regression Analysis, using the Statistical Package for Social Sciences (SPSS 17.0). The descriptive statistics of the data is shown below:

Table 3.1: Descriptive Statistics of the Data

Gender	Male	Female		
	58.3%	41.7%		
Age of Respondents	18-25 yrs	26-35 yrs	36-45 yrs	46 yrs & Above
	26.9%	29.6%	28.7%	14.8%
Marital Status	Single	Married	Divorced	Separated
	38.9%	46.3%	8.3%	6.5%
Education	SSCE	NCE/OND	HND/BSC	Others
	40.3%	33.0%	20.1%	6.6%
Work Experience	1-5 yrs	6-10 yrs	11-15 yrs	Above 16 yrs
	41.5%	24.4%	25.8%	8.3%

Source: Field Survey (2020)

3.1 Hypothesis Testing

H_{01} : Innovation skills will not significantly predict

business performance among SMEs in Ijebu-Ode Local Government Area.

Table 3.2: Regression analysis summary for innovation skills predicting business performance

Variable	B	SEB	β	T	Df	F	Pv	R ²	Adjusted R ²
Work Stress	.852	.018	.977	46.958	1, 106	2205.08	.954 .000 ^b	.952	
Constant	.613	.064							

a. Dependent Variable: business performance

As shown in table 3.2, a simple linear regression was calculated to predict the business performance among SMEs in Ijebu-Ode Local Government Area based on the innovation skills possessed by the business managers, $\beta = .98$, $t = 49.96$, $p < .05$. A significant regression was found $F(1, 106) = 2205.08$, $p < .05$, with a regression square (R^2) of .954 and an adjusted regression square (R^2) of .952. The adjusted R^2 value means that about 95% of the variance in the dependent variable (business performance among SMEs in Ijebu-Ode Local Government Area) is explained by or can be predicted by the dependent variable (innovation skills). Because of this, the null hypothesis will not be accepted. Therefore, innovation skills possessed by managers among SMEs are a significant predictor of business performance among SMEs in Ijebu-Ode Local Government Area.

4.0 Discussion and Implications for management

The study investigated managerial skill and business performance among small and medium enterprises (SMEs) in Nigeria. Based on the study, the following summarized the findings which are first; managers of small and medium enterprises (SMEs) in Ijebu-Ode local government area should possess innovation

skills to a high extent. Also, the business performance of small and medium enterprises (SMEs) in Ijebu-Ode local government area is to a very high extent. Lastly, Innovation skills possessed by managers of small and medium enterprises (SMEs) are a significant predictor of business performance of SMEs in Ijebu-Ode Local Government Area.

The study, therefore, concludes that whether a male or female is managing a company, the acquisition of innovation skills by any gender in the managerial position will improve the business performance of the company or establishment. And the implication for management is that when the managers do not have the required skills for the supervision of their subordinates for productivity, it will harm the company.

From the findings of the study, it is recommended that companies should gear up towards capacity building for their managers on the acquisition of necessary skills for better business performance. A manager with little or no skills can end up using an inappropriate leadership style, thereby, alienating employees. Also, companies should employ managers that have a keen eye for innovation and can also bring new ideas to the company.

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STRATEGIC LEADERSHIP STYLES: A TOOL FOR EFFECTIVE SERVICE DELIVERY IN THE NIGERIA PUBLIC SECTOR

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Abstracts

Strategic leadership considerably becomes imperative for the Nigerian public sector giving the necessities of services delivered across the country. This indicates the critical nature of the power sector as one of the banes to the social-economic growth of a nation. The paper examines strategic leadership roles in the Nigerian selected public service sector. The power sector was selected because of the strategic nature of its services to the Nigeria populace in the provision of energy. As a result of the existing issues of lack of effective service delivery before and after privatization raised. The study's specific objectives were accompanied by tested hypotheses, followed by a cross-sectional survey to gather information from specific respondents. The study was anchored on new public management and transformational theory. Structured questionnaires used were scaled with validated five-point Likert scale. The instrument was administered on the lower, middle, and senior levels staff of Ikeja Electricity stations in Lagos to generate data, while the instrument was subjected to the test of validity and reliability. The data generated were analysed through Pearson moment correlation analysis. The result indicates that strategic leaders have real measures of positive influence on the quality of services delivered by the power sector. While strategic vision aids effective public sector service delivered, the contingent-reward of strategic leaders' affects business service delivery and creates staff's job satisfaction. The paper concludes that Nigeria needs a shift in the leadership paradigm, especially in the power sector to achieve efficiency across the country. The study recommends that the Nigerian government should appoint strategic leaders and train the existing ones to deliver power services to Nigerians.

Keywords: Strategic leadership, Strategic vision, Service delivery, Public sector, Contingent-reward

1. Introduction

Since 1960, ineffective leadership has been the bane of poor service delivery in the Nigerian public service sector. The sector is managed by Government appointees at all levels. These appointees by the government, most often, do not possess the required skills and strategic drive to make a difference. This lacuna makes strategic leadership imperative for the Nigerian public sector, giving the necessities of its services across the country. Haslam and Reicher (2016) claim that necessities of strategic leadership make firms in the United States, cut across, industries spend about fourteen billion Naira (14 billion) yearly on leadership training. By implication, strategic leadership is strongly advocated to drive the wheel of any global firm towards growth and competitiveness. This indicates that strategic leadership is critical to the strength and weakness of a firm irrespective of the industries and environment where the

business is conducted. Hart and Uhr (2008) submit that strategic leadership is an inclusive characteristic for solving challenges faced by the organization. It uses skills and knowledge in a certain thinking pattern to enhance the firms' service delivery. This is strengthened by the position of Gowan, Seymour, Ibarreche, and Lackey (2001) that strategic leaders use their potentials in ways sufficient to achieve business success and growth.

However, Shobola and Nicholas-Omoregbe (2012) stress that leadership, irrespective of unique attribute or configuration, falls within the categories of those with natural traits where some inherit their style of leadership. To Adepoju (1998), leadership categories are two: (a) based on the position occupied (b) based on influence. It is argued that beyond these two submissions, leadership is more of a process than a position occupied (Walker, 2012). To

Bolden (2004), leadership is a reflection of three strategic behaviours: i) thinking strategically; ii) people-manage self, manage and lead people, direction and culture, manage relationships; and iii) task abilities -manage information, resources, activities and quality. All these classifications indicate that leadership attract fundamental discourse among scholars, as it represents the fabrics that cloth the successes of an organization. On the other hand, the Nigeria public sector represents firms that provide necessary social services to the public continuously (Inyang & Akaegbu, 2014). Bass (2007) refers to social services as the benefits provided by government agencies to enhance the value of the public. In this context, services offered by the public sector indicate the commitment made by the government and its agencies to deliver social values to people. Therefore, the public sector must be driven by strategic leadership to contribute to the economic development of the country ultimately. This paper focuses on the relationship between strategic leadership and service delivery in the Nigerian public sector. It is, therefore, reasonably important for firms to enshrine strategic oriented leaders to drive service delivery in these firms (Schutte, Barkhuizen & Swanepoel 2014). This is critical at this time given the need for service efficiency and the provision of social benefits by the Nigerian power sector. This paper is pivotal as it attempts to demonstrate the relevance of strategic leadership style in driving the Nigerian public sector towards the delivery of quality services.

Problem Statement

There are endemic leadership issues that have grossly affected the Nigerian public service sector. These have retarded its contribution towards national development and growth (Lawal & Tobi, 2006; Ogbeide, 2012). Achebe (1988) stressed that Nigeria has no problem except for its failed initiatives of her leaders to handle its challenges. This implies that there are leadership gaps, especially among public service organizations in making the much-needed impact in the country. No wonder some selected Nigerian public sector firms are performing at the abysmal level, particularly the power sector. The unwholesome social-economic problems attributed to the mismanagement of funds in the Nigerian public sector points to the dearth and fallen initiatives. Previous studies reported that Nigerian public

sector has been hounded by lack of organized capability (Adegbite, 2015), the problem of poor leadership capacity (Sanusi, 2012), and prevalent poor quality of services due to managerial corruption (Enofe, Afiangbe & Agha, 2017; Ogbeide, 2012). Furthermore, studies have emphasized the existing challenge of underdevelopment and growth due to weak and inefficient leadership across the Nigerian public sector (Adanri, 2016). The study attempts to evaluate how strategic leadership could solve the challenges of the power sector, engender quality and efficient service delivery while assuring employees' of job satisfaction. This is imperative given the yearning by Nigerians for the fulfilment of the social contract, particularly after the privatization of the sector by the Nigeria federal government.

Study Objectives

The following are the key objectives of the study:

- To examine the influential ability of leaders in promoting quality services in the selected Nigerian power sector.
- To investigate how the strategic vision of leaders drive efficient service delivery in the Nigerian power sector
- To determine if Contingent-reward approach by strategic leaders would provide employees' job satisfaction in the Nigerian power sector.

2. Literature Review

The scholarly debate on leadership in the 21st century rests on the need for firms effective practices toward the realization of business objectives, especially in the public sector for better service delivery (Schutte, Barkhuizen, & Swanepoel, 2014). As a result, Northhouse(2013) asserts that leaders have significant influences over groups and individuals towards achieving the desired goals. Riggio and Murphy (2003) alluded that leaders have enshrined influence towards a common objective. This, therefore, means that leaders are pivotal to the operational efficiency of any firms due to their influential power of influence. Beyond influence, it is believed that strategic leaders are imperative because their roles drive internal business operations for the benefit of external success (Narayanan & Zane, 2009). Similarly, Allio (2015) agreed that strategic leaders have the strength of influence over the firms' operational activities for ingenious service delivery. The study of Abashe (2016) concludes

that strategic leaders create the environment for business success through informed decisions. It was also discovered that feeble strategic leaders' leads to offer inefficient service delivery. This indicates that weak leadership is the reason for ineffective service delivery since it is key to the structural change of the organizations. The same way strategic leaders are effective in that they engage innovative thinking by executing strategies that lead to the performance of a firm. This assertion is corroborated by Abdow's (2015) research which concluded that strategic leaders steer firms through the evolutionary process and the capacity to handle changing environmental issues in the best possible ways. From a competitive perspective, the study by Masungu and Marangu (2015) found that strategic leaders have positive effects on the service delivery of any firm. This happens particularly when the firms have better structures in place. This implies that strategic leaders are expected to put in place structures and ethical practices for better service delivery.

Strategic Leadership Dimensions

One of the dimensions of strategic leaders is a positive influence, vision & inspiration, and contingent reward. Previous studies indicate that positive influence makes subordinate to trust, and offer necessary support and resources as a leader (Chu & Lai, 2011). The implication of this is that subordinates will prefer to implement the leader's instructions irrespective, of their complexity or difficulty (Chu & Lai, 2011). In particular, this leads to subordinate commitment and satisfaction while implementing organizational objectives (Chen, 2004). In respect to vision development, the most significant role of strategic leaders involves delineating a clear path and vision for the organization (Hamel & Prahalad, 1989; Ireland & Hitt, 2005). This indicates that the public sector is expected to have leaders with visionary skills and social mastery to foster the sustainable performance of the organisation (Ireland & Hitt 2005; Van Mart 2003). Gray (2004) stressed that the inspirational aspect of a leader provides a strong sense of purpose and creative energies of the people in the organization. Lee and Chuang (2009) observe that strategic leaders do not only inspire subordinates but also strengthen their subordinates' potential towards efficiency and realization of business goals and objectives. The contingent aspect of a strategic leader espoused the willingness of a leader to consider

subordinates (Zacher, Pearce, Rooney, and McKenna (2014). Similarly, Snell, Stanley, Zhang, and Almaz (2013) argue that consideration ensures positive influence to raise employees' level of satisfaction and motivation within the organization.

Theoretical framework

The theories that underpinned this study are New Public Management (NPM) and Transformational theory.

a. New Public Management (NPM) theory

The theory was put forward by Haque (2004) and Islam (2015). The NPM theory strongly advocates the use of private-sector best practices in public entities for effective service delivery. Therefore, the study conceptualizes how the Nigeria public sector can be driven by strategic leadership as experienced in the private sector. This, it is believed would not only bring about the much-needed change but also, effective services as experienced in developed countries. Aziz et al. (2015) denote that the NPM theory suggested strategic leadership is relevant within the context of strategic planning and professional attitude. It is believed that strategic planning enables leaders to uphold values, fairness, professionalism and responsiveness to the social needs of the people. The study is guided by the New Public Management (NPM) theory because it emphasizes the need for the use of strategic leaders as an effective means to achieve the desired expectations in the public sector (Haque, 2007). The contextual position of the theory is appropriate since the power sector is partly government and private sector driven in the transmission and distribution of electricity in Nigeria.

The Transformational theory:

The concept of transformational leaders as suggested by Burns (2003) is that they inspire employees significantly through commitment and encouragement to achieve key objectives and growth. The leadership model transforms followers beyond expectations and self-interest for the benefit of the organization (Avolio, Walumbwa, & Weber, 2009). They promote intellectual development, team spirit, and creates intellectual development, confidence, team-spirit and passion among employees collective wellbeing in achieving organizational goals (Aydin, Sarier, & Uysal, 2013; Cho & Dansereau, 2010). This indicates that they raise the moral values within the organization through

visions and shared values (Bass, 1985; Bass & Riggio, 2006). The relevance of this leadership style is the ability to set strategic boundaries that guide the actions and decisions of firms leading to internal efficiency. This study strongly advocates transformational leadership approaches in the Nigeria public sector. They will direct the public sector to the path of excellence, and build human capacity through training and mentoring. At the same time, they will communicate set goals to relevant stakeholders through the use of the right managerial skills in all circumstances. Thus, Davies and Davies (2004) believe that transformational leaders think through the future by understanding the instant situation, fundamentally for calculated change. As a result, these form of leaders initiate the ingenious change by instituting vision, power, and strategic orientation to earn the support of other staff.

3. Methodology

The study employed the survey method to collect information and respondents' real characteristics. The choice of survey design is premised on Bryman, Bell and Harley (2019) justification that survey design assists the researcher to keep in mind the study's cases and questions. Besides the study choice of survey aligned with the positivist philosophy which believes that survey and field studies encourage scientific method. The study's population comprises 3000 staff of Ikeja Electricity station as of July 2019 (available online). Samples were stratified from the lower, middle and top-level managers. The choice of this firm is informed by its critical roles and prominent position in Nigeria's power sector and for its privileged coverage of many industrial centres such as Shomolu, Alimosho, Ojodu, Ikorodu, Oshodi, and Abule Egba in Lagos, Nigeria. The study employed purposive sampling methods to select staff upon which the instrument was administered. The choice of this sampling essentially is to increase sample-level responses, reach large sample size and easily retrieve within the study timeline. The study participants are 400 staff from the Ikeja Electricity stations in Lagos. The self-developed questionnaire was used to elicit responses from samples. The instrument comprises five-point Likert scale: (5) inadequate, (4) rarely effective,

(3) sometimes effective (2) ineffective, (1) strongly effective, to rate the effectiveness of strategic leadership as demonstrated in Ikeja Electricity station with 12 items. The justification for Likert-scale is to provide standardized measures of opinions that allow for appraisal across diverse populations (Groves, Fowler, & Couper, 2011). The study instrument was on spot delivery and collection. The return rate was 70%. Of the 400 questionnaires distributed, 56 had a defective filling, and without any response to any of the questions. As a result, 56 of the questionnaires were removed from the analysis. The content and construct validity of the instrument was achieved through conceptual clarifications and professional input of the experts. The instrument was subjected to a reliability test of the Cronbach alpha test to establish the instrument's confidence. The influential ability of leaders was measured with 4 items (Cronbach's $\alpha=0.60$), vision and inspirational development, 4 items (Cronbach's $\alpha=0.67$), and contingent-reward 4 items (Cronbach's $\alpha=0.65$). The study data was analysed using *Person Moment Correlation* using Statistical Package for Social Sciences V 20 software. This provides for a test of association between two variables. The sample size was determined with the aid of Yamane (1964) formula;

From the study population of 3000, the researchers drew a sample of 400 using the Yemane (1964) technique. The formula used is given thus:

Where:

$$n = \text{Sample size} \\ N = \text{Population of the study} \\ e = \text{Precision estimate} \\ \frac{3000}{1+3000 (0.5)^2}$$

Where:

$$n = \text{the sample size,} \\ N = \text{the population size,} \\ e = \text{the acceptable sampling error} \\ 95\% \text{ confidence level and } p=0.05 \text{ are assumed} \\ = 400.$$

The 400 questionnaires administered formed the basis of the study computation. 400 questionnaires were administered out of which 344 were returned and found to be usable.

8. Results

8.1. Demographic profile of respondents

The table presented below reveals the demographic characteristics of sampled respondents

Demographic Variables	Percentage	Frequency
Sex		
Male	280	81
Female	64	19
Total	344	100.0
Age (in years)		
Less than 30	15	4.3
30 but less than 40	69	20.0
40 but less than 50	194	56.0
50 but less than 60	66	19.2
60 and above	00	0.0
Total	344	100.0
Marital status		
Single	65	18.9
Married	240	69.8
Divorced	32	9.3
Widow	7	2.0
Total	344	100.0
Educational Qualification		
Bachelor's/HND degree	120	34.9
Masters'	55	16.0
OND degree	150	44
Professional Qualification	19	5.5
Total	344	100.0
Working experience (in years)		
Less than 5 years	71	20.6
Five but less than 20 years	223	68.9
20 but less than 30 years	50	14.5
Total	344	100.0

Source: Field Survey 2020

The table presented above reveals the sex of the respondents. 19% are females while 81% are male. The results show more male respondents. The ages of respondents presented are as follow: 4.3% of the respondents are less than 30 years, 20% are 30 but less than 40, 56% are 40 but less than 50, 19.2% are 50 but less than 60, while 00% are 60 and above, 18.9% are single, 69.8% are married, 9.3% are divorced, while 2% are widow. The research indicates that a larger number of the respondents are married. The respondents' qualifications are as follow: 34.9% possess Bachelor's degree/ HND degree, 16.0% have Masters' degree, 44% are OND holders,

while 5.5 % possess other professional qualification. This shows that a large percentage of the respondents possess Master's degree or its equivalent, work/business experience (in years), as follows 20.6% are Less than 5 years, 68.9% are five but less than 20 years, 14.5% are 20 but less than 30 years, as represented in table 4.1 above.

Test of Hypothesis:

Hypothesis One

Ho: There is no significant influencing ability of strategic leaders in promoting quality services delivery in the selected Nigerian power sector.

Table 1: Correlations

		IASL	PQS
TK	Pearson Correlation	1	0.704
	Sig. (2-tailed)		0.000
	N	344	344
OP	Pearson Correlation	0.704	1
	Sig. (2-tailed)	0.000	
	N	344	344

Source: Field survey, 2020

There is a significant relationship between influencing the ability of a leader in promoting quality services delivery in the selected Nigerian power sector since the p-value (0.000) is less than 0.05 (at 2- tailed test) as can be seen in the Table of Pearson correlation above. This implies that strategic leaders can promote quality to

promote quality services delivery in the selected Nigerian power sector.

Hypothesis Two

H₀: There is no significant role played by the strategic vision of leaders to drive efficient service delivery in the Nigerian power sector

Table 2: Correlations

		SV	ESD
SK	Pearson Correlation	1	0.600
	Sig. (2-tailed)		0.000
	N	200	200
OP	Pearson Correlation	0.600	1
	Sig. (2-tailed)	0.000	
	N	344	344

Source: Field Survey, 2020

The result also shows the significant role played by the strategic vision of leaders to drive efficient service delivery in the Nigerian Power sector since the p-value (0.000) which is less than 0.05 (at 2- tailed test) as seen in the Pearson correlation table above. This indicates that the role played by a strategic vision of leaders does

drive efficient service in the Nigerian power sector.

Hypothesis Three

H₀: There is no effect of contingent-Reward approach by strategic leaders on job satisfaction in the Nigerian power sector.

Table 3:Correlations

		CR	JS
CK	Pearson Correlation	1	0.652
	Sig. (2-tailed)		0.000
	N	200	200
OP	Pearson Correlation	0.652	1
	Sig. (2-tailed)	0.000	
	N	344	344

Source: Field Survey, 2020

The result in the table above indicates a positive relationship between Contingent-Reward approach by strategic leaders on employees' job satisfaction in the Nigerian public sector as revealed by p-value (0.000) which is less than 0.05 (at 2- tailed test). This shows that contingent-reward approach by strategic leaders

leads to employees' job satisfaction which in turn makes them achieve the firm's objectives.

Managerial Implications

The study's findings demonstrate that strategic leaders variables considered are important to the operational efficiency of the Nigerian public

sector. And it assists in enhancing service delivery by the power sector. The study's outcome agrees with the findings of Siphumeze (2015) that strategic leadership have a significant role to play in enhancing the service delivery of a firms', especially where there are structures and internal measures that support their activities. Masungu and Marangu (2015) discovered that strategic leadership can ensure positive service delivery which must be accompanied by better structures. The study concludes that what Nigeria needs is a shift in leadership approach, especially in the public sector to ease citizens' pain, contribute to national growth and development in the country. The study demonstrates that the New Public Management (NPM) theory supports the need for efficiency in the public sector, while the Transformational Theory supports change in leadership approaches in the 21st century. This study findings statistically confirmed the significance of strategic leadership dimensions (influences, vision and drive, contingent-reward) on the efficient service in the Nigerian power sector. Therefore, the leadership lacuna that exists in the Nigerian power sector needs to be bridged by strengthening structures and getting the best leadership acumen to give efficient services, even in the face of structural

challenges, to the Nigeria people. The Nigeria power sectors remain the bane to the economic growth of the nation and are expected to be managed by those with a lean strategic capacity to drive it successfully and logically. Besides, the human factor remains a pivot to solving public sector problems, develop informed innovation and managerial efficiency. The study notes that social amenities, especially power is critical and it is a fundamental demand among the Nigeria people and Nigeria as a whole. This study further suggests new ways to curb old patterns of doing things to produce results and reduce managerial inefficiency. There is a need for new thinking by the government in its appointment of those that man the power sector. This is because, despite the huge investment in the power sector by the government, the distribution aspect of the power of the sector still leaves much to be desired. So, the private owners in the power sector should realise that efficiency is needed to meet the yearnings of Nigerians. Once this is achieved, it will eliminate government bailout and improve power firms, and their return on investment. So the need to use strategic management to drive the system is essential for effective service delivery in the Nigerian public sector.

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EXTERNAL FINANCING OF FISCAL DEFICIT AND MACROECONOMIC PERFORMANCE IN NIGERIA

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Abstract

This study investigated the relationship between external financing of fiscal deficit and selected macroeconomic variables (economic growth and private investment) in Nigeria over the period 1986 – 2016. The study made use of annual time series data for the period 1986 to 2016 which relate to such variables as amount of deficit financed through external sources, real GDP and private investment. To achieve the stated objectives, ARDL models were developed to explain the relationships between external financing and the selected macroeconomic variables, and both descriptive and econometric methods (bounds testing approach) were used to analyze the data collected. The result shows that in both the short-run and the long-run, external financing had no significant relationship with any of the two macroeconomic variables. The result thus implies that, in Nigeria, external financing is not an effective policy tool for resolving deficit problems in relation to economic growth or private investment. Appropriate recommendations were offered in line with the findings.

Keywords: Fiscal deficit, external financing, economic growth, private investment.

1. Introduction

Capital formation is one of the four principal wheels of economic growth. Capital is accumulated from two primary sources, namely domestic savings and foreign sources. While domestic capital creates opportunities for expansion of investment in the local economy, it has also been recognized that the rapid injection of foreign capital into the economy i.e. external financing, catalyses economic development, especially when there is significant domestic savings gap. Kregel (2004) noted that there is widespread acceptance both within policy and academic circles of the necessity of external financing for successful economic development. External borrowing is seen as enabling a developing country to increase its rate of real investment just as it is seen as an engine of growth.

Claessens (1991) distinguished between two types of external financing, namely "traditional financing" (lending to or through the public sector) and "alternative financing" (all types of private, non-recourse, external financing

including foreign direct investment, project lending, portfolio investment, closed-end equity funds, private nonguaranteed debt, licensing, joint ventures, quasi-equity contracts, and other forms of private, nonrecourse lending to private borrowers). He contended that external financing, as well as the type used have a significant influence on the economic performance of developing countries.

The use of external finance has the cost and risks associated with it. When a nation borrows or makes credit financial transactions with other nations, an obligation relating to the repayment of principal and payment of interest is created. Such financial obligations have serious social and macroeconomic implications for the debtor nation. When debts arise out of the need to finance productive developments and the resulting investment opportunities yield returns (private and/or social returns respectively for private and public investments) that are above the cost of funds, then the debt is worthwhile and the net effect on society will be positive. Otherwise, external finance becomes unworthy

while and unprofitable to society (Anyanwu, Oyefusi, Oaikhenan, and Dimowo, 1997).

The dual gap hypothesis and related theories of public finance suggest that reasonable level of external borrowing by a developing country is likely to enhance its economic growth, both through capital accumulation and productivity growth. Countries at the early stages of development have small stocks of capital and are likely to have investment opportunities with rates of return higher than in advanced economies. As long as they use the borrowed funds for productive investment and they do not suffer from macroeconomic instability, policies that distort economic incentives or sizable adverse shocks, growth should increase and allow for timely debt repayments. However, the accumulation of foreign debts results in severe financial strains on government as payment of the principal and accrued interest is effected, thus, leading to a reduction in the living standards of the generality of the people. Furthermore, the failure to service debt as at when due leads to the imposition of penalties which further increases the debt burden. The sustained inability of a nation to meet its debt obligations leads to a debt crisis; "a situation in which a nation lacks the foreign exchange needed to make principal and interest payments on its loans" leading to further debt obligations as interest payments and default penalties accumulate (Adebayo, 2010). Thus, sustained financing of fiscal deficit through external sources could have negative implications on the economy.

Both domestic and external sources of financing are adopted in financing deficits in Nigeria. However, domestic financing largely outweighs financing from external sources. In fact, from the early 2000s to 2016, reliance on the use of external means of deficit financing has become less, ostensibly because of Nigeria's experience with this method of deficit financing in terms of its debt overhang effect. The economic woes of the nation in the 1990s and beyond has been blamed, inter alia, on the country's huge external debt obligations of about \$36 billion and its servicing. In 2005, Nigeria exited its external debt obligations via a World Bank debt relief arrangement whereby it paid about \$12 billion of its external debt and received a debt cancellation to the tune of \$18 billion leaving its

external debt obligation at a "sustainable" level of about \$6 billion. Since 2017 however, the government has again increased the use of external sources of deficit financing claiming the nation's debt situation currently is still sustainable and such external funds make resources available for rapid economic development.

Given the above background, this study investigates the relationship between external financing of fiscal deficit and selected macroeconomic variables (namely economic growth and the exchange rate) in Nigeria over the period 1986 – 2016. While much research has been done on assessing the impact of external borrowing, most of these researches have focused on the effect of sovereign debt on the economy. Few studies have attempted to assess how the various financing methods that gave rise to this debt impact on the economy. It should be noted that while deficits and debt are related, they are different concepts. It is the accumulation of deficits over time that gives rise to the debt. Also, most of the studies relating to external deficit finance and debts were carried out in the 1980s and 1990s. Considerable improvements have taken place in time series econometrics such that it is now possible to deploy analytical methods that were previously unavailable in analysing the issue. In this regard, most previous analysis of the issue adopted descriptive and least-squares econometric methods. The present study adopts the ARDL co-integration approach.

2. Theoretical Considerations and Literature Review

2.1. Theoretical Issues

The necessity for external financing of development is explained by the dual gap model which is rooted in the works of Domar (1939), Harrod (1946, 1947), and Chenery and Strout (1966). The theory explains that development is a function of investment and that such investment requires domestic savings. However, if available domestic savings are not sufficient to ensure that development takes place, which is the situation in most developing African countries, then there must be the possibility of supplementing domestic resources with resources from abroad.

The intuition behind the dual-gap model can be explained by considering the national income identity from the demand and supply sides. The identity states that:

$$Y = C + I + G + X - M = C + S + T \quad \text{.....1}$$

where Y is total output (GDP), C is private consumption, I stands for total investment, G is the government consumption, X denotes exports, while M represents imports, S is savings and T stands for total government tax revenue. Rearranging, we get an equation explaining the total resource gap of an economy into internal balance (government budget) and external gap (balance of trade), such that:

$$S - I = (X - M) + (G - T) \quad \text{.....2}$$

If the available domestic saving falls short of the level necessary to achieve a target rate of growth, a savings-investment gap is said to exist. On a similar note, if the maximum import requirement needed to achieve the growth target is greater than the maximum possible level of export, then this is a foreign exchange gap. It is clear from equation (2) that the most binding constraints are either the savings gap (left-hand side) or the foreign exchange gap (or external finance gap). The government budget deficit is mainly driven by one of these gaps. According to the dual-gap model, the required external finance is the larger of these gaps.

There are differing opinions on the impact of such external financing of a deficit on the economy. These include the neoclassical theory, the Keynesian theory and the Ricardian equivalence hypothesis. The Neo-classical theory argues that budget deficits have adverse effects on the economy by crowding out private investment and, thus, balanced budget policy should be pursued at all times (Lwanga and Mawaje, 2014). The Keynesian view is that deficit financing has a multiplier effect which expands aggregate demand. Keynesians argue that increased aggregate demand enhances the profitability of private investment and leads to higher investment at any given rate of interest. Deficits may stimulate savings and investment even if the interest rate rises, primarily because of the employment of hitherto unutilised resources. Thus, Keynesians advocate debt financing of deficits as a way of raising aggregate demand and when the debt is from an

external source, it has a crowding-in rather than crowding-out effect on investment. The Ricardian view argues that debt financing of deficit (either through domestic or foreign sources) has no impact on the economy because rational economic agents adjust their saving in expectation of future taxes that will be used to pay off the debt (Bernheim, 1988).

2.2 Empirical Literature

Empirical studies on the role of external financing of fiscal deficits have generally shown that external financing could be useful up to a limit beyond which threshold it may produce adverse effects due to the accumulation of resulting external debts.

Osinubi and Olaleru (2006) examined how the use of budget deficits as an instrument of stabilization leads to the accumulation of external debt with the attendant effects on growth in Nigeria between 1970 and 2003. By synthesizing a relationship between budget deficits and external debt, the study shows the implications on the economic growth of conducting a fiscal policy within the contexts of debt stabilization and debt sustainability. They used the linear spline regression methodology and the Johansen co-integration to analyse the data. The result showed the existence of the debt Laffer curve and the non-linear effects of external debt on growth in Nigeria. The study concluded that if debt-financed budget deficits are operated in order to stabilize the debt ratio at the optimum sustainable level, debt overhang problems would be avoided and the benefits of external borrowing would be maximized.

Adesuyi and Falowo (2013) examined the relationship between fiscal deficit and economic growth in Nigeria for the period 1981 - 2010. The study adopted the ordinary least squares method of linear regression and the result showed that fiscal deficit has a significant impact on economic growth in Nigeria. The study asserted that external debts and domestic loans are important in driving chronic deficits in Nigeria but the deficit contributes to growth.

Onuorah and Ogbonna (2014) analysed the effect of deficit financing on economic growth for the period 1981- 2012. The study used OLS, Johansen Co-integration and pairwise Granger causality test to analyse the data obtained. The findings show that both domestic debt and

external debt constitute crucial sources of financing deficit and debt in Nigeria and that deficit financing was significantly and positively related to economic growth. From these findings, the study suggested an appropriate combination of internal and external debt ratio for the country and recommended that the policymakers should control the level of deficits to ensure that it is within this level.

Onwe (2014) investigated the implications of deficit financing on economic stability (growth) in Nigeria between 1970 and 2013. The study adopted the Johansen cointegration approach and the Vector error correction methodology to examine the relationship between deficit financing and economic growth. The findings revealed that external source of deficit financing, non-banking public source of deficit financing and the exchange rate has a significant and positive effect on economic growth while ways and means source of deficit financing, banking system source of deficit financing and the interest rate have negative effects on economic growth. He, therefore, concluded that deficit financing through external and non-banking public sources will maintain economic stability while financing through the banking system and ways and means sources will cause instability in the economy.

Monogbe, Dornubari and Emah (2015) examined how the government manages her deficit through borrowing from external sources, domestic debt or increase in the total money supply and how this affects economic performance in the Nigerian context using annual time series data for the period 1981 – 2014. The OLS, granger causality test, ECM, and impulse response functions were used for analysis. Findings reveal that deficit financing through borrowing from a foreign country has a contagious implicating effect but the significant association to economic performance.

Onwe (2015) examined the implication of external debt financing on Nigeria's economic growth for the period 1981-2013. Time series data on external debt stock was used to capture external debt financing. The multiple regression analysis Ordinary Least Square (OLS) technique, Johansen co-integration test and Granger causality test were used for analysis. The result reveals that there is no relationship

between external debt financing and economic growth in Nigeria.

Eze and Ogiji (2016) investigated the implications of deficit financing on economic stability in Nigeria between 1970 and 2013. The study adopted the regression analysis. The study revealed that external source of deficit financing, non-banking public source of deficit financing and exchange rate has significant and positive implications on economic stability proxied by Gross Domestic Product (GDP), while ways and means source of deficit financing, banking system source of deficit financing and interest rate has negative implications on economic stability in Nigeria. They, therefore, recommended that deficit financing in Nigeria should be focused on the productive sectors of the economy.

Nwaeke and Korgbeelo (2016) attempted to provide empirical evidence on the relationship between deficit financing and selected macroeconomic variables in Nigeria. Specifically, the study identified external loans, domestic banking system, non-bank public and other sources as the sources of financing budget deficit in Nigeria. The effect of deficits financed from these sources on selected macroeconomic variables, namely economic growth, inflation rate and the unemployment rate were examined. Annual time-series data for the period 1981-2013 were used while the ordinary least squares (OLS) method of the multiple regressions analysis was used to estimate the model. The following were the conclusions from the study: (i) deficits financed from external loans have insignificant negative influence on economic growth while deficits financed from domestic sources stimulate economic growth; (ii) irrespective of the source, deficit financing has no significant influence on inflation, and (iii) domestic sources of financing deficits aggravate unemployment in Nigeria.

Nwaeze, Kalu and Tamuno (2017) examined the relationship between fiscal deficits, modes of financing it and macroeconomic stability in Nigeria from 1970 to 2016. The study used inflation rate and exchange rate as proxies for macroeconomic stability whereas overall fiscal deficits, fiscal deficit financed by domestic borrowing, fiscal deficit financed by external borrowing, interest rate, money supply, foreign

direct investment, and external reserve balance were used as the endogenous variables. The study employed co-integration and VAR estimation methods to analyse the data. The results of the variance decomposition reveal that interest rate, overall fiscal deficits and the size of fiscal deficits financed by domestic borrowing are the main shocks causing the variation in inflation, while overall fiscal deficits, the size of fiscal deficits financed by external borrowing and the size of fiscal deficits financed by domestic borrowing are the main shocks causing the variation in exchange rate in Nigeria. The study concluded that fiscal deficits have a significant negative impact on macroeconomic stability (proxied by inflation and exchange rates) in Nigeria.

3. Research Methodology

3.1 Research Design and Data

The descriptive research design was adopted for the study using secondary time series data relating to the relevant variables of the research while the scope covered 1986 – 2016 which is the post-regulation period in Nigeria. The data were obtained mainly from various issues of the Central Bank of Nigeria Statistical Bulletin.

3.2 The Empirical Model

The structural form of the relationship between external financing and the selected macroeconomic variables can be written in a functional form as:

$$Y_{it} = f(\alpha_i X_{it}) \dots 3$$

Where Y_{it} represents the macroeconomic variables of interest, X_{it} represents the external financing variable and α_0, α_i are the parameters of interest. In econometric form this can be written as:

$$Y_{it} = \alpha_0 + \alpha_i X_{it} + \mu_t \dots 4$$

where Y_{it} and X_{it} are as defined earlier, μ represents the random/disturbance term and t represents the time dimension of the variables.

In this study, the Autoregressive Distributed Lag (ARDL) modelling approach was used to examine the relationship between deficit financing through the deposit money banking system and macroeconomic performance. The ARDL approach was developed by Pesaran, Shin and Smith (2001) for testing the presence of cointegrating relationship and it has peculiar advantages over other symmetric co-integration tests. Firstly, the ARDL approach can be applied to variables of a different order of cointegration (Pesaran and Pesaran, 1997); secondly, the ARDL approach is applicable for small or finite sample size (Pesaran, Shin and Smith (2001); thirdly, the short and long-run parameters are estimated concurrently and fourthly, the approach can accommodate structural breaks in time series data (Aworinde, 2013).

The model-growth of real GDP (EG) and private investment (PI) respectively are modelled as a function of external financing (EF), interest rate (IR) and money supply (MS) where interest rate and money supply were introduced as control variables. The ARDL formulation of the model is shown below:

$$\Delta EG_t = \beta_0 + \sum_{i=1}^n \beta_{1i} \Delta EG_{t-1} + \sum_{i=1}^n \beta_{2i} \Delta EF_{t-1} + \sum_{i=1}^n \beta_{3i} \Delta IR_{t-1} + \sum_{i=1}^n \beta_{4i} \Delta MS_{t-1} + \beta_1 EG_{t-1} + \beta_2 EF_{t-1} + \beta_3 IR_{t-1} + \beta_4 MS_{t-1} + \mu_t \dots 5$$

$$\Delta PI_t = \beta_0 + \sum_{i=1}^n \beta_{1i} \Delta PI_{t-1} + \sum_{i=1}^n \beta_{2i} \Delta EF_{t-1} + \sum_{i=1}^n \beta_{3i} \Delta IR_{t-1} + \sum_{i=1}^n \beta_{4i} \Delta MS_{t-1} + \beta_1 PI_{t-1} + \beta_2 EF_{t-1} + \beta_3 IR_{t-1} + \beta_4 MS_{t-1} + \mu_t \dots 6$$

Theoretically, depending on a number of factors such as the existing debt stock, and usage to which fund realized is put to, external financing can have either a positive or negative relationship with economic growth. Also, external financing is regarded as having the capacity to either crowd out or crowd in investment. Thus, the theoretical expectations

are that the coefficient of external financing for both variables will be either positive or negative.

3.3 Data Analysis and Model Estimation Techniques

The formulated model was analysed using E-views 10.0 statistical package. The Augmented Dickey-Fuller (ADF) unit-root test was employed to examine the stationarity properties of the data

while the ARDL Bounds test approach was used to determine the short and long-run relationship between external financing and economic growth on the one hand and between external financing and personal investment on the other. The short-run adjustment mechanism of the long-run relationship was determined using the Error Correction Mechanism (ECM).

4 Result and Discussion

4.1 Trend of External Financing and Macroeconomic Performance in Nigeria

The trend of external financing and economic growth in Nigeria for the period 1986 – 2016 is captured in Fig.1 below.

Table 1: External Financing of Fiscal Deficit in Nigeria, 1986 - 2016

Year	Total Deficit Financing Foreign (Net) Foreign As Ratio of Total
	(#'b) (1) (#'b) (2) (%) (3)
1986	8.25 0.71 8.61
1987	5.89 0.83 14.09
1988	12.16 1.92 15.79
1989	15.13 5.72 37.81
1990	22.12 0.98 4.43
1991	35.76 2.97 8.31
1992	39.53 -11.86 -30.00
1993	65.16 16.96 26.03
1994	70.27 8.39 11.94
1995	-1.00 22.46 -2246.00
1996	-32.05 7.83 -24.43
1997	5.00 13.38 267.60
1998	133.39 16.61 12.45
1999	285.10 21.04 7.38
2000	103.78 0.00 0
2001	221.05 0.00 0
2002	301.40 0.00 0
2003	202.72 0.00 0
2004	172.60 0.00 0
2005	161.41 0.00 0
2006	101.40 0.00 0
2007	104.86 0.00 0
2008	47.38 0.00 0
2009	809.99 29.81 3.68
2010	1105.38 75.03 6.79
2011	1158.52 73.33 6.33
2012	975.75 0.00 0
2013	1153.49 0.00 0
2014	835.68 0.00 0
2015	1557.79 0.00 0
2016	2208.22 0.00 0

Source:

a. Columns 1 & 2 - CBN Statistical Bulletin, 2016.

b. Column 3 – calculated from (a) above.

Table.1 shows the trend in external financing of fiscal deficit in Nigeria for the period 1986 – 2016. The table shows that between 1986 and 1992 external financing displayed a positive but

fluctuating trend. It rose from 8.10% of total deficit financing in 1986 to 37.81% in 1989. There was a dip in 1992 when external finance became negative before turning back to a

positive but wildly fluctuating pattern up to 1999 with the margin of fluctuation being much higher in 1995 and 1997. In fact, from the late 1970s when foreign borrowing became an official policy in Nigeria up to the early 1990s, there was a sharp increase in the rate at which the country borrowed from the developed countries and private international financial institutions. Although foreign borrowing between the 1960s and 1970s was minute, the rate of interest was concessionary, the maturity of the loan was long term and the source was usually bilateral in nature. On the other hand, borrowing in the late 1980s was huge, non-concessionary in nature, at a high-interest rate, short term maturity and from the international capital market. The economic woes of the nation in the 1980s and 1990s have been blamed on this form of external financing (Ayadi and Ayadi, 2008). External financing was nil for the period 2000 – 2016, except for the three-year period 2009 – 2011 when it was between 3.86% and 6.79%.

The trend in external financing for the period 2000 – 2008 and 2012 – 2016 reflects the negotiation of and subsequent implementation of the debt relief agreement between the Federal government and its external creditors (The Paris Club) in 2004 during which the government exited its foreign debt obligations. This trend reflects the desire of the government to avoid a mounting debt problem consequent on the debt overhang problem of the 1980s and 1990s which created a significant impact on the poverty situation in the country. Fig. 1 shows the growth of (i.e. percentage change in) external finance for the period, 1986-2016. The figure shows that growth in external finance also reflects the pattern revealed in Table 1, that is, there are slight but mostly positive fluctuations in the growth of external finance up to 1999 and zero external finance from 2000 except for the period 2009 – 2011.



Fig. 1: Growth of External Financing in Nigeria (% change), 1986 – 2016

Source: Author, 2019

Fig.2 shows the trend of external financing and economic growth for the period of study. The figure shows that both external financing and economic growth fluctuated for most of the period although economic growth fluctuated more widely than external financing. Following the gains of the structural adjustment programme of the late 1980s, there was a boost in economic performance leading to the growth of the GDP during this period. However, by the early 1990s, this rate of growth declined

although growth was positive. Between 1999 and 2002, a period of transition to democratic rule, the rate of growth picked up again. However, since 2002, there has been a steady decline in the rate of growth of the GDP in Nigeria perhaps reflecting the impact of the various crises such as the Niger Delta crises and the Boko Haram insurgency which hampered both oil and food production respectively.

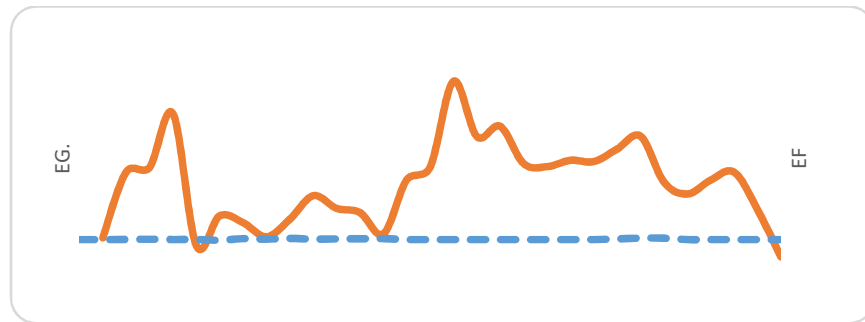


Fig. 2: Trend of External Financing and Economic Growth in Nigeria (% change), 1986 - 2016

Key: External Finance (EF) Economic Growth (EG)

Source: Author, 2019

Fig. 3 shows the trend of external financing and private investment for the study period. In Nigeria, private investment as a percentage of the GDP is significantly small and the economy relies heavily on government capital. Growth in private investment fluctuated widely for most of

the period of study with wider margins of growth in the 2000s than the 1990s reflecting the increasing efforts of the government to encourage more foreign direct investment into the country.

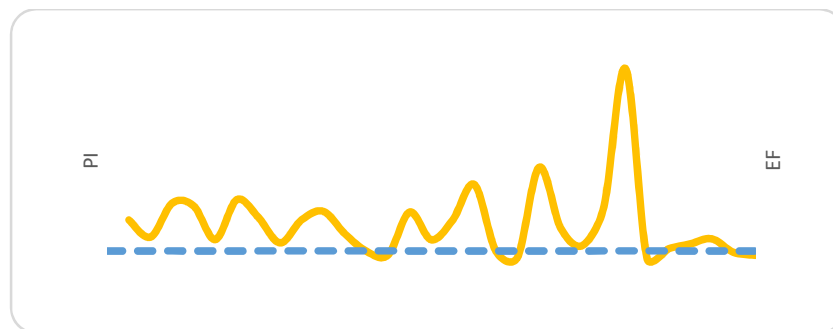


Fig. 3: Trend of External Financing and Private Investment in Nigeria, (% change), 1986 - 2016

Key: External Finance (EF) Private Investment (PI)

Source: Author, 2019

4.2 Correlation Matrix

The testing of the correlation among the variables of estimates is generally recognised as a way through which a researcher can detect the existence or otherwise of high multicollinearity among the set of independent variables (Oseni, 2014). If there is multicollinearity, the parameter estimates could be contradictory to

expectations. While there are arguments on the exact level of correlation that is problematic, it has been argued that multicollinearity among variables occur when the result of the correlation coefficient is above 0.70. In line with this, this study presents the results of the correlation analysis of the set of variables used in Table 2.

Table 2: Correlation Matrix of the Dataset

Correlation	EF	MS	PI	RG
EF	1.0000			
MS	0.1706	1.0000		
PI	0.3552	0.9606	1.0000	
RG	0.4367	0.9664	0.9778	1.000

Source: Authors' Computation, 2019

where: EF is external financing, MS is money supply, PI is a private investment and RG is economic growth.

Table 2 shows that the correlation among the variables is generally moderate except for money supply with economic growth and money supply with private investment. Apart from the fact that money supply is not a variable of interest in this study, it is also used as an independent variable while economic growth and private investment were used as dependent variables thus eliminating the possibility of multicollinearity. Thus, the likelihood of

multicollinearity problem in the models is low showing the tendency for good regression estimates among the variable.

4.3 Stationarity Properties of the Variables

The tests for the stationarity of the variables employed was done using the Augmented Dickey-Fuller (ADF) test with automatic lag length selection based on Akaike Information Criterion (AIC) and Schwarz Information Criterion (SIC). The result of the unit root test is presented in Table 3.

Table 3: Augmented Dickey-Fuller (ADF) Unit Root Test

Variables	Level	First Diff	Order of Integration @ 5%
EF	-3.47	-5.10	I(0)
MS	-1.67	-3.63	I(1)
RG	-1.82	-4.48	I(1)
PI	-2.29	-4.88	I(1)
Critical Value			
1%	-3.67	-3.67	
5%	-2.96	-2.96	
10%	-2.62	-2.62	

Source: Authors' Computation, 2019

Table 3 shows that EF is stationary at level i.e. the variable is an I (0) series at 5% significant level while the other variables were stationary at first difference i.e. they are I (1) series. Since the variables were of a different order of integration, the use of the ARDL approach is appropriate.

4.4 Empirical Results

4.4.1 Results for Economic Growth

The result of the relationship between external financing of deficits and economic growth are presented in Tables 4a – 4d below.

Table 4a: Bounds Test Result of External Financing on Real GDP

Test Statistic	Value	k	Critical Value	I0 Bound	I1 Bound
F-statistic	4.2749	3	Significance		
			10%	2.45	3.52
			5%	2.86	4.01
			2.5%	3.25	4.49
			1%	3.74	5.06

Source: Authors' Computation, 2019

The result of the bounds test presented in Table 3 revealed that the 5% lower and upper bound critical values are 2.86 and 4.01 respectively. The calculated F-value suggests the existence of a long-run relationship among the variables since the test statistics of 4.2749 is above the

upper bound critical value at 5% level of significance. Having established that a long-run relationship exists among the variables, an attempt was made to estimate the coefficients of this relationship. The result is presented in Table 4b below.

Table 4b: Long Run Result of External Financing on Real GDP

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EF	-0.004922	0.004578	-1.075183	0.3103
LOG(MS)	0.194646	0.020427	9.528763	0.0000
C	8.894168	0.182494	48.736835	0.0000
R ²	0.9026	F-Statistic	4.91	
Adjusted R ²	0.7188	DW	3.08	

Source: Authors' Computation, 2019

Table 4b reveals that external financing is negatively signed but not statistically significant at 5% level of significance which implies that external financing does not significantly affect the growth of the Nigerian economy in the long run. However, money supply is significant at 5% level.

Table 4c shows the error correction model which describes the short run relationship between external financing and economic growth. The principle behind the result of the ECM was that

the coefficient of the ECM must be negative and significant at 5% level and this would be used to calculate the speed of adjustment. For the model, the coefficient of the ECM is negative and statistically significant at 5% indicating that a significant relationship exist between the variables in the model in the short run. It could further be deduced from Table 4c that it will take the variables approximately 3.7 years to converge in the long run.

Table 4c: Short-Run Result of External Financing on Real GDP

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(RG(-1))	0.533422	0.210229	2.537339	0.0318
D(EF)	0.000319	0.000474	0.673816	0.5174
D(EF(-1))	0.000936	0.000600	1.559027	0.1534
DLOG(MS)	0.193514	0.092199	2.098878	0.0652
DLOG(MS(-1))	-0.261155	0.078385	-3.331721	0.0088
DLOG(MS(-2))	0.088291	0.063641	1.387313	0.1987
CointEq(-1)	-0.269788	0.083741	-3.221694	0.0105
R ²	0.9026	F-Statistic	4.91	
Adjusted R ²	0.7188	DW	3.08	

Source: Authors' Computation, 2019

The result showed that in the short-run, the coefficient of external financing was positively signed but not statistically significant at 5% level of significance. This implies that external financing does not significantly affect GDP growth rate in the short-run. However, the coefficient of one lag money supply was

significant indicating that this variable has significant relationship with economic growth.

The result of the diagnostic tests (which include Jarque-Bera Normality test, Serial Correlation LM Test and Breusch-Pagan-Godfrey Heteroskedasticity test) done is presented in Table 6 below.

Table 4d: Diagnostic Tests of Components of Deficit Financing on Real GDP

Tests	Value	Prob.
Jarque – Bera	2.3440	0.3097
Serial Correlation LM Test	4.0245	0.0686
Breusch – Pagan – Godfrey (Heteroskedasticity)	1.1642	0.4234

Source: Authors' Computation, 2019

From Table 4d, the Jarque-Bera statistics of the normality test was insignificant suggesting that the residual of the regression estimate is normally distributed. Also the F-statistics of both the Serial Correlation LM test and the Heteroskedasticity test were insignificant confirming the absence of serial correlation and

heteroskedasticity problems in the residual of the regression estimate. The implication of this is that the regression model was appropriately estimated.

4.4.2 Result for Private Investment

The result of the analysis for private investment is presented in Tables 5a -5d below.

Table 5a: Bounds Test Result of External Financing on Private Investment

Test Statistic	Value	K	Critical Value		
F-statistic	6.2940	3	Significance	I0 Bound	I1 Bound
			10%	2.45	3.52
			5%	2.86	4.01
			2.5%	3.25	4.49
			1%	3.74	5.06

Source: Authors' Computation, 2019

The result of the Bounds test presented in Table 5a revealed that the 5% lower and upper bound critical values are 2.86 and 4.01 respectively. The calculated F-value suggests the existence of long-run relationship among the variables since the test statistics of 6.2940 is above the upper bound critical value at 5% level of significance.

Table 5b below presents the result of the long-run relationship between external financing and private investment in Nigeria. The result shows that in the long-run, the coefficient of external financing was negatively signed but not statistically significant at 5% level of significance. This implies that external financing does not significantly affect private investment in the long-run.

Table 5b: Long Run Result of Components of Deficit Financing on Private Investment

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EF	-0.000099	0.003593	-0.027551	0.9783
LOG(MS)	0.865598	0.040399	21.426152	0.0000
C	0.177551	0.320802	0.553459	0.5861
R ²	0.6208	F-Statistic	4.09	
Adjusted R ²	0.4691	DW	2.03	

Source: Authors' Computation, 2019

The Error Correction Mechanism (ECM) was used to determine the speed of adjustment of the variables to long-term equilibrium. From Table 5c, the coefficient of the ECM was negative and statistically significant at 1% which implies that it takes the variables approximately 1.7 years to converge in the long run.

Table 5c: Short-Run Result of External Financing on Private Investment

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(EF)	-0.000057	0.002060	-0.027658	0.9782
DLOG(MS)	0.498251	0.154854	3.217550	0.0043
CointEq(-1)	-0.575615	0.171564	-3.355105	0.0032
R ²	0.6208	F-Statistic	4.09	
Adjusted R ²	0.4691	DW	2.03	

Source: Authors' Computation, 2019

The estimated results presented in Table 5c describe the short-run relationship between external financing and private investment in Nigeria. The result showed that in the short-run, external financing was negatively signed but not statistically significant at 5% level of significance. This implies that external financing does not significantly affect private investment in

the short-run. However, money supply has significant relationship with private investment. The result of the post estimation tests (Jarque-Bera Normality test, Serial Correlation LM Test and Breusch-Pagan-Godfrey Heteroskedasticity test) done to confirm the validity of the results obtained is presented in Table 5d below.

Table 5d: Diagnostic Tests of External Financing on Private Investment

Tests	Value	Prob.
Jarque – Bera	1.1016	0.5765
Serial Correlation LM Test	2.8872	0.0817
Breusch – Pagan – Godfrey (Heteroskedasticity)	0.8734	0.5544

Source: Authors' Computation, 2019

From Table 5d, the Jarque-Bera statistics of the normality test was insignificant suggesting that the residual of the regression estimate is normally distributed. Also the F-statistics of both the Serial Correlation LM test and the heteroskedasticity test were insignificant confirming the absence of serial correlation and heteroskedasticity problems in the residual of the regression estimate. The implication of this is that the regression model was appropriately estimated.

The findings of this study is in line with the findings of Osinubi and Olaleru (2015), Monogbe and Dornubari (2015) and Nwaeke and Korgbelo (2016) all of whom found that external financing has no significant effects on macroeconomic performance in Nigeria. It however contradicts the findings of Adesuyi and Falowo (2013) and Eze and Ogiji (2016) both of whom found a positive relationship between external financing and macroeconomic performance in Nigeria.

The findings that external financing has no significant effect on macroeconomic performance could be explained by the rentier nature of the Nigerian economy and the high level of corruption in the country especially among government agencies and institutions. In many instances, the level of budget performance is low, projects are poorly executed/monitored and outright diversion of budgeted fund is rampant. Under such situation, it is doubtful if expended fund could be transmitted into improved macroeconomic performance.

5.0 Conclusion and Recommendations

The objective of this study was to determine the relationship between the external financing of fiscal deficit and selected macroeconomic variables namely economic growth and private investment in Nigeria. In order to examine this relationship, the Bounds test approach to ARDL

cointegration was used to determine the long run relationship between these variables while the Error Correction Mechanism was used to determine the short run adjustment mechanism. The result shows that in both the short run and the long run, external financing had no significant relationship with any of the two macroeconomic variables. The result thus implies that, in Nigeria, external financing is not an effective policy tool for resolving budget deficit problems in relation to economic growth or private investment.

It was thus suggested that:

- i. Government should desist from further recourse to external loans as means of financing its budget. Instead, greater efforts should be geared towards the use of domestic sources such as the bond market.
- ii. There should be a drive to remove the need for external financing by significantly reducing the size of the budget deficit through the matching of public expenditure with projected available fund. In this regard, expenditure reduction policies such as privatization and commercialization of projects and public – private partnership should be intensified. Alternatively, attempts could be made to improve the revenue situation of the government through improved revenue drive by widening the tax base, strengthening the tax collection process and ensuring that previously untaxed segment of the economy especially the informal sector are captured in the tax base.
- iii. Efforts should be made to ensure improved monitoring of fund released for budget implementation so as to minimize the possibility of diversion of fund and corruption which could hamper the performance of fund expended.

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THE EFFECT OF BANKS' CORPORATE TAX ON THE VALUES OF SHAREHOLDERS' WEALTH IN NIGERIA

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Abstract

This study examines the effect of banks' corporate tax on the values of shareholders' wealth in Nigeria. The population of the study comprises the entire deposit money banks in Nigeria while ten (10) active banks quoted in the Nigerian Stock Exchange were randomly selected as the sample size. Data collected are cross-sectional via secondary source published in financial statements of the banks in the Nigeria Stock Exchange (NSE) between 2010 and 2016. Panel data methodology and a time series econometric technique were used to empirically determine the study. At P-value (0.000 < 0.005), the hypothesis no dynamic interactive effect between tax and value was rejected. In conclusion, the tax has an interactive effect on growth and value of banks and hereby recommends that the management of banks should ensure that all the taxable assets are effectively utilized to generate sufficient earnings for the banks and that the government should restructure the existing tax policies in line with the dynamic changes in the modern economy.

Keywords: Taxation, Corporate Tax, Shareholders, Wealth, Bank,

1.0 Introduction

The goal of many countries is to attain and sustain economic growth since the economy is the pivot of any country. To accomplish this goal, the government embarks on the provision of basic infrastructural facilities, which are capable of enhancing various economic activities. Among these are the provisions of schools, hospitals, construction of roads, bridges, airports, seaports and railway lines. Meeting these economic needs, call for huge funds which an individual or society cannot provide alone, hence the government seeks sources of funds from various angles such as issuing of public debt, levying of taxes, fees, fines and specific charges. Taxes constitute the principal source of government revenue (Adedeji & Oboh, 2012).

Taxation is a tool by the government in fashioning various aspects of economic growth. Taxes are an instrument of fiscal policy. The purpose of taxation is to raise funds for activities which cannot be pursued without government action. These include the public contribution to economic investment, as well as enabling people to meet their basic needs and enjoy wider opportunities. Among the various sources from which Governments can raise finance, taxes are the most important and reliable, and without it, the government can barely create a better society.

According to Ogar (2017), no world economy has developed without the help or role of a capable financial sector. The banking industry, on the other hand, forms the core of most countries' economy, as this is the section of the economy that holds financial assets for others, invests these assets to generate more revenue. Banks facilitate business by providing loans to individuals for business purposes; most small and medium enterprises get their start-up capitals from banks in the form of loans. Micro-finance banks, particularly, have birthed the rise of small businesses in Nigeria, indirectly abating the challenge of unemployment and giving rise to the participation of the private sector in economic development and promoting entrepreneurship. The sector is, therefore, regulated by the government because they are vulnerable to liquidity problems and loss of public confidence, the regulations are put in place to ensure checks and balances and not limit or restrict them. Like other organisations, the banking industry is also sentenced to tax assessment and this has a grave effect on the banking operation, profit, growth and survival. A germane one of such tax in Nigeria is the corporate tax which is paid directly from the profit made at the rate of 30% and a company is obligated to pay whether or not they pay dividends to shareholders. This tax burden poses a major threat to the wealth of

shareholders of the banks, and of course, the operations, growth and value of the banking sector.

While the banking sector is a catalyst in the growth and development of any economy, taxes are also important for the government as they are the major source of funds for government expenditure. Several studies have been conducted to verify the relationship between corporate taxes and the banking industry, but have not been able to specifically hit on the effect of corporate taxes on the growth and firm's value in the Nigeria banking sector, which is the driving force for the desire to undergo this research work. The study intends to use dynamic panel system, which includes Kiviet Bias Corrected WG and one-step difference GMM specifications that were not used in analysing data in most of the studies earlier mentioned.

The scope of this study shall cover the taxes of commercial banks in Nigeria, with its effect on the value of shareholders wealth of ten (10) selected banks. The period spanned from 2010 to 2016. This period covers the period of adoption of IFRS and the time in which tax amnesty was being implemented in Nigeria. However, this study shall emphasize more on taxes, as it affects variables like profit after tax, firm's value and shareholders wealth.

1.1 Statement of Problem

Oftentimes, the importance of the bank as a mechanism for economic growth is often ignored. They are perceived as minute establishments that have minimal effect on the state of the economy. As a result, many of the government policies, such as taxes are usually unhealthy to the operations of the banking industry, which further threatens the growth, value and shareholders wealth of the sector. Several studies have been conducted before now in this regard, Ugo and Leomardo (2007) studied how bank profitability is being affected by corporate income tax, the study used simple theoretical model and concluded that corporate tax has a significant effect on the bank profitability. Also, Ezugwu and Akubo (2014), carried out an empirical study on the effect of the high corporate tax rate on the profitability of corporate organizations in Nigeria which did not include banks, employed regression statistical

tools and concluded there is a direct positive relationship between corporate tax rate and realized profit. Gallemore, Mayberry & Wilde (2017), in their study, examined the association between corporate taxation and bank outcomes, including lending growth, leverage, liquid asset holdings, and risk-taking, made use of a sample of Single-state U.S commercial banks and exploit cross-sectional and inter-temporal variation in U.S. state income tax rates. The study found pieces of evidence that the tax-rate has significant effects on bank outcomes, such as lending and leverage, which in turn affect the capital available for both non-bank corporations and individuals.

All the studies above, have in one way or the other done justice in their respective area of discussions, yet not been able to specifically hit on the effect of corporate taxes on the values of shareholders wealth in the Nigeria banking sector, which is the driving force for the desire to undergo this research work. Unlike other studies which use different statistical tools as means of analyzing data to yield results, ranging from OLS, multiple regression, etc, this study intends to arrive at analysis that would give reliable results based on investigating the impact of corporate tax on the growth of the selected banks for the study, secondary data would be used to examine the relationship between corporate tax and values of the banks using dynamic panel system and one-step difference GMM. However, post estimation test would be conducted to check for serial correlation and the legitimate of the instruments to be used if they are exogenous or not. The objective of this study is to examine the impact of corporate taxes on the Nigeria Banks on the values of shareholders wealth.

1.2 Objective of the Study

The general aim of conducting this study was to examine the effect of the bank's corporate tax on the values of shareholders' wealth in Nigeria while following are the specific objectives of the study;

- (i) To examine the interaction between tax and value does not influence shareholders' wealth maximisation.
- (ii) To investigate the significant relationship between previous and current tax and value.

1.3 Hypotheses of the Study

The study shall test that:

Ho₁: The interaction between tax and value does not influence shareholders' wealth maximisation.

Ho₂: There is no strong dynamic relationship between previous and current tax and value.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Corporate Tax

Tax is a compulsory levy made by the citizens to the government of a country or state. Put differently, tax can be defined as an obligatory payment which the country imposes on its citizens, firms, and organizations not as a penalty for any offence or immediate exchange of goods but as income to enable government meet its expenditures (Ali-Nayea, in Tee, Boadi&Opoku; 2016). Iwuji in Atawodi&Ojeka (2012) defines tax as a statutory compulsory contribution imposed by the government, exacted from a person's or entity's income, property or transaction for funding governance. In Nigeria, all persons in employment, individuals in business, non-residents who derive income from Nigeria as well as companies that operate in Nigeria are liable to pay tax. The assessment and collection of tax in Nigeria is presently carried out through the revenue collection agencies of the State and Federal Governments of Nigeria: the State Board of Internal Revenue (SBIR) and the Federal Inland Revenue Service (FIRS) and the tax administration in Nigeria is imposed through Acts of the National Assembly.

A corporate tax is a profit on corporate profit. Corporate profits are established to be one of the most closely followed economic indicators of all profit-oriented sectors. Profitability provides a summary measure of corporate success or failure and thus serves as an essential indicator of economic performance. Corporate tax is a levy placed on the profit of a firm after all operational expenditures have been deducted. Business expenses that may be deducted from income include employee compensation; the decline in value of machines, equipment, and structures (that is, depreciation); general supplies and materials; advertising; and interest payments (Keightley& Sherlock, 2014).

2.1.2 The Relationship between Corporate Tax and the Nigerian Economic Growth

Overtime, taxation has been an essential medium of engineering the growth of the economy. It is an essential instrument of fiscal policy used to managing the economy. Ogbonna and Ebimobowei (2012), opined that the political, economic and social development of any country depends on the amount of revenue generated for the provision of infrastructure in that given country. Taxes are imposed to regulate the production of certain goods and services, protect infant industries, control business, curtail inflation and reduce income inequalities amongst others. Tax serves as a nation's building policy from various perspectives which may include bridging the gap between the poor and the rich, to encourage industrialization and protection of infant industries. It may be said that the original objective of taxation was to raise money to fiancé public expenditure, but while this remains an important function of tax, it has also become a weapon used by the government in this modern time in promoting economic growth and improving the distribution of income.

According to Tosin and Abizadeh (2005), taxes affect economic growth by inhibiting investment rate; slow down growth in labour supply; affect productivity growth through its discouraging effect on research and developing expenditures effect on research and development expenditures and also slows downflow of resources to other sectors that may have lower productivity. Taxation policy bears a resource allocation dimension which promotes investment as a critical measure of ensuring a healthy economy creation of new wealth. According to IMF, "developing countries must be able to raise the revenue required to finance the services demanded by their citizens and the infrastructure (physical and social) that will enable them to move out of poverty. Taxation will play a key role in this revenue mobilization".

2.1.3 The Nigerian Banking Sector Taxes

The Nigeria Banking sector consists of the Regulatory and the participatory banks. The Regulatory Banks are the Central Banks, while the Commercial Banks, Merchant Banks, Development Banks, other specialized Banking Institutions and Micro Finance Banks are the Participatory Banks. According to Sanusi (2011),

the banking sector plays an important role in promoting economic growth and development through the process of financial intermediation. Many economists have acknowledged that the financial system, with banks as its major component, provide linkages for the different sectors of the economy and encourage high level of specialization, expertise, economies of scale and a conducive environment for the implementation of various economic policies of government intended to achieve non-inflationary growth, exchange rate stability, balance of payments equilibrium and high levels of employment.

A major role of the Nigeria banking sector in the economy is the intermediary role. Banks, especially the commercial banks serve as financial intermediaries between primary savers and lender and ultimate borrowers. However, the importance of bank as a mechanism of economic growth and development is often ignored. They are perceived as minute establishments that have minimal effect on the state of the economy. According to Nwagbara (2015), the functions of Commercial Banks are broadly classified into two – money creating function & service-rendering functions. The money creating function is the more important of the two functions in any national economy and this is accomplished through the mobilization of capital. This involves not only the raising of funds or collection and pooling of bank deposits but also the provision of credit to various sectors of the nation's economy. The service-rendering functions of the commercial banks include:

- a. Deposit keeping (current account, savings or time deposit accounts).
- b. Provision of Facilities for domestic and foreign remittances for customers
- c. Debt servicing
- d. Financial Research and consultation
- f. The undertaking of Trust and Administration of Estates for deceased customers.

Others are Merchants Banks; Development Banks; Mortgage Bank and Micro-finance banks. These banks serve as intermediaries between investors and as safe investment technologist and entrepreneurs on the other hand.

Like every other business, banks are not exempted from payment of the corporate taxes. Nnadi M.A & Akpomi M. (2008), The Nigerian tax system is prudently organized to effectively

enhance the collection of taxes and reduce the incidence of tax evasion and the subsequent loss of revenue to the government. The tax laws, therefore, provide for the collection of taxes at the source of the taxpayer's income. The Company Income Tax (CIT) is the tax which all businesses must pay on their income. Every registered business is expected to remit one form of taxes or another to the relevant statutory bodies upon registration as a company with the Corporate Affairs Commission (CAC) at the commencement of business. Companies Income Tax Act 1979 (CITA 1979) contained in chapter 60 Laws of the Federation of Nigeria (LFN) 1990 was the principal legislation governing companies tax administration in Nigeria. The Act came into force after several amendments and consolidation of the provision on the former CITA 1961. A further amendment was also made on CITA 1979 in 2004 and continued until we now have the Companies Income Tax Amendment Act 2007 which is the Act presently used in Nigeria for companies tax administration. In Nigeria, the rate of 30% is charged on taxable profits. Another such tax paid by the corporation in Nigeria, on profit made, is Education tax, which is 2% of taxable profits.

Taxation of banks is of particular interest for various reasons. First, banks are financial intermediaries that perform unique and crucial functions, although in many countries they are currently subject to increasing competition from investment funds and security markets. Second, banks are heavily regulated and monitored, which reduces the administrative costs of some forms of taxation, and at the same time, they are subsidized through underpriced deposit insurance and bailouts of insolvent banks. Third, banks often enjoy some monopoly power, especially in the household and small business sectors. (Caminal, n.d).

According to Caminal (n.d), taxes banks pay includes Tax on customer' deposit, tax on bank loans, Tax on bank's value-added, tax on gross interest income and banks' corporate income tax. Generally, the Companies Income Tax Act (CITA) published as part of the Laws of the Federation of Nigeria is the legislative instrument for taxing companies in the banking industry. In respect of the above, Section 28 of

this Act requires every bank to prepare and file quarterly returns with the Service of all transactions involving the sum of N5,000,000 and above which relate to individuals while corporate bodies' transactions from N10,000,000 and above are also filed alongside with their names and addresses. Any bank that defaults, pays a fine of N50,000 on individual customers while that of corporate customers is N500,000. Banks pay 30% on the profit earned in the year preceding assessment. This tax is payable to the federal government through the Federal Inland Revenue Service (FIRS).

2.1.4 The Impact of Corporate Taxes on the Nigerian Banking Sector

Tax burden is a major problem in Nigeria as many businesses, including the banking sector are not favoured by the tax systems and policies in place. According to the Price Water Coopers analysis, every business transaction has one or more tax consequences, sometimes unintended which could be favourable or adverse. As a result, many banks are seriously struggling to meet up with high tax rates to ensure their businesses still exist.

Some studies revealed that Corporate Taxes has a certain effect on the operations of banking industries. The burden of corporate tax on the banking system bothers more on the bank interest and profit rate, and by implication, on the dividend policy. The impact, however, varies with economic conditions and the firm's characteristics. Some of the operative activities of the banking sector affected by corporate taxes are:

(i) **Liquidity:** According to Gallemore, Mayberry & Wilde (2017), corporate taxation should affect bank liquidity management through its negative effect on operating cash flows. When corporate taxes are paid, it brings about a reduction in the value of operating cash flow of the bank, thus affecting its liquidity ration. Every increase in tax rate brings about a diminishing in the operating cash flows for liquidity need. Omodero&Ogbonnaya (2018) opined that the liquidity challenges faced by banks in Nigeria in the recent times and the restricted access to bank loans and facilities by firms and individuals could be linked with high corporate tax payment and this has adversely affected the economy at large.

The corporate tax, therefore, affects the bank's liquidity as it leads to reduced operating cash flow. This will in-turn affects the lending responsibilities of the bank.

(ii) **Lending Capacity:** Loan is a major source of capital for firms and entrepreneurs (business owners) who often turn to the banks to access loans. Loan facility is, therefore, a fundamental feature of bank's business, as great earnings are made from interest and fees generated from loan facilities and servicing. A study found that banks' lending capacity may be affected by the rate of corporate taxes paid by the banks.

Given the pre-eminence of lending in banks' business models, changes in tax rates may induce banks to compensate for the reduced operating cash flows by changing funding sources or cutting other operating expenditures before sacrificing profitable lending opportunities. Alternatively, if bank managers are focused on maintaining a targeted level of net income, despite tax rate increases, then banks may increase lending activities to compensate for higher tax costs (Gallemore, Mayberry & Wilde, 2017).

(iii) **Dividends:** Dividends are paid to owners and shareholders of an organisation when profit are made at a specific period depending on the earnings of the firm and the recommendations of the directors. Corporate tax, on the other hand, is charged directly on the profit made, whether the company pays shareholders' dividends or not. Since taxes are paid before profit are distributed to shareholders as dividends, the taxes paid will technically reduce the amount of profit available for dividend payment. When profits are made, banks as well are obligated to pay corporate tax which will, in turn, reduce the profit available for distribution and allocation by the banks to its shareholders. Taxes, therefore, reduce profit available for distribution; this legislation and practice if not envisaged and proactively managed will lead to significant tax cost and value destruction for shareholders.

Tax is a recurrent factor in most economies and it undeniable affect investors and the firm especially in the dividend policies, the government is, therefore, expected to find a way

of managing the Tax so that its burden is not counterproductive.

2.2 Theoretical Review

Taxation theory evolved on the assumption of establishing the relationship between tax paid and benefits to be derived from state activities. Anyafo (1996) and Bhartia (2009) stated that a taxation theory may be based on a link between tax liabilities and state activities. It is believed that the state should charge the members of the society for the services provided by her. This justifies the imposition of taxes for financing state activities and on the other hand, by inferences, provides a basis for apportioning the tax burden between members of the society. Also, the rationale behind the whole system of tax is consistent with certain theories of tax namely, Cost of Service Principle, Benefit Principle, Ability-to-Pay Principle, Expediency, Tax Compliance, corporate taxation and the power theory of value and Tobin's Q-Theory. The paper shall limit its discussion to two theories as discussed below:

2.2.1. Corporate Taxation and the Power Theory of Value

The power theory of value focused on the question of valuation from the top down. It involves the process whereby dominant owners of huge societal wealth determine the value of their assets which is known as capitalisation; the discounting of risk-adjusted future earnings into present value (Sandy, 2016). In this case, the major goal of owners is to accelerate the relative value of their capitalised assets via achieving an average rate of return and thus, achieve differential accumulation. In addition, power is termed as the means and ends of differential accumulation. Likewise, achieving the average requires power such as, the power to mould consumer preferences through advertising, the power to lobby government for tax regulation, the power to punish violators of intellectual property rights. In determining how this relates to corporate taxation, capitalization is subdivided into its parts: $(K = E / \delta \times r)$. Where; capitalization [K] is equal to earnings [E] divided the risk coefficient [δ] multiplied by the normal rate of return [r]. The equation indicates, the earnings that get valued or capitalized are *future* earnings that have not yet been earned.

2.2.2 Tobin's q Theory

Under Tobin's q theory, tax policies are identified as a key player in affecting investment, and distributional effects of tax incentives are said to sarcastically depend on the form they take. It is believed that through a judicious combination of tax policies, it is possible to spur investment while minimizing the wind-fall of income or wealth to existing corporate shareholders. Also, it is generally assumed that the stock market valuation of corporate capital represents the present value of its future dividend stream.

However, this paper shall adopt corporate taxation and the power theory of value. This is because tax involves the cost of doing business and usually, a company that lowers its taxes automatically boosts its earnings. Thereby, implying that a lower tax will increase relative earnings. Where taxes are expected to remain low in the future, a company will boost the relative market value of its shares.

2.3 Empirical Framework

Omodero & Ogonnaya (2018) studied the impact of corporate tax on the profitability of Deposit Money Banks in Nigeria using causal research design and a sample of 12 banks. Multiple regression analyses and T-test were used to analyse the data with the aid of SPSS version 20 and the study revealed a positive significant impact of corporate taxes on Profit after Tax. Also, Onwuka (2019) in evaluating the impact of corporate taxation on dividend payments: Evidence from Nigerian Deposit Money Banks, adopted the standard multiple regression analyses reveals profit will bring a positive increase in dividend payments of deposit money banks while corporate taxes will cause a decrease in dividend payments of deposit money banks in Nigeria. Gallemore, Mayberry & Wilde (2017) examine the association between corporate taxation and bank outcomes, including lending growth, leverage, liquid asset holdings, and risk-taking. They employed a sample of Single-state U.S commercial banks and exploit cross-sectional and inter-temporal variation in U.S. state income tax rates. The study found pieces of evidence that the tax-rate has significant effects on bank outcomes, such as lending and leverage, which in turn affect the capital

available for both non-bank corporations and individuals.

Nwaobia, Kwarbai and Ogundajo (2016), Tax Planning and Firm Value: Empirical Evidence from Nigerian Consumer Goods Industrial Sector, using descriptive and inferential statistics centred on the specified panel regression model, which covered 50 firm-year observations for the period of 2010 to 2014. The study reported that the joint effect of the considered tax planning proxies on the firm value was significant. While Effective tax rate (ETR), Dividend (DIV) and Firm age (FAG) are positively and significantly related to firm value, firm size, leverage and tangibility exert a negative effect on firm value.

All the above studies have empirically established that there is a relationship between corporate tax, profitability and the value of shareholder's wealth.

3.0 Methodology

This study adopts a relational research design to investigate the impact of corporate tax on the value of shareholders wealth of some selected money deposit banks in Nigeria. Data on tax, Book value, total asset, share price, return on asset and number of outstanding shares were collected in their raw form from the banks' financial report for the period of 7 years ranging from 2010 to 2016. The share price was multiplied by the number of outstanding shares to get the proxy for value and the change of total asset was taken to represent the growth rate. The study analysis was divided into two; the first analysis was done by investigating the impact of the interaction between tax and value on

shareholders wealth maximisation, while the second analysis was conducted by examining the relationship between previous and current tax and shareholders wealth value. Dynamic panel system and one-step difference GMM specifications were used. The post estimation test was conducted to check for serial correlation and the instruments used if they are exogenous or not.

4.0 Analysis of Data

In this paper, the estimation process was done using two models, namely KivietBia Corrected WG (Within Group) and one-step difference GMM. The one-step difference GMM was used as a robust test to confirm the results of the KivietBia Corrected WG. The parameters obtained from the estimation process of these models with their z and p values are presented in this work. These are used to analyze the impact of corporate tax on the growth and value of many demand deposit banks in Nigeria. The significance of these parameters will be examined based on the hypotheses formulated in the first chapter of this work. However, the first results reported here is the result of the descriptive statistics. The results of the mean value, Std-Dev, variance skewness and kurtosis values are also reported here.

Descriptive Statistics-Statistical Method

Different descriptive statistics were computed to test for the nature of the behaviour of the variables stated in this study. Table 4.1 reports the approximated values obtained from the descriptive statistics test.

Descriptive Statistic Results						
	Mean	Std-Dev	Variance	Skewness	Kurtosis	No-obv
Intax	4.61572	1.616465	2.612958	0.2124139	1.86063	70
Inbv	-0.389627	1.992705	3.970872	-1.374434	3.764271	70
Inroa	0.0658299	0.8601411	0.7398427	-1.554779	9.635347	70
Inval	0.4853207	0.3442344	0.1184973	0.1053547	2.193189	70
Intar	-0.1530105	1.29214	1.669625	-4.658172	32.26165	70

Note-No-obv denotes number of observation which is 70.

The mean value of the tax, book value, return on asset, market share price (Inval) and growth rate of the total asset are approximately 4.62, -0.39, 0.07, 0.49 and -0.15 respectively. The larger mean value here is that of tax and it is positive, followed by share price and return on the asset which is also positive. This shows that these variables have an increasing tendency. While

book value and growth rate of the total asset have negative mean values. Book value has the highest standard deviation and variance values of 1.99 and 3.97 respectively. This implies that book value is the most volatile variable among the other variables, followed by tax and total asset growth rate. However, the standard deviation and variance value for return on asset

and value are small. Meaning they are the least volatile variables. The skewness value is 0.21, -1.37, -1.55, 0.11 and -4.66 for tax, book value, return on asset, market share price (lnval) and growth rate of total asset. It is seen that tax and value are positively skewed while book value, return on asset and total asset growth rate are negatively skewed. Considering the kurtosis values of these variables, only book value (3.76) is mesokurtic. Nevertheless, tax and value have kurtosis values less than 3 making them platykurtic in nature but the return on asset and growth rate of the total asset are leptokurtic since they have values larger than 3. However, all these kurtosis values are positive. Subsequently, we present the inferential statistic results.

Hypothesis Testing: Inferential Statistic Results

The estimation of the parameters of the models specified in the previous chapter is done using KivietBia WG estimator, and one-step difference GMM. All the hypotheses of this work are tested employing all these estimators which give robust results. Hypothesis one relates to the impact of corporate tax and the growth of the selected banks. While two is on the impact of corporate tax and shareholders' wealth maximization. Finally, is to examine if these variables are complimentary and if there is dynamism in the interaction of the variables.

Hypothesis One: The interaction between tax and value does not influence Shareholders' Wealth Maximisation

Interactive Effect of Corporate Tax and Value on Shareholders' Wealth Maximisation using KivietBia corrected WG

	Coeff	Std-error	z-value	P-value
lnval(-1)	0.0423816		0.0421086	1.01
lnvalintax	0.1972767		0.0108675	18.15
				0.000

Notes: The sample includes 10 banks group variables for the period of 7 years, a total observation of 70. There are no time dummies but all the models include the constant.

Source: **Author**

Value at lag one is positive meaning historical or past value has a direct interaction with the current value of the banks. Also, the interactive effect of value and corporate tax is positively significant. That is the corporate tax is a

compliment of value as seen in the results of KivietBia corrected estimator. This claim will be checked using the one-step difference GMM estimator as shown in the below table.

Interactive Effect of Corporate Tax and Value on Shareholders' Wealth Maximisation using one-step difference GMM

	Coeff	Std-error	z-value	P-value
lnval(-1)	0.0004612		0.0428935	0.01
lnvalintax	0.2018654		0.0090863	22.22
AR(1)	-0.62			0.532
AR(2)	-0.69			0.490
Sargan	5.09			0.827

Notes: The sample includes 10 banks group variables for the period of 7 years, a total observation of 70. There are no time dummies but all the models include the constant.

In the table of one-step difference GMM directly above, it was discovered that book value and tax have an interactive effect that is positively and significantly with each other. Since its coefficient value is positive and the probability value is less than 5 percent level of significance. The post estimation test shows that both AR(1) and AR(2)

coefficient is negative and their probability values are greater than 5 percent. This indicates that the null hypothesis of autocorrelation is not rejected. The Sargan test probability value is also larger than 5 percent showing that the instruments of the models adopted in this study are strong.

Hypothesis Two: There is no strong dynamic relationship between previous and current tax and value.

Dynamic Interactive Effect of Growth and Tax

	KivietBia corrected WG			One-step diff-GMM		Two-step Sys-GMM			
	Coeff	Std-error	P-value	Coeff	Std-error	P-value	Coeff	Std-error	P-value
IntarIntax(-1)	1.0096	0.1288	0.000	0.6106	1.5731	0.698	0.8295	1.3557	0.541
AR(1)				0.56			0.579	0.82	
0.410									
AR(2)				-0.74			0.460	-1.58	0.114
AR(3)								1.20	0.230
Sargan				44.90			0.00	66.53	
0.000									
Hansen								9.15	
0.821									

Notes: The sample includes 10 banks group variables for the period of 7 years, a total observation of 70. There are no time dummies but all the models include the constant.

The results of the three models estimated are presented in the table above, which are KivietBia corrected, one-step difference GMM and two-step system GMM. This estimation was done to examine if the effect of the interactive relationship between previous and current tax and value or not. Thus, these models have coefficient values of 1.01, 0.61 and 0.83, these values are all positive. Kiviet bias-corrected model indicates a positive significant dynamic

interactive effect between previous and current tax and value. While the probability values of one-step difference GMM and two-step system GMM show insignificant, also, the post estimation tests indicate that there is no problem of serial correlation. However, the Sargan test result from one-step difference GMM is not in diadem with that of two-step system GMM. But, they have the same result in the Hansen restriction test.

Dynamic Interaction of previous and current tax and value Specification

	KivietBia corrected WG			One-step diff-GMM		Two-step Sys-GMM			
	Coeff	Std-error	P-value	Coeff	Std-error	P-value	Coeff	Std-error	P-value
InvalIntax(-1)	0.4620	0.1701	0.007	0.1946	0.1549	0.209	0.9841	0.0452	0.000
AR(1)				-1.56			0.118	-2.10	0.036
AR(2)				0.58			0.565	0.07	0.942
AR(3)								0.13	0.896
Sargan				39.45			0.000	23.36	0.055
Hansen								9.60	0.791

Notes: The sample includes 10 banks group variables for the period of 7 years, a total observation of 70. There are no time dummies but all the models include the constant.

Source: Author

In the above table, the dynamic interactive effect of tax and values was tested and the results in respect of this are reported in the above table. It is seen that both the Kiviet Bias corrected and one-step difference GMM estimators report a significant dynamic interactive relationship between previous and current tax and value. While the two-step system GMM reports a non-

significant dynamic interactive effect between tax and value of these banks. Thus, we uphold the results of the Kiviet Bias corrected and one-step difference GMM. That there is a dynamic interactive effect between the two.

Conclusion and Recommendation

The study focuses on the impact of corporate taxes on the values of shareholders wealth in

the Nigeria Banking Sector. There is overwhelming proof from the results of this work that tax effectively complements the growth and value of these banks. Therefore, it is concluded that tax has an interactive effect on both growth and shareholders' value maximization process. In line with the conclusion, it is recommended that:

- i. The management of banks should ensure that all the taxable assets are effectively utilized to generate sufficient earnings for the banks.
- ii. The government should revisit or restructure the existing tax policies line with the dynamic changes in the modern economy.
- iii. The government should make efforts towards making taxes, especially in banking industries counterproductive.
- iv. Existing tax policies should be revisited or restructured in line with the dynamic changes in the modern economy.
- v. Towards further study, an empirical study should be done on the impact of corporate taxes on the survival of the banking industry.

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MONETARY POLICY AND BALANCE OF PAYMENT IN NIGERIA

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Abstract

This study investigates the monetary policy implications on the balance of payments (BOP) adjustment in Nigeria from 1983 to 2018. The study used the bound testing approach to show the relationship that exists among monetary policy variables (money supply, domestic credit, inflation and exchange rate), output growth, trade balance and BOP adjustment in Nigeria. The study shows that there is a long-run relationship between monetary policy variables and balance of payment adjustment. The findings further revealed that in the long-run, money supply and trade balance have a positive impact on the balance of payments adjustment in Nigeria. On the other hand, domestic credit, exchange rate, inflation rate and gross domestic product suggest a negative impact on the balance of payments in Nigeria. An important observation from the empirical estimate is that money supply has more of a long-term impact on BOP adjustment than other monetary policy variables. This study suggests that in stabilizing the BOP position of the country, the apex bank should try as much as possible to balance money supply and demand for money to avoid distortion in price.

Keywords: Monetary policy variables, Output, Trade, Balance of payments, Nigeria

1. Introduction

Every economy always strives to achieve the five macroeconomic goals in which the monetary policy aims to maintain price stability and equilibrium balance of payments. The other three goals, which are the promotion of output growth, equal distribution of income and employment generation, are secondary. In Nigeria, the balance of payments (BOP) has been unfavourable because of the country's nature of import and export. This has invariably led to depletion in her foreign reserves, depreciation of Naira, reduction in the productive sectors and persistent price instability. The country's apex bank has taken steps to reduce the BOP deficits through various policy formulation and implementation which has not yielded desired results. Data from the Central Bank of Nigeria (CBN) shows that the country experienced thirty-two years of BOP deficits since independence until 2018 (CBN statistical bulletin, 2018).

There have been different schools of thought on the balance of payments adjustment. The classical school centred on the gold standard and it emphasized on the role of prices and interest rates in the adjustment process. The limitations of the approach were that the flows of gold are indirectly related to the domestic money supply and any reduction in money supply

reduces output and employment rather than prices, while full employment is unattainable which invariably make price level increases as money supply increases (Tijani, 2014). The Keynesian school disagree with the classical school and they stressed that income changes affecting BOP adjustment. Its shortcomings showed that countries with a surplus in income experience rising national income leading to an increased demand for imports-partially offsetting the surplus, this is otherwise for the deficit nations. The Monetary approach was developed as the modern approach to overcome the deficiency of the other approaches. It focuses on the role of money in BOP changes and adjustment. The approach also noted that the disequilibrium of the BOP is as a result of an imbalance between the supply and demand for money. Carbaugh (2004) noted that the excess supply of money encourages imports, which results in foreign exchange reserves flowing overseas and reducing the money supply.

Several studies have been conducted on the monetary approach to the balance of payments using different estimation techniques. However, some of these studies employed the Autoregressive Distributed lag techniques to examine the monetary approach of BOP adjustment in Nigeria periods, 1980-2018. The importance of this approach is that it allows

greater insight into the long-run relationship between monetary policy and BOP adjustment. Also, the approach distinguishes the long-run elasticity from short-run elasticity and uses the short-run model to estimate the speed of adjustment in BOP adjustment after a shock to the estimated system. However, estimating both the long-run and short-run elasticities are important for both policy purposes which also requires additional econometric modelling such as forecasting.

The rest of this paper is divided into four sections. Section II contains the literature on the monetary approach of BOP adjustment. Section III presents the methodology. Section IV provides the discussion of the estimation technique while section V summaries and conclude with some policy implications.

2. Literature Review and Conceptual Framework

2.0 Concept of Balance of Payments

The literature on the fundamental basis of the Monetary Approach to Balance of Payments (MABP) in a country has been generated by scholars such as Dornbusch (1971), Frenkel (1971), Johnson (1972), Laffer (1969) and Mundell (1968, 1971). Mundell emphasized that monetary factors, not real factors, exert the most influence on the balance of payments through their effects on the current and capital accounts of a country. This approach contends that disequilibrium in the country's balance of payments shows an equivalent discrepancy between that economy money demand and supply (Alawode, 1997). The MABP is based on the assumption of a small open economy with a fixed exchange rate and a stable money demand function. Furthermore, it assumes that the output of domestic prizes and interest rates are exogenously determined. Money supply is assumed to be endogenous and monetary authorities do not sterilize foreign exchange reserve. This section discusses the available literature-both theoretical and empirical on the MABP and its policy implications for a country's balance of payments.

The balance of payments records a country's with the two most important account records being the current account and capital account. Whereas the current account records all transactions of goods and services and

unrequited transfers in a country, while the capital account records all exchange and money capital for various kinds of real or financial assets. The latter account is important as it relates domestic transactions to international transactions. When there is disequilibrium in a country's balance of payments, authorities often battle with how to correct it. Whether authorities can do something to remedy-such a situation for example, through policy actions, or whether there are self-correcting mechanisms place-is often a point of debate. Throughout the years, different adjustment mechanisms to such disequilibria in a country's balance of payments have been identified (Du Plessis, et al., 1998). Three of these mechanisms are the monetary approach, the elasticity's approach and the absorption approach. Real factors are assumed to have only a temporary effect. *"The movement of reserves in response to money market disequilibrium implies that the money stock is endogenous and beyond the control of the authorities"* (Alawode, 1997). He also contends that, by changing domestic money into foreign goods and assets, the public arbitrates the total stock of money (Frenkel and Johnson 1976).

2.1 An Overview of the Monetary Approach To Balance Of Payments

The monetary approach is essentially a product of work conducted in the late 1950s, the 1960s and early 1970s, by the International Monetary Fund's research department under Jacques J. Polak, Harry G. Johnson, Robert A. Mundell and their students at the University of Chicago. The main thesis of the monetary approach to balance of payments is that a country's balance of payments is essentially a monetary phenomenon and that any observed disequilibrium in the balance of payments can be eliminated through an adroit manipulation of monetary variables, especially domestic credit, under fixed exchange rate, absence of sterilization by the monetary authorities, and stable demand for money function (Akpanung, 1998).

The theory does not imply, however, that changes in the money supply are the only factors which affect the balance of payments (Kemp, 1975). The monetary approach concerns itself with the deficit on monetary account, which in principle, consists of the items that affect the

domestic monetary base (Ardalan, 2003). The approach emphasizes the monetary aspects of the balance of payments and looks beyond merchandise trade and incorporates the important role of financial assets (Melvin, 1992). It treats the supply of money as endogenous by assuming feedback from the balance of payments through changes in international reserves to changes in the monetary liabilities of the central bank. Under this approach, money market disequilibrium is seen as a crucial factor provoking the balance of payments disequilibrium. Balance of payments imbalances will restore equality between the demand for and supply of money in the absence of official intervention. This implies, however, that external disequilibrium is transitory and will self-equilibrate in the long-run (Johnson, 1976c; Duasa, 2005; Végh, 2011).

The monetary approach to the balance of payments rests on two basic empirical propositions: (i) The demand for money is a stable function of a few macroeconomic variables (ii) The price of traded goods is assumed to be largely exogenous, as is the level of economic output. These assumptions, taken together, imply that in an open economy, the authorities cannot control the quantity of money held by domestic residents. If the quantity of money is below the desired stock, given the level of output and other determining factors, economic agents will seek to acquire additional money balances. Akpansung (1998) notes that individuals can do this through restrictions in their expenditure relative to income, while the economy as a whole will restore equilibrium by running a balance of payments surplus, and attracting money from abroad. Any discrepancy between the volume of money balances demanded and the stock of money created by the monetary authorities will be removed by a reserve movement created by a balance of payments surplus or deficit.

However, following Johnson (1978), a key equation representing the relationship in the monetary approach to the balance of payments can be given as:

$$\frac{dR}{R} = \left[e_y - \frac{1}{R} \frac{dR}{R} - \frac{1}{y} \frac{dy}{y} - \frac{1}{D} \frac{dD}{D} \right] \frac{1}{1-r} \frac{dU}{U} \quad (1)$$

Assuming constant world prices and interest rates, this equation becomes

$$\frac{dR}{R} = \left[e_y - \frac{1}{R} \frac{dR}{R} - \frac{1}{y} \frac{dy}{y} - \frac{1}{D} \frac{dD}{D} \right] \frac{1}{1-r} \frac{dU}{U} \quad (2)$$

Where the parameter e_y and e_i denote income and interest rate, elasticities of the nominal money balances, that is, e_y and e_i represent the change in the demand for money with respect to the real income and nominal interest rate, respectively. R and D denote international reserves and domestic credit, respectively; y represents real output, while i denotes interest rate. Thus, under the assumed signs of the elasticities, that is, $e_y > 0$ and $e_i < 0$, an increase in the rate of growth in prices and real income will improve the balance of payments, whereas increase in the rates of growth in interest rates and net domestic assets of the central bank will lead to reserve losses (Aghevli and Khan, 1977). Similarly, equation (2) above implies that reserve growth and the balance of payments are positively related to domestic economic growth and the income elasticity of demand for money and negatively related to the rate of domestic credit expansion (Johnson, 1978). However, if we further that there is no economic growth ($dy/y = 0$), then,

$$\frac{dR}{R} = - \frac{(1-r)}{r} \frac{dD}{D} \quad (3)$$

This implies that international reserve growth and the balance of payments are inversely related to the rate of domestic credit expansion. An important and interesting prediction of the above model is that economic growth will, all else being equal, improve the overall balance of payments since it tends to increase the demand for money *vis-a-vis* the domestically created supply of money. The model also shows the relationship existing between growth in money supply, prices and real income.

Beare (1978) observes that the monetary approach explains the balance of payments surplus and the necessity for occasional revaluation that was characteristic of the West Germany economy in the 1960s, which had a high real growth rate and a low rate of domestic credit creation and for the balance of payments deficit and the necessity for the 1967

devaluation for Britain which had a low growth rate and a high rate of domestic credit creation.

Since policymakers are mainly interested in the resolution of the balance of payments deficits as opposed to surpluses, the targeted expansion of domestic credit is set as a ceiling. However, Polak and Argy (1971) contend that if the balance of payments has over-riding priority, a credit ceiling would appear to be the better policy and that even if strong priority is attached to minimizing fluctuations in output, a credit ceiling may still be the more efficient policy where external disturbances tend to be relatively less important than domestic disturbances (and particularly so when increases in expenditures tend to worsen the balance of payments).

Although the monetary approach may be claimed to be compatible with absorption approach on the proviso that the former stresses the need for equality in the demand for and supply of money, while the latter stresses the need for equilibrium in the market for domestic output, they differ, however, on grounds that the monetary approach is a more general theory since it explains the overall balance of payments (including the capital account), whereas the absorption approach is concerned mainly with explaining the current account (Akpansung, 1998).

All said and done, despite this minencyclopaedic exposition of the monetary approach, it is worthy of mention that the only valid criticism that may be levelled against the approach is that, like absorption approach, it is a long-run equilibrium analysis and may be of limited usefulness in analyzing the short and medium-term developments of primary interests to policymakers. But the intellectual architects of the monetary approach (Johnson and Frenkel, 1978) believe that the demand for money is a stable function of a few macro-economic variables should incidentally dispose of any criticism that has been brought against it.

A study to investigate the impact of exchange rate adjustments (devaluation) in Nigeria's balance of payments from 1960-1993 was undertaken by Nyong and Obafemi (1995). They employed a modified monetary approach to devaluation as propounded by Johnson and Frenkel (1978) and elaborated by Connolly and Taylor (1976, 1979).

Their empirical results, based on two stage-least squares estimating procedures and effective estimation period from 1962- 1993, showed that:

- (i) the devaluation coefficient (ψ_1) was statistically insignificant and was also of the wrong sign, the magnitude of the coefficient being far from unity, as a priori expected; implying that devaluation may not correct the disequilibrium in Nigeria's balance of payments.
- (ii) The expansion in domestic credit was an important source leading to the worsening of Nigeria's balance of payments position.
- (iii) The coefficient of change in domestic credit (ψ_2) was not only close to unity but different from unity as predicted by the monetary approach. That is, the domestic credit coefficient (ψ_2) was found to be -0.8746 instead of -1.00 as *a priori* expected. The coefficient was statistically significant at about 5 per cent level.
- (iv) The sterilization or neutralization coefficient (ω_1) was statistically significant at better than one per cent level. This result implies that the Central Bank of Nigeria carried out complete neutralization of the domestic money supply within the sampled period (i.e. 1960-1993).
- (v) Their model failed to track the actual effect of the 65 per cent devaluation in 1986 (where the Naira was devalued by 65 per cent, trading *vis-a-vis* the US dollar at \$1 = ₦4.60 as against the administered rate of \$1 = ₦1.60, during September 26, 1986, SFEM auction).

Based on their empirical results and analysis, Nyong and Obafemi (1995) concluded that devaluation as a policy response to redress the disequilibrium in Nigeria's external sector was an inappropriate policy response to the fundamental disequilibrium plaguing the Nigerian economy. They went further to identify various factors responsible for the inapplicability of the monetary approach to devaluation in the Nigerian context to include the structure of Nigeria's production, imports and exports coupled with instability in the macro-economy, political instability and unpropitious institutional environment. However, their study indicated the crucial role of domestic credit in macro-economic adjustment.

Similarly, in assessing the balance of payments crisis in ten (10) sampled African countries from 1960 - 1990 using Bayesian Posterior Odds Ratio, Taiwo (1992) concluded that about 50 per cent of the countries sampled were experiencing a fundamental disequilibrium in their current and capital accounts. Among others, his results indicated that Nigeria was not yet experiencing this severe problem but that it would take her approximately four years to attain equilibrium in the current account if nothing else disturbed the system. He noted, however, that the economic crisis facing most African countries (including Nigeria) is multi-dimensional, and should not be equated with the balance of payments crisis confronting these countries. He, therefore, suggested that countries having fundamental disequilibrium in their balance of payments should adopt drastic measures derivable from any of the relevant theory of balance of payments, such as the monetary approach. He also foresaw the imminent self-correcting tendency of the countries without a serious balance of payments deficits. The sterilization or offsetting or government reaction function assumes that open market operations by the central bank are determined by the change in international reserves (the offsetting hypothesis) and the change in government external debt outstanding (since the central bank is a large source of finance for the government).

However, the empirical result showed that Nigeria's balance of payments has been dominated by monetary variables. The result confirmed the postulate that reserve accumulation is negatively related to the rate of growth of domestic output. Jimoh (2004) also used both the Nigerian monthly and annual data between 1987 and 2001 to determine the relevance of the monetary approach to floating the exchange rate regime operable in Nigeria since 1987. Fitting some of the most commonly used models for testing the relevance of monetary approach to floating rates.

2.2 Criticisms of the MABP

The MABP has largely been criticized for emphasizing monetary factors without taking into account that real factors also play a role, as it argues that balance of payments is in effect a monetary phenomenon (Howard and Mamingi, 2002). Nevertheless, the fact that the MABP is said to be a monetary phenomenon does not

mean that it claims all other factors are unimportant. Rather, the approach explains that, since disequilibria in the balance of payments are caused by monetary imbalances, it would be more appropriate to use policy solutions that rely on monetary policy. Moosa (1992) contends that "MABP only asserts that the effect on the balance of payments of a higher rate of economic growth should be analyzed with tools of monetary theory".

Furthermore, the MABP is criticized for concentrating on the change in international reserves to determine a country's external position (Lanciaux, 1990). The approach's characteristic of excluding other important factors - such as the current account balance, trade deficit/surplus, and the extent of a country's international borrowing is regarded as being short-sighted with respect to the real factors which determine a country's balance of payments. In response to this, it is argued that devaluation, tariffs and import quotas can only affect the balance of payments by influencing the stock of money. The MABP was also expected to include the government budget constraint in its identity; however, as Howard and Mamingi (2002) — pointed out, *"there is an interaction between government' fiscal policy and credit creation so that the government's budget constraint is not excluded"*.

The MABP was also criticized for neglecting the errors that can occur in the balance of payments data (Lanciaux, 1990). The balance of payments account includes an item called *"net errors and omissions"* in order to make provision for balancing the account and noting any errors that might occur in the data. This provision is, however, ignored by the MABP in its equation. Lanciaux (1990) pointed out that the MABP, in determining the monetary base, includes the central bank's holdings of international reserves, but then excludes net errors and omissions, whilst *"the magnitude of the central banks holdings of reserves is very small relative to the other items on the central bank's balance sheet, sometimes smaller than net errors and omissions"*. In response to this criticism, Valinezhad (1992) pointed out that the item *"Errors and omissions"* is more a balancing item to fill the gap in the double-entry book system that the balance of payments follows. He contended that *"this item is not under the direct*

control of the policymakers". The latter item is also not able to effect an automatic improvement in the Official reserves accounts of a country that is experiencing a persistent loss of reserves. Evidently, *"when a country is faced with a persistent balance of payment deficit and loss of foreign exchange reserves, no external adjustment measure, such as devaluation, would be necessary because of this item"*. Thus, Valinezhads argued that the condemnation of the MABP based on the exclusion of this item is unfounded.

Also, the MABP has been criticized for its assumption of a stable demand for money, which might not always hold for some countries, as money demand can shift from a state of stability due to changes in a country's financial environment. In addition, the demand for money in a small open economy is also subjected to external shocks in foreign trade. Currency substitution (holding foreign currency instead of domestic currency) is another factor influencing the trade balance; hence, the demand for money. Alawode (1997) contended, therefore, that *"the greater the degree of substitution between the domestic and foreign currencies, the less stable are both the exchange rate and the money demand function"*. The MABP's inconsistency in specifying the money demand functions has received a great deal of attention as it is not clear in the theoretical foundations which variables to use and why? Tsiang(1997) concurred that the casual way in which a specification of the money demand function is chosen in preference to the others does not inspire much confidence. Money supply, which plays a central part in the MAPB is also not properly modelled as it uses the standard multiplier model, which is not stable.

The MABP has been criticized for being a 'long-run' model. Policies need to be made on a short-term basis; therefore a model that only works, in the long run, was not regarded as particularly useful (Alawode, 1997). The long-run might cause economics tremendous adjustment costs, as the basic argument is that no policy actions are necessary because Balance of payments disequilibria are self-correcting.

3. Methodology

3.0 Model Specification and Data Source

This study investigates the impact of monetary policy transmission on the balance of payment adjustment in Nigeria. Several scholars have identified the contemporary relationship between monetary policy variables and balance of payment but this study reestablished if the relationship still exists, their magnitude and direction. The general framework of a balance of payment (BOP) was adapted for this study as described by Kallon (1994) and the money supply equation by Johnson (1977). The empirical model for this study modified the model of Tijani (2014), which is stated as:

$$BOP_t = \beta_0 + \beta_1 MS_t + \beta_2 DC_t + \beta_3 TB_t + \beta_4 EXR_t + \beta_5 INF_t + \beta_6 GDP_t + e_t \quad (3.1)$$

Where:

BOP =balance of payments

MS = money supply

DC = domestic credit

TB = trade Balance

EXR = exchange rate

INF = inflation rate

GDP = gross domestic product

β_0 =constant

β_{1-6} = slopes

e = error term

Andt= time.

The a priori expectation of the model expects the slope of the money supply to be positive or negative. An increase in the money supply will bring about an increase in the total money in circulation in the country. Invariably, it will increase aggregate demand and lead to a rise in productive activities and investment opportunities in the economy. This rise in the productive activities in the economy will lead to a rise in the export of goods and services, thus, leading to a rise in the balance of payments position of the country. It can also be negative as excess money in circulation prompt citizens in many developing countries to depend on imported commodities which will harm the balance of payment. In addition, a direct relationship between trade balance and BOP is expected because the balance of trade is favourable i.e. when the export is greater than import, and then there is a favourable balance of payments.

However, domestic credit is expected to have a negative relationship with the balance of payments. An increase in the exchange rate (the price of a country's currency with respect to other currencies of the world) will make the domestic currency cheaper in the foreign exchange markets. This depreciation in the domestic currency will make our exports cheaper and imports expensive in the international market for goods and services. As a result of this, our goods and services would be more in demand thus, leading to a rise in the balance of payments position of the country. It is also expected that the growth of GDP will increase when export exceeds import which invariably increases the balance of payments. Moreover, when there's inflation in an economy people tend to rely on imported goods whose

price does not change, therefore it brings about unfavourably balance of payment.

The data used is mainly secondary, which are sourced from the Central Bank of Nigeria (CBN) 2018 Statistical Bulletin (SB) 2018, volume 26 and National Bureau of Statistics (NBS) 2018. The period considered is from 1983 to 2018.

3.1 ARDL Bounds Co-integration Test

The study employs the Autoregressive Distributed Lag (ARDL) bounds test by Pesaran, Shin and Smith (2001) to examine the effects of monetary policy transmission on balance of payments in the long and the short-run periods in Nigeria. With this approach, the balance of payments is expressed as a function of the lagged value of itself and the current and the lagged values of the explanatory variables.

$$\begin{aligned} \Delta bop_t = & a_{0nose} + \sum_{p=1}^n b_{pnose} \Delta bop_{t-p} + \sum_{p=1}^n c_{pnose} \Delta ms_{t-p} + \sum_{p=1}^n d_{pnose} \Delta dc_{t-p} + \sum_{p=1}^n e_{pnose} \Delta tb_{t-p} \\ & + \sum_{p=1}^n f_{pnose} \Delta exr_{t-p} + \sum_{p=1}^n g_{pnose} \Delta inf_{t-p} + \sum_{p=1}^n h_{pnose} \Delta gdp_{t-p} + p_{1nose} bop_t + p_{2nose} ms_t + p_{3nose} dc_t \\ & + p_{4nose} tb_t + p_{5nose} esr_t + p_{6nose} inf_t + p_{7nose} gdp_t + \varepsilon_t \dots\dots\dots (3.2) \end{aligned}$$

Where:

Δ = first difference operator

The parameter p_i where $i = 1, 2, 3, 4, 5, 6, 7$ are the respective long-run multipliers while the parameters $b, c, d, e, f, g,$ and h are the short-run dynamic coefficients of the underlying ARDL model in the equation. ε_t denotes the white noise error term. The Bounds co-integration test will involve estimating equation (3.1) and restricting the parameters of the lag level variables to zero. Based on this equation, we tested the following null and alternative hypotheses:

$$\begin{aligned} H_0 = & \rho_1 = \rho_2 = \rho_3 = \rho_4 = \rho_5 = \rho_6 = \rho_7 = 0 \text{ (i.e. no co-integration or level relationship) as against} \\ H_1 = & \rho_1 = \rho_2 = \rho_3 = \rho_4 = \rho_5 = \rho_6 = \rho_7 \neq 0 \dots\dots\dots (3.3) \end{aligned}$$

The existence of the co-integrating relationship among the variables is determined by testing the significance of the lag levels of the variables using the F-test. The calculated F-statistic is compared with the two critical values for the upper and lower bounds tabulated by Narayan (2004). Because the direction of co-integration is not a priori established, then each variable is normalized as a dependent variable while the existence of the level relationship is tested. The

study also conducted diagnostic tests such as serial correlation. Normality, functional form and heteroskedasticity tests.

4. Data Analysis and Interpretation

4.0 Descriptive Analysis

Table 4.1 presents a descriptive analysis of the time-series properties of the variables included in the model. The descriptive statistics was carried out between money policy transmission and balance of payments adjustment in Nigeria from 1983 to 2018.

The table shows the mean value of the balance of payments (BOP), money supply (MS), domestic credit (DC), trade balance (TB), exchange rate (EXR), inflation rate (INF) and gross domestic product (GDP) stood at -0.27%, 10.9%, 10.4%, 6.9%, 1.87%, 15.57% and 11.55% correspondingly. The standard deviation of balance of payments (BOP), money supply (MS), Domestic credit (DC), Trade Balance (TB), Exchange Rate (EXR), Inflation Rate (INF) and Gross Domestic Product (GDP) from their respective long term mean values every year point at 9.5%, 3.65%, 3.82%, 8.05%, 2.34%, 16.75% and 2.56%. The probability value of Jarque- Bera Statistics for all variables shows

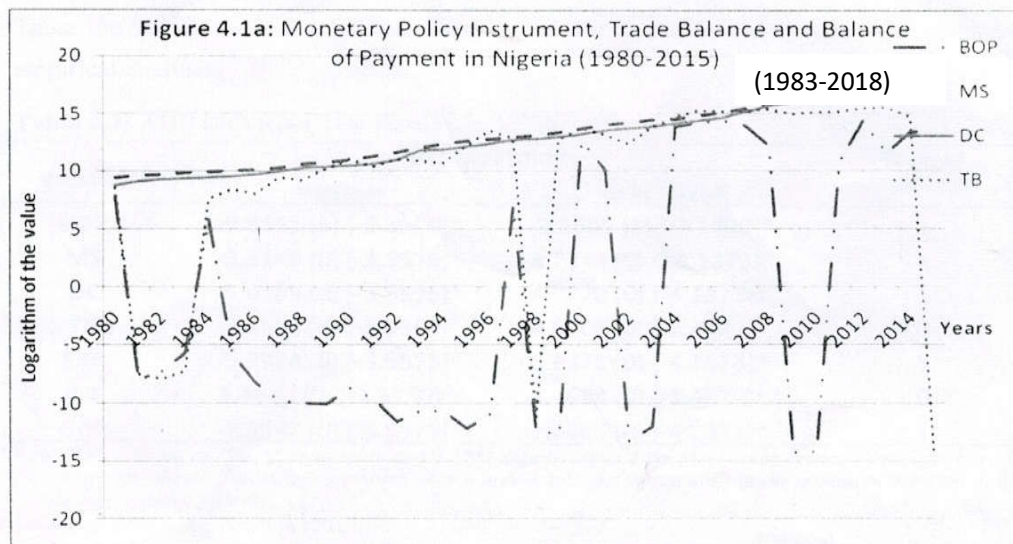
their distribution level at mean zero and constant variance. It indicated that balance of payments, money supply, domestic credit and gross

domestic product are normally distributed among all the variables of interest.

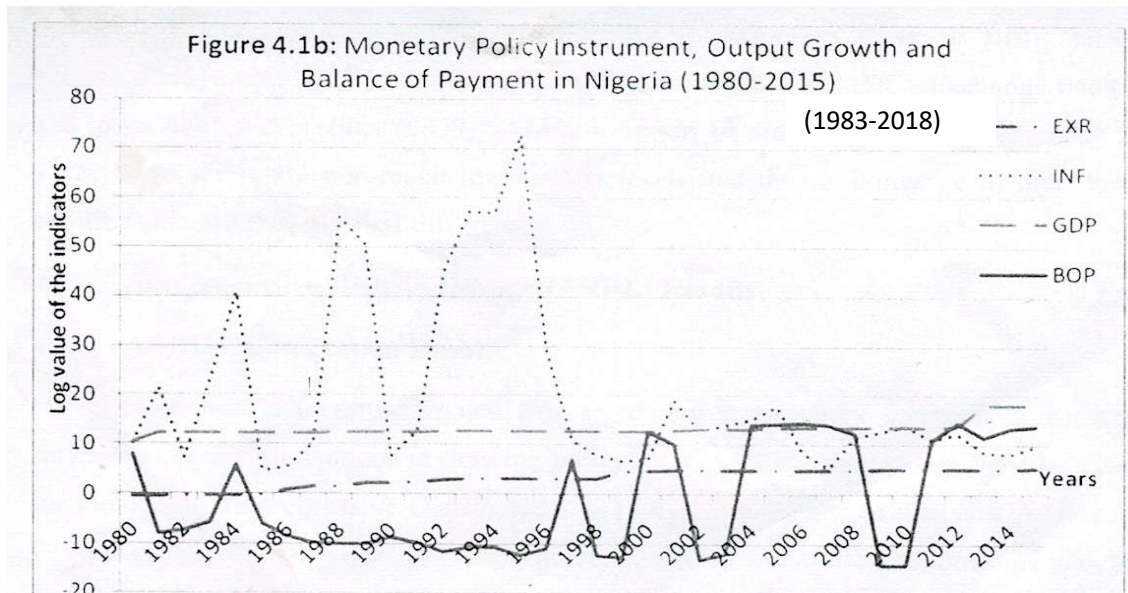
Table 4.1: Descriptive Statistics

	B	M	D	T	E	F	G
	OP	S	C	B	XR		DP
Mean	-0.2680	10.8495	10.3893	6.8505	1.8693	15.4779	11.5485
Maximum	14.396	16.7547	16.7427	15.5773	5.2806	72.8100	18.0500
Minimum	-14.2626	5.5895	4.6944	-14.6179	-0.6045	0.2900	7.8169
Std.dev.	9.5010	3.6516	3.8278	8.0459	2.3380	16.7539	2.5627
Skewness	0.1166	0.1055	0.1367	-0.9506	0.2717	1.7527	0.3090
Kurtosis	1.5980	1.7225	1.7653	2.8627	1.3359	5.3805	3.2172
Jarque-Bera	4.7130	3.9121	3.7319	8.4772	7.1508	41.895	1.0012
Probability	0.0948	0.1414	0.1548	0.0144	0.0280	0.0000	0.6062
Obs.	36	36	36	36	36	36	36

Source: Author's computation (2018).



Source: Author's computation (2018).



Source: Author's computation (2018).

Figure 4.1a-b illustrates the relationship among monetary policy instrument, output growth and balance of payment in Nigeria during the period of 1983 to 2018. The relationship between the variables is not clear enough to indicate whether it is positive or negative. To some extent, there is a similar movement between money supply

and domestic credit throughout the periods. The growth rate of output fluctuates between 7.81% and 18.05%. The growth in the balance of payments changes from 1983 to 2018, likewise the inflation rate. Thus, the inconclusiveness of the direction of our variables necessitates the need for empirical analysis.

Table 4.2: ADF Unit Root Test Results

Variables	ADF T Statistics			Order of Integration
	Intercept	Linear Trend		
BOP	-9.8851(1) [-3.5600]*	-9.8605 (1) [-4.1409]*		1
MS	-3.8149 (0) [-3.5575]*	-3.7344 (0) [-4.1373]*		1
DC	-5.0183 (0) [-3.5575]*	-4.9721 (0) [-4.1373]*		1
TB	-3.5553 (0) [-3.5550]*	-4.0508 (0) [-3.4937]*		0
EXR	-5.7924 (0) [-3.5575]*	-5.8375 (0) [-4.1373]*		1
INF	-3.4829 (0) [-3.5550]**	-3.4694 (0) [-3.4937]**		0
GDP	-7.3547 (0) [-3.5575]*	-7.4264(0)[-4.1373]*		1

Source: Author's computation (2018),

Note: * significant at 1%, ** significant at 5%; *** significant at 10% Mackinnon critical values and are shown in parenthesis. The lagged numbers shown in brackets are selected using the minimum Schwarz and Akaike Information criteria

4.1 Unit Root Test Results

Table 4.2 presents the results of the time-series properties of the variables included in the model. This pre-test was carried out before estimating the long-run and short-run relationship among monetary policy and balance of payment in Nigeria (1983-2018).

The Augmented Dickey-Fuller (ADF) unit root test results are presented in Table 4.2 indicate

that trade balance (TB) and inflation rate (INF) are stationary at levels [1(0)]. However, the balance of payments (BOP), money supply (MS), domestic credit (DC), exchange rate (EXR) and gross domestic product (GDP) were reported to be stationary at first difference [I(1)]. Thus, these series are non-mean reverting at levels and do not converge to their long-run equilibrium until they are first differenced.

4.2 Autoregressive Distributed Lag (ARDL) Results

4.2.1 ARDL Co-integration Result

Econometric literature argued that regressing a stationary series on non-stationary series has severe implications in drawing policy inference. The data series provides evidence for the use of the Autoregressive Distributed Lag (ARDL)

technique of analysis. As posited by Pesaran et al., (2001), ARDL is more suitable for variables at a different order of integration. The F-statistics estimate for testing the existence of a long-run relationship between monetary policy transmission and balance of payment in Nigeria are presented below thusly:

Table 4.3: Existence of Long-Run Relationship between monetary policy and balance of payment

Test Statistic	Value	K
F-statistics (BOP MS, DC, TB, EXR, INF, GDP)	7.8518	6
Critical Value Bounds		
Significance	10 Bound	11 Bound
10%	2.12	3.23
5%	2.45	3.61
2.5%	2.75	3.99
1%	3.15	4.43

Source: Author's computation (2018).

The estimated F-statistics of the normalized equations ($F_{arb} = 7.8518$) is greater than the lower and upper critical bound at 1% significance level. It implies that the null hypothesis of no long-run relationship is rejected at 1% significance level. The above estimation implies that the balance of payments (BOP), money supply (MS), domestic credit (DC), trade balance (TB), exchange rate (EXR), inflation

rate (INF) and gross domestic product (GDP) have equilibrium conditions that keep them together in the long-run.

4.2.2 Results of Long-run Estimates of Monetary Policy and Balance of Payment using the ARDL Approach

The table below reveals the long-run estimates between monetary policy and balance of payments adjustments in Nigeria.

Table 4.4: Long Run Coefficients [ARDL: 2,3,1,0,1,0,4]

Dependent Variable: Balance of Payments (BOP)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
MS	11.557071	8.871754	1.302682	0.2014
DC	-8.390269	8.204471	-1.022649	0.3137
TB	0.520373	0.159189	3.268900	0.0025
EXR	-0.859197	1.239420	-0.693225	0.4929
INF	-0.112958	0.064450	-1.752639	0.0887
GDP	-3.907067	1.581591	-2.470340	0.0187
C	9.309993	9.338791	0.996916	0.3258

Source: Author's computation (2018).

***, **, * indicate 1%, 5% and 10% level of significance respectively

The long-run estimates suggested that money supply (MS) and trade balance (TB) have a positive impact on the balance of payments (BOP) adjustment in Nigeria and all these conform to theoretical expectation. Specifically, a 1% point increase in money supply (MS) and trade balance (TB) increase the balance of payments (BOP) by 11.56% and 0.52% respectively.

However, domestic credit (DC), exchange rate (EXR). Inflation rate (INF) and gross domestic product (GDP) suggest a negative impact on the balance of payments (BOP) in Nigeria. This does conform to a priori expectation except for exchange rate and output growth. Thus, if the domestic credit (DC), exchange rate (EXR), Inflation Rate (INF) and gross domestic product (GDP) increase by 1%, the balance of payments

(BOP) is expected to reduce by 8.39%, 0.86%, 0.11% and 3.91% correspondingly. The table shows that trade balance and gross domestic product were statistically significant respectively at 0.05 critical values, whereas the inflation rate was significant at 10% significance level.

4.2.3 Error Correction Models using the ARDL Approach

The short-run dynamic relationship between monetary policy and balance of payments in Nigeria indicating the second part of the estimated ARDL model is reported below in Table 4.5. The lag lengths were selected based on Akaike Information Criterion(AIC). The table below reveals the short-run dynamic estimates among variables of interest.

Table 4.5: Estimated Short-run Error Correction Model [ARDL: 2,3,1,0,1,0.4]

Dependent Variable: Balance of payments (Bop)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
$\Delta(\text{BOP}(-1))$	0.376191	0.127774	2.944186	0.0058
$\Delta(\text{MS})$	2.514590	9.942766	0.252906	0.8019
$\Delta(\text{MS}(-1))$	12.339789	17.057075	0.723441	0.4744
$\Delta(\text{MS}(-2))$	-29.843982	9.646877	-3.093642	0.0039
$\Delta(\text{DC})$	10.252902	8.932534	1.147816	0.2529
$\Delta(\text{TB})$	0.600037	0.167893	3.573930	0.0011
$\Delta(\text{EXR})$	-9.333366	4.213939	-2.214880	0.0336
$\Delta(\text{INF})$	-0.130251	0.078895	-1.650952	0.1080
$\Delta(\text{GDP})$	0.845915	1.512775	0.559181	0.5797
$\Delta(\text{GDP}(-1))$	-3.072644	2.024639	-1.517625	0.1384
$\Delta(\text{GDP}(-2))$	1.630787	3.650458	0.446735	0.6579
$\Delta(\text{GDP}(-3))$	7.782849	3.045778	2.555291	0.0153
$\text{ECT}(-1)$	-0.115309	0.014518	-7.942686	0.0000

Source: Author's computation (2018).

***, **, * indicate 1%, 5% and 10% level of significance respectively

The short-run estimates suggested that the first lag of balance of payments exact positive and significant impact on the current balance of payment adjustment in Nigeria. Thus, the short-run estimates of the money supply. Domestic credit and inflation rate were also shown in the table. The error correction term indicates the speed of adjustment stores equilibrium in the model. The value is negative also significant at a 1% significance level. Specifically, the lag of the error correction term (ECT) was found statistically significant at 1% level with the coefficient of -0.1153. This indicates that 11.5% of

the distortion in the short-run is corrected in the first year in attaining equilibrium or balance of payment adjustment based on the changes in the monetary policy variables, output growth and trade balance in Nigeria.

4.2.4 Diagnostic Tests

The estimated ARDL model is tested for heteroscedasticity, serial correlation, functional form misspecification, parameter stability and normality. The results from these tests are shown in Table 4.6.

Table 4.6: Diagnostic Tests of Selected ARDL Model _

Results	
Serial Correlation: 2.6848 [0.0836]	Normality Test: 1.2162 [0.5444]
Functional Form: 1.5666 [0.1267]	Heteroskedasticity Test: 1.5564 [0.1332]

Source: Author's computation (2018).

The estimated ARDL model revealed that the model passed the serial correlation, normal test and heteroskedasticity Ramsey RESET tests,

that is, the error terms are uncorrelated, normally distributed same variance and the

model is not mis-specified. Thus, they were satisfactory for the ARDL model.

5. Summary and Conclusion

This paper examines the effect of monetary policy on the balance of payments adjustment in Nigeria between the periods, 1980-2015. Using the bound testing approach, the study reveals the relationship that exists among monetary policy variables, output growth, trade balance and BOP adjustment in Nigeria. However, few studies have examined these relationships while their results are best described as mixed based on the approaches of the different school of thoughts. Based on the ARDL estimates, it was observed that in the long-run, money supply and trade balance have a positive impact on the balance of payments adjustment in Nigeria. However, domestic credit, exchange rate,

inflation rate and gross domestic product suggest a negative impact on the balance of payments in Nigeria. An important observation from the empirical estimate is that money supply has more of a long-term impact on BOP adjustment than other monetary policy variables. Thus, the study supports the monetary approach of the Chicago schools. Following these findings, this study proposes that in stabilizing the BOP position of the country, the apex bank should try as much as possible to balance money supply and demand for money to avoid distortion in price. The protection of infant industries should be taken into consideration to earn foreign currency through diversifying of export which will stabilize both the exchange rate and balance of payments.

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INFLUENCE OF INFORMATION SOURCES ON KNOWLEDGE, ATTITUDE AND PREVENTIVE PRACTICES OF HEPATITIS B AMONG UNDERGRADUATE STUDENTS OF LEAD CITY UNIVERSITY, IBADAN

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Abstract

Hepatitis B virus is a global public health issue. The risk of exposure to HBV is a major concern among students because they have very little information about the virus. Information sources such as healthcare personnel or hospital attendants, family and friends, internet, television, radio are key instruments of health communication to students. This study aims to investigate the influence of information sources on knowledge, attitude and preventive practices of Hepatitis B among undergraduate students of Lead City University, Ibadan, Oyo State. This study was anchored on the Health Belief Model. The study adopted the survey method, using a questionnaire as a research instrument. The study population consisted of 300 and 400 level students Of Lead City University, Ibadan, Oyo State. Purposive sampling technique was used. The sample size was (N=120). The study revealed that the hospital attendants were rated the highest well-known information source, while others such as radio had the lowest rating. Television, internet, family and friends have rated averagely. The study discovered that students rarely receive information about Hepatitis B from information sources. The study also highlighted that all information sources significantly influenced the knowledge of Hepatitis B but did not influence attitude and preventive practice towards Hepatitis B. The study recommended that stakeholders such as government, media organisations, WHO, and UNICEF need to provide more information on Hepatitis B, that way a lot of changes can occur in the awareness, attitude and preventive practices of Hepatitis B among students.

Keywords: Hepatitis B, Information Sources, Knowledge, Attitude, Preventive Practices.

Word Count: 241

Introduction

Diseases are among the changes confronting the human population today. The pace at which diseases have continued to spread across the globe is a pointer to the fact that the world is under a serious threat. From time to time, new diseases emerge and old ones develop new strains that task the resources, patience and knowledge of individuals, national governments, international agencies and non-governmental organizations (Shamagana, 2016). This is why stakeholders have continued to create strategies that can successfully confront them. Besides, recent studies in the field of health communication have been increasingly concerned about influencing people's behaviour. However, over the years, health communicators have continued to face a lingering challenge on

how to influence people to adopt positive health behaviour in a bid to combat diseases or any related health problem.

In respect of the foregoing, any health communication strategy that is targeted at attitudinal change needs to understand that communication for behaviour change is a process and not just an ephemeral event that needs to be strategically approached because individuals differ in levels of motivation or readiness to change. More so, we need to note that in a bid to achieve lasting and sustainable attitudinal change and practice through health communication, the maximum participation of the target people in the entire process is very crucial. That is, information sources need to be anchored on the principle of participation.

There is still more to be done to bridge some gaps traceable in development communication approaches used in the 3rd world countries.

Various studies have also shown the relationship between several dangerous diseases that have continued to be responsible for the deaths of many people in Nigeria and some of the people's unsustainable knowledge, attitudes and practices (Awogbenja, 2010, Afihire, et. Al., 2015). One of such is Hepatitis B which is the focus of this study. One of the challenges of health communication is to provide enough information about knowledge, attitude and practice to enable the audience to follow the logic of the recommendation while at the same time not losing those members of the audience that have a lower level of health literacy (CDC, 2019).

It is important to note here that the persistent problem of viral Hepatitis B in Nigeria cannot be blamed solely on the failure of communication can do little or nothing concerning problems such staggering infrastructure, epileptic health policies and corruption in the health sector. This by extension points to the limitation of health communication itself. Yet, the deployment of effective communication can play a significant role in mitigating the problem of the increasing prevalence of viral Hepatitis B infection, albeit by helping in providing adequate, participatory, divulging information to infected people and people yet to be infected. Health communication cannot replace the lack of local infrastructure (such as the absence of appropriate health services or hospitals) or capability (such as an inadequate number of health care providers in relations to the size of the population being attended (Schavo, 2014). It compensates for adequate medical solutions to treat, diagnose, or prevent any disease. But it can help increase knowledge, advocate for change of attitude and practice and also create a receptive environment to support the development of new health services to encourage and improve health outcomes.

Therefore, the influence of information sources would not only educate people about Hepatitis B but also educate them about the attitude and preventive practices of the disease. Sustainability of behaviour change among the general public is an important stepping stone to

winning the war against viral Hepatitis B in Nigeria. What then is viral Hepatitis B, and how much damage has it done to mankind so far?

Hepatitis B virus (HBV) is considered a global disease of humanity with an estimated prevalence of 30% around the world but about 350 million of the population was found to be serological carriers of Hepatitis B (WHO, 2013). It is an infectious disease and the tenth leading cause of death all over the world; also it could occur with no seasonal spreading (McMahon, 2007). Hepatitis B caused 880,000 deaths in 2015 including deaths from acute infection, liver cancer and cirrhosis (WHO, 2013). To put these figures in the context of other major infectious diseases, it is estimated that malaria caused 435,000 deaths in 2017 while Tuberculosis and HIV had 350,000 and 660,000 deaths respectively in 2017. This is a stunning indication of the endemic nature of Hepatitis B as a global health problem from which no country, rich or poor spared (WHO, 2019, WHO, 2016).

Dr Funmi Lesi, a consultant Gastroenterologist at Lagos University Teaching Hospital in a ThisDay newspaper interview (2015) revealed that "HBV" is a silent killer in our environment. Unfortunately, people's knowledge of the virus is very shallow. This underscores the importance to-examine information sources like hospital attendants, friends, families, colleagues, television, radio, Internet, handbills etc. in other to seek more creative ways to strengthen them for greater efficiency especially among university students (Gana, 2017).

Students are continuously remembered or reminded of the importance of sustaining the knowledge, attitude and harmful practice of diseases. Since there has been insufficient information to sustain the knowledge, attitude and preventive practices of Hepatitis B among university students, information sources are used in a bid to achieve the influence of information on knowledge, attitude and preventive practices of Hepatitis B among students of tertiary institutions. When this is done, winning the war against HBV will be a reality. Therefore, this study focuses on the influence of information sources on the knowledge, attitude and preventive practices of

Hepatitis B among Lead City University Students.

Statement of the Problem

There has been a persistent increase in the number of people getting infected by viral Hepatitis B worldwide. An estimated 325 million persons worldwide have been infected with this disease and more than 350million have chronic life-long threatening infections (WHO, 2019). 1.4million deaths have been recorded each year as a result of Viral Hepatitis B according to the most recent statistics released by the World Health Organization to mark the World Hepatitis Day which held in Islamabad, Pakistan(27-28/07/2019).

Although various campaigns have been embarked upon by (NGOs) to create awareness on the disease, however, these campaigns have largely been ineffective. This is evident in the prevalence of people getting infected by the virus which keeps on increasing by the day. This grim situation is worsened by the existence of some social practices that are common in most African societies such as poor attitude to health care issues, over-reliance on traditional herbs instead of proper medical test, sharing items like toothbrush, razors, towels, eating contaminated food and transfusion of infected blood to patients in the hospital.

Worse still, there seems to be a dearth of public awareness about these social practices that aid the spread of the virus in the society. Many people may have heard about Hepatitis B, but they have little or no knowledge about the dangers that are associated with the virus. Also, many students knowledge, attitude and preventive practice level of Hepatitis B is very low due to the paucity of information sources about the disease.

The poor access to information on viral hepatitis B, especially on the attitude and preventive practices encourage the spread of disease. Research findings from previous empirical studies also attested to the fact that there is low awareness of Hepatitis B among students of tertiary institutions and the majority of the available studies on Hepatitis B stress on knowledgeleaving out research on attitude and preventive practices. Hence, this study is motivated to fill a gap in the influence of information sources on knowledge, attitude and

preventive practices of Hepatitis B among Lead City University Students.

Objectives of the Study

The main objective of this study is to investigate the influence of information sources on knowledge, attitude and preventive practices of Hepatitis B among Lead City University undergraduate students. The specific objectives are to:

1. Identify the sources from which undergraduate students of Lead City University get information about Hepatitis B.
2. Ascertain the respondents' attitude on Hepatitis B.
3. Establish respondents' preventive practices on Hepatitis B.
4. Determine if information sources significantly influence the knowledge, attitude and practice of Hepatitis B.

Research Questions

1. What are sources from which Lead City University students get information on Hepatitis B?
2. What are the attitudes of Lead City University students on Hepatitis B?
3. What are the practices of Lead City University students on Hepatitis B?
4. Do information sources of Hepatitis B significantly influence the knowledge, attitude and practice of Hepatitis B among lead City University students?

Review of Literature

A Review of Hepatitis Prevalence in Nigeria

Hepatitis B virus is today considered as a major public health problem worldwide is more prevalent in developing countries. More than 2 billion people are infected with HBV worldwide while some 280 million are carriers, harbouring the virus in their liver. About 2 million of these carriers die each year as a result of cirrhosis or primary liver cell cancer induced by the virus. This virus is responsible for 80% of all cases of primary liver cancer, which is one of the leading causes of death in Asia and Africa. Studies done in Nigeria showed HBV carriage rate in the range of 9% to 39%. Chronic infection with HBV occurs in 90% infants infected at birth, 30% of children infected at 1-5 years and 6% of persons infected above 5years. Thus, there is an inverse relationship between chronic infection and age

due to the maturation of the immune system (WHO, 2019).

Hepatitis B virus (HBV) is a common and very serious infection that can cause liver cell damage leading to jaundice, Cancer and Cirrhosis. Unlike in the case of Hepatitis A, the antibodies of the patient are not enough to clear the infection because the virus (HBV) establishes itself in the DNA of the affected liver cells (NCI, 2005).

However, researches have shown that alcohol alone does not lead to cirrhosis, but cirrhosis is prone or more common among patients history of long term alcohol consumption. Alcohol-induced hepatitis mainly characterized by enlargement of the liver and development of fluid in the abdomen.

Modes of transmission of HBV infection include:

- Vertical transmission as in mother to child mainly during and birth which accounts for 1.5% infections in Africa (breastfeeding and pre-chewing).
- Use of unsterilized needles and syringes for injections.
- Transfusion of infected blood and blood products.
- Close body contact with patients with infection or carriers especially those with skin lesions like impetigo, scabies and cuts that enable transfer of blood and body fluid.
- Unprotected sex with infected persons and human bites.
- Sharing of toothbrushes, towels, razors, needles, nail and hair clippers (NCI, 2005).

Many people infected with hepatitis B virus never develop signs and symptoms. However in others, it is associated with loss of appetite, nausea and vomiting, weakness and fatigue, abdominal pain, especially around the liver, dark urine, yellowing of skin and the whiteness of eyes (Jaundice), joint pain, mild fever, headache, muscles aches, diarrhoea and dark coffee coloured stools.

There are no specific treatments for the acute symptoms of hepatitis B virus infection, but in most cases, best rest, prevention of dehydration, balanced diet and avoidance of alcoholic beverages are recommended. It can also be prevented by avoiding contact with infected and

body fluids, including semen and vaginal secretions of infected individuals.

Information Sources

The Concept of Mass Media

The mass media is a diversified group of mediatechnologies that reach a wide audience through mass communication. The technologies through which this communication takes place include various outlets. To further explain, it was stated that mass media are referred to as the various systems of modern communication that make information consumption possible, which include newspapers, magazines, books(print media) and television, radio, film or cinema(electronic media)Folarin (1998). Mass media are the means of communicating openly at a distance within a short period (McQuail, 2000). Mass media are channels of communication in modern society (Daramola 2005).

Newspapers

Generally, the newspaper was considered as being unsuitable for development and behaviour change purposes in a developing country such as Nigeria (Awogbenja 2010, Gana 2017). It was considered an elitist medium. Also, by its nature, some level of literacy (even in the mother tongue) was required on the part of its audience to access any information that it contains. And like most developing countries, Nigeria had low literacy rate (Gana, 2017). More so, the poor majority and those in rural areas were not able to have access to newspapers and the information they contain because of their low-income level (Ojebode 2006 and Soola 2003). Despite these shortcomings, the newspaper can be made to serve development purposes. In his view, to achieve this, the newspaper should be used to sensitize and educate policymakers on development issues, make government and policymakers accountable to the people and must be pro-development in orientation by committing space, talent and skill of journalists and other resources to promoting development issues (Soola, 2003).

Magazines

The magazine is another branch of mass media and can be useful for behavioural change (Gupta and Sinha 2010). Gupta and Sinha (2010) argued that magazines can be important because they carry useful information about health. The strength of magazines include audience selectivity, reader loyalty and relative

long shelf life, also magazines can be re-read long after publication and it can be passed on to others.

Radio

Radio is regarded as the most potent medium of mass communication in history, especially to developing nations (Ojebode 2006). Yahere (2003) observed that radio is one medium of mass communication that is most appropriate for rural intervention. Beyond its traditional role of providing information, education and entertainment, radio can be used to sensitize, educate and mobilize community people in pursuit of development objectives. Radio is a tool for raising public awareness and motivation.

Television

Television has been used as a factor for enabling awareness on Hepatitis B. The factor that might limit its effectiveness as stated by development communication scholars is the fact that television is seen as an elitist medium, not having the reach radio has, too costly to own, maintain and run by rural folks (Soola, 2003). Television can be seen as an effective carrier of information regarding health because it uses audio and visual in relaying information, it usually has channels like NTA (Nigerian television authority), AIT (African Independent Television) and so on. Most of these channels are paid for by subscription, some are free. Television has good qualities of sound and emotions; it is excellent for creating awareness.

New Media

The world is a global village because of the advent of the internet and the advancements in information communication technologies (Ifenkwe 2008; Mutawakilu 2008). People from all over the globe can now meet in real-time, discuss, teach, learn and share information on any subject matter, unlike the traditional mass media which is largely unidirectional, ICT's and the internet allow for bi-directional and even multidirectional flow of information, thus opening up a new prospect for rural communication. The potentials of the Internet remain a mirage because of the internet's reliance on telecommunications infrastructure. In his view, the internet is widely the exclusive preserve of the elite at the moment (Soola, 2003).

Interpersonal sources

One vital importance of face to face communication is the immediacy of feedback and clarity of information that it affords the communicators (Pearson et. al., 2011). Rural areas share some characteristics that make interpersonal communication very effective. Rural areas are homogeneous; have a common language, culture and tradition, members of the community are known to each other and there are close family ties (Yahere, 2003). Several studies have shown that face to face interaction with health personnel is the most effective in influencing people towards health issues (Agho 2011; Awogbenja 2010).

Information Education Communication Materials

Information, education and communication (IEC) materials are print materials such as posters, brochures, handbills, flyers, billboards, face caps, biros, folders, stickers, bags and others, that are intended to draw attention to information about Hepatitis B. They are also infrastructural aids during lectures and seminars (Ojebode 2006). They also give information to increase people's knowledge. IEC materials possess some features that make them suitable for disseminating information and influencing behaviour change. This helps information and messages to get to places and reach people that the development agents may not be able to reach. IEC materials simplify development messages into catchy expressions that can be easily be understood, memorised and remembered and they also help participants in a communication event to relate what they learn to others.

More so, they make demonstration easier, aid comprehension and retention; also facilitate compliance to prescribed behaviour or practice (Ojebode 2006). IEC materials give information whose focus is to increase people's knowledge about an issue and have them use it as a basis for decision change.

Knowledge

The concept of knowledge is explained in three stages. They stated that the word knowledge can mean three things by our use; first, we use it to refer to a state of knowing by which we also mean to be acquainted or to be aware of, to recognise or approach facts, methods, and principles and so on. The common usage

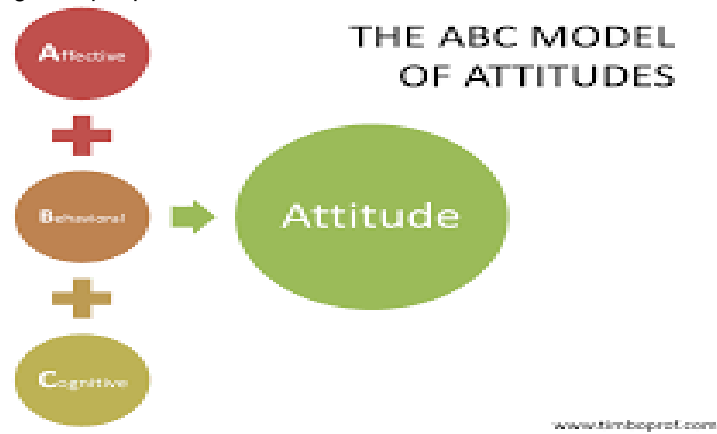
corresponds to what is often referred to as "know about". Second, we use the word "knowledge" to refer to the capacity for action" an understanding of facts, methods, in the course of making things happen. This corresponds to "know-how". Third, we use the term to refer to a body of knowledge that has been articulated and captured in the form of books, papers, manuals, computer code and so on.

Attitude

Attitude is a person's feeling, thought or disposition for or against people, an idea or an

object³⁵. It is made up of three components, the cognitive, affective and behavioural components. Attitudes are learned through experience, hereditary factors, bodily states and communication. In another view, attitude is a relatively lasting cluster of feelings, beliefs and behaviour tendencies directed towards specific persons, groups, ideas or objects (Baron and Bryne, 2000).

Social psychologists generally consider attitudes to follow the ABC model which suggests that attitude has three components; affect, behaviours and cognition (Feldman, 2005).



The ABC Model of Attitudes

The cognition component refers to the beliefs and thoughts we hold about the object of our attitude. Every attitude has these three interrelated components, although they vary in terms of which element predominates and like their relationship. All attitudes, however, forms are maintained and change according to general principles that social psychologists' have discovered. The link between attitudes and behaviour, attitudes affect behaviour, the strength of the link between particular attitudes and behaviour varies of course but generally, people strive for consistency between their attitudes and their behaviour³⁸. Furthermore, people tend to be fairly consistent with the difficult attitudes they hold. You would probably not hold the attitude that eating meat is immoral and still have a positive attitude towards hamburgers.

Media and Attitudinal Change

In taking stock of approximately 30 years of research on the two-step flow model of information diffusion, it was cautiously

concluded that the media are most effective in the diffusion of informative news, but that interpersonal communication seems more effective than the media in influencing attitudes and eventually behaviour (Van and Marias, 1979). Relatively, recent social psychological research has shown that salience, the readiness with which a person communicates about an attitude, is a potentially important property in describing the effects of persuasive messages and in the prediction of behaviour from attitudes (Gana, 2017).

The model of Lewin can be applied to communication in the following way; the person is more likely to receive information irrespective whether it is of an affective or cognitive nature relevant to the peripheral region from the environment, for example, the mass media, then information relevant to the central region. In other words, at least during the formation of the attitude, it must have been salient. The same applies to the change of an attitude; some form of information must prompt the change since attitude cannot change endogenically. A person

does not, however, accept the validity of information passively and uncritically.

Theoretical Framework

Agenda Setting Theory

The theory seeks to explain the normative behaviour of the press in countries that are conventionally classified together as “developing countries” or third world countries”. It explains that the mass media pre-determine what issues are regarded as important at a given time in a given society; it does not imply that the media has the power to determine what we think (Folarin, 1998). The major tenets of development media theory are: Media must accept and carry out positive development tasks in line with nationally established policy. Freedom of the media should be open to economic priorities and development needs of the society. Media should give priority in their content to the national culture and language(s); Media should give priority in news and information to links with other developing countries which are close geographically, culturally or politically; Journalists and other media workers have responsibilities as well as freedoms in their information gathering and dissemination tasks and the interest of development ends the state has a right to intervene in or restrict, media operation and devices of censorship, subsidy and direct control can be justified (McQuail, 2000).

The word agenda refers to some topic of discussion, like when we say we have the agenda of the meeting as such politics, education or religion. The interest or attention given to the topic of discussion makes it the agenda. A theory that decides what should be ideal, giving it more emphasis is called agenda-setting theory. The society can decide to set the agenda. Information sources can decide to promote knowledge, attitude and practice of Hepatitis B among students through effective communication.

The major tenet of this theory is the power of media or any form of communication to set agenda about Hepatitis B. When all forms of information sources whether mass media or interpersonal communication set up Hepatitis B as issue of concern to the public then we are way closer to solving the problem of inadequate practice of exclusive breastfeeding. These

information sources will influence the knowledge, attitude and practice of Hepatitis B among students. This theory will enable us to view the importance of agenda-setting in a study like this, by examining the power of these information sources to influence student's knowledge, attitude and practice.

The Health Belief Model

Umar (2014) described the health belief model is an intrapersonal (within the individual, knowledge and beliefs) theory used in health promotion to design intervention and prevention programmes. The focus of the health belief model is to assess the health behaviour of individuals through an examination of perceptions and attitudes someone may have towards disease and negative outcomes of certain actions. Individuals must realise that behavioural change can be beneficial and the benefits of that change will outweigh any costs of doing so (perceived benefits and barriers).

In conclusion, the health belief model is a simultaneous process used to encourage healthy behaviour among individuals who put themselves at risk of developing negative health outcomes. A person must evaluate his or her perceptions of susceptibility and severity of developing a disease. Then, it is necessary to feel threatened by these perceptions and knowledge. Environmental factors can contribute as well as cues to action such as the media. The benefits to change behaviour in order to determine that taking action will be worthwhile (Umar, 2014).

This model explains that media has the power to influence the knowledge, attitude and practices of Hepatitis B by students, but this can happen only if the students have been exposed to media messages on Hepatitis B. Exposure to these messages helps the mothers to decide which of the practices to adopt.

Methodology

The survey method was used for the study. The population of the study comprised of 300 and 400 levels of undergraduate students of Lead City University, Ibadan. The survey method was considered relevant to this study because of its capacity to measure human attitudes and opinions. This research adopted the cross-sectional survey design, which requires a sample of data collected at a point in time to be used to draw inferences about research

questions. A purposive sampling technique was used. This technique was employed because it is straight forward, easy to implement and the results are valid. This technique was used to select the sample from the undergraduate students of Lead City University. In the end, 120 respondents were drawn from the population and copies of a questionnaire were administered on the sample data were analysed using frequency tables. The statistical Package for Social Sciences (SPSS) was also used.

Data Analysis

This section presents and discusses the information collected from respondents on items that relate to each of the three research questions. After the data was collected, they were organized and analyzed. For analysis of close-ended questions, that is, a questionnaire, a computer application called Statistical Package for Social Sciences (SPSS) was used. The data were analyzed using descriptive statistics and frequency tables' cross-tabulation.

Table 1: Demographic Features of Respondents

Features		Frequency	Percentage (%)
Age	18-24	65	54.2
	25-31	30	25.0
	32 & above	25	20.8
	Total	120	100.0
Level	300	47	39.2
	400	73	60.8
	Total	120	100.0
Gender	Male	61	50.8
	Female	59	49.2
	Total	120	100.0

Table 1 indicates that respondents who were between the ages of 18 and 24 were more represented (n=65, 54.2%) than those who were between the ages of 25 and 31 (n=30, 25%), while those who were within the age categories of 32 and above (n=25, 20.8%) had the least representation in the study. This implies that the study was predominantly on the younger students (between the ages of 18 and 24) of Lead City University. Study participants who are Christians (n=94, 78.3%) were more than their Muslim counterparts (n=26, 21.7%). The level that mostly participated among the study

participants was 400L (n=73, 60.8%), followed by those who had other types of educational education (n=71, 23.7%), while 300L (n=47, 39.2%) had the least representation in the study. Majority of the study participants were males (n=61, 50.8%), while female participants were (n=59, 49.2%). This suggests that the university has more male students than female students.

Analysis of Data From Survey

Research Question 1: What are the sources from which Lead City University students get information on Hepatitis B?

Table 2: Frequency of respondents that have heard about Hepatitis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	92	76.0	76.7	76.7
	No	28	23.1	23.3	100.0
	Total	120	99.2	100.0	

Table 2 indicates that a large percentage of the participants (n=92, 76.7%) had heard about Hepatitis B while a small percentage (n=28, 23.3%) had not heard about Hepatitis B. This

implies that a large number of Lead City University Students are familiar with this disease.

Table 3: If yes, tick all the information sources you heard about hepatitis

		Frequency	Percent	Valid Percent
Valid	Radio	14	11.6	11.7
	Television	20	16.5	16.7
	Hospital Attendants	28	23.1	23.3
	From Someone	26	21.5	21.7
	Internet	18	14.9	15.0
	None	14	11.6	11.7
	Total	120	99.2	100.0

From table 3, the most familiar sources of information on Hepatitis were hospital attendants (n=28, 23.1%), followed by someone (n=26, 21.5%). 20% of the respondents identified television as a source of information on Hepatitis, also a group of students stated they heard about Hepatitis from the internet (n=18, 14.9%), another 11.6% (n=14) identified

radio as a source of information on Hepatitis, while a group of students (n=14, 11.6%) did not get any information on Hepatitis B. This suggests that the most familiar sources of Hepatitis were hospital attendants and from people, while radio was the least known source for disseminating information on Hepatitis.

Table 4: Frequency of when last the respondents come across Hepatitis messages by these information sources?

Features	Frequency	Percent	Valid Percent
This week	2	1.6	1.7
Last week	47	38.5	39.2
A month	52	42.6	43.3
Not at all	19	15.6	15.8
Total	120	98.4	100.0

Table 4 shows that 42.6 percent (n=52) stated that they came across Hepatitis information on the sources about a month ago, 38.5% (n=47) came across Hepatitis information on the source last week, another group of students (n=19, 15.6%) had not come across information on Hepatitis on the sources at all, while (n=2, 1.6%) came across Hepatitis information on the source this week. This implies that the majority

of the students do not have access to Hepatitis information very often. These findings show that all the information sources are very important in the process of disseminating information about health issues like Hepatitis and other issues as well. This is because we cannot predict the kind of information source that would be effective except a study is conducted in that area

Table 5: Frequency of Receiving Messages, Frequency of Informative and Improvement of Information Sources

		Frequency	Percentage (%)
Features How often do you receive messages from information sources on Hepatitis	Often	17	14.2
	Very Often	7	5.8
	Not Often	96	80.0
	Total	120	100.0
How often are the messages on Hepatitis informative	Often	19	15.8
	Very Often	10	8.3
	Not Often	91	75.8
	Total	120	100.0
Is there a need for information sources to improve messages on Hepatitis	Yes	120	100.0
	No	0	0
	Total	120	100.0

Table 5 establishes that many respondents state that they received messages from sources of information on Hepatitis not often (n=96, 80%); 14.2% percent (n=17) of the respondents stated that they received messages from sources of information on Hepatitis often; while 5.8% percent (n=7) of the respondents stated that they received messages from sources of information on Hepatitis very often. However, majority of the students (n=91, 75.8%) stated that the

information on Hepatitis is not informative; a group of students (n=19, 15.8%) stated that they find information on Hepatitis instructive while another group of students (n=10, 8.3%) stated that the information on Hepatitis is often helpful. Also, all the students (n=100, 100%) noted that there is a need for information sources to improve the messages on Hepatitis. This suggests that many do not receive enough information on Hepatitis B very often from sources.

Table 6: Frequency of Respondents knowledge of Hepatitis B

		Frequency	Percentage%
Hepatitis B is a viral disease?	Yes	64	53.3
	No	18	15.0
	I don't know	38	31.7
	Total	120	100.0
Can Hepatitis B affect the liver and its functions?	Yes	66	55.0
	No	12	10.0
	I don't know	42	35.0
	Total	120	100.0
Jaundice, nausea, vomiting, loss of appetite are common symptoms of Hepatitis B	Yes	77	64.2
	No	6	5.0
	I don't know	37	30.8
	Total	120	100.0
Hepatitis B could be transmitted by unsafe sex, contaminated blood product, and unsterilized equipment	Yes	56	46.7
	No	28	23.3
	I don't know	36	30.0
	Total	120	100.0
Is vaccination available for the prevention of Hepatitis B?	Yes	57	47.5
	No	14	11.7
	I don't know	49	40.8
	Total	120	100.0
Is Hepatitis B curable?	Yes	32	26.7
	No	37	30.8
	I don't know	51	42.5
	Total	120	100.0

Table 6 reveals that the knowledge of the respondents regarding hepatitis as a viral disease was average (61%), a group of students (15%) do not know if Hepatitis is a viral disease while the remaining 31.7% do not know if Hepatitis is a viral disease. 55.9% of the respondents know that hepatitis B affects the liver and its functions, 10% of the respondents thought it does not affect the liver while the remaining 35% do not know if it affects the liver. About 64.2% of the respondents had good knowledge about the symptoms of hepatitis B and 35.8% do not know the symptoms of Hepatitis. 46.7% thought that hepatitis is

transmitted through unsafe sex, unsterilized equipment, and contaminated blood product while the rest of the respondents 53.3% have zero knowledge about how Hepatitis could be transmitted. About 47.5% know that there is available vaccination for hepatitis, 11.7% thought there is no vaccine for Hepatitis B while 40.8% respondents do not know if there is vaccine for Hepatitis B. 26.7% respondents think that Hepatitis B is curable, 30.8% thought Hepatitis is not curable while majority of the students 42.5% do not know if it is curable. This depicts that respondents' knowledge of Hepatitis B is on average.

Research Question 2: What are the attitudes of Lead City University students on Hepatitis B?**Table 7:** Frequency of Respondents Attitude towards Hepatitis B

		Frequency	Percentage%
Do you think you can have Hepatitis B?	Yes	36	30.0
	No	84	70.0
	Total	120	100.0
Would you worry if you have Hepatitis B	Yes	100	82.0
	No	20	18.0
	Total	120	100.0
What would be your reaction if you have Hepatitis B?	Sadness	50	41.7
	Fear	70	58.3
	Total	120	100.0
Physical activity and special diet are required for treatment of Hepatitis B	Yes	73	59.6
	No	47	40.4
	Total	120	100.0
What will be your attitude towards hepatitis B?	Go to physician		68.2
		80	
	Use herbal Medication		30.0
		35	
	Surrender and lose hope		2.8
		5	
Total		120	100

Table 7 describes the attitude of respondents toward hepatitis. 84% of respondents thought that they won't have hepatitis B while 36% thought they could have Hepatitis B. 82% of them would feel worried and afraid if they suffer from hepatitis B while 18% of them wouldn't feel bothered if infected with Hepatitis B. From the table above, 41.7% of the respondents would be sad if they are infected with Hepatitis B while the remaining 58.3% would feel afraid if they suffer from hepatitis. Also, most of the respondents (59.6%) averagely agreed that physical activity and special diet are required for treatment of Hepatitis while 40.4% averagely opposed the opinion. The majority of the respondents showed a good attitude (68.2%) toward going to

physicians, 30% would use herbal medication while 2.8% would surrender and lose hope if they suffer from hepatitis. These indicate that students had a good attitude towards Hepatitis B.

From the study, the enlightenment from information sources did not influence the attitude of students as they agreed to have a good attitude. It is, therefore, possible that information given by all information sources can either encourage or discourage respondents.

Research Question 3: What are the preventive practices of Lead City University students on Hepatitis B?

Table 8: Frequency of Respondents Preventive Practices of Hepatitis B

		Frequency	Percentage%
Have you been screened for Hepatitis B	Yes	29	24.2
	No	91	75.8
	Total	120	100.0
Have you been vaccinated against Hepatitis B	Yes	25	20.9
	No	95	79.1
	Total	120	100.0
Do you ask your barber to change the blade before barbing or ask for a new needle for piercing?	Yes	88	73.3
	No	32	26.7
	Total	120	100.0
In case you are diagnosed with Hepatitis B, would you go for further investigation and treatment?	Yes	110	91.7
	No	10	8.3
	Total	120	100
Do you avoid meeting Hepatitis B patients?	Yes	55	45.8
	No	65	54.2
	Total	120	100
Have you participated in health education programmes related to Hepatitis?	Yes	24	20.0
	No	96	80.0
	Total	120	100

Table 8 establishes that the practice pattern of included subjects show that only 24, that is 2% of the respondents, have been screened for Hepatitis B while 75.8% had not been screened for Hepatitis B. Only 20.9% have been vaccinated against hepatitis B while 79.1% had never been vaccinated. About 73.3% of subjects have good practice pattern regarding sterilizing their equipment and not using other people's tools while 26, that is 7%, do not care about sterilizing equipment. Most of the participants 91.7 were willing to make further investigation and treatment if diagnosed with Hepatitis B while 8, that is 3% of the respondents, won't make

further investigation and treatment. Only 54, that is 2% of respondents, avoid contact with patients with Hepatitis B while the remaining 45.8% do not avoid having contact with infected patients. The majority of the respondents (80%) have never been enrolled in any educational health program on Hepatitis B.

Research Question 4: Do information sources on Hepatitis significantly influence the knowledge, attitude, and preventive practices of Hepatitis B among lead City University students?

Table 9: Frequency of how information sources influence the respondent's knowledge, attitude and preventive practice of Hepatitis B

Features		Frequency	Percentage (%)
Did information source messages influence your knowledge about Hepatitis B?	Yes	68	56.7
	No	52	43.3
	Total	120	100.0
Did information source messages influence your attitude towards Hepatitis B	Yes	52	56.7
	No	68	43.3
	Total	120	100.0
Did information sources influence you to get screened and vaccinated against Hepatitis B	Yes	32	26.7
	No	88	73.3
	Total	120	100.0

From table 9, the majority of the students indicate that information source messages help them know Hepatitis B (68%). However, the same proportion of students also

states that information source messages did not influence their attitude towards hepatitis B (68%). The majority of the students also states

that information source messages did not encourage them to get screened and vaccinated for Hepatitis B. From this, Lead City University students have an average knowledge of Hepatitis B through information sources. However, their knowledge has not translated into the action of going for screening and getting a vaccination against the disease despite their awareness about it.

Discussion of Findings

The present study was conducted to evaluate the influence of Information Sources on Knowledge, Attitude, and Practice of Hepatitis B among Lead City University Students. Most of our study population was aged between 18 and 24 years. Among the study population, 50.8% were male and 48.2% were female. In a study conducted in 2015, it was discovered that 70% of respondents were female (Mohmoud, et. al. 2015) which is higher than our study.

During the study, it was discovered that 76.7% of students have heard about Hepatitis B. Most of them (22.3%) got the information from hospital attendants and 43.4% from media (Television with 16.7%, Radio with 11.7% and Internet with 15%). This is not in line with a study which discovered that a major source of information is media (77%). The study showed that only 55% of the students knew Hepatitis B affects the liver and its functions, other students (45%) do not know which part is affected by hepatitis B.

In the current study, the majority of the students (53.3%) said that Hepatitis B is a viral disease and 46.7% of the respondents do not know that hepatitis B is a viral disease. According to a study conducted in Egypt (Mohmoud, et. al. 2015), nearly half of the students (50%) knew that hepatitis B is caused by a virus. Among the respondents, 47.5% of the students said that the Hepatitis B vaccine was available, 11.7% disagreed with the availability and 40.6% of students did not know if it is available or not. It was found that (42%) students knew that a vaccine for HBV is available.

During the study, it was found that 24.2% of students have been screened for Hepatitis B and has been vaccinated. However, 31.32% of students have not been screened or vaccinated and 16.32% of students didn't know whether they took vaccine or not.

This study revealed that although adolescents may have some knowledge about Hepatitis B, there are certain misperceptions about its prevalence and symptoms. Other studies that have looked at the knowledge and awareness have targeted mainly medical students who have revealed similar trends in pre-clinical years. Students are highly prone to mixing up the symptoms, transmission and vaccine availability of Hepatitis B.

There is a significant variation among students about sources of knowledge. Male students were more knowledgeable than female students; where the main source of knowledge for boys were hospital attendants, someone, radio, television, and the internet, for female students it was just Hospital attendants. Television is the source of knowledge for males was confirmed by another study in Punjab. The frequency in sources of knowledge remained consistent throughout the analysis; hospital attendants and media provided the bulk of knowledge to adolescents. However, it should not be assumed that either of these sources always provides correct symptoms, causes and spread of Hepatitis B. Multiple sources of knowledge may have a better influence on students, as young adolescents from educated backgrounds tend to be influenced more from commercials, billboards, TV, movies, and the internet. This means that though all sources of information have major potential for dissemination of health information in terms of the knowledge they pay less attention to the attitudes and practices of health issues.

Most of the participants had good knowledge regarding the methods of HB transmission, the definition, symptoms, and effects of the disease. This is following a recent study conducted in KSA showing that there was a good knowledge among the respondents toward hepatitis B (Taylor, et. al., 2005). Also, the results of the study indicate that most of the respondents in the present study had a high educational degree and as well as being young aged. However, in other studies in different parts of the world, there was a lack of knowledge among the included subjects regarding HB (Haider, 2008; Leung, et. al., 2010; Afihere et. al., 2015). The attitude of the respondents towards Hepatitis B was average and this could be attributed to the good

knowledge among the respondents. It is worthy to indicate that the level of knowledge was significantly associated with an averagely positive attitude (Elbur, 2017; Nagah, et. al., 2017). The level of practice was poor among 79.1% of the respondents as most of the subjects had not been screened or vaccinated for hepatitis B infection which could be a result of inadequate information by the information sources. In the same line, recent studies showed a low level of practice among studied participants regarding being screened or vaccinated (Hig, et. al., 2016; Afihere, et. al., 2015, Nagah, et. al., 2017).

Going by the findings in this study, information sources have helped in speeding up the knowledge of Lead City University Students on Hepatitis B. On the other hand, these information sources did not adequately influence the students attitude and practice towards Hepatitis B. Findings also show that the choice of information source is one of the most important factors of influencing knowledge, attitude, and practice of Hepatitis B among Students.

Summary of Findings

The majority of the students (76.7%) had heard about Hepatitis B through information sources like hospital attendants which were the most familiar source of information, someone, television, radio and the internet. The majority of Lead City University students (80%) stated that they do not receive enough information on Hepatitis B very often from information sources and 75.8 % mentioned that Hepatitis messages disseminated by information sources are not informative and they also had the perception that there was a need for improvement on the messages.

The majority of the students' knowledge of Hepatitis B is on average. The level of attitude toward hepatitis B was good among university students but with insufficient practice levels among most respondents.

The majority of the students' knowledge of Hepatitis B is on average with the aid of information sources and the level of attitude toward hepatitis B was good among the university students without significant influence of information sources. Also, there were

insufficient practice levels among most respondents.

Conclusion

The study has brought up several issues that are peculiar to Hepatitis B. It has emphasized information sources of Hepatitis B. It has also noted the influence of information sources on knowledge of Hepatitis with zero influence on the attitude and practice of Hepatitis among undergraduate students of Lead City University. In this study, hospital attendant was recognized as a well-known information source, making it obvious that hospital attendant has proven to be very informative, in matters concerning Hepatitis B. The study concluded that other information sources such as television, radio, newspaper, handbills, Internet and someone (which is a representative of individual sources such as parents, friends, neighbours, and acquaintances) need to be improved. These sources require more publicity to be recognized by these students. This, in turn, will lead to students' exposure which will lead to more access to Hepatitis B knowledge which will likely lead to a change in attitude and practice of exclusive breastfeeding among undergraduate students of Lead City University, Ibadan, Oyo State.

In conclusion, the level of KAP toward hepatitis B was good in 56% of subjects with high scores of good knowledge and attitude but with insufficient practice levels among most of the respondents.

Recommendations

Findings from this study have given rise to the following recommendations:

- According to findings of this study, an average of 43.3% of respondents indicated they came across Hepatitis B messages a month and above from the time of the study, therefore, the researcher recommends that more frequent information about Hepatitis B be given to students generally.
- The stakeholders should ensure they create more beneficial information about Hepatitis B. This is closely related to research which they stated that hospital attendants should intensify their efforts in the education of students concerning Hepatitis B and ensure they go to a different school to sensitive them about this virus.

- Information sources such as family and friends, newspapers, handbills, television and radio should be "informed to inform", that is, they should be well equipped and powerful enough to be a blessing to students. Areas such as screening and vaccination should be proactively taught since the results showed quite a number of the respondents had not been screened and vaccinated as a part of Hepatitis B practice.
- Another recommendation is that information sources should adopt the deep teaching of Hepatitis B. Their messages should not only cover awareness on Hepatitis B practices but also about the challenges involved in the practice.
- Also, those educational programs could be employed by Lead City University and hospitals used for improving the KAP.
- Careful attention must be paid to the information needs of beneficiaries.
- The use of multiple approaches and channels of communication will enhance message diffusion.
- Avoid information overload, that is, do not put what is not necessary for your message because when you misinform your potential audience, you are certainly going to get a negative result.

Contribution to Knowledge

The finding of the study that is very prominent and unique is the frequency at which students received Hepatitis B messages. Data suggested for more probing into the frequency of how other sources of information are used to educate students on matters concerning Hepatitis B. The study has proven that availability of information about viral hepatitis does not equate adoption of positive health behaviour aimed at tackling the disease.

Therefore, an effective health communication can be said to be one which does not only inform the audience about some basic health facts but must also succeed in prompting them to adopt measures, behaviours or actions that are being promoted as a necessary panacea towards addressing the health issue.

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NIGERIAN NATIONAL COMMUNICATION POLICY AND THE PLACE OF RURAL COMMUNITY MEDIA

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Abstract

This study investigated the awareness and acceptability of rural community media among rural dwellers, was anchored on the development of media theory while adopting a mixed-method approach by combining quantitative and qualitative research methods. Data were obtained from a purposive and convenience sample of fifty (50) media practitioners/scholars and fifty (50) rural dwellers using questionnaires and focus group discussion (FGDs). The names of the rural communities covered are Simawa, Papa, Obadore, Odofin, Tarogun, Oke-Ralla, Ipa, Ewu-Seriki, Giwa and Iranodu in Sagamu Local Government Area of Ogun State, Nigeria. The findings from the study revealed that rural dwellers are ignorant of community media and that advocacy campaign excluded the audience at the planning stage. From the analyzed data, it was concluded that rural dwellers are willing and eager to collaborate to establish rural community media and ready to co-own a community media with other surrounding communities to have a medium with indigenous content and language. The findings to policy implied that urgent rework is needed on the current policy to make it need-oriented for rural dwellers and to make it facilitate the establishment of rural community media since these drive the developmental goals to appropriate quarters.

Keywords: Communication, development, rural community, media, advocacy

Introduction

In any nation, national planning policy must be situated within the contexts of the nation's media philosophy. This is necessary for considering the pluralistic effects of media of socio-economic and political aspects on the people. A fact, which cannot be overlooked without the placement of appropriate policy that set-out guidelines, functions and systems of media as they integrate the people into the society's superstructure. All policy formulated has its legal backing and foundation in the decree or laws governing the nation.

Therefore, an explicit communication policy is needed to set the media within the legal framework and procedures for its operation. Momoh (1987) defined a national communication policy as a coherent set of principles and norms established to guide a

nation's total communication system, its organization, content and objectives. This suggests that the main function of the media as tools of representing the people would be defeated without a well-articulated policy that captures rural community media. Similarly, the media as the fourth estate of the realm serve as a social agent for the people. Thus, where rural communities in Nigeria are alienated from development, rural community media is the only tool that could bridge the gap between government and the 80% of rural dwellers, (Daramola, 2010).

Historically, the media in Nigeria emerged as machinery for advocacy to root out colonialism and to promote independence and national sovereignty. The power of the media was highly proficient in liberating the oppressed. The first newspaper was published in 1859 by Reverend

Henry Townsend named 'Iwe Irohin' and later rechristened as 'Iwe Irohin fun Awon ara Egba ati Yoruba'. It was published in indigenous language with educative content and could be referred to as a community newspaper.

A community could be viewed from two classified perspectives: as a geographical location, indicating specific areas with people living together with socio-economic, political and religious beliefs and also as a psychological concept. As a psychological concept, it signifies a group of people connected by shared interest, characteristics and values. They might not necessarily live in the same geographical location. The linkages could be economic principles, social orientation, cultural beliefs, religious interest or affiliation. Some good examples are the academic community of a university or a religious community by the membership.

The demographics of a community across rural and urban segments have attendant factors for measuring growth. The post-World War II incidents had given rise to migration of people from rural to urban but despite this mass exodus of people, a large number of people reside in rural areas. Interpreting the word 'rural' in an African context demands the further deconstruction of demographics into urban-rural, rural-rural and remote-rural. The remote-rural could be identified with abject poverty that expresses itself in the form of bad roads, poor housing facilities, lack of social amenities, illiteracy to mention a few. The Nigerian electronic media pre-1992 was monopolistic in nature, as it serves the government of the day. However, the enactment of Decree No. 38 of 1992 section 22 birthed the deregulation of electronic media with private sectors owing media stations, amongst which were: *African Independent Television (AIT)*, *Raypower*, *Silverbird Television* and *MURI*, amongst other. The privatization of electronic media along with the previously privatized print media led to media commercialization and this compounded the issue of establishment of media stations at rural communities since the Nigerian media is urban-centric.

Therefore, rural community media remains the only viable conveyor of government policies, goals and development plan to a high

percentage of people dwelling in rural areas. The notion that the media belongs to the ruling elites who use it to set agenda for the rest of the populace, and as a tool of marginalizing the less privileged would not be wrong if the media is concentrated only in the urban areas as the Nigerian case shows.

Hence, community media remains the only potent tool to liberate millions of Nigerians residing in the remote-rural areas cut away from any social amenities. Development cannot reach the remote-rural without a comprehensive, well-articulated, coordinated National Communication Policy that clearly emphasized community media as key machinery for liberation.

More so, development can be tied to the community or rural media. They are the key ingredients towards evolving pluralistic media ecology. Rural media also occupies a crucial space in citizen participation and social reform program. Therefore, community media are for the social benefits of the people and not for profit. The main function of community media then is to serve as an alternative to government or public broadcasting which are far away from the citizens.

Problem Statement

Information and knowledge gaps that resulted from the exclusion of rural community media in government policy also led to the marginalization of millions of Nigerian rural dwellers. This has resulted in the absence of their participation in the process of growth and development. Some of the multiplier effects of neglect and suppression of rural dwellers could be seen in unabated civil unrest, agitations from many quarters, increased in terrorism, insecurity based on millions of youths searching for job opportunities and eventually agitation for secession (Ojebode & Akingbulu, 2009). The low literacy level of education in rural communities is another formidable problem confronted by the people. Media as a source of social enlightenment and a platform for the people is also not available to facilitate the educational system of the rural communities (Moemeka, 2009; Akingbulu & Menkiti, 2008; Rosengreen, 2000). The non-existence of community media has resulted in the migration of the youth from rural to urban areas that is now highly concentrated with social amenities that

cannot meet the need of the large influx of people into the cities and urban centres.

The Nigerian government in the course of protecting the unity of the nation by non-inclusion and provision for rural community media had created a great vacuum and base for agitation. Developed nations of the world that practised democracy on true federalism had employed media as a conveyor of development and growth to appropriate quarters and even distribution of wealth. The fundamental functions of community radio have drawn many scholars to conduct extensive research on the concept as it drives growth and development to appropriate quarters while giving voice to the voiceless (Onabajo, 2003). It also fosters and sustains participatory democracy. Quantitative studies on the concept have received great attention while the qualitative research that involved the end-users are not so pronounced. The current study, therefore, adopts the mixed method of quantitative survey and qualitative focus group discussion to garner in-depth knowledge, opinions, and beliefs of the rural dwellers on the concept of community radio.

This study, therefore, sought to examine the content of Nigeria's National Communication Policy in relation to rural community media and accessed rural dwellers in (Simawa, Papa, Obadore, Odofin, Tarogun, Oke-Ralla, Ipa, Ewu-Seriki, Giwa and Iranodu) on their awareness of the concept and their disposition to it. Specifically, the following research questions guided the study:

1. Does Nigeria have a functional National Communication Policy?
2. Does the National Communication Policy content provide for rural community media?
3. Are Nigerians rural dwellers aware of the concept of rural community media?
4. Which of the rural community medium was preferred by the people?
5. What are the impediments to the establishment of rural community media?

Literature Review

A policy is a legal document that set rules, regulations, standards and strategies of accomplishing a plan for the general interest of the populace within a time frame or without deadlines. It serves as a guideline that set procedures to accomplish the planned

programs, (Smith, 2002). The concept of communication policy was birthed by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the 1970s and 1980s to facilitate the development of communication policy in Africa. Communication/media policy encompasses all aspects of communication systems: media, interpersonal communication, contents of the message, audience, economic, political, technology and issues.

The initiative that birthed what could be referred to as the National Communication Policy in Nigeria was organized by Prince Tony Momoh, a former Minister of Information and Culture in 1987. In collaboration with other institutions, the Ministry organized a seminar that gathered scholars, professionals and researchers to submit papers. The conference communiqué reported that 300 papers were submitted from over 250 participants from related disciplines. The panel reviewed the papers and adopted 52 papers that were commissioned as appropriate and fit to formulate the communication policy (Ogunyombo, 2016). In order to have a legal document that analyses and gives provides procedures for communication, the harvested 52 papers set under-listed objectives for the

National Communication Policy as follows:

1. Positively affect the quality of life of the peoples of Nigeria.
2. Facilitate coordination and systematic enhancement of national communication strategies and activities to support development.
3. Promote participation in the national dialogue on development issues by all citizens, consistent with the emerging democratic culture and national constitutional provisions.
4. Foster access to information and communication infrastructure and new technologies for all citizens.
5. Promote assessment, adaptation and adoption of technological and other communication innovations.
6. Preserve national cultural identity, promote the national cultural patrimony and enhance the development of cultural and artistic capabilities and institutions for public communication.

7. Ensure timely, orderly and effective growth of information and communication institutions through professional standards-setting, capacity building and human resource development.
8. Promote interchange of balanced information at community, national regional and international level.
9. Protect and promote the right and security of women, youth, children and the physically challenged.
10. Ensure repeal of all laws and statutes that impede the development and growth of independent media (NNCP, July 2010, p. 4)

The NNCP (2010) outlined categories of operation and the issuance of licences to public broadcasting, commercial and community. The inclusion and definition of community media are as stated below:

Community broadcasting

1. Community broadcasting shall be promoted as direct from decentralized state/government broadcasting.
 - (a) Community development associations
 - (b) Other civil society groups
 - (c) Cooperative societies
 - (d) Educational communities
2. The ownership, management and programming of community broadcast media shall be participatory and representative of the diversity of their communities.
3. They shall derive funding from any of combinations of the following:
 - (a) Contributions of community members.
 - (b) Grants/donations.
 - (c) Sponsorships.
 - (d) Limited advertisements.
 - (e) Spot announcements.
 - (f) A community broadcasting trust fund (NNCP, 2010, P.14-16).

A critical examination of the set objectives of Nigeria's National Communication Policy revealed that rural community media was not captured. The categories of groups listed that could own a community media under the National Broadcasting Commission (NBC) Acts, 2002, were not vulnerable and those living in abject poverty in Nigeria's remote rural. Under a democratic system of government in Nigeria, where it was expected that all rights and privileges would be protected, including the

rights and privileges of those living in rural communities, such rights in Nigeria were not honoured. The importance of community broadcasting is also recognized in the Declaration of Principles on Freedom of Expression in Africa, adopted by the African Commission on Human and People's Rights in 2002. The Declaration, and which calls on African states to ensure:

Equitable allocation of frequencies between private broadcast uses, both commercial and community". It also states that community broadcasting shall be encouraged and given its potential to broaden access by the poor and rural communities to the airwaves. (pp. 44)

The Ninth United Nations Round Table on Communications for Development, in its final declaration, referred to community media in the following similar terms:

Governments should implement a legal and supportive framework favouring the right to free expression and the emergence of free and pluralistic information systems, including the recognition of the specific and crucial role of community media in providing access to communication for isolated and marginalized groups. (2004, p 4).

Despite such international recognition, there are serious obstacles to the establishment of rural community media in developing countries and specifically in Nigeria. The Nigerian Communication Acts(2002) excludes rural community media as an instrument for driving development for vulnerable and poor Nigerians. Since there were no articulated and functional policies, legal and regulatory frameworks for the establishment of rural community media, Nigeria remains underdeveloped and many government development programs have no impact on the lives of the people.

Concept of Rural Community

Whitaker (1982) avers that "rural" was first used by the U.S. Bureau of the Census in 1874 when it was used to indicate the population of a county exclusive of any city or town with 8,000 or more inhabitants. Colgate cited in Nwabueze (2010, p.18) defines a rural community as an area where people's living condition is very poor and

better defined by looking at its characteristics, which include a high level of illiteracy, low productivity, cultural homogeneity, one way of communication and absence of infrastructure, among others. Udoaka (1998, p.49) opines that when the word 'rural' is mentioned in Africa, certain things are conjured in our minds. These images, according to him centred on acute underdevelopment and poverty and they manifest themselves in the form of bad roads, lack of water supply, poor housing, poor sanitation and high rate of illiteracy. Udoaka further observes that the word brings to mind geographic locations in African, with populations of hungry, wretched-looking people and stunted, kwashiorkor riddled children. It conjures the image of a people, who suffer in the farms, from morning to evening, but whose harvest is not commensurate with the efforts and time spent; it conjures the image of people who are starving, eating at best, once in a day after returning from the market. Rural communities in Nigeria were alienated from development and government plan. There are no policy, strategy and structure to drive developments to the remote where the people live from hands to mouth (Onabajo, 2003).

From the foregoing, therefore, the rural areas are the villages and the communities that are outside the cities, towns and state capitals in a country. Contrary to what is obtainable in the urban areas, the closeness of the people to the natural environment, greater social homogeneity, the smallness of the communal aggregates, the predominance of agricultural occupations and relatively sparse population are what are discernible in the rural areas. Oladeji (2003) cited in Olawuyi (2013) opines that Nigeria's rural society consists of communities whose predominant occupation is agricultural production which serves as their primary source of income.

Community/Rural Media

Saad (2002) avers that communities are complex entities or phenomenon and so what "community constitutes "community" in community radio is often contentious and tricky debate and will vary from country to country. The community may also often be replaced by a range of terms like "alternative", "radical", rural, participatory, cooperative, campus or citizen

radio. So, in this study, the word 'community' and 'rural' would be used interchangeably as geographic communities.

The modern mass media include newspapers, magazine, radio, television, the internet, etc. Community/rural community media would refer to publications or broadcast outfits which serve the needs of those who make up a community. It suggests that its area of geographical influence is probably limited but covers it effectively and some might even say, passionately.

The emergence of community media was often associated with wider political change, particularly the deepening of democracy and the strengthening of civil society. It also builds on the recognition that development goals can be more effectively achieved by empowering and giving voice to people who themselves face poverty and disadvantage. Wherever they have been established, it has become clear that community media can play a specific and crucial role in encouraging public participation, strengthening cultural and linguistic diversity and giving voice to poor and otherwise marginalized groups.

The World Association of Community Radio Broadcasters (AMARC, 2007) asserts that in Africa, until the early 1990s, state broadcasting monopolies remained the norm, vestiges of the colonial era, while print media were limited in circulation and targeted educated urban elites. The Cold War, which had kept many autocratic governments in power, in the face of economic decline and increasing social mobilization came to an end and a wave of democratization with renewed commitments to political freedom and more plural and democratic media landscape emerged.

At the forefront of these developments in Africa were Mali and South Africa. In Mali, broadcasting was opened up after the 1991 Revolution. Anyone could apply for and obtain a license. Today, there are over 100 small rural community radios in Mali with considerable public and political support. The contrary is the case in Nigeria. The bureaucratic procedures to obtain a license by groups is highly cumbersome and costly to obtain licenses. Application for community radio could take close to two years before approval. Examining the criteria for

obtaining a license for community radio and non-provision and coverage of rural communities makes rural community media a mirage in Nigeria. Asemah, Anum and Edegoh (2013) enunciated that rural communication is the communication of news about rural areas. It consists of gathering newsworthy information about rural areas, packaging them in any form of journalistic writing and presenting them through a mass medium, most especially community media. Asemah et al. (2013) enunciated that there is a high rate of ignorance in the rural areas, beyond the poor physical development of such areas. The rural dwellers further assert the need to be empowered with the knowledge of the fundamentals of population and development. This is because the rural person becomes a nuisance when he or she does not have access to information, that is, the basic information like modern family needs, nutrition, women rights, child rights, etc. Alumuku, (2006) in support of the above gave a clear distinction between community and rural radio posit that "community radio is autonomous and involves community participation, and rural radio shares certain characteristics with community radio". Too many African governments, setting up rural radio stations seemed the best way to reach their countries population that is 70-80% rural and they equally perceived that radio could help integrate the masses into the 'modern world' Therefore, community media could be used to advocate for development in any community either as a geographical location or as a people with shared interest and living in a rural or remote rural area.

Community Radio and Development

The radio was invented by Guglielmo Marconi, an Italian who combined the three discoveries by Morse, Bell and Hertz, to expand his idea that messages should be able to travel across space without cables or wires. Marconi becomes obsessed and rejected food while working from home in his locked room. Soon Marconi could ring a bell across the room or downstairs without using a wire. Eventually, he was able to broadcast over a distance of nine miles. He then said, "*The calm of my life ended.*" Olalekan, Onjefu & Mikaila (2013, p, 11). Consequently, radio became the second oldest medium of communication that brought enlightenment and education to a vast

population of the world. Radio waves could travel far and due to cost-effectiveness of the device, a lot of people purchased handy radio sets to carry along to listen to the news and update about events happenings all over the world. Radio broadcasting came to Nigeria in 1932 through the British Broadcasting Corporation (BBC), which launched the first regulatory schedule short wave program service. The purpose as asserted by Udeajah (2005) was to develop some political culture and economic links between Britain and English-speaking countries. One of the stations was situated in Lagos and it turned out to be an informant of the British Government. Later, the Re-diffusion Broadcasting System (RBS) emerged in 1935 and the content was a mixture of the BBC material and colonial government propaganda. The wide acceptance and popularity of radio broadcasting in Nigeria led to the emergence of the Nigerian Broadcasting Service (NBS) in 1951. Regional broadcasting was later approved and the Western region established the Western Radio Liaison Service and commissioned Western Television in 1959. Arguably, the usefulness of community radio for community empowerment and democratization as well as for development in every sphere is a popular phenomenon. Radio appeals to the sense of hearing and its wide acceptance by rural dwellers that are not lettered has made the medium an appropriate that suits the need of the people. Radio remains the most efficient and affordable channel for rural dwellers. However, issuance of the license by the Nigerian government to a handful community radio, when analytically examined does not fit the definition and characteristics of community radio as provided in the African Charter on Broadcasting (2001) and thus disenfranchises the rural dwellers and their rights to be heard. Buckey (2008) reiterated that recent years had witnessed the recognition of community radio in the discourse of human rights and the role of development. Driven in part by the dotcom boom, there has been increasing discussion of the role of information and communications in development. For some, the Internet was seen as a panacea to all ills, but the dot-com bust produced more sober reflection, from which, among other things, emerged a growing recognition of the vital importance of traditional

communication media, and especially radio, in reaching the poorest and most marginalized people of the world. Fraser and Estrada (2012) define community radio as being distinct from other forms of broadcasting in that it is a non-profit service, owned and managed by a particular community, either through a trust or through a foundation. In addition, it is managed by the community and its operation relies mainly on the community's resources.

Community radio represents the democratization of communications. Since the advent of Africa's democratization process in the 1990s, many communication activists now see it as the basis for popular participation by the majority of the people. Eugénie A.W, former President of AMARC stated at the 6th World Assembly of AMARC in Dakar, in 1995 that:

In speaking about democratization in Africa, a specific challenge arises: How can it become possible for populations, in all their diversity, to determine their future and the type of development they wish for themselves? How can radio participate in creating a democratic culture that enables the population to take responsibility for political, economic and national management? (p.8)

The African Charter on Broadcasting, 2001 has defined community radio broadcasting which is for, by and about the community, whose ownership and management is representative of the community which pursue a social development agenda, and which is non-profit. Therefore, community radios signify a two-way process, which entails the exchange of views from various sources and the adaptation of media for use by communities. In an ideal world, community radio allows members of a community to gain access to information, education and entertainment. In its purest sense, it is media in which the communities participate as planners, producers and

performers and it is the means of expression of the community, rather than for the community (Myers, 2011). The AMARC (1998) listed the advantages of community radio for the African continent as follows: The introduction of community radio has many advantages for the African continent:

- The language issue will be addressed with the introduction of community stations, given the large numbers of different local languages in African countries. In Africa, it is not just a question of whether people can hear broadcasts but rather whether they can understand the broadcasts. Second,
- it addresses human rights issues through the right to information and communication. Third,
- the majority of the people in Africa have been starved of information. In these days of the information society, community radio can offer some form of media education, creating an information culture. Fourth,
- it enhances emancipation and self-worth. Fifth,
- community radio can serve as a platform for debate, exchange of ideas and reactions to plans and projects. It can accommodate people's ideas and satisfy their spiritual and psychological wellbeing much better than any other form of broadcasting.

Suggested Rural Community Radio Setup

Government's opinion about community radio is that of highly capital intensive and its sustainability would consistently draw fund from the government purse. The picture of such stations suits the urban areas. The picture of community radio that would serve the rural communities does not need a gigantic building with several offices and rooms since the people it would serve live in huts, thatched houses, and so on. The community radio setup must be simple, basic and affordable. Below is a moderate estimate for a community radio outfit:

Estimated Cost for Operation	N: K
House rent per annum	- 250,000.00
Office Furniture (2sets)	- 50,000.00
1.5 HP Split unit @& N108,000.00 (2 units + installation)	- 250,000.00
HP – 250 G4 Laptop @N106,000.00 (2 units)	- 212,000.00
HP LaserJet Pro Printer MFP	- 57,000.00
Equipment	
20-40W watt transmitter	- 204,000.00

100W watt booster	-	100,000.00
Soundproofing studio	-	250,000.00
Amplifier -100watts for broadcast	-	60,000.00
Microphones (2)	-	70,000.00
TP-Link 2.4GHz 15dBi outdoor antenna	-	25,500.00
TEC Generator PTR SML	-	79,000.00
Tape recorder (2)	-	40,000.00
Books		
Ledgers	-	10,000.00
Contract forms for advertisers	-	25,000.00
Official receipt/voucher	-	25,000.00
Official stamps	-	15,000.00
Official Letterhead paper 1 carton	-	
50,000.00		
Total		N=1,870,500.00

The proposed cost of establishing a rural community radio station: Source: Oluyemi, 2019

Community Newspaper

The printing revolution was made possible by the invention of Gutenberg who perfected the printing technology using movable type in 1453. Daramola (2006) asserted that the 19th Century witnessed the evolution of printing in Nigeria. Although Reverend Henry Townsend established a press at Abeokuta and in 1859, Townsend published the first indigenous newspaper named 'Iwe Irohin fun Awon Ara Egba ati Yoruba'. The newspaper had been at the forefront in Nigeria for advocacy for independent independence from colonial masters and a medium to inform and educate the masses. Anaeto (2010) defines rural community newspaper as a newspaper that is packaged and produced by rural community members in a rural community to serve their information and communication needs. Such newspaper might not necessarily need costly newsprint for production and cheap material to serve the communication need of the people in rural areas.

Anaeto (2010) highlights the functions of rural newspaper to include: as follows:

- reporting community needs and problems and identifying possible solutions;
- empowering the community through the provision of relevant information and knowledge that the people can utilize for their development;
- supporting and encouraging community development initiatives and activities of socio-economic and cultural nature;
- supporting local groups in their attempts to make life meaningful;
- serve to serve as the link between government and other stakeholders to accelerate development in the community and
- mobilizing community members for participation in local and national development programs.

Below is a suggested format for a rural community newspaper.

Small and non-metropolitan newspaper calls for planning in order to have a cost-effective newspaper published without the huge cost and distributed free to rural dwellers.

Publication	Bi-monthly
Circulation: Depend on remote rural communities that the newspaper serves.	5000-8,000
Format	2 pages of colour
Geographic Area of coverage	Depend on the population residing in the catchment areas
Content	Local with indigenous language Pictures to illustrate concepts
Funding	NGOs, local government, philanthropists

Fig 1: Proposed Rural Community Newspaper structure: Source: Oluyemi 2019

Impediments to Rural Community Media

This section discusses some impediments to rural community media establishment and functioning. The first is government legislation, the success of any rural/community media depends largely on the media environment within which it is situated. Currently, in Nigeria, there is no well-articulated policy for rural development and rural community media. This was completely omitted from the Nigerian National Communication Policy, (NNCP, 2010). The kind of community presented in the policy implies people with a shared interest, urban-centric associations, academic communities and religious organizations. Ajibade and Alabi (2017) claimed that out of seventeen (17) community licensed radios in Nigeria only three is functioning. The requirement to own a community radio cannot be met by impoverished rural dwellers. Also, the government bureaucracy has been a major constraint when it comes to obtaining licenses. In fact, the rural dwellers that are extremely poor are legally alienated since there is no legal framework or policy specifically and carefully made to cater to this large portion of the Nigerian population. The decade's history of government's monopoly of media as political weapon constitutes a major impediment to policy formulation.

The AMARC (2007) asserts that the policy, legal and regulatory framework remains a single most persistent obstacle to the establishment of community/rural media. It further states that the absence of enabling legislation sometimes constitutes a major constraint to community/rural broadcasting.

The second is content: The message is the product of the ideas, feelings, desires, and needs of the community. An indigenous packaged program that is generated from the people by the people is the best social force within the community to bring about development and appropriate change. The obstacles to these are that most of the locals have an extremely low level of literacy. Some of them are illiterates so how can such people develop their content? The hired communicator or Communication for Development Officer, who may not be versed in the indigenous language, might face myriads of challenges of languages, diction, tone, codes and symbols to represent

the meaning to the people. Nwosu (1990) corroborates this point and argues that one of the problems is the use of correct codes and symbols for communicating messages. Many government's emergent interventions programs had failed woefully because the content is not indigenous and the people could not comprehend.

The third is poverty: The criteria outlined to apply for licenses from the National Broadcasting Commission Acts cannot be fulfilled by people residing in rural areas. The license fee and other processing fee served as obstacles for the people to own a medium that would serve as advocacy for their plights. Anaeto & and Anaeto (2010) asserts that what is typical in rural areas in Africa, Nigeria specifically, is the picture of poverty, unemployment, hunger, non-availability of infrastructure, illiteracy, lack of basic social amenities, like portable water, good roads and hospital.

The fourth is illiteracy. Onabajo (2003) estimated that 80% of Nigerians live in rural areas and are actively engaged in subsistence farming. Large portions of this group are illiterates. Due to their academic status, they cannot generate media products or consume the same except by employing indigenous language. One out of many things that rural community media will accomplish is to educate this large percentage of the population residing in rural areas. Education is a source of empowerment, the rural dwellers can learn how to read, write and understand, thereby contribute contributing to the growth and development growth of their locality.

The fifth is the constraint of power & energy. In Nigeria, power and energy are paralytics and most of the rural areas do not have access to electricity to the extent that the most remote area might not witness any meaningful development because of alienation from the national grid. The state and/or the local government may not even have any developmental plans for the rural areas. The media in rural areas face the challenge of sustainability in the aspect of power since they will be running stations using diesel-powered generators which would be costly for a

community media that is without government support and is faced with a paucity of funds.

Lastly, there is cultural diversity. There are 250 languages in Nigeria. This multi-ethnicity polarization poised a problem for the development of people-oriented generated contents as it could lead to conflicts. Most times, disunity among neighbouring communities also endangers the establishment of community media (Ajibade & Alabi, 2017, p8).

Theoretical Perspective

The study is anchored on Development Media Theory. The core assumption of this theory is to explain the normative behaviour of the press in countries that are categorized as 'developing' or third world countries. Folarin (2003) quoting McQuail (2002, p121) argues on the major tenets of the development media theory that

- The media should accept and carry out positive development tasks in line with nationally established policy;
- Freedom of the press should be opened to restriction according to economic priorities and development needs of the society;
- Media should give priority into news and information to link with other developing countries, which are close geographically, culturally or politically; and
- In the interest of development ends, the state has the right to intervene in or restrict media operations and devices of censorship, subsidy and direct control can be justified. Furthermore; and journalists and other media workers have responsibilities, as well as, freedoms in their information gathering and dissemination tasks.

The theory is relevant to the study because it lays emphasis on using the media to support the national socio-economic development programs initiated by the government. By propagating government development programs, media aims for the betterment of society. The theory advocates that mass media should assist the government in the task of nation-building. To drive their support home for the government's development programs, the rural community media is an essential concept that is of high importance.

Method

This study adopted mixed-method research. Questionnaires were used to gather data from scholars and media professionals on the content of the Nigerian National Communication Policy in relation to rural community media.

Scholars/ professionals possess an in-depth knowledge and exposure and might have come across the document (Nigerian National Communication Policy) and understood the content. Convenience sampling technique was adopted as the structured questionnaire was distributed among scholars and journalists at the African Council for Communication Education (ACCE) Conference held on October 22 to October 25, 2019, at JABI, Abuja to gather data about the existence and content of the Nigerian National Communication Policy. The sample for the study was fifty (50) scholars/professionals that agreed to participate in the study. Fifty (50) questionnaires were distributed and 33 were retrieved and accepted as representative of the sample. The percentage of 66% of the sample was void of double-entry and errors. Analysis of the participants are Professor (1), Associate Professor (1), Senior Lecturers (10), Lecturer I (4), Lecturer II (4), Assistant Lecturers (4), PhD scholars (3), Graduate Assistants (4) and Journalists (4) participated in the study

The qualitative method used was Focus Group Discussions (FGDs) to garner the opinions and dispositions of rural residents about rural community media. The reason for the adoption of qualitative focus group discussion rests on the premise that respondents who are the custodian of knowledge and leaders of the people might not be lettered but they are at the receiving end. The FGD participants were drawn using convenience sampling while survey participants were drawn using both convenience and purposive sampling. Purposive sampling technique was used to draw the survey participants because few scholars and senior media professionals have seen and read the Nigerian National Communication Policy. Similarly, considering the rural dwellers' low literacy level, location and accessibility to the communities, the convenience sampling technique was adopted.

The FGDs was employed to get a diverse, richer, deeper and contextualized data in respect of the Nigerian National Communication Policy with respect to rural community media. The participants of the FGDs constituted rural dwellers from Simawa, Papa, Obadore, Odofin, Tarogun, Oke-Ralla, Ewu-Seriki, Iranodu, Ipa and Giwa in Sagamu Local Government Area of Ogun State, Nigeria. These communities were chosen based on the fact that there is no existence of community radio in that axis. Also, there is a lead person that connect the researcher to these communities as it is extremely difficult to go to a terrain you are not familiar. The population estimates for each of these communities are tabulated below:

S/No.	Name of Communities	Estimated Population
1.	Simawa	5000
2.	Papa	350
3.	Obadore	3000
4.	Odofin	800
5.	Tarogun	250
6.	Oke-Ralla	300
7.	Ipa	1000
8.	Ewu Seriki	200
9.	Giwa	100
10.	Iranodu	500
Total		11,500

Field survey of the communities

Source: Oluyemi, 2019

The sample drawn for the research was appropriate for the study. 50 rural dwellers

participated in the focus group discussion sessions. The community representatives comprise the community leaders/representatives, youth leaders and women who participated in the study. The sample size is justified since the research design is focus group discussion; the dynamics involve selecting the opinion leaders in each community. The research instrument – interview guide was constructed in English language but considering the level of education of the rural dwellers, the researcher conducted the interview in the Yoruba language for easy understanding of the concepts. Responses from each FGD were recorded on tape for transcription to the English language.

Five focus group discussions (FGDs) were observed combining two/three communities not far apart. Odofin/Tarogun, Oke-Ralla/Ewu-Seriki, Ipa/Obadore, Iranodu/Giwa/Papa and Simawa in Sagamu Local Government Area. Many of the villagers were eager to participate in the study. At each session, 12 people make a team including the researcher and a volunteered recorder.

Data Presentation

The analysis of this study was based on responses from respondents to each item. Simple percentage and cumulative counts were employed in the statistical analysis.

RQ1: Does Nigeria has a functional Nigerian National Communication policy?

Table 1: Functionality of Nigerian National Communication policy

Items	Options	Frequency	Percentage
Existence of National Communication Policy	Yes	26	79%
	No	5	15%
	Not Sure	2	6%
Is it comprehensive and well-articulated	Yes	8	24%
	No	19	58%
	Not sure	6	18%
Should rural community media pay for a license	Yes	7	21%
	No	26	79%

The result from the table 1 revealed that 79% of the respondents were aware of the existence of national communication policy while 15% claimed such policy does not exist and 6% averred that they are not sure. In order to understand the structure of the policy, 24% of the respondents submitted that the document is comprehensive and well-articulated while 58%

claimed that the policy is not detailed and 18% claimed they are not privileged to see and know the content of the policy. 21% of the respondents support the government decision that rural community pay for the license before the establishment of rural community media while 79% of the respondents reiterated that rural community must not pay the government to

obtain a license to operate rural community media. The implication of these findings established the fact that there exists a policy and that the type of community referred to in its content does not describe the rural community dwellers. In addition, rural community radio

license should be free for communities to obtain and operate a radio station.

RQ 2: Does the Nigerian National Communication policy content has provision for rural community media?

Table 2: Nigerian National Communication Policy content.

Items	Options	Frequency	Percentage
Provision for rural community media in the National Communication Policy	Yes	8	24%
	No	25	76%
Existence of rural community media	Yes	22	67%
	No	11	23%
Appropriate medium for rural dwellers	Radio	29	88
	Television	2	6%
	Newspaper	1	3%
	Online News	1	3%

The table 2 above showed that 24% of the respondents claimed that there was provision for rural community media in the policy while 76% of the respondents who were professionals claimed that there was no provision for rural community media in the policy. In order to ascertain the existence of rural community media, 67% of the respondents enumerated that there were no rural community media in Nigeria, while 23% claimed that there are rural community media. Examining the best medium that would meet the community need of rural dwellers, 88% of the respondents chose radio while 6% supported television; 3% claimed that newspaper is the best while 6% opined online news. The implication of these findings is that the Nigerian National Communication policy needs to be reworked with emphasis on the content (s) that promotes freedom of expression of rural community dwellers equally with specifying on local contents.

Focus Grooup Discussion (FGD)

Research question 3, 4 & 5 were used to construct the interview guide that guided the FGDs among the sampled communities. It was discovered that the rural residents are highly ignorant and do not understand the concept of rural community media when explained in detail, they claimed ignorance of such a medium that could give voice to the voiceless. The reaction of the people to the establishment of community media was high applauded with a mood swing as much express bitterness to the constant

neglect by the government, irrespective of the political affiliation.

A total of 85% of the people agreed to the use of radio because it is cheap and affordable and does not require electricity to operate and the villagers do not have access to power and energy. Out of the 85% that use radio as a medium, 50% gave reasons for their choices that it is portable and easy to carry about as there are pocket-sized radios. However, despite the fact that these six of the 10 communities were not electrified, the villagers attest to the fact that few of them have televisions which are powered by generators. It was also discovered that 60% of the FGD participants at Odofin/Tarogun/Oke-Ralla, Ewu-Seriki/Iranodu/Giwa and Papa could neither read nor write, so they cannot read the newspaper. A total of 40% who constituted the community youth lamented that there was no nearby place to buy newspaper even if they wanted to. They testified that they listen to news and news headiness in Yoruba and their preferred medium of communication was radio. They also complained that newspapers are costly.

The youth expressed diverse opinions on what constitute obstacles to the establishment of community media, 10% emphasized corruption, arguing that their leaders are looters of the treasury, constant divert money earmarked for rural development into a personal account. A total of 30% argued that the leaders do not serve the people who voted for them but their political godfathers. They reiterated that most

governors do not know how many communities that were under his jurisdiction expect on map. Similarly, the respondents enumerated inaccessible roads as an impediment, stating that no one would want to come to rural areas due to poor roads networks.

Meanwhile, 40% agreed that there were no developmental plans by the government to provide infrastructure like those in urban centres. The Ewu-Seriki representatives affirmatively said they are not connected to the national grid. The participants also emphasized that if any development would occur in rural areas, it must be the type that positively impacts every aspect of their lives. The participants recommended that if the government combine villages and establish one community media station, they would support the idea. However, they advised that the station should be situated in the centre of the villages.

The issue of the media content and in what language also gave a new dimension to the study while the researcher had a premonition that since the work was conducted in the South West, which is predominantly a Yoruba speaking locality, the contents of the community media should be in the Yoruba Language. However, youths at Odofin/Tarogun/Simawa/Obadore said that the village population comprised Yoruba (Egba), Iggede, Ogoja, and Hausa. Therefore, they emphasized the significance of engaging with community leaders like village leaders and chiefs to identify the people in particular communities. They unanimously agreed that the content should be in rural dwellers' indigenous languages. Based on these findings, this study tentatively concludes that Nigeria is backward as its rural areas are omitted from any developmental plans and policies. The advocacy for rural community media should be awakening by all in order to give voice to the peasants and poor.

Discussion

The core aim of this study was to examine the functionality and the content of the Nigerian National Communication Policy in relation to rural community media. It was revealed through this study that the national communication policy is not active and functional. Adekoya & Ajilore, (2012, p.5) corroborates the findings that there are factors militating against the proper adoption

and application of national communication policy. National communication policy was found in several other legal documents like APCON Act, 1988; NBC Act, 1992 amended in 1999; NIPR Act, 1992 and others. Jide & Alao (2013) corroborated Onabajo (2003) assertion that there is no policy, strategy and structure to drive developments to the remote where the people live from hands to mouth.

A critical examination of the content of national communication policy as a legal document brings to fore the fact that the word 'community' media was captured but by implication the description of the media is urban-centric and the concept of community refers to religious body, individual; colleges, university that can afford to pay for license to operate. There is no provision for rural community media despite the importance of rural media as a *sin qua non* in the national mobilization of citizens to accept government policies. Asemah, Anum & Edegoh (2013) and (Esiri & Okunade, 2014) enunciated that rural communication is the communication of news about rural areas, so the rural community needed to be included with an emphasis in the national communication policy.

Analyses of the information gathered from focus group discussions established the fact that the rural dwellers are not aware of the concept of rural community media and at explanation desired such a medium as a means of lending their voices to national development. This corroborates Oso (2003) pontification that rural community media is giving "voice to the voiceless".

Nwosu, Aliede & Nsude (2005) supported the findings that the rural dwellers are highly ignorant of many things. From the findings, it was discovered that the rural dwellers preferred radio to other channels of communication. The reasons adduced are that it is relatively cheap and portable to carry from places to places. The main impediment to the establishment of rural community media as culled from conceptual and empirical review government legislation (AMARC, 2007). Another impediment is poverty as there are no social amenities to ameliorate the living condition of the people. Udoaka, (1998) reiterated that when the word 'rural' is mentioned in the African context, it implies poverty that manifests from bad roads, lack of

waters supply, poor housing, and high rate of illiteracy.

Conclusion

This study concludes that there exists no driver in the form of integrative and functional communication policy to drive growth and development to the rural communities in Nigeria. This has resulted in failed government policies and developmental plan. Developmental plan cannot succeed without a formidable driver to convey the concept to the people for national mobilization and education of the people concern. Community media remains the only channel that would address the need for millions of rural dwellers who are more than 60% of the population (Daramola, 2003). The constraints are obvious in the procedure for registration for community radio or newspaper. The rural dwellers are extremely poor that they cannot afford to register for a license nor be able to manage any medium of communication therefore there is the need for governments to establish rural community media.

Recommendations

A conclusive well-articulated national communication policy with an emphasis on rural community media with its apparatus established and sponsored by the government would facilitate the development and growth of the rural areas that were neglected and marginalized. The government as a matter of

urgency needs to rework the national communication policy to correlate with the national planning policy or vision 2030 to accomplish set goals. The under-listed are recommended for the government to put in place.

- Formulation of Rural Community Communication Policy with the legal framework.
- Human and material capacity from the locals as the rural dwellers would love the radio that belongs to them.
- Solar Power could be used in locations where communities are not connected to the national power grid.
- Local Government Authorities should be constituted as an authority to license rural community radio free of any charges.
- The rural radio stations should be free from government interventions or repression.
- Participatory community radio model was highly recommended in accordance with AMARC regulations and African Charter on Broadcasting.
- The radio stations should operate a two-way communication process. There must be feedback.
- The content must be indigenous, generated by the people and for the people.
- The ownership of the station must be the people.

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UTILIZING CREATIVE WRITING FOR SUSTAINABLE DEVELOPMENT AND NATIONAL CAPACITY BUILDING: CHALLENGES AND PROSPECTS

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Abstract

Sustainable development and National capacity building are expectations and intentions for most nations of the world, and Nigeria is not an exception. Nigeria intends growing and will like the growth to be sustained over a long period. In addition, the country wishes to increase its capacity for growth. Creative writing as an area of knowledge works towards recording, explaining and producing creative and cultural items. These productions are exhibited as plays, poems, novels and films among others. The cultural productions through creative writing help in commending good deeds and condemning bad deeds within the society. Even in the art for art sake, the themes explored and examined could be used for commendation or condemnation even if the artist created the work of art for art sake in the first instance. This in a way helps in growing the society. This paper explores the ways and means through which creative writing through its products and productions can contribute to national growth and development sustainably. The paper will examine and define what creative writing is and then interrogate the likely challenges in using creative writing as a tool of sustainable development and capacity building. The prospects of this intervention will also be assessed and recommendations will be made towards harnessing this creative writing's potentials and power.

Keywords: creative writing, sustainable development, creative writer, national development, creativity.

Preamble

A nation or organisation as an entity needs to grow and develop. As it develops, the nation or organisation needs to sustain its growth and development in the present and make sure that the growth and development will be sustained in the future and lead to better nation or organisation in the future when even those who inhabit the nation or organisation now would have died. To do this, the nation or organisation must be able to harness, maximize and deploy her full capacity of men, material and capital. If we take Nigeria as an example, it is clear that the country is not utilizing her full capacity at present nor is our development and growth as presently pursued going to lead to a sustainable future. A large majority of our youths are unemployed or underemployed, our natural resources are not exploited in an orderly manner or utilized or systematically used for the benefit of the greatest number of Nigerians but a few privileged Nigerians. Our human capital is not being developed adequately or engaged in productive ventures and this is being depleted

through brain drain and uncontrolled rush for migration by our youths because of unemployment, poverty and harsh environment that the Nigerian nation had become. The posers then are: how can we put the nation on a path of sustainable development and enthrone full national capacity building? Are there tools we can use in achieving these two aims above? Before answering these questions some questions do arise that we need to clarify. These are: What is the meaning of the following key concepts: sustainable development, national capacity building and creative writing? Why do we need sustainable development national capacity in the nation?

Introduction

Definition of concepts

Sustainable Development

Sustainable development is derived from two words 'sustain' and 'develop'. The Oxford Dictionary of English 2nd Edition defines sustain as 'cause to continue for an extended period or without interruption' and develop as 'grow or cause to grow and become more mature,

advanced, or elaborate'. This means sustaining development could be taken to mean sustaining growth or development over a long period of without interruption. Sustainability is derived from the Latin root word 'sus-tinere' meaning "under-hold" or hold up from underneath, implying robustness and durability over time. Sustainable development as a concept has been defined in many ways that by the 'early 1990s it was suggested that there were more than 70 definitions of sustainable development in circulations (Holmerg and Sandbrook, 1992). Some of these definitions include (Turner, 1988, p.12, Holdgate, 1993, Pearce and Barbier, 2000, Redclift and Woodgate, 2010).

Although many definitions abound, the most often used definition of sustainable development is the one proposed by the Brundtland Commission (Dernborch, 1998, Dernborch, 2003, Cerin, 2006 and Stoddart, 2011). The definition is that sustainable development is "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs"(United Nations General Assembly, 1987, p.43). This definition encompasses the idea that the development that needs to be sustained is that which will not sacrifice tomorrow's sustenance, satisfaction and survival on the altar of today's satisfaction. This means that as the world or nation develops or grows today, and efforts are put in place to sustain this growth or development, the focus must be put on making sure that the future potentials to grow or develop is not destroyed. This definition also contains two key concepts, that is, "the concept of needs, in particular the essential needs of the world poor, to which overriding priority should be given, and the idea of limitations imposed by the state of technology and social organisation on the environments ability to meet present and future needs."(WCED, 1990, p.43)

These two concepts need to be taken into consideration whenever we discuss sustainable development because without considering them, sustainable development cannot exist. If we take Brundtland Commissions' definition as a basis, this paper will align its definition with that of Blewitt that:

sustainable development is a process that requires us to view our lives as elements of a larger entity. It requires a

holistic way of looking at the world and human life. It requires recognition that other people may not see things like this at all and will have different perceptions, values, philosophies, aims, and ambitions. It requires an understanding that the world is multi-faceted, fragmented and complete. (Blewitt, 2008, p. ix)

This simply means that sustainable development is the idea that the future should be a better, healthier place than the present. If we critically assess Nigeria's development over the decades, can we say that the above is correct about the country?

The above definition includes all that is needed in understanding the concept of sustainable development. The concept, however, cannot be well utilized or maximized in a nation if the nation lacks capacity, capacity building capabilities or capacity development tools. Every nation needs to have these three before she can think of sustainable development. What do we mean by capacity, capacity building and capacity development?

National capacity, capacity building and capacity development

Capacity can be defined as the:

organisational and technical abilities, relationship and values that and technical abilities, relationships and values that enable countries, organisations, groups and individuals at any level of society to carry out functions and achieve their development objectives over time. Capacity refers not only to skills and knowledge but also to relationships, values and attitudes and many others. (Adapted from Morgan, 1998)

It can also be taken to mean 'the ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably" (UNDP, 2008; Osuji, 2014). It is about growth, the growth of the individual in knowledge, skills and experience and the growth of the group that surrounds this individual as these skills and knowledge are passed on from this individual to the group and from the group to the nation and society (CADRI, 2017). There are three levels of capacity and they are individual,

organisation and environment (UNDP, 2003, p.7). However, the three are inter-twinned and when well-coordinated, they will lead to capacity building. Capacity building has been an important word in education reform both in developed and emerging economies (Egbo, 2011). In order to have the capacity for the individual, community, the society or nation there is the need to build it. Capacity building is a process that strengthens the management of an individual, organisation, community, society or nation in a way that it can effectively achieve its objectives and mission (Connolly and York, 2002; Beesley and Shebby, 2010). We can further extend this definition by stating that; "capacity building is an intervention that strengthens an organisation's (also individuals, community, society and nations (added)) ability to fulfil its mission by promoting sound management, strong governance and persisted rededication to achieving results" (Lamnet, Johnson and Fiore, 2015, p.1).

When capacity is built, it must be sustained and developed and if not, the built capacity becomes moribund. This leads to the need for capacity development. Capacity development has been defined (Matachi, 2006; Azikiwe, 2006; UNDP, 2009; GTZ, 2009; Nwazor, 2012; Agunyai, 2015; CADRI, 2017 and Health Equity, 2019). One common index of all these definitions is the fact that capacity development is channelled towards individuals, groups, organisations, communities, societies and nations. Capacity development is directed to the above listed with the intention of making them to "deploy, adapt, strengthen and maintain their capabilities to define, plan and achieve their development objectives on an inclusive participatory and sustainable basis" (ECA, 2015, p. 5). This paper will then adopt the ECA's Capacity Development Strategic Framework Working definition of capacity development as:

a process of enabling individuals, groups, organizations, institutions and societies to sustainably define, articulate, engage and actualize their vision or developmental goals building on their resources and learning in the context of a pan-African paradigm. (ECA, 2015, p.5)

This is complemented by the OECD Assistance Committee definition that capacity development

is "the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time". Hence, "capacity is an attribute internal to people, organizations and groups or systems of organizations while capacity development, then, is a change or transformation process from within" (ECA, 2015, p.5).

Creative Writing

After defining sustainable development, capacity, capacity building and capacity development, the main question is, what is the relationship between creative writing and all those concepts? To answer this, one needs to unbundle the concept of creative writing. What is creative writing? Creative writing is a type of writing that is different from other writings because of the involvement of imagination and creativity. Writing, however, is a recursive process involving both cognitive and meta-cognitive skills (Larkin, 2009). Creative writing, therefore, includes non-fiction and could be taken as a form of writing that is unusually original while operating under appropriate constraints of structure and language (Sharples, 1996). It is the pursuit of artistic ends through the written word in forms of fiction, non-fiction, poetry, creative non-fiction, prose, prose poem, memoirs, and film scripts that go outside the bounds of normal professional, journalistic, academic and technical forms of literature. Creative writing expresses the writer's emotions, feelings, thoughts, ideas, and experiences at conscious and unconscious levels. The definitions of creative writing differentiate it from other types of writings. The question is how is this type of writing useful in developing and building a nation's capacity while making sure that such capacity is maintained and sustainable into the future? To answer this, we need to interrogate the relationship between national capacity and sustainable development in a nation. One main area one needs to take note of in defining the above concepts is the fact they are mostly based on western concepts of the terms. In a developing clime like Africa, they do face some challenges. These challenges include the obstacles that make it impossible for these concepts to work effectively and efficiently in developing climes. While many countries in the West and developed areas of the world are building capacities, working assiduously towards

achieving the sustainable goals, most countries in the poor and underdeveloped sections of the world are having problems and challenges in building their capacities and even executing and achieving the SDGs. The question is why is this so? The preponderance of greed among their leadership, the complacency of the ruled and the gargantuan corruption ravaging such societies make it impossible for even these concepts to even be assessed and interpreted as common concepts for all nations. We need to take all the above into consideration while defining and making use of these concepts.

National Capacity and Sustainable Development: What Relationship?

Nigeria as a nation has over the years tried getting herself developed through the use of her human capital and natural resources- mainly oil which contributes around 92% of the nation's revenue. The reality, however, is that this has not been possible because the nation continued to be underdeveloped. Nigeria's infrastructure deficit is very high, the country ranked 152 out of 157 countries in the World Bank's 2018 Human Capital Index; nearly a quarter (23.1%) of the workforce was unemployed in 2018 and another 20% underemployed, inequality in terms of income and opportunities has been growing rapidly and large pockets of Nigerians still live in poverty (UNDP, 2019). The country ranked 144 out of 180 and scored 27 out of 100 in the list of Global Corruption Perception Index. (Transparency International, 2018). As earlier defined, national capacity *is the ability of individuals and organisations or organisational units and nations to perform functions effectively, efficiently and sustainably*, these facts above show that Nigeria is not developing, increasing or harnessing her national capacity. When the nation is not developing her capacity to a level that she is efficient, effective and is able to sustain her growth indices, then the nation cannot be said to be on the path of sustainable development. The figures above which do not include literacy level, number of children out of school and the percentage of debt to GDP, which was very low too; show that Nigeria is neither on sustainable development nor is she developing her capacity. This coupled with the high level of corruption, low infrastructure development, high-interest rate, breakdown of public education at every level

and general insecurity all around with the Boko Haram insurgency show a nation on the path of becoming a failed state. The question then is, if the nation is not being developed in a sustainable manner and her national capacity is not being grown or developed, what has creative writing got to do with it? And what can creative writing do to improve this situation? The answer is that creative writing can serve as a tool among other tools that will help the country to expand her capacity and also enthrone a sustainable development template as a means of development. The question is how can this be done?

Utilizing creative writing as a tool for Nigeria's sustainable development and national capacity building?

Creative writing by nature produces creative and cultural items. The creative and cultural products include books- fictional and non-fictional, film scripts and media products. These include novels, poems, film scripts, television scripts, radio scripts, non-fictional books, memoirs and other products of writings. These various products are used in schools, colleges and universities and other educational institutions. They also contribute a great deal to Literacy programmes. A nation with high literacy rate is able to increase her capacity. Also, the books, magazines, blogs and vlogs that are produced from creative writing contribute to Nigeria's economy through cash and contributions to Nigeria's image in the comity of nations. The winning of prizes and the output of many Nigerian writers in Diaspora and within the country are also contributions to Nigeria's national capacity. Creative writing products are found in publishing, computer and ICT, media and Film sectors of the Nigerian economy. The production of plays, musicals, concerts and other entertainment productions, which are byproducts of creative writing, not only create employment but also contribute to the nation's economic wellbeing. The productions of Musicals such as **Waaka, Saro and Fela** by Bola Austen-Peters Productions, for example, were not only taken to London, New York, they contributed to Nigeria's image while creating employment for many people. These will include, set designers, costumiers, make-up artists, publicists, lighting specialists, sound recordists and technicians, actors and actresses

and singers. A single production like **Fela or Saro** will not only create employment but also contribute to the nation's tax basket through taxes paid those employed while they were produced and the sales tax paid by the audience when they buy tickets for the productions. Another area where creative writing contributes or can be used to add value to Nigeria's national capacity is in the area of publishing and film production. It is the film script or manuscripts produced through creative writing that creates films and leads to the publishing of textbooks. In the case of film production, Creative writing which serves as the core of films through scriptwriting contributes greatly to national coffers and also help in projecting the nation's image. A good example is the amount contributed to the Nigerian economy by Nigerian films and video films between 2014 and 2018. The film that made the greatest amount in 2018 was *The WeddingParty 2* which made 502 million. Also, the film was taken up by Netflix a transnational virtual film and video distribution company thereby making it available throughout the world and transmitting and projecting Nigerian culture. The least grossing film was *The Banana Island Ghost*. In all the top twenty high grossing films and video films in Nigeria in the period, 2014-2018 (a period of four years) contributed a sum of 3.17 Billion Naira to Nigerian Economy (Wikipedia, 2019). This only represents takings at the film houses and not the amount made from cable television or pay per click on Internet and Netflix. Also, we did not quantify the amount that went into making the films and the various people who benefitted from hoteliers to actors, actresses and other professionals. Nigerian films have also led to intercultural cooperation like the present collaboration between Bollywood and Nollywood in the film, *Namatse Wahala* due to open in April 2020 (Salaudeen, 2020). There had been others like *Phat Girls*, a collaboration between American filmmakers and Nigerian filmmakers. We have to realise that there are many other films not listed here produced during the same period but which grossed less than 60 million Naira. The Nollywood industry contributed 2.3% (239 Billion Naira) to Nigeria's Gross Domestic (GDP) in 2016 (Pwc, 2017). We need to realise that in producing the film's employment is given to scriptwriters, costumiers, lighting specialists,

make-up artists, actors, actresses, cinematographers, publicists, caterers and other people. All these go a long way in expanding Nigeria's capacity. The discussions above only centres on the contribution of one aspect of creative writing to the Nigerian economy, there are some other ways through which creative writing contribute to the Nigerian nation. Nigeria is faced with a myriad of challenges and problems- drug abuse, kidnapping, herdsmen/farmers clashes, corruption, falling educational structures, an infrastructural deficit when it comes to roads, housing, water, power and the problems of leadership and inequality.

The Nigerian challenges are multi-faceted and myriad in nature. Our challenges straddle psychology, leadership, orientation and mental perception. These are areas that creative writing can work on. When good plays, poems and novels are written that showcase our challenges, such could be used in our institutions of learning thereby helping our children and learners to understand the challenges we are facing but also help them to know about solutions to those challenges as propounded by Nigerians and not by those who do not understand our stories or narratives. Creative writing products also help with mental reorientation and behaviour modification. Good plays read and produced help us to appreciate commendation of good deeds and condemnation of bad acts and actions that do not build a nation. Good film scripts will be of help in making our people recognise the advantages of our diversities rather than exploit the differences that besiege us in religion, tribe and cultures. As the nation's capacity increases, the development will also increase and those factors militating against sustainable development will be controlled and the nation can then develop sustainable development strategies and execute them efficiently. To do all these, however, there are challenges in using creative writing as being propounded here. What are those challenges?

Likely challenges in using Creative Writing as a tool of sustainable development and capacity building

Creative writing in Nigeria is not occupying a place of pride. This despite bringing honour to the country through prizes won by reputable Nigerian writers like Wole Soyinka, Chinua Achebe, Femi Osofisan, Niyi Osundare, Taiye

Ojanude, Habila Helon, Adichie Chimamanda, Seffi Atta, Biyi Bandele, Biyi Bandele-Thomas to mention a few. Creative writing as a subject or course is not part of our primary, secondary or tertiary education. This is however not so in developed climes. Creative writing is introduced in the primary school curriculum (DfE, 2014; Flood, 2015) and also a part of the secondary school curriculum in the UK, USA and other Western nations. This fact is sad if one realizes that over 1000 Universities all over the world offer Creative Writing not only at AssociateDegree, Diploma but also at Masters and PhD level. As at 1988/1989, American universities turned out 1,107 degrees in Creative Writing – 592 Bachelors, 511Masters and 4 Doctorates (Myers, 1993, p. 277). In 2015 and 2016, American universities produced 8,057 degrees in Creative Writing – 4883 Bachelors, 3,161 Masters and 13 Doctorates (IES-NCES, 2017).

This dearth of Creative Writing in our curriculum from primary to tertiary level is a great challenge towards giving each Nigerian child and adult a broad base introduction to creative writing. If creative writing is part of our curriculum, the tendency to produce more creative writers will be very high. Also, the majority of Nigerians will have ideas about creative writing and this will prepare them to be aware of creative writing, its products and also patronize and consume its products and productions. The question, however, is: how do we tackle the challenges to get the prospects? We can do this by working on including creative writing into the Nigerian Education Curriculum. This means getting the subject into the primary, secondary and tertiary curriculums as obtainable in USA, UK, Australia and other Western nations. The situation that there is no University in Nigeria offering a first degree in Creative Writing not to talk of Masters minus University of Maiduguri is sad. The other thing to do is coordinate and enhances creative writing products and productions in a way that they can be utilized as tools for National capacity building and sustainable development. To do this, the nation needs to implement the National Cultural Policy made in 1976 and reviewed in 1988. In addition, the Film Policy and the Cultural Endowment Fund should be put in place. The fight against piracy of creative works should be stepped up and the Intervention

fund in Creative and Culture Industries should be made more accessible to creative and cultural producers. Also, a more vibrant Reading campaign should be put in place and the duties on inputs into publishing which are mostly imported now should be reduced in order to guide against a situation where most Nigerian creative writing works are available outside the country rather than inside. The government is also expected to give incentives to book publishers and sellers so that the golden age of Nigerian publishing of the 70s can be brought back. When all the above are done, Nigerians will write more, publish more, read more and produce and watch more films and media products. One issue or objection that may be raised against some suggestions of this paper is the fact that what makes it possible for the curriculum templates and plans that work in the West to work in Nigeria? Another worrying question is: how are we sure that the development models of the West will work in our clime? The take of this paper is that if these models are working in developed and developing countries in the world why not Nigeria? If we put in place the necessary structures in place and through tinkering with these templates in order to domesticate them, there is no reason why these developmental practices and curriculum cannot work.

Conclusion

Developing a nation is neither a one-step act nor one, which a mono factor will do. The growth and development of a nation are a long process and one in which so many factors will come together in order for the development and growth to be smooth. Nigeria is at the quagmire she is now because missteps were taken and actions that were to be taken at the right time were not taken while those steps that should have not been taken were taken. This is the summary of the situation we find ourselves now but we can start again. To do this well, this paper suggests one tool that can be used in increasing Nigeria's capacity and help her to be on the path of sustainable development. This can be done by using creative writing and its products and productions. It also suggests that while there are challenges in using creative writing, there are steps that we can take in order to put the country on the path of development. It concludes by stating some of the actions that

can be taken that will solve some of these challenges staring the country in the face. This paper finally aver that since Creative writing is an instrument of developing societies through the generation of ideas, knowledge, opening up space for robust argument about the development of a nation and contribution to economic, social and moral development of the society, there is the need to study it in-depth in order to domesticate its concepts and make the creativity inherent within it as a subject and area of knowledge work for the Nigerian nation. Also in doing this, we need to bring about home-

based solutions to our curriculum development and practices most especially when it comes to the question of creative writing. This will in a way make it possible for this subject area and area of knowledge to be used in capacity building for Nigeria and also become a tool of sustainable development. This paper sets out to examine Creative writing as a tool of development and the nation's capacity building. Using the various examples within the paper. It is clear that the subject, if handled well, can contribute greatly to Nigeria's development and wellbeing.

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NIGERIA FEMALE WRITERS AND CHILDREN'S LITERATURE: HISTORY, ROLES AND CONTRIBUTIONS

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Abstract

In times past, children's literature was hardly accommodated in literary writings, as it existed and survived mainly on the fringes of adult literature. However, in recent times, there is a paradigm shift, resulting in a noticeable tilt to children's literature. As a fast-developing field of study, children's literature has provided a platform for an array of writers worldwide to express and explore available genres in fiction and non-fiction works to enhance children's development in their style and approach to children's literature. The works of children literature writers, especially females, have in some cases served as a yardstick for measuring core societal values and norms and their effect and influence on children, who at this stage are in the process of societal, cultural and religious integration. This could be explained in line with the roles and natural attributes of women and the influence, power and authority they wield on their children. However, the ever constant and dynamic nature of man, especially in the digital and technological era, has made it imperative for female writers of children's literature to move with the tide of time. This paper gives an overview of Nigerian women children's literature writers who have made indelible landmarks. It then examines female writers' works for the modern age, especially in the 21st century, when it comes to children's literature. To this end, suggestions are then made to bridge the divide and make suggestions for the development of emerging Nigerian children's literature female writers.

Keywords: Children's literature, female writers, feminist, gender, women

Introduction

Literature is of vital importance in our day-to-day life since it connects individuals with reality and ideas in society and creates a chronicle for recorded thoughts and experience. These stringed thoughts are made available and accessible to others through fictionalized and non-fictionalized accounts of experience. Literature, be it fiction or nonfiction, is foundational to every society. Dominant events in society are brought to life in the authors' words. Literature emanated from oral literature in both African and Western societies. In England for example, it evolved from works in old English, orally composed at first before written. Early writers are, Caedmon, AElfric and King Alfred, but a host of other writings are anonymous. Chaucer works from 1066 were mostly narrated poetry where he introduced rhyming couplet and other rhymes used in Italian

poetry. Other writers like, Henry, Hormard, Early of Surrey, Wyatt introduced the sonnet and a range of short lyrics to literature writing which later became popular with Sir Philip Christopher Sidney (1554-1586), Edmund Spenser (1552-1599) Marlowe (1564-1593) and William Shakespeare (1564-1616). Literature emerged from writings in the prose and poetry intended to provide instruction enlightenment or entertainment to the reader or audience. Geoffery Chaucer (1343-1400) is generally referred to as the father of modern English literature. He was a widely acclaimed poet of the middle ages. Old English literature was mostly poetic, (lyric, descriptive but chiefly, narrative or epic). Early Genres of literature included drama, fables, sutras and epic poetry dating as far back as 1500-1000 BCE among which the Indian Sanskrit Epics of Iron Age India stands out.

African literature is an offshoot of both poetry and prose which are often reflected in mythological, historical, stories and sometimes in African folktales and oral poetic forms. This oral tradition is an offshoot of major trends in the development of African Literature. Writings on black Africa is dated back to the middle ages with the introduction of the Arabic language before the Latin alphabet in the nineteenth century. Oral African traditions are orally transmitted messages from one generation to another in the form of speech songs, fables, epic histories, narrations, proverbs, or sayings. Themes and thematic relevance are diverse in African Literature as the continent itself. Themes arise from history, culture, customs, norms and traditions of a group of people while narrating their stories. African themes were derived from living and lifestyles of generations of people. African Literature can then be further categorized into, pre-colonial, colonial and post-colonial literature. Pre-colonial African Literature revolved around oral narratives accompanied by dramatization and music, centred on a trickster figure (Ijapa, tortoise in Yoruba land, Nigeria and Ananse, the spider in Ghana). Colonial Literature X-rays the horrors of the slave trade and slavery, as well as the revolt against colonialism and British imperialism. Post-Colonial Literature highlights the clash between colonial and indigenous cultures while raising hope for Africa's future within this praxis. The fact that there is a subset of African women writers among the horde of writers from the pre-colonial to the post-colonial periods and within a patriarchal society work to give hope and strength to follow when women are caught in the web of despair, dismissal, marginalized, used or abandoned by fathers and husbands. Their narratives depict the struggles of women in their bid to holding their homes together to uphold and preserve their cultures, even in the face of stiff opposition.

History and Development of Children's Literature

There is no generally accepted definition of children's literature, but it can be broadly defined as anything that children read or listened to. It could also mean, more specifically, work fiction, non-fiction, poetry, prose or drama intended for and used by children and young people. In modern parlance, it comprises all

books written for children, excluding works such as comic books, joke books, cartoon books, and non-fiction works that are not intended to be read from front to back, such as dictionaries, encyclopaedias and other reference materials (Hunt,1995). The origin of Children's literature can be traced to the stories and songs, which are part of a wider oral tradition in human societies, which adults shared with children before the emergence of publishing. Right from the 15th century, pieces of evidence of a large quantity of literature existed, often with a moral or religious message aimed specifically at children. The development of early children's literature, before printing was invented, is difficult to trace. Even after printing became widespread, many classic "children's" tales were created for adults and later adapted for a younger audience.

Children's literature became popular in the second half of the 18th century. The late nineteenth and early twentieth centuries became known as the "Golden Age of Children Literature" as this period included the publication of many books acknowledged today as classics. It became a flourishing and popular business in the publishing industry in Britain mostly in London. The books were meant to please, appeal and entertain the target audience through the pleasant tone of writings, illustrations, page layout and designs. Early themes were often moralizing and pious which by today's standards are dry and uninteresting. Early children's literature before the mid 18th century was instructional, often moralising (spelling books or school books) and deeply pious. Writers in this category are John Bunyan and James Jane and examples of some of their works include *Way's Puritans* and *A Token for children* respectively. These writings preach holy living, uprightness and had religious agenda. The twist came by the mid 18th century with the production of new books designed to instruct, delight and entertain children. Thomas Boreman and Mary Cooper are good examples of this movement in their books *Gigantick Histories* (1740-1743) and *Tommy Thumb's Pretty Song Book* (1744). However, John Newbery is widely acclaimed to be the father of children's literature with his book, *A Little Pocket Book* intended for the Instruction and Amusement of Little Master Tommy and Pretty Miss folly (1744). He is also

credited for producing the first children's periodical called the Lilliputian magazine (1751-1752) while the *History of Little Goody Two-Shoes* (1765) of his claimed to be the first present novel.

The reasons for the sudden rise of children's literature has never been fully explained. The entrepreneurial genius of figures like Newberry undoubtedly played a part, but equally significant was structural factors including the growth of a sizeable middle class, technical developments in book production, the influence of new educational theories and changing attitudes to childhoods (Grenby, 2014, p.54)

The modern concept of childhood only emerged in recent times. Originally, children were in the past not considered as greatly different from adults and were not given significantly different treatment in the literature. Early children's literature consisted of spoken stories, songs, and poems that were used to educate, instruct, and entertain children and religious stories written by priests/ clerics for instructional and didactic purpose. The concept of childhood emerged for the first time in the 17th century when adults began to see children as a separate entity. They became conscious of their innocence and frailty and the need to protect them. They saw the need to train adults to meet their special demands and peculiar needs. It was only in the 18th century, with the development of the concept of childhood that a separate genre of children's literature began to emerge, with its divisions, expectations and peculiarities. John Locke, an English philosopher, in his study of human understanding, prescribed "easy pleasant books" for children to form their sensory experiences. Sometimes, there may be no clear cut distinction reached about whether a given work is best categorized as literature for adults or children as some works defy easy categorization. For instance, J.K. Rowling's Harry Potter series was written and marketed for young adults, but it is also popular among adults. There was a shift to a modern genre of children's literature in the mid-19th century. The production of more humorous, well designed, child-oriented books was birthed

to suit children's imagination. Subsequently, the availability of children's literature greatly increased as paper and printing became widely available and affordable. Readers' population grew and literacy rates improved with this technological advancement.

Categories of Children's Literature

Literature is a child's third parent. Like the father and the mother, literature helps to bring up a child by moulding his mind and developing his character (Segun, 2009). A major outstanding feature of children's literature is age and gender. These are strong determinants of technique, tone, content, or length. Anderson (2006) identifies two classifications of children's literature, by genre and by age. The categories are as follows

Genre Category

- Picture books, including concept books that teach the alphabet or counting, for example, pattern books, and wordless books.
- Traditional literature, including folktales, which convey the legends, customs, superstitions, and beliefs of people in previous civilizations. This genre can be further broken into subgenres: myths, fables, legends, and fairy tales
- Fiction, including fantasy, realistic fiction, and historical fiction
- Non-fiction
- Biography and autobiography
- Poetry and verse.

Age Category

The criteria for these divisions are vague but can be seen in simplicity or complexity of language, large prints or normal prints and many or fewer illustrations. These form the borderline for distinguishing literature for younger and older children. The categories with an age range are listed below

- Picture books, appropriate for pre-readers or children ages 0–5
- Early reader books, appropriate for children ages 5–7. These books are often designed to help a child build his or her reading skills.
- Chapter books, appropriate for children ages 7–12.

- Short chapter books, appropriate for children ages 7–9.
- Longer chapter books, appropriate for children ages 9–12.
- Young adult fiction, appropriate for children ages 12–18 (Anderson, 2006).

Pictorial books are most often associated with younger children. Illustrations are rarely seen in adult books but are outstanding features of modern children's books. Generally, artwork plays a great role in books intended for younger readers (especially pre-literate children). Children's picture books often serve as an accessible source of high-quality art for young children. Even older children appreciate occasional drawings or illustrations in chapter books. The first illustrated children's book is Orbis Pictus, published in 1658 by the Moravian author Comenius. It had a picture on every page, followed by the name of the object in Latin and German and translated into English in 1659. It was very popular in homes and schools around Europe and Great Britain for years. This later became a flood gate for the emergence of female writers for children's literature in years to come.

Early Female writers for children's literature

By the end of the nineteenth century and beginning of the twentieth, the world was already giving recognition to the works of women. There was a large realization that they possess apart from domestic dexterity, conquest in the labour market, valuable social and intellectual contributions, the right to be free, seen and heard. This heralded a breakthrough that was also witnessed in children's literature with some phenomenal women who contributed so much to the literary culture worldwide. Their writings covered a range of themes where they have found expression for their talents, writing about life and times with image moulded-in poetry and finesse. Some of these works of female literature writers widely read include

- Jane Austen (an English novelist) *Pride and Prejudice*, *Mansfield Park*, *Sense and Sensibility* and others
- Virginia Woolf (a foremost twentieth-century modernist): *Mrs Dalloway*, *To the Lighthouse*, *Orlando* and *A Room of One's Own*

- Enid Blyton: (an impeccable magical storyteller of the twentieth century) *Famous Five* and *Secret Seven* Series
- Rhoda power: *Redcap Runs Away*

Early female writers concentrated on moralistic writing to import manners, values and norms of the society in preparation for their (children) journey into adulthood. Pre- dominant features in some of this earliest writings contain feminist themes where women of this period were represented mainly in children's books as domestic hands. They charted leadership roles for boys and exempted girls from science and adventure. They perpetuated stereotypes about appropriate behaviour and occupations for women and girls. Early children's books frequently lack female characters entirely or include them only as minor or unimportant characters.

More and more studies began emerging from children's literature. All the findings agreed that women were drastically underrepresented and given few options. Boys were overwhelmingly shown to be much more active and have adventures more frequently, while girls were passive and remained in the home with the adult women. The results of countless studies conducted over the years all had the same or similar results. (Yabroff, 2016, p.11).

Two works, Louisa May Alcott's Little Women and Frank L. Baum's The Wonderful Wizard of Oz deviated from this trend by raising awareness of housework as oppressive. This is one of the earliest forms of the feminist movement. Apart from the exploits of the listed writers in their works for children, today children's literature has become more expensive and diverse. Technological advancement and modernity have brought in new genres of children's literature which apart from fictitious historic and moralistic writings now included science fiction. Female writers now explore more subjects environmental, projection, spiritual, future and sexual orientation themes are core. Gender division stayed in children's books prominently until the 1990s but

...it is the goal of a feminist to promote children's literature that gives children autonomy and the authority to speak

and be heard. Books for children need to show how important it is to be able to listen and hear the accounts of others' stories. (Hartfield 2006, p.14).

Nigerian Female Children Literature writers.

Africa has produced a lot of renowned female authors who have made great contributions to the world of literature. This development only becomes manifested during the late 1970s with the arrival of Senegalese woman, Aminata Sow Fall and Mariama Baa, (first African feminist writer) and others like Mabel Segun, Flora Nwapa and other first-generation women writers. Since then, there had been many more female writers like Chimamanda Ngozi Adichie, Ama Ata Aidoo, Tess Onwumere, Zulu Sofola, Zukiswa Wanner, and some others. These are popular early writers of short stories, novels and plays whose writings mostly in protest to the marginalization experienced by their genders survived. The arrival of African female writers for children literature was a later development, much later than their male counterparts. **The reason for this lateness can be attributed to a dearth of educated female writers, which was not a common sight. Women were relegated to the background where they keep mum, not seen or heard. Their role in the traditional African society was to rear children, perform household chores and attend to their husband's needs and see to the general running of the home. With the attainment of independence by most African states, few privileged women, who were from elite families had opportunities to become educated.** Their writings are predicated by the prevailing quest for acceptance by their male counterparts. Themes of their writings for children depict rustic African traditional societies and cultural norms, the confusion that comes with modernity and clash of cultures, the consciousness of womanhood and a search for a loss of identity in their works. **Outstanding among them are three early female writers whose works will be discussed in the following paragraphs.** These are writers whose works belong to the Nigerian post-colonial era.

Mabel Dorothy Segun (b.1930) is a prolific writer, foremost pioneer and advocate of children's literature. She is a versatile woman whose outstanding achievements in

the fields of literature singled her out for Nigerian National Merit Award in 2010 under the administration of the then President Goodluck Jonathan. She pioneered the establishment of children's Literature Association of Nigeria which she founded in 1978. Mabel Segun's stories and poems have been published in over 30 anthologies in Nigeria and abroad. They have been translated into German, Danish, Norwegian, Greek and Serb Croat while two of her children's books have been translated into Swahili and Arabic. Her career as a teacher, broadcaster, poet, editor, playwright, short story writer and her exploits in sports formed a vast base for the expressive combination of her talents prolifically displayed in her works. As a champion for children's literature, her interest and exploits were brought to fore in 1965 with her early popular classic autobiography, *My Father's Daughter*. It is a story capturing the essence of the life of a young girl in a small, rural society at the transitional stage between an animist past and a technological future full of uncertainty. The story emphasizes the efforts of a society striving to strike a balance between man and nature, inter and intra-relationships, irrespective of religious or cultural beliefs. This was later followed by its sequel *My Mother's Daughter* Series in 1986 and these two have formed the basis for literary studies and appraisal in theses and articles in Nigerian tertiary institutions. Other works by Segun for children are, *Olu and the Broken Statue* (1985), *The First Corn* (1989), *The Twins and the Tree Spirits* (1991/2004). Apart from short stories, Segun has also published poetry for children, including co-authored ones, like one she edited with Neville Grant, *Under the Mango Tree* (1980), a collection featuring poems from all over Africa and the Diaspora. Her other children's literature collection includes eight books entitled, *Fun with Shells*, *Decorating eggs*, *Painting stones*, *Painting China*, *Let's Use String*, *Printing*, *Making Pictures and Patterns*, and *Modelling*, *Building and Carving*. She is regarded as the Matriarch of African Literature.

Following closely is her counterpart, Florence Nwanzuruahu Nkiru Nwapa (b.1931), popularly known as Flora Nwakpa; another notable feminist female novelist, short story writer, poet

and children's writer. She is accorded first African woman novelist to be published in Britain. She has been tagged the Mother of modern African literature and doyenne of modern African female writers. Her works are best known for recreating life and traditions from an Igbo woman's viewpoint. Her contributions in reconstruction during the rehabilitation of orphans and refugees after the devastating Biafran war said many volumes about her generous nature. Her first novel, *Efuru* (1966) was a masterpiece intervention in African literary culture where women were often portrayed from a male-centred perspective. She saw her novels as an attempt to liberate the African woman from the stereotyped role of domestic life and victimization as always represented by male writers in their novels. African women were more than simply poor traders, prostitutes, and unhappy wives. Although she refused to be labelled a feminist, her novels allowed her to refashion African femininity through complex and multi-faceted characters. Her adventure into children literature was targeted at older children and this led to the publication of nine children's books.

Another Nigerian female writer is Buchi Emecheta, (b.1944). A feminist and Black British female writer recognised as Nigeria's first woman novelist published in Britain. Emecheta is a novelist, children's writer and playwright, whose works are domiciled in her multi-layered yet intersecting identities of a diasporic single woman. Her narrations of African myths and traditions and the cultural collusion, which are typical of postcolonial writers, punctuate her writings as she re-creates her continent's enslaved traumatic historical past. She wrote for older children in *Pacesetters*, a popular short story series in the '80s and her illustrated book for children, *Nowhere to Play*.

New female children literature writers, new trends

Women have gradually found a voice and safe nest in a patriarchal society where they can be seen and heard. Male gender has now started recognising and acknowledging the role and importance of women beyond the initial relegation to household chores. A new generation of children literature female writers have emerged in recent times, so also have

there been various styles of writing. Gone are the days of writing for female emancipation from the clutches of tradition, culture and male chauvinisms. The change in the social status of women has contributed immensely to the new trends of writing for children's literature. There is a consciousness to create self-awareness and identity for children. They are encouraged to speak out against any form of oppression and suppression in society and exercise their rights life. Unlike the early writers when female education was a rare privilege, new writers see it as a right they are entitled to. Therefore, themes and thematic treatments have shifted grounds from pleading to assertion and writers are now confronted with the treatment of themes that are offshoots of education, civilisation, politics and power, indoctrination, technology and other social vices that are dominant in today's societies.

This is the category that, Ayodele Olofintuade, writer of *Eno's story*. Her debut is a story revolving around Eno, a young girl in the Eastern part of Nigeria where people were dying of AIDS. Eno was accused of witchcraft as is commonly the practice now, after the mysterious disappearance of her father. There are established cases of child witch scandal in Nigeria and they undergo torturous punishments in the form of deliverance by their parents or close relatives, leaving them maimed or dead at the end. Eno was able to face adversity through the support of her loving mother, instead of being downtrodden and overwhelmed by a victim mentality. It is a sad, moving story spiced with bouts of humour which further characterized Eno as being brave and courageous. Her story is well illustrated, colourful and close to life, in the class of Enid Blyton series. Eno's story was shortlisted for Nigerian Prize for Literature Award in 2011.

Another female writer is Nnedi Okorafor. A Nigerian-American born of Nigerian immigrant parents in the United States. She is an international award-winning novelist of African-based science fiction, fantasy and magical realism for both children and adults. Nnedi can weave African culture into creative evocative settings and memorable characters. Her interest in writing science fictions for adults, young adults and children are credited in her works,

The *Akata series*, *Zahrah the Windseeker*, *The Shadow Speaker*, *Long Juju Man*, *Iridessa and the Secret of the Never Mine* and others. Her motivation for writing books in this genre set in Africa and America is a true reflection of her identity and roots. The relevance of her work to the modern child is apt and timely. The African child is no longer satiated with folk tales, legends and myths. Exposure to science and technology has left a thirst and search for inquiry and adventure, which is a mix in Okorafor's writings. This is uniquely significant creativity in a new dimension, a total and radical departure from the established norm of writing for children. Her works have won many awards, listed below, from 2005 till date.

- 2005 – The Strange Horizons Reader's Choice Award for *Stephen King's Super-Duper Magical Negroes*
- 2007 – 2008 – Macmillan Writers' Prize for Africa for *Long Juju Man*
- 2008 – Carl Brandon Parallax Award for *The Shadow Speaker*
- 2008 – The Wole Soyinka Prize for Literature for *Zahrah the Windseeker*
- 2012 – The 2012 Black Excellence Award for Outstanding Achievement in Literature (Fiction) for *Zahrah the Windseeker*
- 2012 – Kindred Award for *Who Fears Death*
- 2011 – The World Fantasy Award (Best Novel) for *Who Fears Death*
- 2016 – The Nebula Award (Best Novella) for *Binti*
- 2016 – Children's Africana Book Award for Best Book for Young Readers for *Chicken in the Kitchen*
- 2016 – The Hugo Award for Best Novella for *Binti*

Mary Okon Ononokponor is of Oron origin in the South-South region of Nigeria but living in the UK. The Nigerian-British is a freelance fashion/entertainment writer and artist, obsessed with making tangible intangible things. Her work, a children fiction, *Tualah and the Time Traveller*, won the Golden Baobab Prize for Children's Literature in 2014. It is based on the travelling adventure of Tualah, assisted by her clever cat, Karma. The story, entwined in technology, app creation, time management and other heavy themes feature in this creation. Her motivation stems from her African immigrant origin

propelled by a quest to recreate individual experiences narrated in popular culture. This is aside from books written by black authors and set in the African Diaspora with a tendency to focus on the Caribbean or American experience, which is difficult to identify with as an African immigrant.

Suggestions

Literature as a child's third parent and a twenty-first-century child is a child of many parts. Female writers need to produce good pieces of literature that can create in young people an awareness of the expectations of a decent society and acceptable behaviour patterns in society. Children need to have a personal identity, a point of reference from which they can operate. A foremost way of creating this awareness is by providing them with well-written stories, poems and plays whose themes reflect concerns that are germane to their existence. They need books about family, growing up, emotional needs of people, suffering, loss/grief, love accepting others, relationships and religious tolerance. Books that can fill this gap are books that portray the cultures of the different ethnic groups and their diversities. Universal social problems need to be treated in books. Such as problems of alcoholism, cultism, hooliganism, prostitution, drug abuse, sex, sexual abuse and domestic violence. Female writers need to be aware that today's literature for a Nigerian child needs a refocus on global issues, such as the environment, gender discrimination, human rights, child abuse terrorism, conflict resolution, war and peace, as these are prevalent issues calling for attention. These works need honesty, amusement, imagination, fun and recognition of the fact that this writing is for them not adults and must be treated as such. Children would prefer to read works of writers that view life from their perspective and can relate with their interests and expectations and by so doing bridge the divide. These are crucial factors that endear children to pieces of literature.

Conclusion

Discourse in children's literature has evolved a more radical approach in treatment and thematic relevance, germane and fundamental to the "modern-day" child. There is a call for a new generation of African female children writers, illustrators and publishers to step forward and

embrace their artistry with innovations and new dimensions that would be relevant in meeting the modern-day demands. It is imperative to strike a balance with technological advancement and the challenges they present as a reality of today's world. Female writers must necessarily write for today's children not tilting towards the writing styles they grew up with. Modern children

need works of literature that are engaging, involving and innovative. Of great importance, emphasis should be laid on the available media open to children such as electrical gadgets (tablets, phones, laptops, etc.) and in particular social media. They must strive to meet them at their point of need in the most suitable manner that will appeal to their senses.

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INNOVATION STRATEGIES AND ENTREPRENEURIAL PERFORMANCE: A STUDY OF SELECTED SMEs IN LAGOS STATE

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Abstract

This paper investigates the effect of strategic innovation on entrepreneurship development of selected SMEs competitiveness. The main objective is to explore the effect of strategic innovation on entrepreneurship development of selected SMEs competitiveness in Lagos State, Nigeria. The survey research design was used for the study. The study population consists of 11,663 owners/managers of SMEs in Lagos State. The Cochran formula was used to arrive at a sample size of 742. A structured questionnaire was administered with 92.6% response rate. The instrument was validated and Cronbach's Alpha reliability coefficients for the major constructs were obtained for the construct validity test factor analysis. Findings revealed that Innovation strategy had a significant effect on the profitability of SMEs competitiveness in Lagos State ($\beta = 0.314$, $t = 8.884$, $p < .05$). This study contributed knowledge by submitting a significant background to the various concepts of strategic innovation and entrepreneurship development. The study concluded that there is a positive and significant effect of innovation strategy on the profitability of SMEs competitiveness in Lagos State, Nigeria. Therefore, the paper recommended that SMEs competitiveness in Lagos State should constantly engage in innovation to improve the competitive advantage it acquires against other organizations in the sector. They should constantly analyze and determine their services operations in an attempt to improve operations efficiency.

Keywords: Strategic Innovation, Innovation Strategy, Entrepreneur, Entrepreneurship Development, Competitiveness Pressure

JEL Classification Code: L26, M10, M11

1 Introduction

Small and medium-sized enterprises (SMEs) are crucial to the growth and development of the economy because they typically form a large part of economic activity and provide employment to about 75% of the labour force of any countries, in particular to the developing countries in Africa (Salavou, Baltas & Lioukas, 2017). According to Ayodeji (2015), a higher percentage of these SMEs in Africa do not survive their second year due to environmental constraints, weak strategic innovation and entrepreneurship development implementation and the competition organization face from other organization globally. These constraints include capital failure, human resources challenges, market-related challenges, adverse legal and regulatory conditions and weak institutional regimes (Olughor, 2015). In terms of liberalization and privatization, SMEs, in particular, emerge and develop economies,

have become economical and very vital economic tools for the seedling of entrepreneurship development and local technology that create jobs and are better positioned by major organizations to innovate (Salavou et al., 2017). However, according to Salavou et al., (2017), there are barriers to the practices of innovation in SMEs, including insufficient investment capital, infrastructural facilities, education and training systems, regulatory constraints and general gaps in technical knowledge and acquisition of skills, limited management capabilities, difficulty in using technology, resulting in low productivity.

Strategic innovation is one of the main ways by which SMEs can overcome these unfavourable business conditions to grow and develop in large business entities (Ayodeji, 2015). Strategic innovation has been an integral component of economic activity for several economies and it

continues the positions of current studies, such that firms that fail to engage in strategic innovation are faced with great risk while some argue are due to the keen level of competition and reduced product life cycles of modern times, company's ability to generate strategic innovations is as well vital than ever before to allow the firms to improve performance, enhance entrepreneurial development, new product development, SMEs growth, control market share and maintain competitive advantage (Namusonge, Muturi&Olaniran, 2016). For this reason, strategic innovation has become indispensable for all SMEs to achieve entrepreneurial development (Namusonge et al., 2016).

Entrepreneurship development is seen as a medium that is considered as a mechanism for the growth and maintenance of the development of a nation's economic growth. Ayodeji (2015) stated that entrepreneurship development has been identified as a possible mechanism for stimulating the growth and operations of SMEs. Innovation strategy is an essential tool for the growth and profitability of organizations. He also added that the innovation strategy and the organizational structure determine the development, growth and profitability of an organization's entrepreneurship. Entrepreneurship development has increased the entrepreneur's skills and abilities to create value and is the foundation of a nation's industrialization. Fasua (2017) pointed out that entrepreneurship development is essential for achieving the Millennium Development Goals (MDGs) among the area of socio-economic growth and development of Nigeria.

Entrepreneurship culture in Nigeria started when people in the rural areas and farming communities produced more products than they needed, as such, the rural dwellers had to exchange these surpluses with those who required them within their immediate and neighbouring communities (Raimi&Towobola, 2011; Oyelola, Ajiboshi, Raimi, Raheem & Igwe, 2013). In a Dynamic environment like Nigeria, innovation strategy is regarded to be a prime strategic factor for the SMEs competitiveness, product development, customer loyalty, SMEs growth and profitability (Fasua, 2017).

Despite the government's efforts to advance entrepreneurship in Nigeria, Hamilton (2008), Ijaiya (2007) and Olughor (2015) found that the rate of growth of entrepreneurship development in Nigeria has been very sluggish and that failures and even death were quite common. This situation contrasts sharply with the incredible entrepreneurial success witnessed in Europe, Asia and America (Dango, 2000). According to Agbati (2011) and Ayodeji (2015), the most fundamental and logical reason for the sluggish growth of entrepreneurship development among Nigerian SMEs is the lack of innovation in business or strategic, in turn, reduces profitability and growth relative to foreign SMEs. As established by Sharma (2016), strategic innovation is an idea applied to launch or improve a product, service or process and ensure its sustainability, even for a long time. It has been abundantly explained in the literature that most Nigerian SMEs, especially in Lagos State, collapsed due to strategic innovation, technological capability, innovation culture, and that the innovation process was not easy for the majority of SMEs due to lack of financial and human resources at their disposal, which is the fundamental key to entrepreneurship development and SME growth (Agbati, 2011; Ayodeji, 2015; Fasua, 2017).

There are barriers to instilling innovation strategy, innovation culture, innovativeness and technological capabilities in SMEs which include lack of investment capital, poor infrastructure, education and training systems, and encumbering regulations and, in total deficiency in the acquisition of know-how and skills. Other barriers include limited management capabilities, difficulty in using technology, resulting in low productivity and a significant decline in the profitability of SMEs, growth and the idea of developing new products in Nigeria (Hussien, 2010; Oyewale, Adeyemo&Ogunleye, 2013; Ayodeji, 2015; Namusonge, Muturi&Olawoye, 2016). With the dynamism of the environment and changes in consumption pattern and policies, the small and medium enterprises innovating in products has been a challenge; hence their development and survival are not guaranteed (Ibidun, Oluwole&Ayodotun, 2014). Though resources are scarce, most SMEs in Nigeria do not employ modern techniques and processes hence they lack

innovation culture in products development and they roll out the same products for time to time without innovation and product development to attract and control customers' loyalty. These attitudes serve as an impediment on the eventual growth and development of SMEs and increase customer disloyalty in Nigeria (Ibidun, Oluwole & Ayodotun, 2014).

This research study is a valuable contribution to the existing body of knowledge as it is intended to highlight the effect and relationship between strategic innovation and entrepreneurship development of SMEs across Lagos State, Nigeria and the extent to which probable solutions can be given to the identified issues that exist in their relationship.

2 Theoretical Background

2.1 Resource-Based View on Resources

The resource-based view (RBV) was formulated into a comprehensive theory by Wernerfelt (1984). The theory postulates that a firm's competitive edge is based on the organizational resources and capabilities that are not only rare and valuable but non-substitutable and inimitable. RBV indicates that the firm can ensure a stable competitive advantage by facilitating the development of business-specific skills, creating complex social relationships that are incorporated into the history and culture of the business and create tacit organizational knowledge (Lee, 2016). RBV is perhaps the principal theoretical perspective in the management strategy literature (Barney and Mackey, 2005) and is an important perspective also in the field of entrepreneurship (Alvarez & Busenitz, 2001).

According to Barney (2000), RBV theory is based on three assumptions including that: businesses seek to earn above the average industry returns; secondly is that resources are distributed asymmetrically among competing companies, and lastly that difference in resources lead to differences in the characteristics of the product or services resulting in fluctuations in the performance of the firm.

The theory goes beyond the implementation of strategy and analysis of organizational processes. These two issues are the preoccupation of most of the previous work

being done on the strategic implications of the company's internal environment, which ultimately lead to strategies. Many researchers (Alvarez & Barney, 2002; Barney & Arkan, 2001; Michael, Storey & Thomas, 2002) agreed that the RBV, as a competitive advantage theory, requires four resource and capacity features as determinants of the sustainability of the firm's competitive advantage. It is durability, valuable, rare, ease of imitation, transferability and substitutability (Grant, 2001). The resource of a business is valuable in helping the company to create strategies that harness opportunities and prevent threats from the environment and competitors. This resource is also rare when it is better than similar resources belonging to competitors of the business.

2.2 Theory of Entrepreneurship Innovation

The theory of innovation in entrepreneurship was proposed by Joseph Schumpeter (1949). According to him, entrepreneurs are helping the growth process in an economy because they are people who are innovative, creative and proactive in a given society. Schumpeter (1949) went further and added that innovation occurs when the entrepreneur introduces a new product or a new process or a new production system, opens up a new market, discovers a new source of raw materials or introduces a new organization in the industry.

He also stated that entrepreneurship involves combining resources in a new way such as the introduction of new products, the new production method, the identification of new sources or sources of raw materials/inputs, and the setting of a new standard either on the market or in the industry changes the balance in the economic system. However, Schumpeter's entrepreneurs are essentially large entrepreneurs/women that are common to advanced economies. The classes of entrepreneurs who are common to develop countries such as Nigeria and Ghana are entrepreneurs who have to imitate rather than innovate to survive.

Schumpeter's theory has also been criticized for not perceiving entrepreneurial action at the microeconomic level, ignoring the individual approach to the reasoning of the single- cause, the lack of temporal dynamics and the failure to make case for contextual factors and the contingency approach about its focus towards

adaptation and lack of human agency (Gartner, 1988; Shaver & Scott 1991; Thornton, 1999). According to Schumpeter (1934, 1942), entrepreneurship involves combining resources in new ways, such as the introduction of new products with better sights, new ways of production, the discovery of new markets, the identification of new sources of raw materials supply and the change of existing market regulation through innovation that brings about radical changes in the market.

2.3.1 Strategic Innovation

The word "innovation" comes from the Latin word "innovare", which can be translated as "renewal". Thus, innovation shows the ability to create something new. It is customary to separate the act of innovation and the outcome of innovation. It is also common to distinguish between inventions and innovations. An invention is the non-commercialization first appearance of an idea for a new product or process and innovation is the act of its implementation and commercialization (Damanpour, 2002).

The innovation implies to find a new and better way to do things. It is about exploiting new ideas that create a new product, process, service, new business system or new management method that have a substantial impact on productivity and growth. According to Drucker (2006), innovation is a change that creates a new dimension of performance. As a result, it may involve technological transformations and even restructuring of the management team. It may mean that exploiting new technology and developing serious creative thoughts offer new value. From Drucker's point of view, systematic innovation consisted of a deliberate and organized search for change and the systematic analysis of the opportunities that these changes could bring for economic or social innovation.

McKeown (2008) considers innovation as the tool or instrument used by entrepreneurs to exploit change as an opportunity. He claimed that innovation, as a discipline, is capable of being acquired through learning and practising. Schumpeter (1939) considers innovation as a means of progress in the market economy. This view is supported by the current changing and competitive environment faced in Nigeria. An organization that refuses, deliberately or not, to

be creative and innovative will not survive on the market. As such, real entrepreneurs and businesses are constantly creative and innovative to stay connected with customers, which is the primary purpose of each business.

To gain a competitive edge, such that it is maintained for a long time, it is clear that companies should constantly be creating new products, services and a business model (Markides, 2010). The creation and subsequent implementation of new business models which transform radically conventional products and services, such that, it outsources existing business rules have brought about a significant strategic change in the historical flow of traditional large companies.

2.3.2 Innovation Strategy (IS)

Innovation is defined as the means of implementing internal or external generated devices, systems, strategies, programs, processes, products or services that are new to the implementing organization (Damanpour, 2002). The term innovation embodies the idea originated in other to endeavour the improvement of organizational performance (Camisón-Zornoza, Lapiedra-Alcamí, Segarra-Ciprés&Boronat-Navarro, 2004). According to Kiragu (2016) and Damanpour and Gopalakrishnan (2001), innovation is the implementing of idea or behaviour concerning a product, service, device, system, policy or program that is new to the implementing organization. This definition covers a wide range of possible innovative activities such as embarking on research and development, the introduction of fresh products or the filing of copyrights and the sustaining of creative culture in organizations (Greve, 2003, Katlia& Ahuja, 2000, O'brien, 2003).

Letangule and Letting (2012) found that innovation strategy is a prerequisite for the growth and profitability of organizations. Porter (1996) state that the strategy consists of a set of activities that will allow the organization to separate itself from its rivals and retain its competitive place. In general, research findings show that organizations with an innovation strategy are more accomplishing successful than organizations that are not (O'Regan, Ghobadian&Galleary, 2005). Innovation strategy is a guide that encourages organizations to

understand the reason for innovating before making an effort to innovate. Innovation strategy consists of economic goals and developed areas for new product or service; these are the general measure that provides a set of sifts through which the concepts of strategic functions and new goods or service must go through, thus defining the strategic task of the new goods or services.

Innovation strategy is vital for the form of strategies, the approach to objectives and means of improving and enhancing the organization's innovative potential (Lendel & Varmus, 2011). The innovation strategy allows the top organization to monitor the activities of its rivals, to gain insight with customer market information, to efficiently use corporate resources and to invest effectively in research and development (Oke, Walumbwa & Myers, 2012). These activities have been found to have a significant impact on business innovation performance (Verhees & Meulenbergh, 2004). The general view of the literature is that innovation strategy has a significant effect on innovation quality and organization's performance in terms of innovation (Wu & Lin, 2011). Innovation capability is increasingly seen as the most important factor in the development and support of the competitive advantage (Letangule & Letting, 2012, Tidd, 2001). According to Davila, the Epstein and Shelton (2009) innovation strategy is an indispensable component for constant success and is an essential part of the business model that improves business performance.

2.3.3 Entrepreneurship Development

Most economists today affirm that entrepreneurship is an essential ingredient for encouraging economic growth and job opportunities around the world. In most developed countries, successful small businesses are the main drivers of not only job creation and income growth but also poverty reduction. Therefore, the support of government for entrepreneurship is considered a critical strategy for economic growth (Osemeke, 2012). Entrepreneurs play a key role in the acceleration of a nation's socio-economic development. Entrepreneurs are considered as nation-builders and creators of wealth. They are also the agents of change that start economic activities for the

creation of wealth. They take up the business initiative, employ themselves in this business and open up jobs for others. Consequently, the positive role of the entrepreneur is most vital for a country, especially where the parallel problems of poverty and unemployment co-exist (Osemeke, 2012).

Entrepreneurship development may refer to the process of improving entrepreneurial skills and knowledge through structured training and institutional development programs. The development of entrepreneurship aims at broadening the entrepreneurs' base in order to accelerate the pace of start-ups. This speeds-up the generation of employment and economic growth. Entrepreneurial development focuses on the person who wants to start or expand a business idea or venture. Also, the development of entrepreneurship focuses more on growth potential and innovation (Osemeke, 2012). According to Ayodeji (2015), entrepreneurial development is any action or effort made in relation to entrepreneurship for its progress, maturity and efficiency.

Esuh (2011) opined that to add to the body of knowledge that the positive impact of entrepreneurial development has extensively been expected and has been recognized worldwide in various countries around the world. Mitchelmore and Rowley (2010) specified that entrepreneurship development activities also comprise those that are creating the field of entrepreneurship to be attractive to the non-entrepreneurs to increase their interests, skills and abilities to engage them in entrepreneurial activities. Thus, considering the economy in Nigeria, Osemeke (2012) clarifies that the development of entrepreneurship has been perceived by succeeding governments since the program of activities aimed at improving the managerial knowledge, skills and attitudes of peoples and groups to play the function of entrepreneurs.

2.3.4 Types of Entrepreneurs

According to Ayodeji (2015), the types of entrepreneurs are;

Innovative Entrepreneurs: This is the types of entrepreneurs that introduce innovations to the economy and the market or use new production techniques. This Innovation has never existed anywhere.

Imitation Entrepreneurs: This is the immediate opposite of the first entrepreneur, as they emulate innovations coming from innovative entrepreneurs. They are most suited to developing countries that are unable to undertake costly research and production.

Fabian Entrepreneurs: It's a bit close to imitation entrepreneurs, as they are very careful and sceptical about implementing any change; they choose to do the same thing similarly forever, despite the challenges and innovations.

Drone Entrepreneurs: This is the kind of entrepreneur that is the worst because they tend to be sluggish and traditional; they may portend as hurdles in economic development. They usually struggle to exist and probably not to grow.

2.3.5 SMEs Profitability

Profitability has been given considerable significance in finance and accounting literature. It is another significant measure of return that should be considered unlikely that stable growth can be maintained without profits being available for re-investment in the business. There are some criteria used to assess the performance of SMEs and other organizations for long-term survival in the event of globalization and competition. The key indicators used to measure organizational performance include, among others, profitability, management performance, liquidity, market share, innovation, productivity, quality of goods and services, human resource management (Bala&Mukhtar, 2014, Ringim, 2012). The performance of SMEs is to determine the company's financial capability, such as profit, profit as a percentage of sales, profit as a percentage of the investment, and sales and profits growth (Kamyabi& Devi, 2012).

Guda (2013) defines profitability as an economic promote when the amount of revenue earned from a business activity exceeds the costs, expenses and taxes required to maintain the business. Profitability is the success of a business Profitability is a measure of the overall efficiency of the business (Guda, 2013). Efficiency can be exact by correlating production as a percentage of inputs or output with the results of other enterprises in the same industry or with the results achieved in the various operating seasons. The profitability of a business can be estimated by comparing the

amount of capital used, i.e. the inflow with earned income, i.e. Production. This is recognized as a return on investment or return on capital employed. Businesses are generally made to earn profits. The amount of earned income measures the effectiveness of a business. The more the volume of profit, the greater will be the effect. A Business's profit can be measured and analyzed by studying the return on investment achieved by the business. Thus, profitability can be considered as a relative term measurable in terms of profit and its relation to other items that can directly affect profit (Barad, 2010).

2.3.6 Competitive Pressure

The pressure on competitiveness implies all the actions, activities and approaches that an enterprise has to attract more buyers to survive a competitive edge from industry and develop its market share (Sifuna, 2014). Sifuna (2014) identified competitive pressure as a tool for businesses in a particular industry. According to Grant (2002), the long-term strategy must stem from the organization's desire to seek and maintain a competitive advantage based on one of the three general strategies: cost leadership, differentiation and focus strategies.

Pressure on competitiveness concerns the tools that organizations use in a particular field and the strategies adopted should improve their performance. According to Porter (1996), there are three categories of business competitiveness strategies: cost leadership strategy, product diversification strategy, focused market strategy. A cost leadership strategy is the ability of the business to succeed and maintain its low-cost position in manufacturing processes in the business sector. The diversification strategy refers to an organization that is trying to create a unique product on the market for many customer groups. Focus strategy is a marketing strategy in which an organization pools its resources to enter a tight market or develop. It is generally used when the organization knows its domain and offers products/services that allow it to meet its needs competitively. Competitive strategies depend on a diversification strategy, cost-orientation strategy and focus strategy to attract more customers, increase sales, increase market share and increase profitability (Ireland,

Hoskisson & Hilt, 2014). This shows that an organization lacking adequate and robust competitiveness strategies cannot take advantage of market opportunities and that such an enterprise will automatically be consumed by its competitors in the industry.

3 Methodology

The main objective of this study is to examine the effect of strategic innovation on entrepreneurship development of selected SMEs in Lagos State, Nigeria. The specific objective is to examine the effect of innovation strategy on the profitability of selected SMEs in Lagos State.

In view of the research objective stated above, the research question addressed in this study is how does innovation strategy affect the profitability of selected SMEs in Lagos State?

Research design is a structured investigation designed by a researcher in an attempt to gather data and provide answers to research questions and hypotheses. This study adopted a survey research design. The survey design was used to obtain information from the study population concerning the current status of the phenomena through primary data collection. Survey research is useful in the description of "what exists" in relation to variables or conditions under investigation. The variables here are strategic innovation as an independent variable and entrepreneurship development as the dependent variable with related sub-variables.

The study population consists of owner/managers of selected SMEs in Lagos State that is registered with SMEDAN in Lagos State. Lagos State is classified into five divisions; Ikorodu(783), Epe(593), Ikeja(4,446), Badagry(468) and Lagos Island (5373). The total population is 11,663 (SMEDAN, 2016). Lagos State is so chosen because it is the hub city and commercial nerve Centre of Nigeria. Lagos State is cosmopolitan and metropolitan that houses the largest SMEs that operate in Nigeria (SMEDAN, 2016).

The determination of appropriate size that will represent the total population was the focus of this section. Cochran formula was used to derive

the sample size. This was determined by applying the Cochran (1997) formula as is the standard method of randomization and identify the limits of errors considered as the most essential items in the survey. This help the researcher obtained the sample and used the results to make sampling decisions based on the data.

The formula is:

$$n = \frac{NZ^2pq}{d^2(N-1) + Z^2pq}$$

Where:

n = sample size

N = Total number of registered SMEs in Lagos State (N=11,663)

Z = 95% Confidence Interval (Z = 1.96),

p = 0.5

q = 1 – p

d = degree of accuracy or estimation (d = 0.04)

Therefore;

$$n = \frac{11,663 (1.96)^2 (0.5) (0.5)}{(0.04)^2 (11,663 - 1) + (1.96)^2 (0.5) (0.5)} = 571$$

However, to compensate for the non-response and wrong filling of questionnaires, the sample size was increased by 171 which is 30% of the total sample. This is as recommended by researchers (Zikmund, 2000).

Therefore 30% of 571 = 171

Then the appropriate sample size is given as n = 571 + 171 = 742

n = 742

The study employed the multistage sampling method, which is a stratified sampling technique and the random sampling technique. The stratified sampling technique was applied by grouping the SMEs in Lagos state into five strata i.e. Badagary, Epe, Ikeja, Ikorodu and Lagos Island divisions out of which proportionate sample selection was done. Each stratum engages in business ranging from textile, household products, bakery, food and beverages among others. The adoption of the multi-stage approach gave a fair representation of the SMEs since these SMEs operate in different locations across Lagos. The simple random sampling adopted gave each element an equal opportunity of being selected.

Table 1: The Five Divisions of Lagos State with employees and proportionate numbers

S/N	Five Division in Lagos State	Population Size Per division	Total Population	Sample Size	Proportionate Sample Size	Percent %
	Ikorodu	783	11,663	742	50	6.74
2	Epe	593			38	5.12
3	Ikeja	4,446			283	38.14
4	Badagry	468			30	4.04
5	Lagos Island	5,373			341	45.96
	Total	11,663				100

Source: Researcher's Computation (2018)

The data used for this study was primary data being a cross-sectional study in nature. The use of well-structured questionnaire was adopted to gather data on the effect of strategic innovation on entrepreneurship development of selected SMEs in Lagos State. The researcher proceeded to the field to collect data for the study. This involves going to the selected SMEs to personally administer the questionnaire. This was done with the help of research assistants that were successfully trained on the process to follow in the course of the fieldwork. Once the copies of questionnaires were returned, employees were assumed to have permitted to take part in the study. The questionnaires were distributed and returned within 5 months. However, the identity of such employees participating in the study was treated as confidential.

A research instrument is a tool used by a researcher to obtain both quantitative and qualitative data necessary to arrive at findings and conclusions. A structured survey questionnaire was used to gather data from the respondents. Six points modified scale format was adopted in designing the questionnaire and response to specific items ranging from Strongly Agree (SA) = 6, Agree (A) =5, Fairly Agree (FA)

=4, Fairly Disagree (FD) =3, Disagree (D) =2, Strongly Disagree (SA) =1. for each of the closed question this scale is expected to increase the reliability of the responses.

Content and construct validity were implored by the researcher to evaluate the extent to which operationalization of construct measures what it says it will measure and nothing else (Polit & Beck, 2012). To ensure content validity, the questionnaire was subjected to thorough examination by two randomly selected experts in the field of strategic entrepreneurship and with the help of a researcher's supervisor.

Pre-test reliability was used as questionnaires were administered to test the internal consistency reliability. The test was done to assess the internal consistency or homogeneity among the research instrument items. Cronbach's alpha coefficient was used through SPSS

For this study, the analytical techniques employed in analysing the data collected, using the Statistical Package for Social Sciences (SPSS 21.0), were the Simple Percentage Analysis, the Product Moment Correlation Coefficient and the Regression Analysis (ANOVA). The descriptive statistics of the data is shown.

Table 2: Descriptive Statistics

Department	CEO	Planning Officers	Finance Officers	Others
	0.1%	48.6%	38.9%	12.4%
Gender	Male	Female		
	65.1%	34.9%		
Age of Respondents	18-28yrs	29-39yrs	40-49 yrs	50yrs & above
	11.9%	27.2%	51.1%	9.8%
Marital Status	Single	Married	Others	
	10.2%	69.9%	19.9%	
Education	WAEC	B.Sc	M.Sc	PhD

Position	2.5%	42.8%	42.8%	12.4%		
	Top Management	Middle Management	Others			
Length of Service	27.5%	47.9%	24.6%			
	0-5yrs	6-10 yrs	11-15 yrs	16-20 yrs	21-25yrs	26-30yrs
	12.2%	22.4%	33.9%	20.7%	3.9%	5.1%

Source: Field Survey (2018)

3.1 Hypothesis Testing

the profitability of SMEs in Lagos State.

Innovation strategy has a significant effect on

Table 3: Summary of Regression Results for the Effect of Innovation Strategy on Profitability of SMEs in Lagos State

(a) Model Summary

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	.321 ^a	.103	.102	5.299

a. Predictors: (Constant), Profitability of SMEs

Source: Field Survey (2018)

(b)ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2216.572	1	2216.572	78.932	.000 ^b
	Residual	19236.182	685	28.082		
	Total	21452.754	686			

a. Dependent Variable: Profitability of SMEs

b. Predictors: (Constant), Innovation Strategy

Source: Field Survey (2018)

(c)Coefficients

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Beta		
1	(Constant)	31.049		23.900	.000
	Innovation Strategy	.314	.321	8.884	.001

a. Dependent Variable: Profitability of SMEs

Source: Researcher's Result (2018)

4 Results and Discussion

The result shows a linear regression analysis between innovation strategy and profitability of selected SMEs in Lagos State. The results in Table 3 show that Innovation Strategy has a significant effect on the profitability of selected SMEs in Lagos State ($\beta = 0.314$, $t = 8.884$, $p < .05$). The goodness of fit model presented in table 3 (a) shows that there is a positive significant relationship between Innovation Strategy and Profitability of selected SMEs in Lagos State ($R = 0.321$, $p < 0.05$). This is

supported by the coefficient of determination (R square) of .103 which implies that Innovation Strategy explains 10.3% of the variations in the Profitability of selected SMEs which is statistically significant. However, the model did not explain 89.7% of the variation in Profitability of selected SMEs, implying that there are other strategic innovation factors associated with Profitability of selected SMEs, but which were not captured in the current model. In order words, if the SMEs increase a unit of spending on innovation, it will translate to a 10.3% positive

in profitability. As a result for every one naira addition to the cost of innovation, there would be a corresponding increase in profitability by N10.30. The standard error of estimate (5.299) shows the average deviation of Innovation Strategy from the line of best fit. The model was considered to have good explanatory power in explaining changes in the Profitability of selected SMEs. The regression ANOVA (Table 3b) was significant at 0.000 with a value of 78.932. This shows fitness and overall significance of the regression model. It implies that Innovation Strategy is a good predictor of the Profitability of selected SMEs. Using the unstandardized coefficients on the line of best fit the regression equations were obtained as follows;

$$PR = 31.049 + 0.314INS \dots\dots\dots \text{eq. (1)}$$

Where:

PR = Profitability of selected SMEs

INS = Innovation Strategy

The regression equation above shows that when the value of innovation strategy is constant at zero, the profitability of selected SMEs takes the value of 31.049 implying that without Innovation Strategy, the profitability of selected SMEs in Lagos was 31.049. The regression coefficient of Innovation Strategy was 0.314, implying that a unit increase in Innovation Strategy will lead to a 0.314 unit increase in profitability of selected SMEs in Lagos State. This indicates that Innovation Strategy has a significant effect on the profitability of selected SMEs in Lagos State (p-value = 0.001). Therefore, the null hypothesis one (H_{01}) which states that innovation strategy has no significant effect on the profitability of SMEs in Lagos State was rejected.

5 Conclusions

The aversion to risk-taking, according to the submission of Adegbite and Abereijo (2007), the lack of innovation, as well as, the pro-activeness by the respondents were critical factors necessary for the development growth of small enterprises which were equally high.

Oscar (2013) held that innovation as a specific tool is how entrepreneurs exploit change as an opportunity in different business or a diverse service. The scholars further believe that innovation is better practised in phases.

The study, therefore, concludes that the effect of innovation strategy on the profitability of SMEs competitiveness in Lagos State, Nigeria is positive and significant. The study reaffirmed that innovation strategy has a significant effect on the profitability of SMEs competitiveness in Lagos State. Also, there is a positive but significant effect of innovation strategy on the profitability of SMEs competitiveness in Lagos State. The study further concludes that the firm often creates products with totally new performance.

Based on the findings and conclusions of this research, the researcher recommended that SMEs competitiveness in Lagos State should uninterruptedly engage in innovation to improve the competitive advantage it enjoys against other organizations in the sector. They should consistently analyze and measure their services processes and operation to improve operations efficiency. Also, SMEs should adopt strategies that focus on the vision and mission of the organization. Similarly, they should develop strategies that attract customers, such as service positioning and innovation. Managers need to know that adopting or putting into practice growth strategies has the potential to grow the business and even wake up those that are declining.

This study contributed knowledge by submitting a significant background to the various concepts of strategic innovation and entrepreneurship development. The study accessed entrepreneurship development indicators such as SMEs profitability, new product development, customer retention and SMEs growth.

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ORGANISATIONAL CORPORATE CULTURE, PLANNED CHANGE AND ORGANISATIONAL PERFORMANCE IN SELECTED BANKING INDUSTRY IN LAGOS STATE

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Abstract

It is without a doubt that successful management of organizational corporate culture and proper planning of any form of changes within the organization are crucial to the effective performance of an organization. The ability of an organization to attain high level of innovativeness and competitiveness thereby achieving a competitive advantage within its industry has been the tie to its organizational corporate culture and effective planning and management of changes within and outside the company. The purpose of this study is to determine the effect of corporate organization culture and planned change on organizational performance in the banking industry using a descriptive approach. Three hundred questionnaire was administered with a 100% response rate. Descriptive Statistical Analysis of the data was done using the Statistical Package for Social Sciences (SPSS). The research hypotheses were tested with Regression Analysis, Co-efficient of Correlation and ANOVA. The results showed that there is a positive significant relationship amongst organization corporate culture, planned change and organizational performance.

Keywords: Organizational corporate culture, planned change, organizational performance, innovativeness, competitiveness.

1. Introduction

The banking industry has been viewed as one of the sectors that are vital to the growth and development of any nation due to their socio-economic functions and "shock-absorbing capacity". For banks to survive in any turbulent environment, it necessitates plan in all its activities to enhance excellent performance. Performance is therefore enhanced when an organization pays attention to organisational corporate culture and organisational change management during planning and strategy formulation. The business environment is highly volatile and the organization must manage resistance from employees through ensuring planned change processes and inculcating a culture of teamwork and commitment.

In recent time, organisations had embarked on different methods to achieve efficiency and effectiveness in their performance. It is increasingly recognized that organisational corporate culture and planned change had tremendously had a positive impact on organizational performance. In that sense organizational culture has been viewed as an anthropological metaphor used to inform research and consultancy and to explain the organizational environment (Mannion 2009). It chandeliers that give an organization an appealing and benefiting look and standard. Robins (1996) opines that culture is viewed as a

social adhesive that binds an organization firmly thereby guiding employee on the codes of conduct of the organization; invariably providing an avenue for certainty and hope for all behaviour exhibited within the organization. Schein (1992) opines that organizational culture can be viewed from different perspectives, it is a pattern of basic assumption on the adaptation of groups of people to the world around them and the behaviour exhibited therein, this revolves around how an individual reacts to the situation and the techniques used in solving any challenges within the environment. Kotter & Heskett (1992) viewed Culture as a major instrument that determines the success or failure rate of any organization. Moran and Brightman (2001) claim that organizational corporate culture play in determining any form of change in an organisation and as well predict the success rate of any change whether planned or emergent. Change Management has been viewed as a continuous pattern of reviewing organization to meet up with the immediate and future needs of the organization. Luecke2003; Okumus and Hemmington (1998) opine that the survival of any organization in the current turbulent environment situation is based on their ability to effectively plan and manage change. Balogun and Hope Hailey (2004) report that "a failure rate of around 70% of all change programmes initiated was due to inability of the

change to align with the current Organisational Culture". To achieve this, the organization must ensure that the process is all-inclusive and must be adequately planned to achieve a greater result. In the same vein, Change Management is most successful when such change is planned. Organisational Planned Change is therefore viewed as a process of preparing the entire organization or a significant part of it for the new goals or a new direction. Planned change is based on the principle that every member of the organization is willing and eager to adopt the change processes without any iota of disagreement. People tend to be the key elements to successful change management because they must change their ways, thought and beliefs.

Every organization has a corporate culture; a complex and dynamic reflection of attitude, values, behavioural pattern, priorities and self-image. Some culture is strong and positive allowing the organization to adapt successfully to the changing needs of the market and to outperform its peers consistently. The major concern at this juncture is the ability of the organization to strategically manage their organizational culture and explore all opportunities available to achieve superior performance and in the same vein identifying their weaknesses to overcome them. It is incumbent on any organisation to ensure better comprehension of the nature and type of organisational culture, the change processes and performance of the organization. Knowing the current culture allows workplace change to be enacted at a reasonable pace without alienation or resistance. A cultural diagnosis might also point to specific groups or departments or sometimes even an entire organization, already in accord with the goal. Even in cases where the existing culture is satisfactory, it may still be possible to improve cultural alignment through targeted changes to values, behaviours, and workspace.

Organization corporate culture, as well as planned change, are boosters for performance, and both concepts have been independently linked with organizational performance. For instance, researchers have viewed the correlation between planned change and organizational performance (see Nyaugwa, Linganiso & Karodia, 2015; Khatoon & Farooq,

2016). Also, the relationship between corporate organization culture and organizational performance was examined by researchers (see Xiaoming, 2012; El Leithy, 2017). Despite the implicit and explicit linking of planned change and organization corporate culture in many parts of organizational theory, little critical attention has been devoted to understanding the link between the two concepts and their effect on organizational performance. This study is aimed at determining the relationship organizational cultural and planned change and their effect on organizational performance.

The objectives of the study are:

1. To determine the relationship between Adaptability (a measure of corporate culture) and organizational innovativeness of some selected banks
2. To determine the relationship between involvement (a measure of corporate culture) and organizational innovativeness of some selected banks
3. To determine the relationship between new product development (a measure of planned change) and organizational competitiveness
4. To determine the relationship between organizational restructuring (a measure of planned change) and organizational competitiveness
5. To determine the combined influence of organizational culture and planned change on the organizational performance of banks

In line with the research objectives the following hypotheses were tested:

- H0₁: There is no significant relationship between adaptability and organizational innovativeness
- H0₂: There is no significant relationship between involvement and organizational innovativeness
- H0₃: There is no significant relationship between new product development and organizational competitiveness
- H0₄: there is no significant relationship between organizational restructuring and organizational competitiveness
- H0₅: there are no significant effects of corporate organizational culture and planned Change on organizational performance

2. Literature Review

Theoretical Framework

The theories that underpinned this research work are the Lewis Model of Change and the theory of planned behaviour.

Lewis Model of Change

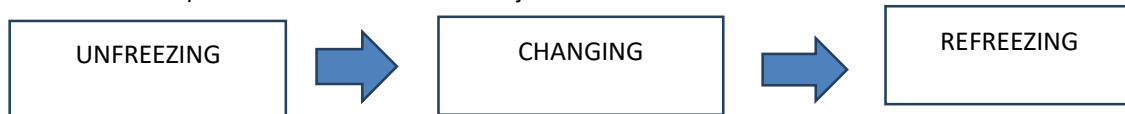
This model developed by Kurt Lewin in 1951 and focus mainly on planned change thereby emphasizing on a group decision, implementation and social change. It is a very simple and practical model of the understanding change process and it entails the ability to create the perception of change that is needed, then moving towards the change with the desired behaviour and incorporating the new behaviour. This process consists of three major

steps, which are as follows: unfreezing, change and refreezing.

Unfreezing: this is the process of releasing old procedures. At this end, communication is crucial so that employees would be informed about the imminent change. It is believed that the more an individual is aware of change the less resistant he tends to be.

Changing: This is termed as “transitional” or “moving” stage. It is moving away from the old system or procedure gradually. This is when the change becomes real and it is implemented.

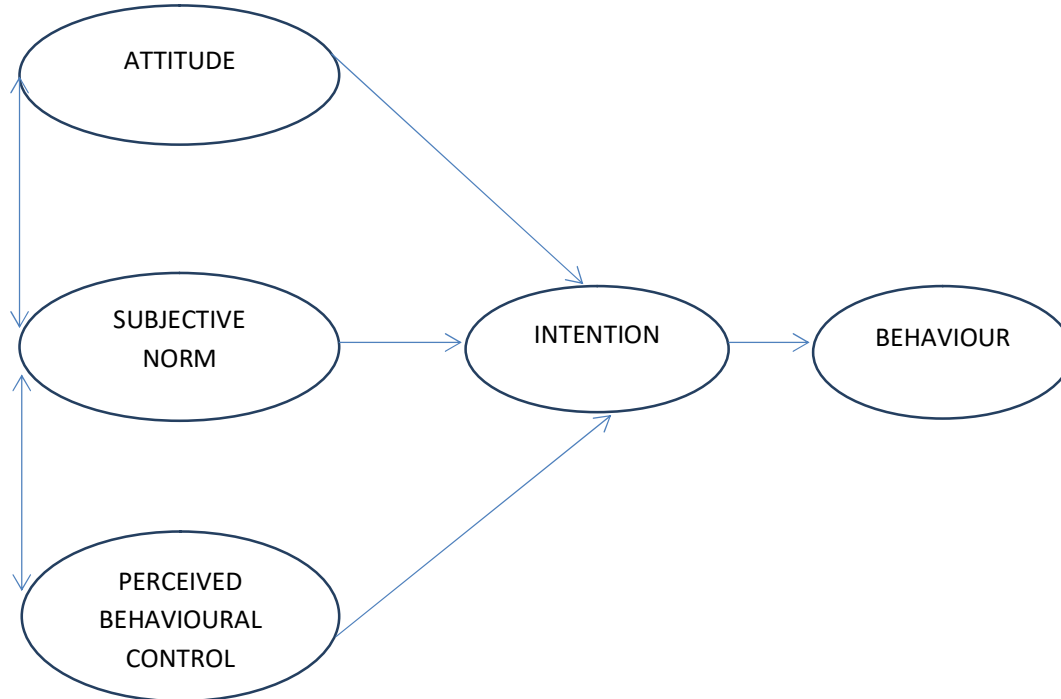
Refreezing: this is the process of incorporating the change into strategic objectives. It is also referred to as the act of reinforcing, stabilizing and solidifying the new state after the change.



Theory of Planned Behaviour

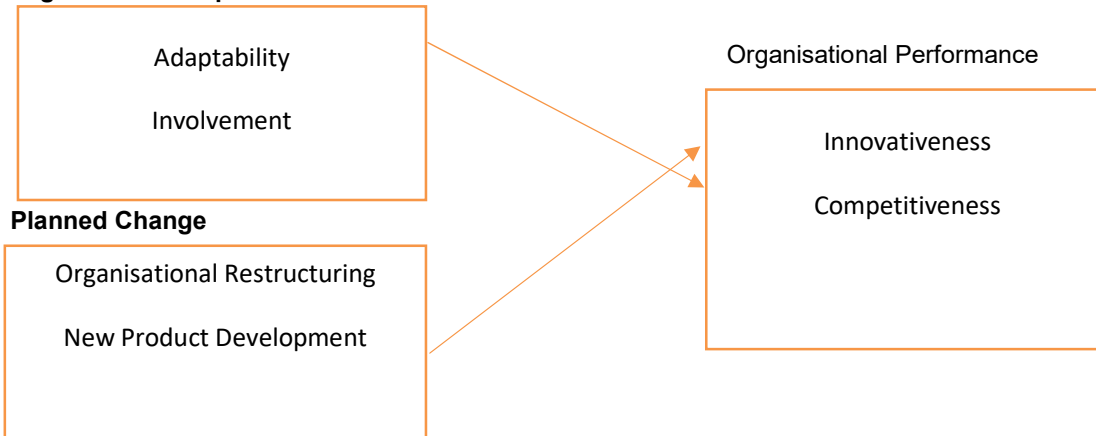
This theory was proposed by Icek Ajzen to improve the predictive power of the theory of reasoned action by including perceived behavioural control. This theory links one's

beliefs and behaviour. The theory states that attitude toward behaviour, subjective norms and perceived behavioural control together shape an individual's behavioural intentions and behaviour.



CONCEPTUAL FRAMEWORK

Organisation Corporate Culture



Corporate Organisation Culture and Performance

From time immemorial Organisational Corporate Culture has been one of the major instruments used to determine the level of an Organisational Performance; the emphasis an organization placed on the formal predicts the incumbent effect on the latter. (Denison and Mishra, 1995 Johnson, 1966; Allaire and Firsirotu, 1984).

John P. Kotter and James L. Heskett (1992) mentioned that different researchers have worked on the relationship that exists between Organisational Corporate Culture and Organisational Performance and their results were at variance with one another, some believed that there is a positive relationship between the two, while some only considered the rigidity of Corporate Culture. (Vries and Miller, 1986; Meyerson and Martin, 1987; Tushman, 1998).

Barney (1986) and Bernard Arogyaswamy & Charles M. Byles (1987) researched culture and organizational performance using core value, innovativeness and firm's flexibility as variables. The authors mentioned that the core value boosts the financial performance of any organization. The culture was further divided into intracultural and extra cultural due to its predominant effect on the organization. The authors, therefore, established a positive relationship between culture and organizational performance, also mentioned that culture has been viewed as one of the major variables that were used by researchers to determine the performance of any organisation. In the study conducted by Kotter and Heskett (1992) on

organizational culture and performance, explaining the influence of economic performance on culture using 200 companies. The authors mentioned that shared values and unwritten rules could either boost organizational performance or results in failure in the process of adaptability into external changes in the environment. The authors further mentioned that the stronger an organizational culture the greater the excellence achieved by the organization. Conclusively a positive relationship was established between corporate culture and performance.

Planned Change and Performance

Change management has been viewed by researchers as the process whereby an organization at every point in time renew its course of action, organizational structure and organizational competencies in order to meet up with both internal and external challenges (Moran and Brightman, 2001). According to Burnes (2004), change is an irresistible element in ensuring the survival and performance of an organisation. Invariably organization is expected to know at every point in time the needs at present and in the future, which would aid its innovativeness as well as attaining competitive advantage in the industry. Therefore, organization change and organizational strategy are termed as siemens twin within the organization and vice versa (Burnes, 2004; Rieley & Clarkson, 2001). In line with the aforementioned, change require highly defined managerial skill (Senior, 2002). Graetz (2000) opines that change has contributed immensely to the success of an organization thereby

ensuring a high level of technological innovation, knowledge management, and effective management system/style.

Although the successful management of change is accepted as a necessity to survive and succeed in today's highly competitive and continuously evolving environment (Luecke, 2003; Okumus & Hemmington, 1998), Balogun and Hope Hailey (2004) mentioned that failure of organization has been linked to inability of any organization to initiate change programme as demanded by the ever-evolving environment.

Organizational Innovativeness and Competitiveness

Organizational innovativeness has been classified into three which are industry innovativeness, organizational innovativeness and individual innovativeness. The focus of this study is organizational innovativeness. Lumpkin and Dess (1996) viewed innovation as the attitude of any organization towards the acceptance of any new ideas and thereby creating a resultant and beneficial result from the new ideas. This idea range from product, technology and process innovation. Reidenback and Moak (1986) opine that organizational performance has been the tie to its innovation with respect to the development of new products. Scarbrough and Lannon (1998) in their research concluded that there is a positive relationship between leadership and any form of structural changes within the organization and that the two determines the extent of innovativeness of any bank. Several studies had been conducted by researchers to know the initiators of innovations in the banking sector, and there has been linked to the following: dominance, sociability, fulfilment, uncomplicatedness, separability, speed of innovation, use of technology, differentiation, product fit within organization, and internal marketing (Donnelly, 1991; Easingwood & Storey, 1991; De Brentani, 1989). Innovation has gained a lot of support from organizational culture, those factors that aid innovation in an organisation are an innovative vision and leadership, management style, flexible organizational structure, ability to generate ideas, and making provision for any form of innovative initiatives (Thwaites & Edgett, 1991; Thwaites, 1992).

Competitiveness has also been viewed as what determines whether an organization will attain success or fail in its industry. For an organization to succeed it needs a good corporate organisational culture and high level of innovativeness by coping with any form of changes within or outside the organization. Allen and Gale (2000) define competitiveness as a rivalry where different organization compete to get the lions to share in its market. Porter (1985) mentioned that five major forces determine the competitiveness in every market which will influence the performance of the organization. These forces will determine the acceptance of this organization in the market and its ability to adapt to any form of changes within its environment. These forces are the threat of new entrant, the threat of substitute products, bargaining power of suppliers, bargaining power of buyers and the intensity of rivalry.

Organizational Adaptability and Involvement Involvement

Effective organizations empower their people, build their organizations around teams and develop human capability at all levels (Lawler, 1996). Executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization

Adaptability

Ironically, organizations that are well integrated are often the most difficult ones to change. Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers (Stalk, 1988).

3. Research Methods

The study adopted quantitative research methods using descriptive research design and purposive sampling procedures. A constructed questionnaire was used in this study to find out the effect of Corporate Organisational Culture, Planned Change on Organisational

Performance. The Likert Scales, which is the most common and widely used scale was applied to this questionnaire (Achyar, 2008).

The population of this study was the banking industry but due to the large population, a stratified random sampling technique was used to select the population as samples of the study. Three hundred (300) questionnaires were distributed in banks within the within Lagos Mainland and Lagos Island axis. All the questionnaires were retrieved which depicts a 100% response rate. Descriptive Statistical Analysis of the data was done using the

Statistical Package for Social Sciences (SPSS). The research hypotheses were tested using Correlation Analysis, Co-efficient of Correlation and ANOVA.

4. Results and Analysis

Results

Correlation

H₀₁: there is no significant relationship between Adaptability (a measure of organizational corporate culture) on organizational innovativeness (a measure of organizational performance)

Table 4.1.1: Presents the relationship between Adaptability and organizational innovativeness

	Sig.	N	organizational Innovativeness	Adaptability
Organisational Innovativeness	.000	300	1	.554**
Adaptability	.000	300	.554**	1

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

Source: Researcher's field survey (2019)

The table 4.1.1 investigates the significant relationship between Adaptability and organizational innovativeness regarding the banking sector in Lagos State. Since the Pearson correlation significant value is 0.000 which is between the ranges 0.000-0.005, it implies that there is a positive significant relationship between adaptability and organizational innovativeness with (.554**). Therefore, the null hypothesis is rejected while

the alternative proposition is accepted, and this shows that when the organization manages its level of adaptability it will result in a high level of organizational innovativeness.

Correlation

There is no significant effect of involvement (a measure of organizational corporate culture) on organizational innovativeness (a measure of organizational performance)

Table 4.1.2: Presents the relationship between organizational symbol and organizational innovativeness

	Sig.	N	organizational Innovativeness	Organizational symbol
Organisational Innovativeness	.000	300	1	.512**
Involvement	.000	300	.512**	1

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

Source: Researcher's field survey (2019)

The table 4.4.1 investigates the significant relationship between Involvement and

organizational innovativeness with reference to the banking sector in Lagos State. In view of the

fact that the Pearson correlation significant value is 0.000 which is between the ranges 0.000-0.005, it implies that there is a positive significant relationship between Organizational symbol and organizational innovativeness with (.512**). Therefore, the null hypothesis is rejected while the alternative proposition is accepted, and this shows that the level of involvement of employees has a major role to

play in ensuring organizational innovativeness within an organisation.

Correlation

H₀₃: there is no significant effect of new product development (a measure of planned change) on organizational competitiveness (a measure of organizational performance)

Table 4.1.3 presents the relationship between new product development and organizational competitiveness

	Sig.	N	organizational competitiveness	new product development
Organisational Competitiveness	.000	300	1	.410**
New Product Development	.000	300	.410**	1

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

Source: Researcher's field survey (2019)

The table 4.1.3 investigates the significant relationship between new product development and organizational competitiveness with reference to the banking sector in Lagos State. Because the Pearson correlation significant value is 0.000 which is between the ranges 0.000-0.005, it implies that there is a positive significant relationship between new product development and organizational competitiveness with (.410**). Therefore, the null hypothesis is rejected while the alternative proposition is accepted. This showed that any

bank that recognises the need for innovation through the introduction of new products will appropriately influence organizational competitiveness.

Correlation

H₀₄: there is no significant relationship between organizational restructuring (a measure of organizational corporate culture) on organizational competitiveness (a measure of organizational performance)

	Sig.	N	organizational competitiveness	organizational restructuring
Organisational Competitiveness	.000	300	1	.223**
Organisational Restructuring	.000	300	.223**	1

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

Source: Researcher's field survey (2019)

The table 4.1.4 investigates the significant relationship between organizational restructuring

and organizational competitiveness with reference to the banking sector in Lagos State.

In view of the fact that the Pearson correlation significant value is 0.000 which is between the ranges 0.000-0.005, it implies that there is a positive significant relationship between organizational restructuring and organizational competitiveness with (.223^{**}). Therefore, the null hypothesis is rejected while the alternative proposition is accepted, and this shows that

when organizational restructuring has a role to play in organizational competitiveness.

Regression (Multivariate)

H₀₅: there is no significant effect of organizational corporate culture and planned change on organizational performance

Table 4.1.4: Multiple regression - Effect of adaptability, Organizational symbol, new product development and organizational restructuring on the performance of Banks

Model	R	R Square	Adjusted R	Std Error of the Est.	
1	.606 ^a	.367	.358	5.605	

Model	SSq	df	Mean Sq.	F	Sig.
1 Regression	5371.041	4	1342.760	42.746	.000 ^b
Residual	9266.729	295	31.413		
Total	14637.770	299			

Coefficients					
Model	Unstandardized Coefficients		Standardized t. Sig		
	B	Std.Error	Beta		
1 Constant	8.563	2.771		3.091	.000
Adaptability	.355	.104	.217	3.428	.000
New product Development	.497	.096	.293	5.181	.000
Organisational Restructuring	-.179	.128	-.082	-1.402	.162
Involvement	.480	.102	.285	4.695	.000

Dependent Variable: Performance of Banking Industry ($P < 0.01$)

The table 4.1.5 shows the outcome of multiple regressions, which indicates the combined effect of the predictor variables (Adaptability, new product development, organizational restructuring and involvement) on performance in the banking industry. The coefficient of determination of R^2 reveals that 36.7% of the variation in the performance in the banking industry is due to the joint effect of Adaptability, involvement, new product development and organizational restructuring. The 'standard error of estimate' signifies that observed performance of banks' scores deviates from the predicted regression line by an average score of 2.771. This is attributable to measurement error in predictors and other factors that can affect the performance of an organization that was not considered. These results also indicate positive

and significant relationship amongst organizational corporate culture, planned change and performance in the banking industry ($R = .606$, $R^2 = .367$, $F = 42.746$, $P < .01$).

However, when the predictor variables of Adaptability, new product development, organizational restructuring and involvement were disaggregated (table 4.1.5), the relative contribution of new product development was the strongest predictor of performance in the banking industry ($\beta = .293$, $t = 5.181$; $p < 0.05$), followed by involvement ($\beta = .285$, $t = 4.695$; $p < 0.01$), then Adaptability ($\beta = .217$, $t = 3.428$; $p < 0.01$) and lastly, organisational restructuring ($\beta = -.082$, $t = -1.402$; $p < 0.01$) which showed a non-significant negative impact.

Discussion of Findings

Organisational Corporate Culture and Planned Change are two major elements that have contributed immensely to the high productivity of any organization thereby ensuring innovativeness and competitiveness. This study was therefore carried out to empirically examine the effect of Organisational Corporate Culture and Planned Change on Organisational Performance in the banking industry. The findings revealed that Organisational Corporate Culture (Adaptability and involvement), as well as the Organisational Planned Change (new product development and organizational restructuring), have a significant relationship with organizational performance of any bank thereby determining their innovativeness and competitiveness. The finding showed a positive relationship between Adaptability and innovativeness, involvement and innovativeness, new product development and competitiveness as well as a positive relationship between organizational restructuring and competitiveness.

However, when the predictor variables of adaptability, new product development, organizational restructuring and Involvement were disaggregated (table 4.1.5), the relative contribution of new product development was the strongest predictor of performance in the banking industry followed by Involvement, then Adaptability but organizational restructuring had a non-significant negative impact on the organizational performance in the banking industry with a value ($\beta = -.082$, $t = -1.402$; $p < 0.01$).

These results provide empirical support for the argument that Adaptability can significantly predict the level organizational innovativeness (Brooks 2006, Shani and Lau, 2005, McShane and Glinow, 2005); organizational can achieve high level of innovativeness if the management allows employees to be involved in the organizational activities and decision making and promoting the spirit of teamwork it will effectively promote innovativeness within the organisation (Schein, 1990, Denison & Mishra, 1995); new product development is one the major innovation used by organization to compete effectively in its industry (Schein (1992, Dasanayaka & Mahakalanda, 2008).

Organisational restructuring is a major strategic weapon used by the banks for driving competitiveness thereby attaining competitive advantage in the industry but must be handled with a high level of sensitivity (Barney (1986).

5. Conclusion

This research work shows that the level of adaptability and involvement demonstrated by managers in the banking sectors determines their level of innovativeness, thereby manager should ensure they create an organizational structure that will aid any form of changes in the organization, provide an effective communication system in the organization, the decision-making processes in the organization must be all-inclusive, every employee in the organization should be open to innovation, ambiguity in terms of job and organization structure must be reduced to the barest minimum, provide a formal procedures and structure that controls and governs what people do, there should be feeling of identity/sense of belongingness among members in my organization and emphasis on formal rules and policies that ensure smooth-running of my organization must not be taken for granted. These will automatically aid and increase the level of innovativeness in the organization.

The level of involvement of staff in the organization has a significant effect on its innovativeness. In line with the aforementioned, organization that gives attention to self-development of individual in the organization to enhances achievement of organizational objectives, supports personal accomplishment of everyone in the organization to reduce employee's redundancy, creation of workgroups that make job assignment and planned changes easily achievable in the organization, formation of workgroup that aid sharing of material resources that are beneficial to any innovational decision in the organization, giving optimal supports for workers' personal and career development, adopting a management style which is characterized by teamwork, consensus and participation and creating avenue for competitive edge which enable new members understood acceptable behaviour and social system stability in my organization. These will have a positive resultant effect on the organizational innovativeness.

The level of competitiveness of an organization will be enhanced if there is superior-subordinate relationship that aids innovation, information dissemination about new product development must be duly communicated, employees are made to be committed to any form of innovative idea, organization must provide a stakeholder-driven restructuring, new products must be developed based on the needs of customers, there should be widespread of sense of immediate need for change in respect to new products, clear and detailed plan for change and should be effectively communicated, employees, clients and the community should understand and support the change process and leadership should make any plan for change in respect to new product to be clear and there must be consistent focus after initiation.

It should be noted that the role of organization restructuring in boosting organizational competitiveness cannot be overemphasized, though highly sensitive but must be done with care, therefore banks must ensure that whenever any need to downsize arise it must be done to respond to changing conditions in environment, they must restructure their process to improve turn-around time, the major focus of the bank must be to continuously enhance efficiency and individual belief in this organization must aid any form of changes. Organisational restructuring due to its sensitivity could mar or make an organization.

Conclusively, organizational innovativeness and competitiveness are two major weapons that drive organizational performance, therefore, organization must compete in order to be recognized as the best within its industry, its new products and services must be perceived as novel by customers, in the process of new product and services introduction it must be at the cutting edge of technology, managers must support the employees' new ways of doing things, problems should be solved using conventional methods, it should be versatile and proactive in its thinking and approach, it must continuously appreciate staff that adopts high level of creativity and leadership abilities, it should work continuously with suppliers, customers and employees in order to improve its performance and capabilities. Also, the research and development efforts should contribute positively to its ability to compete, it should work

out a specific strategy to face competition, it should participate in a strategic alliance as a mean of gaining competitive advantage and there should be a stable workforce to improve its competitiveness.

Implications for Theory and Practice

This study makes significant contributions to theory and practice in relations to corporate organization culture, planned change and organization performance in the banking industry in Nigeria. This was achieved by an explicit explanation of specific variables of corporate organization culture, planned change and organization performance. Most importantly, the measurement of the disaggregated effect of each of the components will enrich the understanding of their relative impact on Organisational Performance.

There is also implication for practice; managers in the banking industry, chief executive officers, directors and other organizations that plan to achieve innovativeness and competitiveness as well ensuring effectiveness and effectiveness in all spheres of their organizational activities must not overlook the importance and resultant power of corporate organizational culture and planned change in boosting organizational performance.

Recommendations

In line with the finds of this research, the following are hereby recommended:

1. The organizationThe organization must encourage individual development, personal accomplishment, and the management style should promote teamwork, consensus and participation.
2. The organisational structure must be flexible enough in order to accommodate any form of changes in the organization and must be done with a high level of sensitivity.
3. There should be focused on effective communication and the decision-making process within the organization must be all-inclusive which will solve any problem of job-related or stricture related ambiguities.
4. The organization must be open to innovativeness and competitiveness in his products development, services and other related activities within the organization.

Limitations and Directions for Future Study

The major limitation of this study is the use of data from two major areas of Lagos state which

are Lagos Island and Lagos Mainland, which was used as the basis for my conclusion.

The direction for future study is to determine the elements of organizational restructuring and how it could be effectively managed in order to boost organizational performance.

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INFLUENCE OF INSTAGRAM AND FACEBOOK ADOPTION ON PERFORMANCE OF SELECTED HOTELS IN EKITI STATE, NIGERIA

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Abstract

The study examined the influence of Instagram and Facebook adoption on the performance of hotels in Ekiti state. The study adopts a descriptive design because it aims at describing the role of social media adoption in hotel patronage. The total sample size for the study was 384. Logistic regression analysis was used to analyse the data and finding suggests that although the variable is significant at 5% and indicates that on a moderate level, adoption of Instagram which relates more with the pictorial advertisement of hotel services has a significant influence on the patronage of the hotels in the study areas. Despite being significant, the result shows that Instagram adoption does not have any positive influence on the patronage of hotels in the study area. Furthermore, the coefficient of the parameter estimate is 0.467 with a z value of 3.13 and significant probability level at 1%. The positive sign indicates the direct effect of Facebook adoption on the performance of the hotel. This implies that the aspect of social media which is Facebook has a more direct effect on the patronage of hotels. The study concluded that adoption of social media to enhance performance in the hotels in Ekiti State yield mixed results; while Facebook show a significant and positive effect on performance but Instagram does not.

Keywords: Social Media, Performance, Hospitality Industries

1. Introduction

The hospitality industry is vital to the development of many areas of the world. In some regions, it is a source of income and foreign exchange. As reported by Esu (2015), some nations of the world like Kenya, South Africa, Hong Kong and the Caribbean generate significant income that serves as a boost for their economy. In Nigeria, the Central Bank of Nigeria (CBN) has asserted the positive contributions of the hospitality and tourism industry to the GDP of the country. Based on history, the contribution – using the 2015 Naira to Dollar conversion rate – was over US\$3 million in 1980, over US\$2 million dollars in 1990, about US\$3 million dollars in 2000, over US\$9 million dollars in 2004, and about US\$12 million dollars in 2006(see CBN, 2003; CBN, 2006). Others have suggested that the net impact of tourism (import and export revenues) to the Nigerian economy is estimated at US\$56 million (UNWTO, 2006).

In Nigeria, the most vibrant sector in the hospitality industry is the hotel sub-sector. The existence of the first commercial hotels dates back to 1942 with the Grand Hotel and the Bristol Hotel (Flint, 1983); other notable hotels in

the 1950s were the Victoria Beach Hotel, Victoria Hotel (The Nashua Telegraph, 1960), the Savoy and Olympic Hotels (Whiteman, 2012). The first half of the post-independence period from 1960 to 1965 was marked by rapid developments in inter-regional travel for business, education and politics. This led to the emergence across major cities of government-owned hotels such as the Hotel Presidential in Port Harcourt and Enugu in 1963 (National Bureau of Statistics, 2015) and the Premier Hotel in Ibadan in 1966. It was the turbulent period from 1966 to 1998 that witnessed six military coups, a civil war, the discovery of oil reserves and two failed republics in 1979 and 1993. By this time, only three international hotel chains existed in the country: the Eko Hotel, a private development established in 1976, initially branded a Holiday Inn (Corporate Nigeria, 2010), the first international hotel brand to operate in the Nigerian market; Ikeja Hotels PLC entered into a management contract with ITT Sheraton to bring the Sheraton brand to Lagos Mainland in 1985; and the Hilton established in Abuja, the Federal Capital Territory in 1987 through a government-initiative headed by the National Insurance Corporation of Nigeria(NICON) and the Swiss Noga Hotel Group (Proshare Nigeria, 2015).

Several other government hotels emerged during the oil boom era in the 1970s like the Festac 77 Hotel Downloaded by University of Liverpool At 05:23 19 October 2016 (PT) in Lagos, the Durbar Hotel in Kaduna and the three Gateway Hotels in Ogun State in 1979 (National Bureau of Statistics, 2015). The Victoria Hotel was purchased by the government during this period and renamed Federal Palace Hotel (Traveller's Network, 2011). It is suggested that these government-operated hotels were not always able to deliver acceptable levels of service (UNWTO, 2006) which eventually led to the privatization of several of them with the re-emergence of democracy in 1999.

Together with a series of private-sector investments, the number of refurbished and new-build hotels in the Nigerian market increased dramatically. From three international brands in 1985, there are now 15 chains with 45 branded hotels and 23 independent hotel brands in full operation across the country including the Sheraton, Four Points by Sheraton, Hilton, Radisson Blu, Swiss International, Le Meridian, InterContinental, Best Western, Southern Sun and Sun International. Marriott has also registered a presence in Nigeria with the 2014 acquisition of the Protea brand (Marriott International, 2014). A few national hotel brands like Rockview and Chelsea complement a growing number of independent boutique and family-run hotels across the country.

Social media has recently been adopted by several services and product-based organizations and businesses in their marketing plans. Thus, marketing executives have been able to infuse a mix of advertisement, public relations, in their sales promotion to produce a customer-focused message. With the evolution of platforms such as LinkedIn, Facebook, Twitter and YouTube, there is a great opportunity for exceptional access to the guest (Lanz, Fischhof & Lee, 2010) and customers in the hospitality industry.

Since social media is so available to anyone with an internet connection, its adoption by the hospitality industry to increase their marketing scope and establish an extended relationship with customers is of interest to marketers. A business that understands the advantage of social media is well aware that social media is

essential in developing new business in the current competitive and online driven marketplace.

Several studies had been carried out across the globe on the relevance of social media to the improvement of the performance of organizations. However, the findings had not produced a similar outcome. For example, the work of Hung, Ineson and Green (2013) indicate that social media provides opportunities for organizations. In another perspective, Kim, Lim and Brymer (2015) argued that the relevance of social media to the hospitality sector like hotels is only linked to the overall rating. Similarly, Hudson and Thai (2013) contend that social media relevance to the relationship in the hospitality industry like hotels could only be considered appropriate during its evaluation stage by the organizations. The existing studies have not provided clear direction on the effect of social media adoption on the patronage of hotels. Furthermore, majority of the studies with a focus on social media employed only Facebook as their social media tool (Kamisah & Rohaizal, 2016; Juli, 2012; Xi Yu Leing, 2012) leaving other social media proxies such as Instagram and twitter that are commonly used in product advertisement nowadays.

Given the above limitations, this study will, therefore, be conducted using other social media platforms such as Instagram and Facebook which are commonly used in the marketing of goods and services around the world. By extension, the study will be carried out in the hotel industry in Ekiti State, Nigeria.

2.0 Literature Review

Theoretical Literature

2.1 Theory of Technology Adoption

Adoption of new technology by firms and businesses is generally centred on the theoretical foundations laid by Rogers (2003). In his words, adoption is 'getting a new idea adopted, even when it has obvious advantages, is difficult. Many innovations require a lengthy period of many years from the time when they become available to the time when they are widely adopted'. The Technology Acceptance Model is often used to examine the adoption of technology in various businesses. These models

are based on a few adoption theories which are examined below.

2.2 Technology Acceptance Model (TAM)

TAM was introduced to describe people's behaviour in the usage of computers (Davis, Bagozzi, & Warshaw, 1989). TAM seeks to outline a small number of variables that affect the individual user's intention to use a computer. Perceived usefulness and perceived ease of use are the variables considered particularly important to TAM. "Perceived usefulness (U) is defined as the prospective user's subjective probability that using a specific application system will increase his or her job performance within an organizational context. Perceived ease of use (EOU) refers to the degree to which the prospective user expects the target system to be free of effort (Davis, Bagozzi, & Warshaw, 1989)." An individual user's behavioural intention is equal to their attitude toward using (A), just like in TRA, plus the perceived usefulness (U).

TAM was expounded upon in the Unified Theory of Acceptance and Use of Technology (UTAUT) to combine missing variables and introduce new factors affecting technology acceptance. It provides more factors that affect an individual's usage of information technology: performance expectancy, effort expectancy, social influence, and facilitating conditions. Performance expectancy includes perceived ease of usefulness. Effort expectancy is representative of perceived ease of use. TRA variable subjective norms are known as social influence in UTAUT. These models have been applied time and time again in different niche scenarios to come up with different variables to explain a whole plethora of situations and how technology might aid or be used.

2.3 Social Network Site Adoption Model

One model based on TAM is known as the Social Network Site Adoption (SNSA) model, which was designed to explain from a hedonic perspective why people choose to use SNSs. Sledgianowski and Kulviwat (2009) examined playfulness, critical mass, trust, normative pressure, perceived ease of use and usefulness, and adoption intention and usage, as possible variables. Playfulness deals with whether or not the SNS will bring user enjoyment and pleasure. Critical mass addresses the number of people

who have adopted a given technology, or if the technology reached an adoption tipping point. Trust is the variable that accounts for the faith users place in SNSs to keep their information safe and private. And, users place high importance on trust and intention to use because of some security issues. Social pressure and peer influence to join SNSs is normative pressure. Perceived ease of use and usefulness is just like in TAM, where people perceived usefulness is how much a user believes a given technology will increase job performance. Perceived ease of use refers to the degree a person thinks the use of a given technology to be free of effort. Adoption is when a person continues to use once they have signed up for an SNS.

Behavioural intention is the same as TAM meaning as it comes right before actual usage of an SNS (Sledgianowski & Kulviwat, 2009). According to SNSA, "the strongest indicators of intent to use SNS, considered in a hedonic context in our study, were perceived playfulness and perceived critical mass (Sledgianowski & Kulviwat, 2009)." This model explains why people decide to use sites like Facebook but is limited by two critical factors: test subject age and only looked at SNS usage from a hedonic perspective.

2.4 Empirical Literature

Hudson, Huang, Roth and Maden (2015) explored the influence of the relationship between social media use and customer-brand relationships. They also examined the difference in moderating effect of brand anthropomorphism depending on uncertainty avoidance. The study covered three countries of France, the United Kingdom and the United States. Using the 7-point Likert scale, variables were measured on a ranking scale and multiple regression model and ANOVA were used. The results showed that social media interaction has a positive effect on brand relationship quality and other marketing outcomes.

Ogbuji and Papazafeiropoulou (2016) dealt with the role of social media in developing companies. They concluded that social media can enhance companies' performance and help companies in making appropriate marketing-related decisions. They also concluded that social media can achieve a competitive

advantage for the company and promote brand awareness.

Kim, Lim and Brymer (2015) investigate the effectiveness of managing social media on hotel performance. They sampled 128 hotels in 45 states and 65 cities in the United States. The dependent variables, based on hotel performance, were identified as ADR and RevPAR, which are the most commonly accepted top-line performance measures of the hotel business. ADR refers to the average daily rate (hotel room revenue/the number of rooms sold) while RevPAR is the revenue per available room (a hotel's ADR x occupancy). They performed multiple regressions analyses using SPSS 20 to analyze the data. The results indicate that overall ratings are the most salient predictor of hotel performance, followed by a response to negative comments. The better the overall ratings and the higher the response rate to negative comments, the higher the hotel performance. Therefore, online reviews in social media, specifically overall rating and response to negative comments, should be managed as a critical part of hotel marketing.

Marzouk (2016) had investigated the effectiveness of social media marketing in two significant sectors; the manufacturing and services sectors. The effects of social media on branding, sales and brand loyalty were investigated by the latter researcher. He found that brand awareness can be achieved through social media marketing tools. Also, he indicated that increasing brand awareness shall increase the company's sales. He added too, several areas that may significantly benefit from social media marketing such are new product launches, market share, sales, and profit margin product sales. While he found that customer loyalty toward brands is considered to be the least affected by social media marketing.

Tsimonis and Dimitriadis(2014) investigated the interaction between the company and its customers and its impact on strengthening communication with them and found that interaction shall help in acquiring, retaining customers, enhancing customer engagement, promoting services and creating brand equity.

3. Methodology

Research design describes the plan or study proposal to carry out the research (Creswell,

2009). It is also a useful guide to provide insight into the collection and analysis of data (Churchill & Iacobucci, 2005). The research design is encapsulated in a framework that could be classified into exploratory, descriptive and causal research (Bryman & Bell, 2011). This study employed a descriptive research design. The design denotes the relationship between or among variables. In conducting a descriptive research design, surveys are normally employed to collect data from a particular point in time. The study adopts descriptive design because it aims at describing the role of social media adoption in hotel patronage.

The population of the study

The population of the study comprises of 384 respondents from 42 (one to three) star hotels in the study area.

Sample and Sampling Technique

Multistage sampling method was employed. The choice of the method is premised on the specificity of the study to only the hotels in the hospitality industry. Although the tourism sector is a close industry in the hospitality business, its establishment in the study area is very limited. Therefore, the hotels in Ekiti State were sampled. Due to the metropolitan nature of the state capital, Ado-Ekiti (Located in Ekiti central senatorial district) has most of the hotels with the propensity for social media adoption. Therefore, twenty-three (23) hotels in the capital were conveniently selected. Ten (10) hotels were selected from the remaining two senatorial districts of South and North respectively. A total of 42 hotels were selected. Different categories of staff in the hotels were sampled to ensure an adequate supply of information on social media adoption. To ensure adequate sampling, a business manager, three marketing officers, four customer relation staff, and one sales director of each of the purposively sampled hotels will be targeted. This implies that from each hotel, nine (9) hotel staff was sampled. In an unknown population size, the sample size is usually estimated using the expected margin of error, confidence level, and standard deviation. The margin of error or the confidence interval helps to determine how much lower or higher than the population mean the researcher wants the sample mean fall. The confidence level corresponds to a Z-score while the standard

deviation describes how much variance the researcher expects and the safest to use is 0.5. For this study, the computation of the sample is calculated as:

$$n = (Z)^2 * StdDev * (1 - StdDev) / (\text{margin of error})^2$$

$$n = ((1.96)^2 * 0.5(0.5)) / (0.05)^2$$

$$= (3.8416 \times 0.25) / 0.0025$$

$$= 0.9604 / 0.0025$$

$$= 384 \text{ respondents}$$

Method of Data Analysis

The data for the study will be analysed using statistical package for social statistics version 25. Various analytical models will be applied to the data to achieve the stated objectives. Descriptive statistics and a logistic regression model are applied. The empirical specification is stated as follows:

$$Y^* = \alpha + \beta X + \varepsilon + \beta X + \varepsilon$$

where Y^* is the dependent variable

X is the Likert measure of Facebook adoption and Instagram by the hotels

α is the intercept

β is the parameter to be estimated

ε is the error term

The overall model is specified as:

$$Y^* = \alpha + \beta FB + \beta Inst$$

FB = Facebook

Inst = Instagram

4. Findings and Discussions

Social Media Adoption

Results in Table 1.1 showed the descriptive of factors associated with the adoption of social media. The results show that 39.62% of respondents use Facebook, and 14.34% used Instagram. The level of utilization of social media by the respondents varies. At a minimal level, 31.32% level of social media utilization was recorded while 38.49% utilization was recorded at a basic level. The number of years of adoption of social media also varies. The highest percentage (50.94%) of the respondents has been using social media for a period of up to 2 years. The next highest percentage (35.85%) of respondents has been using social media for a period of up to 4 years.

Table 1.1: Social Media Adoption

Construct	Characteristics	Frequency	Percent
Social media platforms used	Facebook	105	39.62
	Instagram	38	14.34
Level of the utilization of social media	Minimal	83	31.32
	Basic	102	38.49
	Moderate	59	22.26
	Extensive	21	7.92
Number of years since the adoption	< 1 year	25	9.443
	1-2 years	135	50.94
	3-4 years	95	35.85
	> 5 years	10	3.77

Source: Field Survey (2019)

Results in Table 1.2 showed the estimates of the influence of Instagram adoption on the performance of selected hotels in Ekiti State. The Logit result in a log-likelihood of the final model of -296.887. This is used to determine whether the regression coefficients of the predictors in the model are zero simultaneously. The likelihood ratio of the model is 2.89 with 1 degree of freedom. The p-value of the likelihood

ratio is moderately significantly at 5% ($p < 0.05$). The Pseudo R^2 of the model is 0.0049. The findings relate with the coefficient value of -0.128 with $z = -1.70$ and $p = 0.090$ ($p < 0.05$). The negative sign on the value of the coefficient suggests an inverse relationship between adoption of Instagram and patronage in the selected hotels. Although the variable is significant at 5% and indicates that on a

moderate level, adoption of Instagram which relates more with the pictorial advertisement of hotel services has a significant influence on the patronage of the hotels in the study areas. Despite being significant, the result shows that Instagram adoption does not have any positive influence on the patronage of hotels in the study area. Although Instagram is considered an important media tool to share photographs of business services (Currid, 2013), its adoption by the hotel is not related to performance. Hence, the finding of the study is contrary to some

studies with a focus on other business organizations. Though, the non-existence of sufficient empirical studies on the effect of the adoption of the medium may have provided limited insight into the medium. Most existing studies on Instagram have focused on the perceived benefit and usage by a number of individuals with a preference for sharing photo related materials and consideration as a medium for the younger generation (Emilia, 2016) may have been one of the possible reasons for the observed effect.

Table 1.2: Estimated Influence of Instagram Adoption on Performance of Hotels in Ekiti

Variables	Coef.	Std. Err.	z value	P> z
Instagram	-0.127	0.075	-1.70	0.090
No of obs	= 264			
LR chi2(1)	=2.89			
Prob>	= 0.089			
chi2				
Pseudo	= 0.0049			
R2				
Log-likelihood	= 296.8867			

Source: Data Analysis (2019)

The estimated effect of Facebook adoption on the performance of hotels in Ekiti state is presented in Table 1.3. The results logit of ordered type gave Log-likelihood value of -291.5774 which serves as a benchmark to assess whether the estimated coefficient of the predictors is significantly different from zero. The likelihood ratio of the ordered model is 10.10 at a single level of degree of freedom. The Probability estimates of the likelihood ratio are however significant (1%) indicating the fit of the model (Prob> chi2 = 0.001). The significance of the probability value suggests that the null hypothesis is rejected at the conventional level. The pseudo R2 value is 0.0170.

The coefficient of the parameter estimate is 0.467 with a z value of 3.13 and significant probability level at 1%. The positive sign indicates the direct effect of Facebook adoption on the performance of the hotel. This implies that the aspect of social media which is Facebook has a more direct effect on the patronage of hotels. Increase in usage of Facebook to attract customers has a higher potential to boost the image of the hotels and increase the possibility of higher patronage by customers.

This result is consistent with Ainet *et al.* (2015) who also found that the adoption of Facebook has a significant effect on the performance of firms. The performance attribute of Facebook as a social medium has been associated with its compatibility with existing infrastructure since media technology is generally simple and adoptable by any organization (El-Gohary, 2012). Similarly, performance-related outcome from the adoption of Facebook has also been associated with cost-effectiveness. This could be more appealing to many organizations since cost minimization is crucial to achieving optimal performance. By implication, hotels can reach a large number of customers through advertisements, promotions and campaigns on Facebook without incurring huge investment. This is consistent with previous studies (Chong and Chan, 2012; Alam, 2009). Furthermore, the ability of Facebook to yield good performance for the organization has also been attached to the interactivity of the social medium. Lee & Kozar, (2012) found interactivity of facebook medium as a strong effect of its adoption by business organizations.

Table 1.3: Estimated effect of Facebook adoption on the performance of hotels in Ekiti

Variables	Coef.	Std. Err.	z value	P> z
Facebook	0.467	0.149	3.13	0.002
No of obs	= 264			
LR chi2(1)	= 10.10			
Prob>	= 0.0015			
chi2				
Pseudo	= 0.0170			
R2				
Log-likelihood	= 291.5774			

Source: Data Analysis (2019)

5. Conclusion and Recommendation

The major conclusions from the study are that adoption of social media to enhance performance in the hotels in Ekiti State yield mixed results; while Facebook shows a significant and positive effect on performance, Instagram does not have any positive effect on the performance of the hotels in the study area. Hence, the adoption of social media could have a positive effect on performance if the appropriate social media that correlate with hotels marketing relations is used. Otherwise,

available resources should be deployed towards other marketing efforts that could yield results.

6. Recommendations

Based on the major findings and conclusion from the findings, it is recommended that using the adoption of specific social media is crucial to boosting the performance of hotels in the study area. More specifically, it is recommended that hotels in the study area should for now concentrate on increasing adoption of Facebook and Instagram as their major outlet to attract customers and increasing patronage into the hotel industry.

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EFFECT OF LIQUIDITY ON THE PROFITABILITY OF SELECTED BANKS IN NIGERIA

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Abstract

While profitability remains the major focus of all banks, one would wonder how they would choose and identify the optimum point at which they can maintain their assets to optimize the set objectives. This paper aims at studying and evaluating the effect of liquidity on the profitability of selected banks in Nigeria with firm-level data. The study employs data sourced from published annual reports of the banks. Lending Spread serves as a proxy for profitability, while liquidity ratio and loan to deposit ratio serves as a proxy for liquidity. Regression analysis is employed to estimate the relationship between banks' liquidity and profitability. The regression results for liquidity ratio show a t-statistics of -2.67 which is greater than 1.96 (absolute terms) and the pooled coefficient -0.12 which implies that any 1 unit increase in liquidity ratio would lead to 0.12% reduction in bank lending spread. Similarly, the result of a loan to deposit ratio shows at-statistics -4.82 which is greater than 1.96 (absolute terms) and the pooled effect coefficient of -0.37. This means any 1 unit increase in loan to deposit ratio would lead to 0.37% reduction in lending spread (defined as the difference between an average lending rate and average deposit rate). The study concludes that liquidity has a negative and significant impact on banks profitability.

Keywords: Liquidity, Lending spread, Profitability

1. Introduction

In the competitive world, the banking sector has emerged as a key player, contributing its best to create employment, and improving the financial sector of the country. However, the current growing trend in Nigeria economy has become a challenge for the sector to create employment and contribute meaningfully to the economy due to the inability to earn maximum profitability (CBN, 2016). Therefore, banks must make dynamic decisions to effectively manage their assets, particularly loan portfolio to bring about the needed improvement in their profitability.

Moreover, considering the public loss of confidence as a result of distress which bedevilled the financial sector especially banks in the recent time; and the intensity of competition in the banking sector, every deposit money bank should ensure that it operates profitably and at the same time meets the financial demands of its depositors by maintaining adequate liquidity (Olagunji, Adeyanju, and Olabode, 2011).

Deposit money banks are often confronted with the problem of how to choose and identify the optimum point or the level at which it can

maintain its assets to optimize the set objectives (Ajibike and Aremu, 2015). This has made the liquidity and loan portfolio performance of banks received tremendous attention in the corporate world in recent years. The management of corporate liquidity is one of the most critical areas in determining whether a firm will be profitable or not. Liquidity of a firm represents its ability to carry out all its financial obligations without affecting the business operations. A business cannot run smoothly without the availability of adequate working capital. Therefore, the importance of liquidity makes it necessary for firms to maintain a reasonable amount of their assets in the form of cash to meet their short term obligations. Profitability is a measure of loan performance also refers to an excess of the firm's revenue over her operational cost or measurement of the rate of return on investment. Enhancement of profitability is one of the ultimate goals of every firm, and generally, banks strive to strike a balance between profitability and liquidity (Niresh, 2012). According to Saleh (2014), profit is the bottom line or ultimate performance result showing the net effects of bank policies and activities in a financial year.

The Basel Committee on Banking Supervision (2008) defined liquidity as the ability of a bank to fund assets and meet obligations as they fall due, without incurring unacceptable losses. Liquidity could be risky when a financial firm, though solvent, either does not have enough financial resources to allow it to meet its obligations as they fall due or can obtain, such funds only at excessive cost (Vento & Laganga, 2009). Liquidity risk appears when there are differences between the size and maturity of assets and liabilities on the balance sheet (Ferrouhi & Lehadiri, 2014). There are generally two types of liquidity risks which are funding liquidity risk and market liquidity risk. Funding liquidity risk occurs when a bank is not able to respond effectively to current needs as well as future cash needs without affecting its daily operations and financial condition. Market liquidity risk, on the other hand, occurs when a bank cannot easily offset or eliminate a position without significantly affecting the market price. Profitability and liquidity as performance indicators are important to the major stakeholders of any firm and banks in particular. The shareholders are interested in the profitability of banks because it determines their returns on investment. Depositors are concerned with the liquidity position of their banks because it determines the ability to respond to their withdrawal needs, which are normally on-demand or a short notice as the case may be. The tax authorities are interested in the profitability of the banks to determine the appropriate tax obligation (Olagunji, Adeyanju and Olabode, 2011). Previous studies on liquidity and bank's profitability concentrated on macroeconomic factors like Inflation and exchange rate, while a few concentrated on firm-level (Ajibike and Aremu 2015, Olanrewaju and Adeyemi, 2015 and Dahiyat, 2016) among others. This study employed firm-level data to examine the impact of liquidity on bank loan portfolio performance in Nigeria.

2. Empirical Review

It was discovered that most studies that examined the relationship between liquidity and bank profitability generally employed macro data. Also, the conclusions from most of these studies show that the effects of liquidity and bank profitability are both inconclusive and inconsistent. The majority found that there is a

positive relationship between banks' liquidity and profitability, some found negative relationship while others said there was no relationship. For instance, Khan and Ali (2016) examined the impact of liquidity on the profitability of Commercial Banks in Pakistan. The study found that there was a significant positive relationship between liquidity and profitability of the banks in Pakistan. Similarly, Brunilda and Evanal (2015) empirically investigated factors influencing the bank's profitability in Albania. It was found from the study that the profitability of Albanian banks is influenced not only by factors related to their management decisions, internal factors (like portfolio composition and the type of operations Performed) but also to changes in the external macroeconomic environment (i.e. GDP and Inflation). Also, Eljelly (2004) investigated liquidity - profitability tradeoff in Saudi Arabia and found a significant effect on profitability at the industry level. Other studies with positive relationships between banks' liquidity and profitability include Kehinde (2013), Ehiedu (2014), Lina, Munther and Rania (2015), Ajibike and Aremu (2015), Ikeora and Andabai (2016), among others.

Studies with negative relationships include Ali, Tehseen and Junaid (2013) who reported a negative insignificant relationship between liquidity and profitability, Obimah, (2015a) also found a negative relationship between liquidity ratios and the short-term rate and the positive relation between lending spreads and the short-term rate. Both indicated that loan portfolio risk increases with the short-term rate and that loan creation rates increase with bank liquidity, suggesting loans created within this sector tend to be short-term loans. Other studies that found either weak relationship or no relationship are Lartey, Antei and Boadi (2013), Abdullah and Jahan (2014) and Dahiyat (2016).

3. Methodology

This study employed a Purposive selection of 12 deposit money banks from the 22 banks quoted on the Nigerian stock exchange as of December 2016. This is done by considering their average total assets representing 54% of the population. After this, ranking and selection of four large-sized banks (A), four medium-sized (B) and four small-sized (C) was done to obtain a fair representation of the sizes of banks in the

country while also selecting banks based on the availability of information. Thereafter, banks with financial statements covering the period of 2008 to 2016 and having functional websites were considered, and that constituted the sample size of the study. The twelve banks selected include Zenith Bank, GT Bank, First Bank, UBA, Skye Bank, Diamond Bank, Fidelity Bank, Union Bank, FCMB, Unity Bank, Wema Bank and Sterling Bank.

Data from these banks, data were retrieved from published annual reports and accounts of the 12 deposit money banks. These include data obtained from the Nigeria Stock Exchange and the respective deposit money banks websites for the eight years (2008-2016).

The researcher employed the quantitative method of data analysis where the Descriptive statistics used to obtain the means, minimums, maximums and standard deviations of the regression variables was extracted. Inferential statistics were used to make a judgment about the population based on the research sample, and panel regression from Stata software was employed in the estimation of the parameter of the model. Regression analysis was applied to the model to measure and predict the relationship between Liquidity and loan portfolio performance.

The model is specified by making lending Spread (a proxy for profitability) as adopted by Obrimah and Ebere (2015) a function of liquidity ratio and loan to deposit ratio. It is therefore specified as follows:

$$LDS_{j,t} = \alpha + \beta_1 LDR_{j,t} + \beta_2 LTD_{j,t} + U_{j,t}$$

Where:

$t = 1, 2, \dots, 10$

$j = 1, 2, \dots, k$

LDS=Lending Spread =Average Lending rate - Average Deposit rate

LQDR= Liquidity Ratio= $\frac{\text{Cash} + \text{Treasury bill}}{\text{Total deposits}}$

LTD=Loan to deposit ratio = $\frac{\text{Loans} + \text{advances}}{\text{Total deposits}}$

U_i = Stochastic error term.

This study adopted the Apana panelearch design. The choice of panel design is due to the

nature of the data to be used in the study. In any case, panel data is an appropriate technique for most analysis involving multiple sectors or branches. By expectation, past level of bank's liquidity as measured by loan to deposit ratio and liquidity ratio should exert significant influence on the present level of profitability as measured by the lending spread.

4. Results

4.1 Descriptive Analysis of variables

The descriptive statistics for variables employed in the study are reported in Table 1, this shows the mean, standard deviation, skewness and kurtosis coefficients and the Jarque-Bera statistics used to test the null hypothesis that all our variables are normally distributed. The lending spread is the difference between borrowing (interest paid on deposit to customers) and lending rates (interest charged on loans and advances) of financial institutions (such as banks) in nominal terms. This accounts for large chunks of banks profit, hence, its use as a profitability proxy in this study. The mean lending spread is 0.18 with a minimum and maximum of 0.06 and 0.72 respectively, while the dispersion as stated by the standard deviation is given as 0.09.

Liquidity Ratio is a ratio used to gauge or measure the bank's ability to meet its cash obligations instantaneously. The average value of the variable for the period is given as 0.20 which ranges between 0.02 minimum and 0.55 maximum and the dispersion around the mean as shown by the value of standard deviation is stated to be 0.12.

Loan to Deposit Ratio is a common statistic used for assessing a bank's liquidity by dividing the bank's total loans with its total deposits and is used to calculate a lending institution's ability to cover withdrawals made by its customers. The descriptive statistics on the average showed that loan to deposit ratio among the selected banks over the years under review (2008-2015) is about 0.60 and it ranges between 0.16 minimum and 0.98 maximum and the dispersion around the mean indicated by the value of standard deviation is stated to be 0.17.

Table 1: Summary of Descriptive Statistics of the Variables used in the Regression Analysis

	Lending_Spread	Liquidity_Ratio	Ltdr
Mean	0.1801	0.2029	0.5990
Median	0.1600	0.1700	0.6000
Maximum	0.7200	0.5500	0.9800
Minimum	0.0600	0.0200	0.1600
Std. Dev.	0.0920	0.1237	0.1699
Skewness	3.0750	1.1523	-0.0465
Kurtosis	16.6163	3.7830	2.4390
Jarque-Bera	865.0058	22.9556	1.2532
Probability	0.0000	0.0000	0.5344
Sum	16.7500	18.8700	55.7100
Sum Sq. Dev.	0.7793	1.4071	2.6556
Observations	93	93	93

Source: Computed by the Researchers using E-VIEW (2017)

Lending spread and liquidity ratio are positively skewed but loan to deposit ratio is negatively skewed and the Jarque-Bera statistics reject the alternative hypothesis of normality for Loan to deposit ratio (LTDR) at all levels of statistical significance (Value is less than 3), while both bank lending spread and liquidity ratio's Jarque-Bera statistics accept the null hypothesis of normality strongly. Above all, there are 93 observations for all the data entry for analysis.

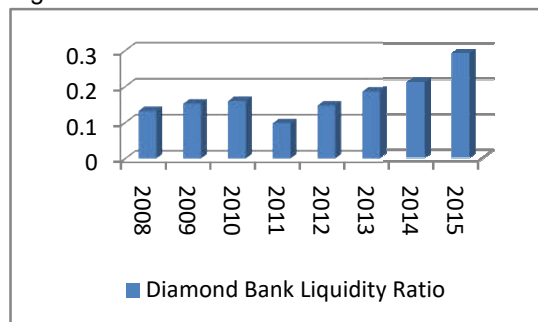
4.2 Trend Analysis of Liquidity Position of Nigerian Banks

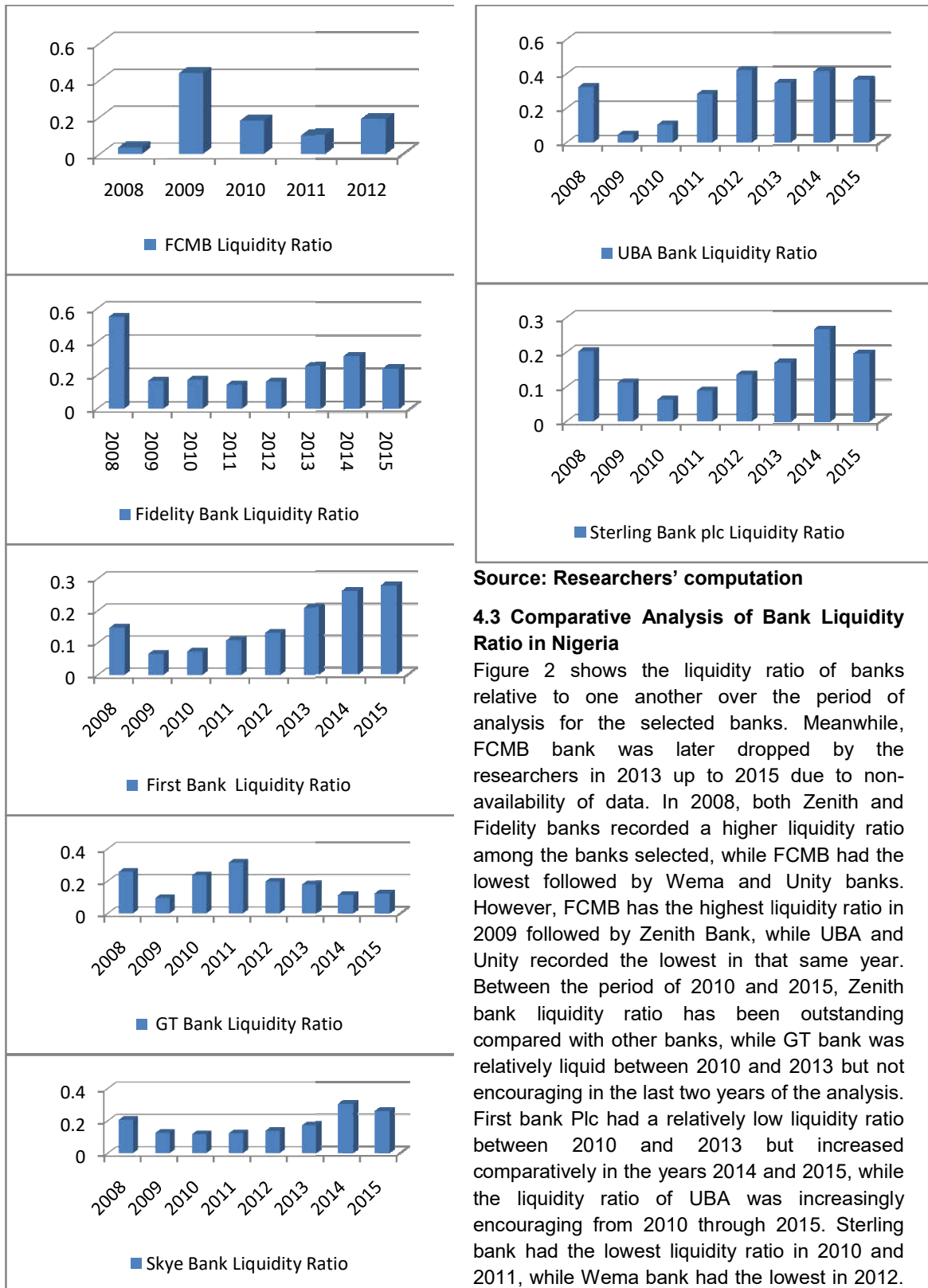
The relative liquidity position of each bank selected for the study is depicted in Figure 1. The figure shows that Diamond Bank's liquidity ratio reached its highest value of 0.29 in 2015 and recorded its lowest value in 2011 with a value of 0.09. First City Monument Bank (FCMB) recorded its highest value in 2009 with 0.44 liquidity ratio and had its second-best value of 0.19 in 2012; although the bank data was only available between the period of 2008 and 2012. Fidelity bank recorded its highest liquidity ratio as early as 2008 when it was 0.55 and the lowest in 2011 at 0.15, while First Bank had its highest value in 2015 at 5 0.28 and lowest in 2009 at 0.07.

Meanwhile, both Guarantee Trust Bank and Skye Bank liquidity ratio have not been stable throughout analysis with both having the highest value of 0.32 and 0.30 in 2011 and 2014, respectively and their lowest in 2009 and 2010 respectively. Interestingly, both UBA and Sterling bank liquidity ratio recorded the lowest

value in 2009 and 2010, respectively with a value of 0.04 and 0.06 and their highest in 2012 and 2014. Union and Unity banks liquidity ratios have not also been stable over the period of the analysis; Union Bank recorded its highest value in 2012 at 0.29, while Unity bank has its own in 2010 at 0.17. Both banks, however, seem to record lower values towards the later years of analysis between the periods of 2013 to 2015. Wema bank liquidity ratio reaches its highest value of 0.20 in the last two years of the analysis (2014 and 2015) and recorded its lowest value in 2008 with a value of 0.07, while Zenith has almost the same value for 2008, 2012 and 2013 of 0.54, 0.53 and 0.55 as the highest values and the lowest in 2009 at 0.31.

Figure 1: Analysis of Bank Liquidity Ratio in Nigeria



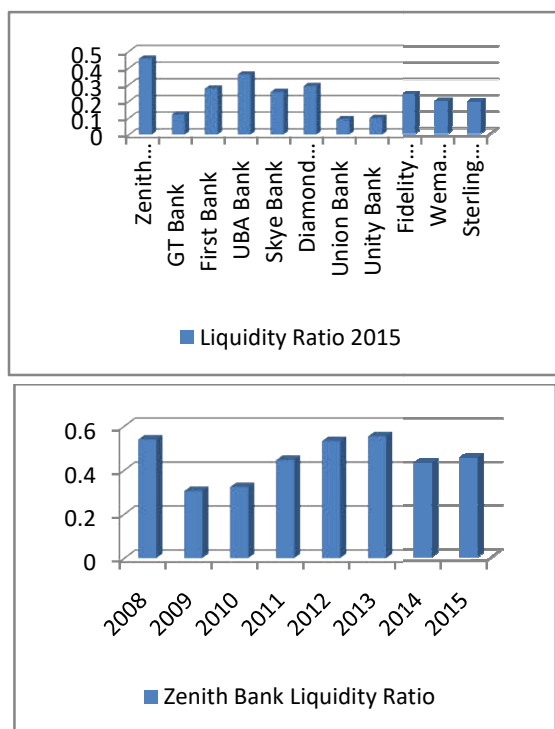


Source: Researchers' computation

4.3 Comparative Analysis of Bank Liquidity Ratio in Nigeria

Figure 2 shows the liquidity ratio of banks relative to one another over the period of analysis for the selected banks. Meanwhile, FCMB bank was later dropped by the researchers in 2013 up to 2015 due to non-availability of data. In 2008, both Zenith and Fidelity banks recorded a higher liquidity ratio among the banks selected, while FCMB had the lowest followed by Wema and Unity banks. However, FCMB has the highest liquidity ratio in 2009 followed by Zenith Bank, while UBA and Unity recorded the lowest in that same year. Between the period of 2010 and 2015, Zenith bank liquidity ratio has been outstanding compared with other banks, while GT bank was relatively liquid between 2010 and 2013 but not encouraging in the last two years of the analysis. First bank Plc had a relatively low liquidity ratio between 2010 and 2013 but increased comparatively in the years 2014 and 2015, while the liquidity ratio of UBA was increasingly encouraging from 2010 through 2015. Sterling bank had the lowest liquidity ratio in 2010 and 2011, while Wema bank had the lowest in 2012. Unity bank had the lowest liquidity ratio in the last three years of the analysis (2013 to 2015) followed by Union Bank PLC.

Figure 2: Comparative Analysis of Bank Liquidity Ratio in Nigeria



Source: Researchers' computation

Table 4.2: Summary of the Correlation Analysis of the Variables used in the Regression Analysis

	Lending_Spread	Liquidity_Ratio	Ltdr
Lending_Spread	1.0000		
Liquidity_Ratio	-0.1162	1.0000	
Ltdr	-0.6694	-0.0713	1.0000

Source: Computed by the Researchers using E-VIEW (2017)

4.5 Panel Regression Results Analysis

The results of the regression model presented in equation (i) are shown in Table 3. The results show the effects of Liquidity as measured by Liquidity ratio and Loan to deposit ratio on bank profitability as measured by the lending spread.

Liquidity Ratio

The result shows that liquidity ratio has a negative and statistically significant effect on the lending spread (profitability) with t-statistics -2.67 which is greater than 1.96 (absolute terms) and the pooled coefficient -0.12 which implies that any 1 unit increase in liquidity ratio would lead to 0.12% reduction in bank lending spread. This implies that the higher the liquidity ratio, the smaller the spread, this could mean either the lending rate is going down or the deposit rate is going up. Also, having high liquidity could result in high deposit cost or giving out fewer loans.

4.4 Correlation Analysis

The results of preliminary correlation analyses among the variables used in the regression analysis are summarized in Table 2. Exploring the inter-explanatory variable correlations, both variables are observed to have correlation coefficients that are lower than 0.8 thereby suggesting the absence of a multi-co-linearity problem. From the table, liquidity ratio and loan to deposit ratio among Nigerian banks have a coefficient of approximately -0.12 and -0.67 with lending spread, respectively.

Loan to deposit ratio has a negative relationship with liquidity ratio. Therefore, any improvement in bank liquidity ratio is expected to reduce the loan to depositors among Nigerian banks.

Loan to deposit ratio

The result in table 4.2 also shows that loan to deposit ratio also has a negative and statistically significant effect on the lending spread (profitability) with t-statistics -4.82 which is greater than 1.96 (absolute terms) and the pooled effect coefficient of -0.37. This means any 1 unit increase in loan to deposit ratio would lead to 0.37% reduction in lending spread (defined as the difference between the average lending rate and average deposit rate). That is, as a loan to deposit increases, the lending spread reduces. This would equally mean that if more loans must be sourced from the deposit, then deposit rate must increase or loans are funded from non-deposit sources which could be less profitable.

Number of obs = 93

F(2, 90) = 12.19

Prob> F = 0.0000

R-squared = 0.4751

Root MSE = 0.06742

Table 4.3: Panel Regression Results

Lending Spread	Coef.	Robust Std. Err.	T	P> t
Liquidity Ratio	-.1226285	.045845	-2.67	0.009
Ltdr	-.3689849	.0765267	-4.82	0.000
Constant	.4260231	.0552451	7.71	0.000

Source: Researchers' Computation using STATA (2017)

In general, the results show that liquidity (as proxied by loan to deposit ratio and liquidity ratio) has negative significant effects on banks profitability (as proxied by lending spread). The coefficient of determination of R-squared in the table is 0.4751, which shows that the independent variables in our model explain approximately 48%, within variations in lending spread ratio (dependent variable) for the period under consideration across the twelve selected banks. Also, the probability of the joint F-test statistic was found significant for the estimated model. The constant of 0.4260231 shows what the lending spread would be if the two independent variables were equal to Zero.

Decision: The probability of rejection of the null hypothesis is less than 5% level of significance, therefore the null hypothesis (H_0 - There is no significant relationship between liquidity and bank profitability) is rejected and the alternative hypothesis is accepted.

5 Summary and Conclusion

The descriptive analysis showed that in 2008, both Zenith and Fidelity banks recorded a higher liquidity ratio among the banks selected, while FCMB had the lowest followed by Wema and Unity banks respectively. However, FCMB had the highest liquidity ratio in 2009 followed by ZenithBank, while UBA and Unity recorded the lowest in that same year. Between the period of 2010 and 2015 Zenith bank liquidity ratio was outstanding compared with other banks, while GT bank was relatively liquid between 2010 and 2013 but not encouraging in the last two years of

the analysis. First bank Plc had a relatively low liquidity ratio between 2010 and 2013 but increased comparatively in the years 2014 and 2015, while UBA was increasingly encouraging from 2010 through 2015. From the empirical front, liquidity ratio had a negative and statistically significant effect on the lending spread (profitability) which implies that any increase in liquidity ratio would lead to a reduction in bank lending spread. Similarly, the loan to deposit ratio also had a negative and statistically significant effect on the lending spread. That is, as a loan to deposit increases, the lending spread reduces.

This study, therefore, concluded that liquidity had a negative and significant impact on banks profitability. It means that if the liquidity of the banks' increases, the profitability of the banks would decrease. Thus, if liquidity is too high, it could result in high deposit cost or it means giving out fewer loans. The negative relationship observed between liquidity and lending spread (Profitability) also implies that any attempt by the banks not to meet up with their liquidity needs would lead to increase in lending rate; as citizenry will be discouraged to save and may be tempted to keep their money. This result is consistent with the previous studies of (Eljelly, 2004 and Dahiyat, 2016) that indicated negative relationships between liquidity and profitability but not with the other studies like (Ajibike and Aremu 2015, Lina, Munther and Rania 2015) who confirmed the existence of Positive relationship between Liquidity and profitability.

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PUBLIC ENTERPRISES AND CORRUPTION IN NIGERIA: A STUDY OF NIGERIA PORT AUTHORITY

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Abstract

Public enterprises are created in all countries of the world to accelerate economic and social development. Surprisingly, researches have indicated that most public enterprises do not contribute strongly to national development because of corruption. Public Enterprises and Corruption has been viewed as Siemens twin with delicate organs that cannot be separated. This study then attempts to examine the synonymous between Public Enterprises and Corruption in Nigeria with special emphases on Nigeria Port Authority. A descriptive research design was used to measure (statistically) the correlation between Corruption and Public Enterprises in Nigeria. Cross-sectional method was adopted to randomly distribute one hundred and thirty-three (133) copies of questionnaire to the staff population of two hundred and four (204) in the Nigerian Ports Authority comprised of staff in Legal, Tender Board, Human Resources, Finance, and corporate affairs and these were analysed with the use of Mean Deviation. The study revealed that there is a relationship between corruption and public enterprises in line with their level accountability, transparency and integrity. Invariably Corruption is synonymous to Public Enterprises.

Keywords: Public Enterprises, Corruption, Transparency, Accountability and Integrity

Introduction

Public enterprises are established in Nigeria to boost and fast-track the sustainability development of the country (Odeh, 2011). This was predominant after independence. Public enterprises have been a major tool in the hands of the government used for controlling the rate of economic development of the nation rather than allow market forces to dictate the pace of development. Ayodele (2004) opines that Nigeria as a country depends solely on its public enterprises for the development, management and allocation of utilities and social services. Hemmina and Mansor (1988) mentioned that states owned enterprises allows the government to pursue goals of social equity that the market ordinarily ignores. Public Enterprises have come under sustained criticism in literature for being inefficient despite its wholesome objectives. Smith & Trebilcock, (2001); Sanderson, (1997) and Foster, (1994) all opine that a consistent evidence in the reports of study groups set up by government (for example, Adebo panel of 1969; Udoji Panel of 1973; Onosode Commission of 1981; and Al-Hakim Commission of 1984) show that Public Enterprises consistently reduce value as they are characterized by corruption, abuse of monopoly power; defective capital structures resulting in heavy dependence on government treasury for funding and bureaucratic bottlenecks.

Considering the statement above, one would say corruption and public enterprises are interwoven. Bitarabebo (2003) opines that corruption has been viewed as cancer that has eaten deep into the social, political and economic fabrics of development and needs the attention of all citizenry for its eradication. Ben (2016) stated that Corruption is seen to be as old as the Nigeria State because the very conception and creation of the Nigeria State was mired in corruption. The study of corruption is no longer seen from its myopic view but rather a more comprehensive and broader perspective. Many international and regional organizations now regard corruption and poor governance as a major obstacle to good policymaking (Vito and Hamid, 2000).

The Nigerian government has embarked on different measures to solve the problem of corruption and corrupts/bad leaders as far back as the return of the country to civil rule on May 29, 1999. Despite the successes attained by these measures, the situation remains unchanged as corruption continues to permeate and pervade every facet of national life and different public sectors in Nigeria (Fatile, 2010).

The Nigeria Port Authority is one of the major public enterprises established by the federal government in 1955 following the implementation of the ports Act of 1954 with the sole objective to improve the socio-economic

development of the country. Since the period of inception series of developmental plan and expansion has taken place for it to achieve its objectives, but rather the organization has been engulfed by inefficiency. During the regime of President Obasanjo, a port reform programme was put in place to reduce its inefficiency but all were to no avail, because of corruption. Given this corruption has been described as cancerworms that have eaten deep in the fabric of the country and has caused stunted growth in all sectors (Economic and Financial Crime Commission EFCC, 2005). The current government has made great effort to reduce drastically the nemesis of corruption that has eaten deep into the system is one of its visions, though the impact has been a bit positive but more still needed to be done to achieve the eradication of corruption in the system (Bakare, 2018). Sequel to above, this study has been undertaken to determine the nexus between public enterprises and corruption in Nigeria.

1.2 Objectives

- i. To examine if the corrupt practice is common in Public Enterprises in Nigeria
- ii. To investigate if there is accountability in Public Enterprises in Nigeria
- iii. To examine if there is transparency in the Nigeria Public Enterprise

1.3 Hypotheses

- i. H_{01} : Corrupt practice is common in Public Enterprises in Nigeria
- ii. H_{02} : There is a lack of accountability in the Public Enterprises Practice in Nigeria
- iv. H_{03} : There is no transparency in the Nigeria Public enterprises

2.0 Literature Review

2.1 Public Enterprises in Nigeria

From time immemorial Public Enterprises have been viewed by different researches as properties and assets that are fully or partly owned, financed and control by the state in order to allow social-economic development. Todaro & Smith (2006) defines Public Enterprises as assets owned and run by the state government. According to United State Public Enterprises is an incorporated or large unincorporated enterprise in which the bulk of the shares are owned by public authorities and can as well influence the management decision-making process of the organisation, invariable

word Public Enterprises are a corporation that is solely or partially owned and controlled by the State. Kirkpatrick, Lee & Nixson (1984) opine that Public Enterprises are characterized by some unique features which are as follows: their operations are controlled by the government, they are legal identity, it is financed, sponsored by the government and policies and appointment of top officials are determined by the government.

2.2 The Nexus between Public Enterprises and Corruption in Nigeria

Corruption has been one of the major challenges facing Nigeria as a country after its acclaimed independence. Lawal and Owolabi (2012) opine that the leaders that attained different positions in the country were filled with greed and self-desires and the resources were mismanaged which adverse effects were in the area of economic setback, extreme poverty and amongst others. Abiodun (2012) claims that after 1960, the rate of growth of corruption has been at a progressive ratio, which has affected both the public and private enterprises in the country. Significantly, Nigeria has been blessed with natural resources compared to other nations; which are expected to improve its socio-economic status as well as the propensity to consume for its public, but the reverse is the case. One would then imagine, the acclaimed name "Giant of Africa" after fifty-seven years of independence and nothing to show for it. Although no country in the world is corrupt-free, the case of Nigeria is worrisome, that people now view corruption as the right of leaders, whenever they attain positions corruption is a self-acclaimed birth-right. Fawole 2013 opines that "State Robbery" in the public sector is the major dilemma in Nigeria. "State Robbery" has been viewed as variations in corruption whereby individuals given political assignments or positions loot the national treasury to satisfy self-fish desires or alterations of documents, facts and figures to make themselves rich, examples of this is the mopping up of unutilized monies before the close of financial year by Ministries, Departments and Agencies (MDAs), forging figures for contracts, over-invoicing, manipulations and inappropriate review of contract sums all these improper dealings, fraud, graft, use of public properties for personal satisfaction, doctoring, shady businesses,

racketeering, and amongst others are perpetuated by most officials in MDAs. Similarly, the act of contract splitting cannot be overemphasized, which was an offence committed by Chief Olabode George, who was the Chairman of the Nigeria Port Authority (NPA), (Abu, 2007).

It is a fact that corruption in Nigeria has resulted in its citizenry to live before the life expectancy ration, whereby it is expensive to get a good education, health care, shelter, food and amongst others. Corruption weakens the legislative system of any nation and as well as diminishes the value system. Adesuyi, (2013) mentions that corruption has paved the way for an increase in illicit payments (bribery) thereby increasing the cost of businesses. All public investments have been reduced capital projects for personal interest and satisfaction, invariably creating economic/social distortions to the sector. Familoni (2007) and Dike (2003) agree that corruption affects business activities thereby hindering the supply of quality goods and services to the public, and the ability of the companies to be ethical in their dealing vis-a-vis profitability. Corruption affects the fiscal and monetary policies of any nation thereby weakening the investment activities and creating artificial inflation.

2.3 Corruption in Nigeria: Historical Perspective

The word "corruption" is derived from a Latin verb "corruptus", which implies "to break". Practically, it is viewed as a behaviour that deviates from acceptable practices, values and traditions. (United Nation on Drugs and Crime, 2005). It includes both undue financial and non-financial benefits.

Corrupt practices have a history on its own, it is as old of the world itself (Lipset & Lenz, 2000). Most countries around the globe are celebrated for their sustainability development but Nigeria is recognized for her corruption which is as old as the country herself. The country formally came into existence with the amalgamation of the Northern and Southern protectorates by Lord Lugard in the year 1914. Fawole (2013) mentioned that the objective for the amalgamation was solely for the administrative convenience of the British colonialist. The Northern and Southern protectorates had little or

nothing in common. From 1960 to date, the word 'corruption' has been in existence and eaten deep into the attire of the nation, no facet of the country had been left untouched by corruption. No wonder, the Transparency International (TI), has consistently rated Nigeria as one of the most corrupt countries over the last decade. Nigeria was ranked 144 out of one hundred and eighty (180) in 2018 (Transparency International 2018). The current government under the leadership of President Muhammadu Buhari indicated her interest to fight corruption using several means such as Independent Corrupt Practice and other Related Offences Commission (ICPC), Economic and Financial Crimes Commission (EFCC) and Whistle-Blowers; efforts were channelled to deal with the unethical practices in the high and low places. Despite all these, problems of corruption remained unresolved.

The World Bank (2004) and Transparency International (2017) view corruption as the use of the public fund for personal gains or satisfaction. It is also viewed as a situation whereby individual or public officials use its legitimate power illegitimately; thereby deviating from acceptable standards or set responsibilities. The concept of corruption varies from one country to another, thereby there is no one single definition of corruption. Therefore, corruption tends to include deception, inducement, political corruption, conflict of interest, misappropriation, favouritism and blackmail (World Bank, 2004; Ackerman, 1999; Tanzi, 1995).

2.4 Theoretical Framework

The theories that underpin this research work are Social Learning and Social Disorganization Theories

The major tools that can be used to visualize corruption and its effects on the social lives of an individual in a society are the Social Learning Theory (SLT) and Social Disorganization Theory (SDT). These theories help to analysis the prevailing factors that facilitate corruption and the environment itself (Akers & Sellers, 2009). For corruption to be critically analysed, two prevailing factors must be considered - the behavioural and environmental factors which determine the success or failure of any anti-corruption measures (Ocheje, 2001).

2.4.1 Social Learning Theory (SLT)

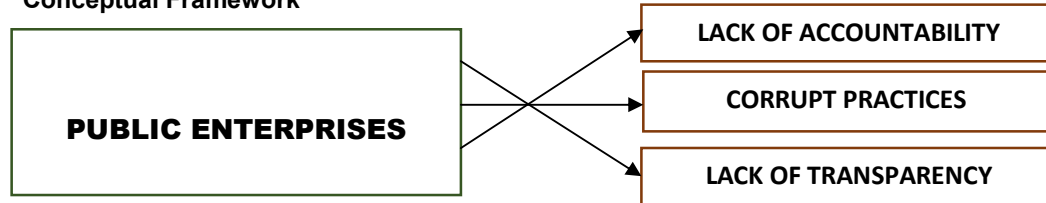
Social learning theory is one of the theories used by researchers to explain illegal or unacceptable behaviour (Sandholtz & Taagepera, 2005). It focuses on two major assumptions; the principle of conformity and principle of deviance. The duo is produced by a similar learning process. This implies that two individuals could be exposed to the same environment and conditions but the two will exhibit extreme behaviour. Singer & Hensley (2004) and Tittle (2004) opine that the interaction of some variables like definitions, differential association, modelling, and reinforcement exposes individual to either exhibit conformity behaviour or deviant behaviour. The interaction of these variables predisposes one to conform or deviant behaviour. (Singer & Hensley, 2004; Tittle, 2004). Akers & Sellers (2009) opine that the definition given to a concept will determine the attitude and behaviour of people towards it. This implies that if people view corruption as bad and illegal, they refrain but if they view it as an acceptable norm, they get involved in it.

It should be noted that differential association or peer influence plays a vital role in the determination of behaviour but the reinforcement attached to it whether positive or negative or by reward or punishment will determine the continuity (acceptability) of such behaviour. Meng & Friday (2010) opine that cultural orientation plays an important role in determining behaviour mostly in a social problem like corruption. Travits (2010) believes that involvement in corruption by individual and the public officials is dependent on an individual's definition of corruption and the perceptions of its predominance in the society. Chappell & Piquero (2004) note that the belief of an individual determines the view he holds on corruption, he could view corruption as not morally wrong but rather an acceptable form of behaviour.

2.4.2 Social Disorganization Theory

Social disorganization theory (SDT) assumes that environment is one major factor that determines individual's behaviour and that when the social controls of any nation are weakened the aftermath results are corruption and other deviant and criminal behaviour (Steenbeek and Hipp, 2011). The application of this theory has been the development and conflict of antisocial attitudes in the community, Johnson (1998). It is believed that culture, politics and economics have a greater impact on dysfunctional behaviour (Akers & Sellers, 2009). Hochstetler and Copes (2008); and Vito, Maahs, and Homes (2007) all note that an organized community is bound to experience deviant behaviour when there is a shift in standard principles while a disorganised community embarks on crime when there is a breakdown in the informal social control. The community will lose the collective spirit to fight against corrupt practices. The theory predicts a neighbourhood with weak social structures are prone to more crime, such as failing schools, vacant or vandalized buildings, changing ethnicity, and high unemployment (Steenbeek & Hipp, 2011). The sociological perspective believes that behaviour is learned and spreads from one individual to another which in turn affect the social order of the community. In line with this, the social problem can only be solved by targeting society rather than an individual's behaviour. (Steenbeek & Hipp, 2011). Johnson (1998) emphasis that many nations are battling corruption in all spheres of its society using the social disorganization theory to prove that. That many public office holders are perpetrators rather than resisters of corrupt practices. Colombatto (2003) and Johnson (1998) opine that corruption can be reduced by developing enhanced criminal justice, political, social, and economic institutions, which will bring about social empowerment.

2.5 Conceptual Framework



3.0 Methodology

In carrying out the empirical investigation of this study, the descriptive research design was used. One hundred and thirty-three (133) copies of questionnaire were distributed to two hundred and four (204) staff of Nigerian Ports Authority (NPA) in Legal, Tender Board, Human Resources, Finance, and corporate affairs. One hundred and twenty (120) questionnaires were

returned and found useful. The selection of these units is justified by the fact that they have in-depth knowledge about the issue of corruption in the public sector owing to the nature of their responsibilities in the Nigerian Ports Authority.

4.0 Analysis and Discussion of Results

H₀₁: Corrupt practice is common in Public Enterprises in Nigeria

Table 4.1: Descriptive analysis for corrupt practices in the public Nigerian public enterprises

The corrupt practice is common to public enterprises in Nigeria	N	MEAN	Std. Deviation	Cronbach's Alpha (α)
Rate of bribery and corruption is high in the National Port Authority	120	2.08	.762	
I know that National Port Authority is corrupt	120	2.46	1.194	
There is a lack of sanctions against corrupt National Port Authority officials	120	1.83	.947	
Corruption is culturally acceptable in this country	120	2.71	1.118	
Corruption is a major problem in the National Port Authority	120	1.83	1.228	
Corrupt public officials are encouraged by Nigerian citizens	120	2.42	1.241	
Public officials engaged in corrupt practices due to external influences	120	2.71	1.405	
Corruption can never be eliminated in Public Enterprises	120	3.17	1.252	
People become corrupt because they learned the behaviour	120	2.68	1.174	
Changes in cultural values have increased corruption in the Public Enterprises	120	2.75	1.132	
Valid N (listwise)	120	24.64	11.453	
Mean of the Means		2.6	1.1453	.712

Source: Field survey (2018)

Table 4.1 shows the mean results of the responses of the respondents with the mean scores of 1-2 as agreed, 3 as undecided while 4-5 is termed as disagreed. In table 4.1, the overall mean score of 2.6 and a standard deviation of 1.1453 shows that most of the respondents agreed to the statement as stated in the hypothesis one. Therefore, the findings implied that corrupt practices are common to public enterprises in Nigeria, showing a certain

element of corruption could still be found in another sector. Regarding the consistency of items, some professionals require the reliability of 0.70 or higher (obtained on a substantial sample) before the instrument is reliable (Devellis, 1991).

H₀₂: There is no accountability in the Public Enterprises Practice in Nigeria

Table 4.2: Descriptive analysis for accountability in the public enterprises in Nigeria

Accountability in the Nigeria public enterprises	N	MEAN	Std. Deviation	Cronbach's Alpha (α)
National Port Authority does not adopt an indistinct accounting procedure	120	2.83	1.410	
National Port Authority does not usually employ modern staff appraisal techniques	120	2.46	1.194	
Proper monitoring and control mechanism are not put in place for all activities with the Corporation	120	2.42	1.388	
There is no proper structure in the National Port Authority that enhances adequate stewardship	120	2.21	1.159	
People do not take ownership for solving problems and reporting any deviation from NPA's policy	120	2.71	1.246	
The corporation does not uphold the Treasury Single Accounting Procedures introduced by the government in all their monetary dealing	120	1.83	.990	
Valid N (listwise)	120	14.46	7.387	.
Mean of the Means		2.41	1.23	.84

Source: Field survey (2018)

Table 4.2 shows the mean results of the responses of the respondents with the mean scores of 1-2 as agreed, 3 as undecided while 4-5 is termed as disagreed. In table 4.2, the overall mean score of 2.41 and a standard deviation of 1.23 reveals that most of the respondents agreed to the statement as stated

in hypothesis two. Therefore, the findings establish that accountability is not well embraced in Nigeria public establishments.

H₀₃: There is no transparency in the Nigeria Public enterprises

Table 4.3: Descriptive analysis for transparency in the Nigeria public enterprises

Transparency in the Nigeria public enterprises	N	MEAN	Std. Deviation	Cronbach's Alpha (α)
Godfatherism is the major means of employing staff into the National Port Authority	120	2.75	1.204	
Improper professional conduct is allowed in the National Port Authority due to relatives in power	120	2.54	1.194	
Contracts are awarded to the most qualified contractors in the National Port Authority	120	2.25	1.204	
Board members are under the control of financial inducement by the management	120	2.67	1.147	
Valid N (listwise)	120	10.21	4.749	.
Mean of the Means		2.55	1.187	.719

Source: Field survey (2018)

Table 4.3 reveals the mean results of the responses of the respondents with the mean scores of 1-2 as agreed, 3 as undecided while 4-5 is considered as disagreed. In table 4.3, the overall mean score of 2.55 and a standard deviation of 1.187 shows that most of the

respondents agreed to the statement as stated in hypothesis three. Therefore, the findings indicate that the level of transparency in the Nigeria public enterprises is accountability is not encouraging.

Discussion of Findings

The analysis revealed a significant positive relationship between corruption and public enterprises, this suggests that there is a link between corruption and public enterprises; which has greatly impeded on its effective performance and ability to deliver as expected, this is in line with the statement of Obasanjo (1994), which opines that no society that treats public funds and property with utter disregard and cares only for personal accumulation on the principles of "steal and go" can progress.

The finding also discloses that there is no transparency in the Nigeria public sector this suggests that the way and manner public affairs are run by government officials are questionable, this is supported by the statement of Ogbunwezeh (2005) that Corruption allows, supports, and inspires the forces of social retrogression and tends to engulf the whole system when the whole society shyly accepts impunity; tolerates unmerited stations; glorifies the success or triumph of dishonesty; permits the diffusion of double standards; celebrates indiscipline, and encourages the ostentatious arrogance of unearned privileged.

The research work also revealed that there is a significant relationship between accountability and corruption in the Public Enterprises, Okebukola (2013) mentioned that corruption has eaten deeply into the fabric of the nation due to its weak accountability system.

5.0 Conclusion

In line with the analysis above, it will be discovered that respondents believed that Corruption is experienced in most Public Enterprises which is an indication that corruption is not an alien but a well know personality to the system. This also depicts that the term Corruption has eaten deep into most Public Enterprises regardless of its size and type of operations.

In the same vein, it has also been established that there are basic elements which are found wanting in all Public Enterprises which are:

Transparency, Accountability and Integrity. These elements determine the effectiveness and level of efficiency of any Public Enterprises.

Implication for Theory and Practice

The results presented in this work will assist researchers and practitioners in the field of public policy and administration to know the effect and the link between public enterprises and corruption.

Secondly, it will also assist researchers to understand that the performance of public enterprises and eradication of corruption are premised on four major concepts; accountability, transparency, integrity and absence of corrupt practices.

Thirdly, it will assist the legal practitioners on the need to enforce the due process and rule of law in use of government funds to curb corrupt practices by officeholders.

Fourthly, it will guide the government officials on how to enforce laws and principles of ethics and empower the legal institutions that would be charged with the duty

Limitation and Direction for Future of the Study

The research work made use of respondents from one of the public enterprises in the country, which serve as a weakness and was also confined to a single location in southwestern Nigeria, it is therefore suggested that future research on public enterprises and corruption can attempt to engage respondents from different geographical locations.

In the same vein, this work focused majorly on the link between public enterprises and corruption with specific emphasis on Nigeria Port Authority (NPA). The suggested area of further research is the need to determine the level or the degree of Corrupt Practices in both Public Enterprises and other Sectors in Nigeria.

Contribution to Knowledge

It has been empirically proven that Corruption is synonymous to Public Enterprises in Nigeria regardless of its size, type and capital.

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ETHICAL ISSUES OF JOURNALISTIC PRACTICE IN NIGERIA: A STUDY OF THE PUNCH AND THISDAY NEWSPAPERS

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Abstract

This study examined the ethical issues of journalistic practice in Nigeria. The paper identified brown envelope syndrome as one of the monsters that has eaten deep into the activities of journalistic practice in Nigeria and which is a threat to the sustenance of ethical practice. Data was collected by a survey research method that is quantitative with a sample size of 296 respondents. Data were analyzed and presented in tables with simple percentages. The major findings of the study showed that a lot of factors have contributed to ethical issues in journalistic practice in Nigeria. Such factors include legal/extra-legal issues in the Nigerian mass media, lack of objectivity, etc. The study recommended that objectivity and fairness should be the watchword of the Nigerian press to retain readership and even improve on their market share. This is because objectivity gives equal amounts of news coverage and the same kind of attention, fair choice of topics keywords.

Keywords: Ethical issues, Journalistic practice, newspaper organizations

1. Introduction

The ethics of any profession prescribes the moral standards every professional is expected to observe in the practice of his/her profession. Once the ethical precept of any profession is codified and adopted as the common ethical standards of a given profession, there is the need for professionals of that given profession to apply the standardized moral codes in the discharge of their professional practice. Journalism practice like other professions has several codes of ethics that guide its practice.

In Nigeria, for instance, a code of ethics which guide the conducts of journalists in the practice of their professional practice abound. In summary, the ethical code prescribes, among other things, that journalists should exhibit high level of responsibility in deciding news contents; be fair and accurate in reporting issues of public interest; respect individual's right to privacy; protect the confidentiality of their sources of information, maintain decency in their reportage of issues, avoid discrimination of any kind, protect national interest and shun the act of

soliciting for or accepting bribe and all forms of gratifications as precondition for publishing information (Fab-Ukoor, 2000; Nwodu, 2006; Udeze, 2012)

MacBride et al. (1980) emphasize what then was becoming an ugly trend in news treatment around the globe. According to the scholars, important developments, especially in the countryside are pushed aside by unimportant or even trivial news items concerning urban events and activities of personalities. The implication is that most often, journalists no longer rely on the professionally set standard for deciding what makes news. The traditional criteria from judging or determining newsworthy events, ideas, places and personalities are fast giving way to "cash and carry journalism" (Nwodu, 2006).

However, Duyile (1987) and Daramola (2013) specifically noted that Reverend Henry Townsend used Iwe-Irohin newspaper to gather fame and influence for himself in the politics of the time. Similarly, from the missionary press to the adversarial (The Lagos Times and Gold

coast Advertiser 1880-1883; the Lagos Observer 1882-1888) to the nationalistic press (The weekly record 1891-1930, The Lagos standard 1893-1910, etc.) to the consolation press (The West African Pilot 1937-1957, Gasikiya Tafikwabo 1939-date) to the post-independence newspapers, military/transition newspapers, the same feature is common, politically dominated scope with different players and level of participation. Players like Reverend Henry Townsend, Herbert Macaulay, Nnamdi Azikwe, Chief Anthony Enahoro, Chief Obafemi Awolowo and Chief Samuel Ladoke Akintola among others were prominent journalists newspaper owners/operator turned politicians and also utilized the platform to gain public status. For instance, Uche (1989), observed that Nnamdi Azikwe's West African Pilot newspaper was launched in fighting for independence from British colonial rule. However, Azikwe paper was criticized by a section of the Yoruba people for using his views (Olisa 1989).

Brown envelope is an endemic ethical problem confronting Nigerian journalist. It has retarded and still retarding journalism development and practice in Nigeria. It is a corrupt ill wind that blows no one any good. According to Onyisi (1996:80), the concept "brown envelope" is generally used to refer to the practice of offering and receiving gratifications in the form of gifts, drinks, food, sex or money- In order to influence the judgment of a journalist. By implication, brown envelope entails giving and receiving gratification that influences to the negative, a journalists sense of news value judgment. The gratification could come in the form of money gift items, food or other unsolicited and or unmerited favour.

Today, the brown envelope has been giving different names in different parts of Nigeria. In the Lagos area, for instance, it is called 'egunje'. In the Eastern part of the country, it is called 'jenwu' or 'kola'. In some other parts of the country, it is called 'awufu'. Regardless of the name or appeal, the fact is that cheap publicity seekers often offer journalist brown envelope to secure unmerited good press and or to massage their ego. According to Onyisi (1990:81), whenever cheap publicity seeker gives a journalist brown envelope there is a tacit agreement that it is meant to make the reporter

feature the story prominently to over-value the newsworthiness of the event, to overlook the deficiencies of the convener and in some cases to suppress the rival point of view.

Press freedom is said to assure the satisfaction of society is the need for maximum flow of information and opinion and individual's right to self-fulfilment. Nwodu (2006:160) points out that the press must be free to carry out its sacred function of information gathering, processing and dissemination in any society without any slightest form of internal or external control.

However, Ndolo (2006:221) aptly defines press freedom as a press free from governmental control, and the relationship of such a press to the form and stability of the government and economic growth and quality of life. By implication, press freedom is the rights of the mass media to gather, process, hold, store, retrieve and disseminate news, information, opinions, ideas and views without hindrance (Nwodu, 2006:160). In essence, press freedom is said to exist where the government hardly interferes in the activities of the press with reference to the right of the mass media to receive and communicate news, ideas, opinions and information on the premise that it aligns rightly with democratic value of openness, justice and equity (Ndolo, 2006 and Kojah, 2009)

In Nigeria, however, a number of legal limitations have combined to whittle down the freedom of the press. Nwodu (2006:161) notes that the draconian decrees promulgated by various military regimes in the country which are still in force have continued to diminish the freedom of the press in Nigeria. Nwodo further contends that absolute freedom does not exist.

It is a well-known fact that mass media is the watchdog of any society. It is this enormous responsibility that the Nigeria Constitution (1999) in Chapter IV, section 39 sub-section 2 like all modern constitutions across the globe, provided that the people be free to own, establish and operate any medium for the dissemination of information, idea and opinions. Over and above this provision, the 1999 constitution gives a charge in chapter II, section 22 which categorically states that "the mass media shall at all time be free to uphold the fundamental objectives contained in this chapter and uphold

the press, radio, televisions, newspaper and other agencies in this chapter and uphold the responsibility and accountability of the government to the people”.

What could be responsible for the lack of professional journalism in newspaper organizations which has militated against its social responsibility? Could it be as the saying that “he who pays the piper dictates the tune”? The fundamental problem motivating the study is ethical issues on journalistic practice in Nigeria. Other problems inherent in this study are as follows:

The Brown envelope Syndrome is yet another monster that has eaten deep into the activities of the print media in Nigeria and which is a threat to the sustenance of ethical practice. More often journalists demand brown envelopes after undertaking an assignment. Some even sacrifice the ethics of the profession on the altar of bribery and corruption by either killing of news stories or writing fictitious news stories just to promote the image of a political figure.

The aim of this study is to determine ethical issues on journalistic practice in Nigeria through the following objectives:

- (i) To find out those ethical issues of journalistic practice in Nigeria;
- (ii) To determine legal/extra-legal issues in the Nigeria mass media industry affect ethical journalistic practice; and
- (iii) To determine the factors that impinge on press freedom as ethical issues of journalistic practice in Nigeria.

2. Literature Review

Journalism Ethics and Standards

Journalism ethics and standards comprise principles of ethics and good practise as applicable to the specific challenges faced by journalists. This subset of media ethics is widely known to journalists as their professional code of ethics or the canons of journalism. The basic codes and canon commonly appear in statements drafted by both professional journalism associations and individual print, broadcast and online news organizations. While various existing codes have some differences, most share common elements including the principles of truthfulness, accuracy, objectivity, impartiality, fairness and public accountability, as these apply to the acquisition of newsworthy

information and its subsequent dissemination to the public (ASNE, 2015)

The principles of journalistic codes of ethics are designed as guides through numerous difficulties such as conflicts of interest to assist journalists in dealing with ethical dilemmas. The codes and canons provide journalists with a framework for self-monitoring and self-correction. Journalism is guided by five important values. The first is honesty: a journalist should not make up news or share news that gives off the wrong impression. The second is independence: a journalist should avoid topics they have an interest in. the third is fairness: a journalist should not tell the truth if it is with bad intentions. The fourth is productiveness: a journalist should work hard to try to gather all the facts. The last value is pride: a journalist needs to be able to accept all credit for their work, bad or good.

Legal Constraints on Journalistic Practice in Nigeria

Thomas Jefferson, the third American President said that he preferred a press without a government than a government without a press. Sad to say, experience has shown that reverse is the case in Nigeria. The authorities (government) hate the investigative inclination, eagle and probing eyes of journalists, thus they try to muzzle the press with legal and extra-legal instruments at their disposal.

Asadu (2007:261) identified one of the legal control mechanisms that weigh the media down in the discharge of their social responsibility to the people as the law on sedition. Fred (1993:3) adds that the ruling class is suspicious that a free press could "lionize" the ordinary citizens to the extent of causing a shift in the base of power. This assumption, though erroneous has its grounds on the contributions which journalism made towards the decolonization of Nigeria.

Ethical Burden of Brown Envelope

Brown envelope is one of the major ethical problems that had and continues to weaken journalism practice in Nigeria. The ethical burdens imposed on journalism practice in Nigeria by brown envelope syndrome are:

* It lowers media credibility and promotes lack of trust for the journalist. Accepting brown envelope certainly influences the journalist's sense of news value judgment and leads to

brazen compromise and distortion of facts just to impress the giver.

- * It robs negatively on the public's right to know as what finally emerged as news of the day are tainted opinions of the giver of the brown envelope rather than public interest-oriented news shifted and selected based on objectivity, fairness and balance.
- * It portrays the media organization as a cheap instrument of blackmail which not only robs negatively on media credibility but also promotes insecurity in the land.
- * It denies the poor who may have authentic information to share, access to the media since only those who can afford to pay their way gain limitless access to the media.

However, Onyisi (1990:81) identifies three dominant settings under which brown envelopes are usually offered as:

- * **Press Conference:** A forum where an individual or group (which can be a political organizations, an interest group, government ministry or business group) convening the press conference uses to announce a policy, a decision, deny an accusation, clarify an issue, or present an issue before the public via the organs of mass media. At the end of the conference, money is usually packaged in an envelope and distributed as 'kola', 'transport money' or 'appreciation'. The snag is that once a journalist receives such an offer, he/she loses his/her sense of news value judgment. The story that will emerge from such a conference will be slanted to suit the interest of the convener who has paid his/her way through to obtain good press.
- * Official tours involving top government officials, captains of industries, leading politicians and opinion leaders in which the press corps covering the tour is usually treated to free launch and spoilt with token branded 'transport money' or 'hospitality allowance' or 'public relations and 'sundry terms'.
- * Adhoc entails the irregular use of the mass media to pay certain amounts to sponsor a news story and insist on how it should be published, with utter disregard to newsworthiness. The story could be designed to message the sponsor's image, assassinate, the character of the sponsor's

opponent, etc. This setting is considered Adhoc in the sense that the relationship between the journalist and the publicity seeker according to Onyisi (1996) is ephemeral, hence the need to offer an inducement to have the story published.

Theoretical Framework

Theories can never be isolated from empirical research. It is, however, a parameter for measuring the latitude in any phenomenon under study. Folarin (2005) notes that theory and research are closely related through the scientific method, he added that theory and research may be seen as two sides of the same coin.

This study is, therefore, hinged on the following theoretical postulations.

- (a) The social responsibility media theory
- (b) Agenda- setting theory.

The social Responsibility theory emerged as a result of conflict between professionalism and self-regulation of the press and pressure for greater regulation of the media.

This theory states that the media can be used by everyone who has an idea to express but they are forbidden to invade private rights or disrupt social structures. It emphasizes the freedom of the press and places responsibility on media practitioners to abide by certain social standards. It opposes media regulation but believes that the press is automatically controlled by the community opinion, consumer protest and professional ethics. It also points out that the media, in carrying out their obligations, must adhere to the highest ethical standards.

Agenda setting theory posits that the mass media determines the issues that are regarded as important in a given society. This means that the press is significantly more than a purveyor of information and opinion, and though it may not be able to tell its readers what it thinks, it does successfully tell them what to think about. In other words, our perception of the world is dependent not only on our interests but also on the map that is drawn for us by the media.

Review of Related Empirical Studies

A study carried out by Oberiri (2016) on some ethical issues in Nigeria journalism practice observed that most Nigeria media engage in Afghanistanism which is the practice

of concentrating on problems in distant parts of the world while ignoring controversial local issues. He argued that junk journalism otherwise known as sensationalism has been the order of the day in most Nigeria mass media. The researcher adopted qualitative research methods with the consultation of secondary sources such as books, journal article and magazine.

Another empirical study which is related to this work is the research conducted by Ekerikevwe (2009) on media owner and control in Nigeria with its focus on the south-south geopolitical zone. The study hinged on the authoritarian and liberation theories of the press as its theoretical framework while a survey method was adopted. The researcher observed that ownership of the mass media is primarily private and government. He further argued that while private owners influence media professional to protect their interest, the government directly controls mass media and indirectly control the privately-owned media.

3. Methodology

Research Design

The study adopted the survey design. The reason for this is that the major source of primary data for a study is the members of the public or any particular group.

Population of study

The population for this study comprised of only journalists in Media Organization (newspapers) in Nigeria.

Sampling Techniques

A cluster sample is involved where more than one stage of selections is used. It is the selection of some member or element from the population for actual investigation or study. This

selection is necessitated by the impracticability of studying the entire population in most cases.

Sample size

Three hundred questionnaires were drawn from the Two National Newspapers (The Punch & This-day) in Nigeria.

The instrument for data collection

A questionnaire was used as the instrument for data collection. This is because questionnaire standardizes and organizes the collection and processing of information in a better and concise manner.

This study made use of two forms of data collection, namely primary and secondary data. The primary source is data from respondents and answers to a questionnaire administered to them while the secondary source is data generated from library materials, authoritative book, journals, etc. The secondary data were used in the review of related literature.

Method of analysis and presentation of data

Data collected were analyzed using simple percentage and presented in a tabular form.

4. Data Presentation and Analysis

Interpretation

Introduction

Statistical table and simple percentage were used for data presentation and to analyzed data. Three hundred questionnaires were administered to different respondents who are journalists in the two national newspaper organizations in Nigeria. Out of the three hundred (300) questionnaires, two hundred and ninety-six (296) were correctly answered by the respondents while four could not be used because improper answering by the respondents made them void.

Table 1: Breakdown of total questionnaires administered and returned

States	No of the questionnaire administered	Percentage administered	No of quantity returned	Percentage returned
The Punch	150	50	148	50
This day	150	50	148	50
Total	300	100%	296	100%

Source: Field study 2019

The above table shows that three hundred questionnaires were distributed to Two National Newspapers organization in Nigeria. One Hundred and forty-eight (148) questionnaires

representing 50% given to Punch newspaper were retrieved and One Hundred and forty-eight (148) questionnaires representing 50% given to Thisday newspaper were also retrieved.

Table 2: Sex distribution of respondents

Gender	Number of respondents	Percentage
Male	172	58.1
Female	124	41.9
Total	296	100%

Sources: Field survey 2019.

The above data have shown that one hundred and seventy-two (172) respondents were male representing 58.15% of the sample size. One hundred and twenty-four (124) respondents were female representing 41.9% of the sample size.

Table 3: Age distribution of respondents

Age	Number of respondents	Percentage
20-30	41	13.8%
31-40	130	43.9%
41-50	81	27.4%
51-60	24	8.1
61 and above	20	6.8%
Total	296	100%

Sources: Field survey 2019.

The above table shows that forty-one (41) respondents were within the age of 20-30 years which represent 13.8% of the sample size. One hundred and thirty (130) respondent fell under the age of 31-40 years which is 43.9% of the sample size. Respondents whose age ranges between 41-50 years was eighty-one (81) representing 27.4% of the sample size as for age bracket 51-60, the number of respondents was twenty-four (24) representing 8.1% of the sample size. Respondents between the age of 61 and above were twenty (20) representing 6.7% of total sample size.

Table 4: Marital Status

Status	Number of respondents	Percentage
Married	244	82.4
Single	43	14.5
Divorced	9	3.1
Total	296	100%

Sources: Field survey 2019.

The above table shows that two hundred and forty-four (244) respondents representing 82.4% were married. Forty-three (43) respondents representing 14.5% were single while nine (9) respondents representing 3.1% of the respondents were divorced.

Table 5: Educational Qualification of respondents

Qualification	Number of respondents	Percentage
SSCE/WASSCE	8	2.7
National Diploma (ND)	22	7.4
Higher national diploma (HND)	49	16.6
B.SC/BA	161	54.4
M.SC	56	18.9
PhD	0	0
Total	296	100%

Sources: Field survey 2019.

From the table above, respondents who have SSCE/WASSCE were 8 representing 2.7% of the sample size. Twenty-two (22) respondents had National Diploma (ND) representing 7.4%. Forty-nine (49) respondents who had Higher National Diploma (HND) representing 16.6% of

the sample size. B.SC/BA holders were 161 respondents representing 54.4%. Fifty-six (56) respondents were M.SC holders representing

18.9% of the sample size while none of the respondents is a PhD holder representing 0% of the population.

Table 6: Respondents years of service.

Age	Number of respondents	Percentage
1-5	82	27.7
6-10	11243	37.8
11-15	43	14.5
16-20	34	11.5
21 and above	25	8.5
Total	296	100%

Sources: Field survey 2019.

The table above indicates that the majority of the sampled respondents are young journalists as they fall within the age of 6-10 years of service in the industry. This is closely followed by those

in the age ranges of 1-5 years. Other is 11-15 years with 43 respondents or 14.5%. 16-21 and above have been in the industry for over 21 years.

Table 7: Designation of respondents

Designation	Number of respondents	Percentage
Editor	17	5.7
Proofreaders	14	4.7
Reporters	176	59.5
Advertisers	14	4.7
Photographers	10	3.4
Graphic artists	10	3.00
Cartoonists	13	4.4
Administration officers	15	5.1
Accountants	6	2.4
Secretary	7	2.4
PRO	10	3.4
Drivers	3	1
Production managers	2	0.7
Total	296	100%

Sources: Field survey 2019.

The data on the above table shows that the editors were seventeen (17) in number representing 5.7% of the sample size. Proofreaders who responded to the questionnaire were fourteen (14) representing 4.7%. Reporters were one hundred and seventy-six (76) representing 59.5% of the population. Advertisers were fourteen (14) representing 4.7% of Photographers represent 34% as ten (10) responded to the questionnaire. Graphic artists were nine (9) representing 3.0% while cartoonists were thirteen (13) which represents

4.4% administration officers were fifteen (15) representing 5.1% accountants were six (6) representing 2% secretaries were seven (7) representing 2.4% public relation officers (PRO) were ten (10) representing 3.4% drivers were three (3) representing 1% and production managers were two (2) representing 0.7% of the population.

Presentation and Analysis of psychographic data collected.

Table 8: Are there ethical issues in your Newspaper Organization.

Nature of response	Number of respondents	Percentage
Yes	296	100
No	0	0
Total	296	100%

Sources: Field survey 2019.

From the table above, two hundred and ninety-six respondents representing 100% of the population agreed that there are ethical

problems on the practice of Journalism in private mass media.

Table 9: Which among these are the possible ethical issues on journalistic practice in your Newspaper Organization?

Nature of Response	Number of respondents	Percentage
Management not given a free hand	17	5.7
Employment of non-professionals	31	10.5
Brown envelope	9	3
Shortage of staff	3	2
Lack of objectivity in news	60	20.3
Poor salary	21	7.1
News commercialization	18	6.1
Junk journalism	137	46.3
Total	296	100%

Source: Field Survey, 2019

From the above table, 60 respondents representing 20.3% assert that lack of objectivity in news is the major ethical issues on journalistic practice. Similarly, 31 respondents, representing 10.5% of the respondents opined that the employment of non-professionals is one ethical issue on journalistic practice in Nigeria. Meanwhile, 18 respondents representing 6.1% contend that news commercialization is an ethical issue on journalistic practice in Nigeria which indirectly affects news objectivity. Seventeen (17) respondents representing 5.7 of

the total respondents share the view that management not given free hand is one of the ethical issues. In the same vein, the brown envelope is one ethical issue noted by nine (9) respondents, representing 3%. Meanwhile 21 respondents 7.1% point to poor salary as another ethical issue. However, 137 respondents who constitute the majority of the respondents' project with a percentage of 46.3 assert that junk journalism is an ethical issue on journalistic practice.

Table 10: Legal/extra-legal issues of the Nigeria mass media industry restrictions on journalistic practice

Nature of response	No of response	Percentage
Agree	96	32
Strongly agree	200	63
Undecided	0	0
Disagree	0	0
Strongly disagree	0	0
Total	296	100

Source: Field Survey, 2019

From the table above, 96 respondents agreed that Legal /extra-legal issues of the Nigeria mass media industry restrictions affect journalistic practice. While 200 respondents

strongly agree that Legal /extra-legal issues of the Nigeria mass media industry restrictions affect journalistic practice.

Table 11: Factor impinging on press freedom in Nigeria serves as ethical issues of journalistic practice

Nature of response	No of response	Percentage
Agree	0	0
Strongly agree	296	100
Undecided	0	0
Disagree	0	0
Strongly disagree	0	0
Total	296	100

Source: Field Survey, 2019

From the table above, the entire respondent strongly agreed that factor impinging on press

freedom in Nigeria serves as ethical issues of journalistic practice.

Table 12: Does your news stories seek to protect public interest at all time?

Nature of response	No of response	Percentage
Yes	90	30.4
No	109	36.8
Undecided	97	32.8
Total	296	100%

Source: Field Survey, 2019

The table above shows that majority of the respondents agreed that their news stories do not seek to protect the public interest. This is indicated by 109 respondents representing 36.8% of the sampled respondent. The response from the table also indicated that 90

respondents or 30.4% of the respondent indicated that their news stories seek to protect public interest at all time 97 respondents or 32.8% of the respondents were however indifferent as they were undecided in their response.

Table 13: Which of these ways do owners seek to control their Newspaper Organization?

Nature of response	No of response	Percentage
Setting up an editorial board	99	33.5
Personal recruitment of staff	49	16.6
News editing	103	34.8
News average of public	45	15.2
Total	296	100%

Source: Field Survey, 2019

From the responses on the above table, it evident that majority of the respondent agreed that owners of mass media involve in news editing thereby having control in their Newspaper organizations. This is indicated by 103 respondents representing 34.8%. The response from the table also indicated that 99 respondents representing 33.5 indicated that

setting up of editorial board is single-handedly done by the owners. 49 respondents representing 16.6% indicated that owners of the media personally recruit staff of the organization while 45 respondents representing 15.2% indicated that lesser news coverage of public interest is given prominence.

Table 14: In which of these ways can these ethical issues on journalistic practice be overcome?

Nature of response	No of response	Percentage
Independent editorial board	13	4.4
Recruitment of non-professionals	23	7.8
News objectivity	218	73.6
Promotion of public interest	42	14.2

Source: Field study 2019.

From the above table, 218 respondents representing 73.6% indicated that news objectivity should be given prominence. 42 respondents representing 14.2% indicated that the promotion of public interest should be considered as a way of tackling ethical problems in journalism. 23 respondents representing 7.8% indicated that professional journalists should be recruited while 13 respondents representing 4.4% indicated that editorial boards should be independent.

Discussion of Findings/Answers to Research Questions

Ethical issues on journalistic practice in Nigeria, especially print are enormous and these have propelled this study. The research questions which to a larger extent guided this study are discusses below:

Research Question 1: What are the ethical issues of journalistic practice in Nigeria?

From the analyzed data, table 8 shows that the respondents agreed that there are ethical issues. For instance, out of the 296 respondents, 60 respondents identified a lack of

objectivity in the news. According to Clark (2015), objectivity in journalism aims to help the audiences/readers make up their own mind about a story, providing the facts alone and then letting audiences/readers interpret those on their own. He further argued that to maintain objectivity in journalism, Journalists should present the facts whether or not they like or agree with those facts. However objective reporting is meant to portray issues and events in a neutral and unbiased manner, regardless of the writer's opinions or personal beliefs. The study also revealed that junk journalism is the order of the day. Out of the 296 respondents, 137 respondents representing 46.3% of the population are on the view that junk journalism is also known as Sensationalism is a common practice in practice in private media houses. Jensen (2001) observed that junk journalism is a sardonic term for news stories that deliver Sensationalized, Personalized and homogenized inconsequential trivia, especially when such stories appear at the expense of serious investigative journalism. He went further to explain that it implies a criticism of the mass media for disseminating news that, while not very nourishing, is cheap to produce and profitable for media proprietors. Jensen had frequently faulted the media for ignoring important Stories. Brown Envelope was also identified as an ethical problem on journalistic practice 9 respondents agreed to this option. According to Onyisi (1996:81), the concept of the brown envelope is generally used to refer to the practice of offering and receiving gratifications in the form of gifts, drinks, food, sex or money-in order to influence the judgment of a journalist. Onyisi (1990:80) further explained that "When cheap publicity seeker gives a journalist brown envelope, there is a tacit agreement that it is meant to make the reporter feature the Story prominently to over-value the newsworthiness of the event, to overlook the deficiencies of the Convener and, in some cases, to Suppress the rival point of view". 18 respondents acknowledged news commercialization as one of the ethical problems on journalistic practice. In the view of Nwodu (2006), the traditional Criteria for judging or determining newsworthy events, ideas, places and personalities are fact giving way to "Cash and carry journalism". Also in the view of

Nnorom (1994) news commercialization refers to situation "whereby the electronic media report as news or news analysis a commercial message by an unidentified sponsor given the audience the impression that news is fair, objective and socially responsible". In part of Ekwo (1996:64), it is unethical for the various broadcasts media to collect money from news sources and broadcast such stories as if no money was paid. Such news items are pure news value and the unsuspecting audience consumes such information as pure news instead of an advertisement.

Research Question 2: Legal/ extra-legal issues in the Nigerian mass media are means of restrictions on journalistic practice.

Table II shows that out of 296 respondents, 200 respondent representing 68% indicated that legal/extra-legal issues in the Nigerian mass media industry are means of restrictions on the journalistic practice. Udeze (2012:19) rightly observed that as at 1907 when the newspaper ordinance No 10 of 1903 was put in place, the highest-paid Nigerian civil servant were probably the court messengers who were earning below one shilling a month. Hence settling such money and calibres of sureties must have been a near impossibility and serious deterrent to the development of newspaper business in Nigeria. Udeze (2012:20) further explained that the provision that requires that residential addresses of the printer, publisher and the editor-in-chief at the imprint tend to expose the journalist to greater risk. This is so given that the essence of this particular position is to make it early for the colonial police to access and deal with stubborn editors.

In recent times, where journalist are exposed to all forms of harm from both overzealous government agents and some exposure to hoodlums in the society, it is wrong to supply such information, in particular, the residential address. The more such information is exposed to the press, the easier it is to trace journalists to their homes and harm them. Udeze (2012:104) reported that the first and most gruesome case of the killing of a journalist in Nigeria was that of Dele Giwa. Citing reporters without border, he further reported that ten Nigerian journalists, namely Bayo Olu (The Guardian); Samson Boyi (The Scope); Sam Nimfa Jan (Details); Godwin

Agboroko (This Day),etc. have been killed in the process of discharging of their duties.

5. Summary, Conclusion and Recommendations

Summary of Findings

This study is predicated on the need to have a free viable and independent media in Nigeria. Therefore, it set to unearth the basic ethical issues of journalistic practice in Nigeria with The Punch and This day Newspapers as sample areas. The study revealed that there are so many ethical issues on journalistic practice in Nigeria Newspaper organizations. These ethical issues range from junk journalism, brown envelope, news commercialization, lack of objectivity, etc.

These obviously account for the reasons many people prefer to patronize social media to other mass media which has degenerated to optician's propaganda machines.

Conclusion

The role of newspaper in educating and dissemination of information cannot be overemphasized, thus, the study after thorough research critically came to the conclusion that Newspapers need to be replaced with alternative media with a view to improving media performance and credibility.

The findings reveal that Nigeria media are currently involved in junk journalism. Hence, the need to engage in hard-hitting investigate journalism is necessary.

Availability of fund is imperative as no development could be achieved with nothing, therefore newspaper organizations should be funded primarily by commercial sources i.e advertisement only as they are likely to use objectively and newsworthiness as their principal standards in making news judgment.

The research concludes that such ethical issues suffered by the two newspapers organizations in

Nigeria are no peculiar to it. Most of the other newspaper organizations in Nigeria have their dose of such ethical issues because their media houses operate in the same political economy. No doubt, alternative media organizations would surely be a panacea to the myriads of ethical issues faced by newspaper organizations in Nigeria.

Recommendations

Arising from the research findings, the researcher wishes to make the following recommendations.

1. Alternative media is a good option as this might be different from the established or dominant types of media in terms of their content, production, or distribution. Alternative media take many forms including print, audio, video, internet and street art. Some examples include the Counter-culture, ethnic and indigenous media such as online open publishing Journalism Sites (Indy media.)
2. Objectivity and fairness should be the watch Word of the Nigerian press in order to retain readership and even improve on their market share. This is because objectivity gives candidates equal amounts of news coverage and the same kind of attention, fair choice of topics, etc.
3. Training and re-training of media professionals in terms of modern media facilities should be done from time to time to avoid Sycophancy and yellow journalism.
4. Legal/extra-legal laws of the Nigerian mass media should be revisited with a view to amending some aspects which are inimical to journalism practice or better still repeal them. This is because journalists suffer a lot of harm in the discharge of their duties. They also face lots of restrictions imposed by certain laws that are no longer relevant in contemporary times.

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**PERSONAL SELLING AND SALESFORCE PERFORMANCE: EVIDENCE FROM
GLOBACOM SALESFORCE IN ABEOKUTA, OGUN STATE**

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Abstract

The study investigated the effect of personal selling on sales force performance in the Nigeria Telecommunication Industry. The study made use of the survey research design and employed the evaluative quantitative analysis method. The analysis was based on cross-sectional data generated through the primary source, using a structured questionnaire for the study. A total number of one hundred and nine (109) respondents were sampled from some selected sales personnel in Globacom Nigeria Limited using a stratified random sampling technique in testing the three hypotheses of the study. The findings show that selling skills have a positive effect on sales volume; the selling strategy has a positive effect on customer relationship management while product and service knowledge has a positive effect on customer retention. The study concluded that personal selling is an important determinant of sales force performance more so, the study recommends that companies should employ personal selling as a tool for making effective decisions on how to sell, to improve the quality of sales force performance.

Keywords: Sales, Personal Selling, SalesForce, Sales Performance, Marketing.

1. Introduction

The successful organizations in business are those that can achieve success in the study of consumer behaviour and determine the factors that affect the development of marketing strategies, which enable them reach the target consumers through the process of personal selling. The process of direct contact between buyer and seller plays an active role in strengthening the relationship between both of them.

Companies must understand who their customers (target market) are in order to know what can be communicated following their characteristics. Once marketers can determine the things above correctly, then, they are set to achieve the market objectives. There are many means of promotion that can be used by marketers in marketing their products, namely advertising, direct sales, sales promotion, personal selling, public relations, and internet

marketing (Purwasih, Samsudin, Susilo, & Mahmudah, 2018).

Thus, selling involves helping customers identify problems, offering information about potential solutions and providing after-the-sale service to ensure long-term satisfaction. Personal selling is a branch of marketing that is also broad which is expedient for the continued existence of every marketing company. Most marketing organizations today do not take into consideration the impact of personal selling; it has to do with person-to-person communication of which immediate feedback is provided to the audience (Iwunze, 2018).

To increase sales force performance, as well as improve the effectiveness and skills of personal selling, the company routinely provide sales training to salespeople both trainees and experienced (Supriyanto & Ariyanti, 2018).

As a result, the sales force would imbibe the effective communication skills to influence the buying decision process of customers in either consumer markets or business markets. Particularly, the development of language skills of sales force during the training programs is crucial in this process. Many barriers would still influence the conversations of the sales force while communicating with customers (Muramalla, 2019). Marketing officers inform customers of new products/services and explain to them how best they can use these products. Personal selling equally assists banks to increase their sales and expand the market by identifying new customers, retaining old customers and persuading them to buy the firm's product (Adewale, Adeniran & Oluyinka, 2019).

Companies are facing global challenges to increase the level of automation in their sales activities and they also want their salesmen to fulfil their daily sales targets and route plans. Researchers observed from professional experience that most of the salesperson don't meet daily sales target because they are taking orders on a manual writing pad, which causes not only wastage of ample time but also create hurdles in the fulfilment of daily route plan successfully (Naqvi & Akbar, 2019).

Despite the immense contributions of personal selling to different business organizations, critics still fail to recognize it as a marketing strategy to reckon with. They tend to lay many emphases on variables such as advertising, publicity, sales promotion, etc. They believe that personal selling is expensive and does not bring a quick response to product offering or increase sales volume. However, sales representative of mobile phones fail to persuade prospective customers to buy and do not provide the necessary information that can motivate potential buyers to buy products and services that can be of benefit to them (Adewale, Adeniran & Oluyinka, 2019). Specifically, it is observed that relatively few researches have been carried out on this subject matter in Ogun State in which this research desires to look into. In addressing this research gap, this study examines the influence of personal selling on sales force performance.

In line with the research objectives, the following hypotheses are stated for the test:

H₀1: Selling skill does not have a significant effect on sales volume.

H₀2: Selling strategy does not have a significant effect on customer relationship management.

H₀3: Product and service knowledge does not have a significant effect on customer retention.

2. Literature Review

The Concept of Personal Selling

Personal selling as a process of conversing the sale of a company's products or service by salesman or woman, it is a dynamic process involving direct contact between the seller of a product or service and the prospective buyers through oral or face to face or telephone discussion or written mail exchange of ideas through opinion (Olukosi, 2005).

Adebayo (2009) posits that personal selling is a process of conversing the sale of a company's products or services by a salesman or woman. It is a dynamic process involving direct contact between the seller of a product or service and the prospective buyers through oral or face to face or telephone discussion or written mail for the exchange of ideas. Personal selling is a person-to-person business activity in which a salesperson uncovers and satisfies the needs of a buyer to the mutual long-term benefit of both parties (Barton, Stephen & John, 2004). Discussing the importance of selling, Duguma and Janssens (2014) opine that selling is the process of including a prospective customer to act favourably on an idea that is advantageous to the buyer and commercially significant to the seller. According to Huang (2019), Selling is a driving force for the global economy and a vital part of virtually every human interaction. Countries depend upon the sales process to survive. Companies exist for the sole purpose of meeting the needs of their customers through products or services. Without sales, they go bankrupt.

This concept stresses that selling is more than making a sale and getting an order. The objective is to build a partnership relationship that provides long-term benefits to both the seller and the customer. The personal selling process is one of the oldest subjects in the sales literature. It can be found in early sales books and for example, a sales training book titled "How to Increase Your Sales" (1920) already introduces the list of steps of selling. Therefore,

the personal selling process has been discussed at a great length by a number of authors. The most widely accepted selling process model in the sales literature is recognized as the "seven steps of selling" provided by Dubinsky (1980) as prospecting, pre-approach, approach, presentation, objection handling, close and follow up, which are discussed below:

i. Prospecting

Prospecting is a fundamental step in the personal selling process (Jolson and Wotruba, 1992). A Prospect is a person or business that needs the product a salesperson is selling (Futrell, 1994). Prospecting and locating for a customer involves the salesperson searching for and identifying potential customers who have the need, willingness, ability and authority to buy the salesperson's offering (Dubinsky, 1980).

ii. Pre-approach

Before approaching the customer, the professional salespeople must take into account a thoughtful process of planning called the pre-approach, which consists of several post prospecting activities before the actual visit with a customer. According to Futrell (1994), "with the pre-approach, the salesperson investigates the prospect in greater depth and plans the sales call".

iii. Approach

After the prospect is identified and the salesperson has collected relevant prospect information, the salesperson is ready to move to the next step called approach. The purpose of the approach is to open the sales call, to gain and hold customers' attention and interest (Dubinsky and Staples, 1981) so that salesperson can interact with them more favourably and to obtain information and to determine prospects' needs and wants (Reid, 1981).

iv. Sales presentation

The sales presentation has been termed "The core of the personal selling process" by many authors (Dubinsky, 1980). Accordingly, sales textbooks and trade publications have spent a lot of time discussing this step and research has also been carried out how to gain maximum marketing benefit from its suitable design and execution. Despite that, many salespeople do not perform sales presentation activities very well.

v. Handling Objections and Overcoming Resistance

Even the best-planned sales presentations will encourage the prospect to make objections (Ingram, 1990). Professional salespeople should expect that the resistances will confront in every sales situation (Brennan, 1983).

vi. Closing

The next step in the personal selling process is called the close. In the closing stage, the salesperson tries to convince the customer to buy (Dubinsky and Staples, 1981). According to the early personal selling literature, the closing stage was often presented as the most important aspect of the sales process.

vii. Follow-up

The follow-up step is a relatively newer addition to the steps of selling in which the salesperson does not assume the sale is over with the acceptance of an order. Rather, much work begins after the sale to make sure the customer is happy with the product/ service and that everything that was promised is being delivered. Follow-up is an often overlooked but important part of the selling process.

Forms of Personal Selling

According to jobber (2007), three types of personal selling order-takers respond to already committed customers: order-creators who do not directly receive orders as they talk to specifiers rather than buyers and order-getters who attempt to persuade customers to place an order directly.

- i. Order-takers: Inside order-taker is the retail sales assistant. The customer has full freedom to choose products without the presence of a salesperson. The sales assistant's task is purely transactional, receiving payment and passing over the goods as another type of order taker is the telemarketing sales team, which supports field sales by taking customer's orders over the telephone.
- ii. Order-getters: Are those in selling jobs where the major objective is to persuade the customer to make a direct purchase. These are the front line salespeople, who are supported by technological support salespeople and merchandisers.
- iii. Order-creators: In some industries, notably pharmaceuticals, the sales takes is not to close the sales but to persuade the

customer to specify the seller's products. For example, medical representatives calling on the doctor cannot make a direct sale since the doctor so not buy drugs but prescribes them for patients.

Theoretical Review

This study employed the game theory and The Behavioural Equation Theory of Selling.

Game Theory

Game Theory, initially a mathematical theory, was developed by John and Oskar (2004). Their work *Theory of Games and Economic Behaviour* in which they first formalized the subject in 1944 is now assumed classic. Game theory, as a branch of mathematics and a modern approach to interest conflicts, uses models to study interactions with formalized incentive structures (games). Since the late 1970s, Game Theory has been a useful tool in analyzing situations in which rational decision-making depends on mutual expectations about the action of the other(s). The primary concern of Game Theory can be viewed as the problem of individuals reaching decisions when they are in conflict with other individuals and when there is a risk involved in the outcomes of their choices. Therefore, it is a theory of rational behaviour for interactive decision problems.

According to Carlson, "no one will deny that studying the nature of the rules of games must be useful for the study of grammatical rules, since it is beyond doubt there is some sort of similarity between them" (Carlson, 1983). Carlson assumed that language games were what established the link between language to the reality described and transformed by it. He pointed out that language and actions denoted by it constituted a language game. He emphasized the goal-directed character of language use and stressed the significance of understanding the internal aim or rule of winning to master language game. To justify the feasibility of his tentative theory of language games, he sought a precise definition of a game (of strategy) in the mathematical theory of games. Carlson developed a fairly abstract unified theoretical framework for discourse analysis, namely the *dialogue game approach*, and claimed that "discourse is coherent if it can be extended into a well-formed dialogue game" (Carlson, 1983). His dialogue games are

"cooperative activities of information exchange: the players strive to achieve a common understanding based on observation and considered opinion" (Carlson, 1983).

Morton (2017), based on the number of players involved in a game and the extent to which their interests coincide or conflict, divided games into three types: the two-person, zero-sum game, the two-person, non-zero-sum game and the n-person game. The term "two-person" can both refer to two individuals and two groups of people as the two parties in a game, while "n-person" means that more than two parties are involved in a game. The term "zero-sum" means that the players have opposed interests and that if one party wants to win, others have to lose, while "non-zero-sum" means that both parties may simultaneously gain, in other words, a win-win situation can be achieved in a game. According to him, in a two-person game, there are generally both competitive and cooperative elements: the interests of the players are opposed in some respects and complementary in others. And he regarded all two-person games as lying in a continuum, with the zero-sum games at one extreme since the players have no common interests, the completely cooperative game at the other extreme since the players have nothing but common interests, and the rest of the two-person games in between.

Personal selling can be treated as a two-person non-zero-sum game in that two parties: the salesperson and the customer are involved and that they can both win by getting what they want through bargaining or negotiation.

However, to achieve a win-win situation or bilateral optimization between both parties in personal selling, the choice of persuasion strategies and cooperation between them is essential since both tend to adopt strategies to adapt to the dynamically moving process of communication to maximize their final benefits (i.e., each individual strives to maximize his utility in terms of Game Theory).

The Behavioural Equation Theory of Selling

The theory was developed by Howard (1969). The behavioural Equation Theory uses an adapted stimulus-response model and proposes four essential elements that influence the purchasing process: drives, cues, response and reinforcement.

- i) **Drives:** These are strong internal stimuli that provoke a response from the customer. Drives are considered to be the customer's motivation to buy. They are classified as either innate drives or learned drives. Innate drives refer to our natural physiological needs such as hunger, thirst, pain, cold, lust, tiredness or addiction. Learned drives are associated with learned behaviour and relate to the need to strive for improved status, social approval, power, wealth or intelligence. Generally speaking, a café would predominantly target innate drives such as hunger and thirst. However, if the café is extremely expensive and trendy it could also target learned drives such as the customer's desire to demonstrate their social status and wealth.
- ii) **Cues:** Cues are subtle stimuli that influence the buying process. There are two types of cues: product cues and informational cues. Product cues are any stimulus that is offered directly from the product such as the price, colour, size, smell, taste, etc. Information cues are associated with the information that is providing to support the product. It may be a positive recommendation from a friend, a special offer from the salesperson or an emphasis on the benefits. Knowing how to use these cues effectively can significantly increase sales and simplify the sales closing process.
- iii) **Response:** Response refers to how the buyers react after receiving new information. The response can be considered as either positive or negative and must be dealt with by the salesperson effectively. A good salesperson will be able to counter-respond to the customer regardless of their positivity or negatively to ensure they maintain a positive buying process. If the customer responds with an objection or concern the salesperson must be able to overcome it. If they respond positively it will indicate they are interested and the salesperson must pounce and respond by in a way that escalates their interest and engagement. Listening and acting accordingly to the customer's response is essential for moving the buying process forwards.
- iv) **Reinforcement:** Any event that strengthens the buyer's tendency to make a purchase is

classified as reinforcement of the sale. Ultimately this is more commonly known as customer satisfaction. Following a purchase you want the customer to leave in a satisfied state. At some point in the future, the customer will experience the same drive that invoked the initial purchase. To fulfil this desire they are likely to seek the same product, services or business that previously satisfied them. This is a classic reinforcement of behaviour drives create the motivation, cues and responses generate the sales and reinforcement ensures repeat custom.

3. Methodology

The study adopts the survey research design. The reason for the survey research is because it is more appropriate and considering the population of the study. The required data that were used for the study was a cross-sectional data obtained from primary sources. A structured questionnaire was administered on the Globacom Nigeria Limited sales force which is the focus of the study. The population for this study are the sales personnel in Abeokuta, Ogun State branches, which is about one hundred and fifty (150) was used. The sample size covers various cadres of the sales force. To this extent the sample size is determined by simple computation method using the Taro Yamane formula:

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

Where, n = sample size

N = population

e = 5% level of significance

n = 109.09

Therefore, an approximate sample size of 109 respondents was used to conduct the research.

It is believed that this size adequately represents the population of the sales force. Stratified sampling technique was used in this study to pick randomly the sales personnel who participated in this study based on the fact that they are a part of the leading companies and their nearness to the researcher. Both descriptive and inferential statistics were used in this study. The respondent demographic variables were analyzed using descriptive statistics such as frequency tables and percentage as shown below:

Table 1: Distribution of Respondents by Social-Demographic Characteristics n=109

Characteristics	Categories	Frequency	Percent
Gender:	Male	69	63.3
	Female	40	36.7
	Total	109	100
Education:	SSCE	22	20.2
	OND	30	27.5
	HND/BSc	51	46.8
	MSc/MBA	06	5.5
	Total	109	100
Year of Service with the Organisation:	1-5years	59	54.1
	6-10years	29	26.6
	11years and above	21	19.3
	Total	109	100

Source: Field Survey, 2020

The above table shows that 69(63.3%) were male while 40(36.7%) were female. This implies that majority of the respondents are male. It can be seen that 22(20.2%) of the sales force possess SSCE, 30(27.5%) possess OND, 51(46.8%) possess HND/B.Sc. while 6(5.5%) possess MSc/MBA. This implies that the majority of the sales force possess

HND/B.Sc. Focusing on the years of services of the sales personnel in the organisation, it was shown that 59(54.4%) of the staff have spent 1-5years in the organisation, 29(26.6%) have spent 6-10years and 21(19.3%) have spent 11years and above. This implies that majority of the staff has spent 1-5years in the organisation.

Test of Hypotheses Hypothesis I

H₀: Selling skill does not have a significant effect on sales volume.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593 ^a	.351	.328	.995

a. Predictors: (Constant), Selling Skills

Table 3: Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
1	(Constant)	1.247		3.196	.002
	Sellingskills	.069	.593	2.039	.044

a. Dependent Variable: Sales Volume

Author's Survey (2020)

Interpretation:

The results from table 2 and 3 explain the results of the regression analysis. The analysis revealed that there is a significant effect of selling skills on sales volume (0.69, $P < 0.05$). This R square (0.351) indicates that selling skills account for 35% variation in the sales volume.

Therefore, the null hypothesis (H_0) which states that there is no significant effect of selling skills on sales volume is hereby rejected and the alternative hypothesis is accepted.

Hypothesis II

H₀: Selling strategy does not have a significant effect on customer relationship management.

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 ^a	.361	.355	2.70315

a. Predictors: (Constant), Selling Strategy

Table 5 Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Std. Error		
1	(Constant)	9.068	.680	13.326	.000
	Selling Strategy	.420	.056	7.552	.010

a. Dependent Variable: Customer Relationship

Author's Survey (2020)**Interpretation:**

The results from table 4 and 5 explain the results of the regression analysis. The analysis revealed that there is a significant effect of selling strategy on customer relationship management (.420, $P < 0.05$). The R square of 0.361 indicates that selling strategy accounted for 36.1% variation in customer relationship

management. Therefore, the null hypothesis (H_0) which states that there is no significant effect of selling strategy on customer relationship management is hereby rejected and the alternative hypothesis is accepted.

Hypothesis III

H₀: Product and service knowledge does not have a significant effect on customer retention.

Table 6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.590 ^a	.348	.341	2.73071

a. Predictors: (Constant), Product and Service Knowledge

Table 7 Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	T	Sig.
		B	Std. Error		
1	(Constant)	8.541	.765	11.166	.000
	Product and Service Knowledge	.382	.052	7.339	.000

a. Dependent Variable: Customer Retention

Author's Survey (2020)**Interpretation:**

The results from table 6 and 7 explain the results of the regression analysis. The analysis revealed that there is a significant effect of product and service knowledge on customer retention; (0.382 $P < 0.05$). The R square of 0.348 indicates that product and service knowledge account for 34.8% variation in customers retention. Therefore, the null hypothesis (H_0) which states that there is no significant effect of product and service knowledge on customer retention is hereby

rejected and the alternative hypothesis is accepted.

Conclusion

The study examined the effect of personal selling on sales force performance. It, hereby, concludes that the organisation need to be more concerned about personal selling as it will influence the sales force performance. No doubt personal selling has a significant effect on sales force performance. However, the selling skills has a positive effect on sales volume; selling strategy has a positive effect on customer

relationship management while product and service knowledge has a positive effect on customer retention Globacom Nigeria Limited.

Recommendation

In a review of the findings of the study, the following recommendations were made:

1. To improve sale volume, the sales personnel should always have real-time information about the company and company trends, sales personnel should be well informed about important events in the industry and sales personnel should possess the ability to control and regulate emotion.
2. To build a strong customer relationship management, the salesperson should have

good interactive skills, they should create a long-lasting relationship with customers and also have a professional approach in dealing with their customers.

3. Lastly, to achieve customer retention, the salesperson should have excellent knowledge about the company's services or products and understand product or service rules.

Suggestion for Further Studies

The scope of research provides the need for a further study to examine areas that were not covered by the study or take advantage of the limitations of the study to bring a searchlight to the darkness and provide a better way of avoiding the limitation to an early study.

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BLOCKCHAIN TECHNOLOGY AND ORGANIZATIONAL PERFORMANCE IN THE BANKING INDUSTRY

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Abstract

The Nigerian banking industry over the years has battled increasingly with series of fraud and non-transparency cases related to Automated Teller Machine (ATM), ATM transactions, internet banking, fraudulent transfer/withdrawals through insider facilitations and suppression of customer deposit. The above may not be unconnected to hacking of bank websites, unsolicited text messages to unsuspecting bank customers claiming to be in a position to help them solve framed up problems, on release of some vital secret bank details. With a recurring case of this nature, the industry has to channel its operation towards a secure and reliable scope and framework for its operation through a decentralized system that would enable bank users have full control of their database with regards to players in the industry. The objective of this study is to examine the effect of blockchain technology on the performance of organizations in the banking industry. The exploratory research design type was adopted for the study. The population for this study is made up of blockchain users in foreign countries. A sample size of Eighty (80) respondents is selected. The Judgmental Sampling Technique was used for this study. Data collected were analyzed using frequency, descriptive and two of the stated hypotheses were analyzed using Regression Analysis and the third hypothesis was analyzed using Chi-Square and the findings indicates that Blockchain will provide efficiency in transactions, at $R^2=0.942$, with P -value of 0.000; also Blockchain guarantees safety of customers funds, at $R^2=0.982$, with a P -value of 0.000; and lastly, blockchain will optimize customers satisfaction, with a Chi-Square of 13.033 and the Asymptotic significance of 0.023, which is less than the P -value of 0.05. The study, therefore, recommends that banks having lapses in its operation that is being provided for by the blockchain technology should adopt the technology to augment its operation. This will help to enhance the competitive advantage for the bank and increase its market share.

Keywords: Banking Industry, Blockchain, Database, Decentralised, Ledger, Cryptocurrency.

1. Introduction

In our contemporary world with the increasing digitalization of the economy, it is becoming increasingly important for financial organization to embrace digital innovation. The steady emergence of blockchain technology exemplifies the disruptive impact of digital innovation and simultaneously poses challenges for organizations. Hence, organizations are in transition with regards to fostering its organizational adoption of this emerging trend. This kind of adoption is reflected in a far-reaching measure in terms of technology, organization and people. The measures are governed by project management or body within the organization that aligns internal measures or

goals with outside environment. Based on this framework, this research lays emphasis on an empirical study to explore the organizational adoption of blockchain technology alongside its impact (Positive or Negative) on its performance as a determinant whether an organization in the industry stands a chance of gaining a competitive edge over others with the adoption.

The goal of Blockchain technology is to create a decentralized environment where no third party is in control of the transactions and data (McLean, 2017). A distributed database solution that maintains a continuously growing list of data that are confirmed by the nodes participating in it. The data is recorded in a public ledger, including information of every transaction ever

completed. Blockchain is a decentralized solution which does not require any third-party organization in the middle. The information about every transaction ever completed in Blockchain is shared and available to all nodes. This attribute makes the system more transparent than centralized transactions involving a third party. In addition, the nodes in Blockchain are all anonymous, which makes it more secure for other nodes to confirm the transactions. Bitcoin was the first application that introduced Blockchain technology. Bitcoin created a decentralized environment for cryptocurrency, where the participants can buy and exchange goods with digital money. Although crypto currencies are also a business and management topic, we decided to narrow down the research topic to the technical perspective of Blockchain. Our objective was to find and map all papers with technical viewpoints on Blockchain. We were interested in finding Blockchain research topics related to various technical areas, such as security, performance, data integrity, privacy and scalability.

With its new approach to transactions between two parties, blockchain has a disruptive potential to redefine and provide current opportunities, especially in the financial services sector, banking industry precisely (Mark-Buitenhek, 2015). Like other digital innovations, blockchain yields impacts on three levels, namely products, processes, and business models (Glaser, Zimmermann, Haferkoru, Weber & Siering, 2017). With its fundamentally new architecture and its impact on these three levels, blockchain technology can be classified as a digital innovation.

Due to this solution to the double-spend problem, crypto currencies, which are enabled by distributed ledgers, seem to have the potential to revolutionize the finance sector. One of the lowest-hanging fruits is (international) payments. Access to payments and the ability to safely store money are surely essential parts of financial inclusion. If crypto currencies were a widely accepted form of payment internationally, people could just transact across borders and the beneficiaries could spend the crypto currency on the products and services they demand.

One of its first applications was Bitcoin. However, today, blockchain is being proposed as a solution for a wide spectrum of applications, which include real-time payments between two parties, the transfer of funds (micro payments, remittances) and digital assets (digitally stored record of ownership of an asset) (digitally stored record of ownership of an asset). Accordingly, blockchain technology or the more general concept of Distributed Ledger Technology (DLT) has raised enormous interest in the IS community, for instance, with regard to trust and cryptographic aspects, the procedure as well as various issues of virtual currencies. Still, most organizations are in the process of exploring the innovation and its impact on their industry. Of these, the financial services sector is at the centre of this study.

Statement of the Problem

One of the essential issues that the banking segment is confronting today ranges from slow service to expansion in misrepresentation and digital assaults. Presently, the greater part of managing an account framework that is based on a centralized database, which makes them more defenceless to digital assaults as all data is put away locally in one place. Additionally, numerous banking frameworks are obsolete and are, in this manner, more helpless against new types of digital assaults. By building a new management, an account framework over blockchain innovation, possibility for extortion and information burglary can be decreased generously as the disseminated record innovation secures records; it stores, scrambles and checks each and every piece of information in an exchange included with every business transacted per day (Rain, 2015). Accordingly, should any information rupture or false movement happen, it would be made promptly evident to all gatherings who have consent to get to the exchange information on the record.

In order to explore the advent of blockchain technology and the beneficial potentials it holds for improving organizational performance in the Banking industry, especially in Nigeria, there has been an incessant increase in cybercriminal act, ranging from a hack in the use of mobile banking app by most active bank user in which the account holder (Banks) finds it hard to recoup every details about those in this practice.

Not until this technology is adopted, there won't be any check against any fraudulent act on this basis. Several researches have been carried out on cyber related crimes, emphases have been on the cases and effects, with a general solution to these challenges (Maitanmi, Ogunlere, Ayinde, & Adekunle, 2013; Anah, Funmi, & Makinde' 2012; Isah, Alhasan, Sanjay & Soto, 2016; Udeh & Ugwu, 2018). Though blockchain technology has been in use mostly in advance economies, its research usability is still new. Should a technology that will solve these challenges be adopted to ease banking operation, improve customer's services and secure funds properly? It will be a thesis for commercial bank to debate and act in its favour if they are to be on Global trend. In view of this challenges and continuous debates and researches, this paper seeks to examine the impact of blockchain operations on efficient Bank transaction, the effect of blockchain operations on optimize customers satisfaction and the impact of blockchain operations on the safety of customers fund.

2. Literature Review

Conceptual Review

Blockchain, according to McLean (2017), is a digital ledger created to capture transactions conducted among various parties in a network. It is a peer-to-peer internet-based distributed ledger which includes all transactions since its creation; all participants (i.e., individuals or businesses) using the shared database are "nodes" connected to the blockchain, each maintaining an identical copy of the ledger and every entry into a blockchain is a transaction that represents an exchange of value between participants (i.e., a digital asset that represents rights, obligations or ownership). In practice, different types of blockchains are being developed and tested, however, most blockchains follow this general framework and approach. It is foremost the task of every organization to create a digitally accessible ledger for every transaction which allows every user in the business to network and share a system of records. Hence, Blockchain is the strategic instrument having this centralized ledger to achieve organizational goals.

In its generic form, blockchain technology refers to a fully distributed system for cryptographical

capturing and storing of a consistent, immutable, linear event log of transactions between networked actors (Holotiuk & Moorumann, 2016). This is functionally similar to a distributed ledger that is consensually kept, updated, and validated by the parties involved (Banks) in all the transactions within a network. The current blockchain technology can not only process monetary transactions but can also ensure that transactions comply with programmable rules in the form of "smart contracts" (Holotiuk, & Moorumann, 2016 & Glaser, et al., 2017).

According to Rain (2015), Blockchain could bring down cost and open up opportunities for smart people and companies with not so deep pockets to do useful applications. If you want to develop a bank you still have to invest heavily in infrastructure. If you had blockchain, you could just hook up to that." As a consequence, the blockchain – or more likely blockchains – we see deployed in the financial industry are likely to be private and permissioned. For most, this is not an issue. "Blockchain is a collection of technologies – five or six," (Simon Taylor, VP Blockchain R&D, Barclays). "You can be inspired by how Bitcoin works; you can be inspired by smart contracts. You don't have to chain blocks of transactions that multiple parties share – or you might want to chain blocks of transactions. Bitcoin came up with five or six Lego bricks and put them together in one way – but you can twist them around and use them differently depending on the use case."

Mark-Buitenhok (2015) also describes blockchain as "extremely promising". "We see the potential," he says. "But we are a bit careful with hypes. If it works, it is going to have a huge transformative effect in situations where complex information streams come together such as in the financial sector. The jury is still out, but we find the potential so impressive that we are stepping up our efforts."

As a ledgering technology, blockchain will not replace the payment systems or the messaging systems deployed by banks, but these systems will connect to the blockchain, augmenting existing business networks and providing increased discoverability and trust. The benefits of the industrial blockchain outlined above are clearly very relevant to an industry focused on de-risking, improving its compliance capabilities

and streamlining, automating and reinforcing trust in some very long-standing business processes.

What Are Blockchains And Distributed Ledgers?

All distributed ledgers use “consensus mechanisms “to reach agreement over “shared data in peer-to-peer network’s” (this definition is a slightly modified version of the one from Van Valkenburgh, 2017). There are closed distributed ledgers, but with the exception of ledgers for land registries, this Paper focuses on open forms, which are fully accessible to the public. As mentioned in the introduction, blockchains are a subset of distributed ledgers. To prevent the manipulation of data stored in the ledger, cryptographic techniques that link all pieces of data are applied. Important elements of distributed ledgers are hashing functions. A hash is a fingerprint of data. It is generated using mathematical rules that convert an input of any length into a fixed-sized string of letters and numbers. By potentially providing a common ubiquitous ledger technology, blockchain could reduce the friction created in financial networks when different intermediaries use different technology infrastructures. In theory, the distributed nature of blockchain (also known as distributed ledger) could also reduce the need for intermediaries to validate financial transactions. The prospect of streamlining infrastructure and/or removing redundant intermediaries from the process creates the opportunity to generate significant efficiency gains.

As Beth Shah(2016), Head of Business Development at blockchain start-up Digital Asset Holdings explains: “There are many areas that distributed ledger technology can positively impact. If you can share an infrastructure and record important financial information on a replicated, secured prime record of transaction history, then costly reconciliation processes across separate but different renditions of the same information can be avoided. Distributed ledger technology has the potential to reduce duplicative recordkeeping, eliminate reconciliation, minimize error rates and facilitate faster settlement. In turn, faster settlement means less risk in the financial system and lower capital requirements.”

Categories of Blockchain

Historically, the first public blockchain was Bitcoin, which was launched in 2009. Any computer, regardless of where it is located, can freely access this blockchain and be involved in the process of approving new blocks. New blockchain concepts have emerged since the Bitcoin launch. These new types of distributed ledger offer the advantages of blockchain technology but restrict access to the network and the rights of the different users. There are currently three categories of blockchain. (Bortholomew, 2017, Beck & Miller-Bloch, 2017, & Bonneau, 2015).

1). Public Blockchain: As the name implies, Public Blockchain is publicly accessible and has no restriction on who can participate or be a Validator. In Public Blockchains, no one has complete control over the network, that is anybody can create his/her Node access and transact with it, all participants are able to access the database, store a copy, and modify it by making available their computing powers. This ensures data security and helps immutability because a single person cannot manipulate the Blockchain. The authority on the Blockchain is equally divided among each node in the network, and due to this, Public Blockchains are known to be fully distributed.

Public Blockchains are mainly used for cryptocurrencies like **Bitcoin**, **Ethereum**, and **Litecoin**.

2). Private Blockchain: A Private Blockchain, (also known as Permissioned Blockchain) has restrictions on who can access it and participate in transaction and validation. Only pre-chosen entities have permissions to access the Blockchain. These entities are chosen by the respective authority and are given permission by the Blockchain developers while building the Blockchain application. Suppose there is a need to give permissions to new users or revoke permissions from an existing user, the Network Administrator can take care of it. Private Blockchains are mainly used in private organizations to store sensitive information that should be available only to certain people in the organization. Because Private Blockchain is a **Closed** Blockchain, the data is within the organization and out of

reach from any external entities. These are where a central authority manages the rights to access or modify the database.

- 3). Consortium Blockchain: A Consortium Blockchain, applicable to Banking industry, is open to the public but not all data is available to all participants. User rights differ and blocks are validated based on predefined rules. Consortium blockchains are therefore "partly decentralized". R3 consortium, which brings together 70 of the world's largest financial institutions to pilot the technology using a semi-private blockchain, is a good example of this category. In Consortium Blockchain, some nodes control the consensus process and some other nodes may be allowed to participate in the transactions. Consortium Blockchain is like a hybrid of Public and Private Blockchain. It is public because the Blockchain is being shared by different nodes, and it is private because the nodes that can access the Blockchain are restricted. Hence, it is partly public and partly private.

Why Blockchain for Banking Industry?

The current day banking systems are highly reliable on paper and outworn process. The Need of the hour is to have an upgraded system embedded with reliable and trustworthy technology that could withstand frauds, scalability and security issues. The blockchain technology and its decentralized nature can give the banking systems the much needed edge they are on the lookout for. Banks cannot be termed as independently operating self-sufficient entities as any transactions made through them still involve intermediaries. Moreover, the rate through which money is transferred on an international scale can still take up to 5 days along with entailing risks. With a blockchain system in place, banks would be able to make transfers real quick without even having to take the burden of risks as the system would be self-sufficient to resolve it all on its own. (Guo & Liang, 2016; Courtneidge&Buell, 2015).

Financial services other than banks are constantly evolving their systems with the aid of the latest technology in order to secure the markets by providing economically available services at cheaper rates. Banking and other financial institutions should look forward to the

adoption of new blockchain technology too in order to secure their place in the ecosystem.

How Will Blockchain Provide Efficient Banking Transaction?

Of the many use cases for blockchain, perhaps the most widely discussed are those in the financial services sector. Here are what we believe to be the most relevant blockchain use cases for banks and financial institutions as long as efficient banking transactions are concerned (Robbach, (2016), Pauline, (2016), Jesse, Irrera& Shumaker, (2016), Guo, & Liang, (2016) & Jan, (2018). Blockchain provides a Hitch-free Global Payment because it enables banks and corporations to make cross-border money transfers which provide real-time settlement and reduce costs by optimizing liquidity and eliminating reconciliation. It provides a fast interbank transaction. More goes into a wire transfer than you know. Blockchain also provides a fast Cross Border Transaction, unlike Payment processes through Western Union or Money gram that takes a couple of days to be delivered to the reviving Bank abroad. Blockchain have reduced transaction time to mere minutes and also hasten the Clearing and Settlement process, among others.

How Blockchain Will Optimize Customers' Satisfaction?

Of all the priorities in the banking system, customer's satisfaction seems to exceed all because the bank cannot operate in isolation without its customer, therefore, banks must consider the Blockchain technology to improve its services for customers retention (Jan, 2018; Deborah Reuben, 2017) for the following reason: 1) Increasing Transparency- a digital deposit process; consumers can see their transactions processed in as little as 10 minutes and enables a bank customer to serve the unbanked customer i.e. living without any banking services at all. Blockchain-powered banking platforms provide inherent security and the ability to create a decentralized lending network and Blockchain and crypto currency-based solutions could completely replace predatory businesses like check cashing and payday advances with fairer, transparent systems.

How will Blockchain guarantee safety of customer's fund?

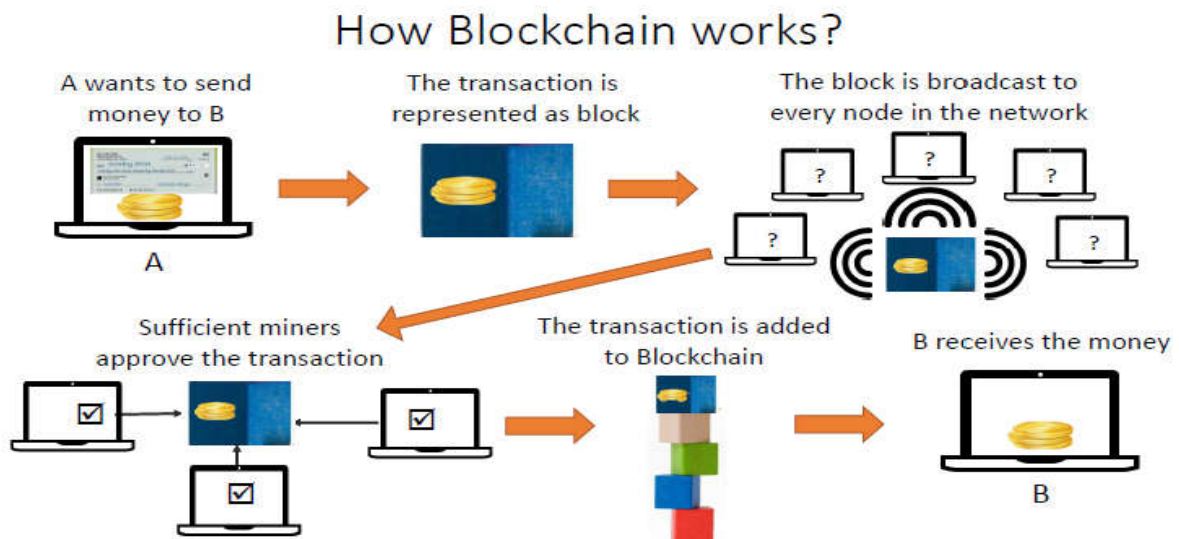
Lastly, of what use would this technology be if customers in the banking system got their funds missing or fraudulently scooped by cybercriminals? That is why Blockchain adopt this three major security tactics to ensure people do not get away with gullible user's fund. These security measures have been the best rated to be effective, especially in the bank system for protecting banks' integrity and customers' fund (Guo, & Liang, 2016; Christidis&Devetsikiotis 2016 &Deborah, 2017). They include:

- Encryption and Validation:Blockchain platform ensures that user data is encrypted, which means that modification in data is a difficult task. Customers can also save a cryptographic signature of a document or file on a Blockchain(similar to BVN). This would

give users a way to ensure a file is untampered, without needing to save the entire file on the Blockchain.

- Decentralized way of securing data:Since blockchain as a technology is decentralized in nature it does not rely on one central point of control. It is a digital ledger of transactions with every computer having a complete copy of the data. A lack of a single authority makes the system fairer and considerably more secure.
- Difficulties in hacking: as the name implies blockchain is a chain of digital "blocks" that contain records of transactions. Because they are not contained in a central location. Blockchains do not have a single point of failure and cannot be changed from a single computer.

Research Model



Source: The Blockchain Technology, Tel Aviv University

Theoretical Framework

Theories of Blockchain

Two major theories of Blockchain were used as bases to further explain the relevance of blockchain to effective transactions. Brief explanation of these theories is provided below;

Crypto Enlightenment Theory of Blockchain

According to this theory, Cryptocurrencies (Bitcoin), blockchains and decentralization are not just about digitizing and modern money transfer, payments, economics, assets, legal contracts, and governance, thereby accelerating

the transition to the automation and actualization economy from the labour economy but more fundamentally, these factors are allowing us to explore our reality, and specify it as more internally determined than externally determined.

This theory adds that the tip of the iceberg is Bitcoin – digital money. Bitcoin runs on software called blockchain technology, which is a distributed ledger, a decentralized computational memory of human interactions. As individuals, we can place our trust in the computational

system, and no longer need to trust institutions, third-party intermediaries like banks and governments, to coordinate our patterns of activity. Blockchains are a more trustworthy trust, algorithmic trust and not institutional trust.

Cryptocurrency Game Theory

What is Cryptocurrency Game Theory? One of the greatest innovations of the 21st century is, undoubtedly, the advent of cryptocurrency. What is it that makes the blockchain technology such a breakthrough? Let's look at the real world and how fiat currency is maintained and stored. No matter who you are, your money is going to be stored in a centralized location, i.e. the bank. The problem with this model is that you are giving your money over to an entity and it is at the risk of getting compromised because of a variety of reasons. The blockchain solves this problem by being completely decentralized and corruption free internally. The way it achieves this is by the incorporation of cryptography and game theory. A block is a series of blocks which contains individual transactions in it. Each block also contains the hash of the previous block and this, in turn, links each subsequent block to the previous block making a chain. Hence, the term "blockchain."

In a system based on blockchain Bitcoin, there are two players:

- Users.
- Miners.

Users in bitcoin have only two functions available to them:

- Send coins.
- Receives coins.

In order to do that they need two keys, the public, and the private key. What miners do is that they authenticate the transactions and they do the process of mining. Mining is how new blocks are discovered and added to the blockchain.

3. Research Methodology

The study is an exploratory research designed to make use of a survey to gather the required information while a quantitative approach is adopted to quantify responses from key respondents as it relates to the test of the hypotheses. This choice is as a result of availability, exposure and familiarity with the banking system which can be more easily accessed by the use of a survey. The survey

was delivered electronically via Survey planet and will be targeted at people that are already using this technology in advanced country of the world.

Statistically, population is the whole set of objects, individuals at which a statistical investigation is carried out. Therefore, our population for this study is unknown because of the virtual nature of gathering information from people who are to be chosen at random across participants in advanced country.

The research sampling technique suitable and used by the researcher in this study is a purposive sampling method, otherwise known as a judgmental sampling technique. This technique was selected and targeted to advanced countries because the researcher believes the population of the target nation possesses the requisite information and usage of the subject matter of this research, therefore can provide answers to the research question. The research sample size estimated for this work is 207. Because of the unknown nature of the population, the researcher uses this formula to determine the sample size.

$$N = \frac{z^2 \times \hat{p}(1 - \hat{p})}{\hat{e}^2}$$

The researcher uses a 50% population proportion because the size is unknown, a 5% margin of error and a confidence level of 85%.

The sample size is thus calculated as:

$$\frac{2.58^2 \times 0.5(1 - 0.5)}{0.05}$$

$$\frac{0.9675 \times 0.5(1 - 0.5)}{0.05^2}$$

$$\frac{1.6641}{0.0025} = 80$$

Where

Z is the z score for 85% confidence interval

ε is the margin of error

N is sample size

p̂ is the population proportion

Data were collected from a primary source. The primary data were gathered using a virtually published questionnaire to solicit information from key respondent in the population of study. Analysis in this study will be covered with SPSS. Also, inferential statistics was used in testing the

hypotheses developed in the course of the study. The regression test will be employed in arranging the variables used in the study and subsequently giving results of the hypothesis developed.

Data Analysis According to Testing of Hypotheses

Hypothesis One

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971 ^a	.942	.937	.23962

a. Predictors: (Constant), Blockchain technology

Coefficients^a

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
1	(Constant)	3.471	.242		14.344	.000
	Efficient bank transaction	.488	.049	.298	5.925	.000

a. Dependent Variable: Efficient transaction

The model summary above shows the extent at which the Blockchain technology will yield efficient banking transaction. The coefficient of determination ($R^2 = 0.942$) shows that 94.2% of the success recorded in the customers satisfaction is accounted for by efficient bank transaction. This result is statistically significant because the p-value of the result (0.000) is less than 0.5 level of significance used for this study. This indicates that blockchain has the capacity to augment banking transaction and improve efficiency in the overall banking industry.

The model above signifies that for an adoption of the blockchain technology into banking practice, the rate of efficient transactions will be increased by 0.488. This means that even when

Ho: Blockchain will not yield efficient bank transactions

H1: Blockchain will yield efficient bank transactions

Regression analysis model on Blockchain technology and efficiency of transactions in the banking industry.

cybercriminals are hacking bank accounts to swindle funds fraudulently, they can't break into blockchain database without users' prior consent to their account profile. Therefore, the null hypothesis is rejected while the alternative hypothesis was accepted.

Hypothesis Two

Ho: Blockchain will not guarantee the safety of customers' fund.

H1: Blockchain will guarantee the safety of customers' fund.

Independent variable: Blockchain technology

Dependent variable: safety of customers' fund.

Regression analysis model on blockchain and safety of customers funds.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.993 ^a	.985	.984	.10398

a. Predictors: (Constant), safety of customers' fund.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	67.996	6	11.333	7.378	.000 ^b
	Residual	4.191	73	.057		
	Total	72.187	79			

a. Dependent Variable: Blockchain technology

Coefficients^a

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
1	(Constant)	3.518		14.040	.000
	safety of customers' fund	.351	.602	2.867	.000

a. Dependent Variable: safety of customers' fund.

The model summary above shows the extent at which the Blockchain technology will guarantee the safety of customers' funds. The coefficient of determination ($R^2 = 0.985$) shows that 98.5% of the success recorded in the customers satisfaction is accounted for by safety of their earnings with blockchain. This result is statistically significant because the p-value of the result (0.000) is less than 0.5 level of significance used for this study. This indicates that blockchain can provide adequate security for customers' savings.

The ANOVA value F of (3.52) while the calculated F value is (7.38), at the degree of freedom of 73 shows that blockchain technology has a positive and significant impact on banking transaction since the F calculated is greater than the F value.

The model further signifies that for an adoption of the blockchain technology into banking practice, safety of funds is certain. This means that even when cybercriminals are hacking bank accounts to swindle funds fraudulently, they can't break into blockchain database without user's prior consent to their account profile. The efficient rate of safety in customers' funds will be increased by 0.351. Therefore the null hypothesis is rejected while the alternative hypothesis was accepted.

Hypothesis three:

Ho: Blockchain would not optimize customers' satisfaction

H1: Blockchain will optimize customers' satisfaction.

Chi Square model on blockchain and customers satisfaction.

Test Statistics^a

N	80
Chi-Square	13.033
Df	5
Asymp. Sig.	.023

a. Friedman Test

Source: SPSS, 2019

Interpretation

From the table above, the chi-square value is given as 13.033. This value is significant only through the asymptotic significance. The Asymptotic Significance is given as 0.023 which is lesser than a p-value of 0.05. This connotes that the chi-square value was significant in establishing the differences in the dependent and independent variables. Therefore, we accept the null hypothesis and reject the alternative hypothesis. This indicates that Blockchain would not lead to customers' satisfaction.

Discussion of Findings

The result in test of hypothesis one showed that majority of the respondents agree that

blockchain will provide efficient transaction in their daily activity. However, the result shows that bank users have at one time or another had experienced a series of difficulties like poor interbank transactions, unnecessary charges for transactions or a delayed abroad transactions, inability to access a crashed online services.

If you work in San Francisco and want to send part of your paycheck back to your family in London, you might have to pay a \$25 flat fee for a wire transfer and additional fees adding up to 7%. Your bank gets a cut, the receiving bank gets a cut, and you're charged exchange rate fees. Your family's bank might not even register the transaction until a week later.

Cryptocurrencies like Bitcoin and Ethereum are built on public blockchains that anyone can use to send and receive money. In this way, public blockchains cut down on the need for trusted third parties to verify transactions and give people around the world access to fast, cheap, and borderless payments (Jamie 2018). Bitcoin transactions can take 30 minutes or up to 16 hours, in extreme cases, to settle. For example, it takes roughly 3 to 5 days for deposits to show up in accounts for PayPal, one of the largest online banks

That is still not perfect, but it represents a leg up from the average 3-day processing time for bank transfers. And due to their decentralized and complex nature, crypto-based transactions are difficult for governments and regulatory bodies to control. In other words, they can't shut down these almost-instantaneous transactions.

Test of hypothesis two reveals that majority of the respondents agreed that blockchain will provide adequate security for their funds. The records on a blockchain are secured through cryptography. Network participants have their own private keys that are assigned to the transactions they make and act as a personal digital signature. If a record is altered, the signature will become invalid and the peer network will know right away that something has happened. Early notification is crucial to preventing further damage.

It was discovered that the number of fraud cases in Nigeria increased progressively over most of the years of study. This can be attributed to increased bank products most of which were

electronically based. The above view was affirmed by NDIC annual report (2011), which stated that increase in cases were due to Automated Teller Machine (ATM), ATM transactions, internet banking, fraudulent transfer/withdrawals through insider facilitations and suppression of customer deposit. Similar report was raised in 2015, where it was reported that total loss sustained to internet banking was N857 million representing 27 percent of the total loss in the industry for the year. ATM/card related fraud increased from 7,181 in 2014 to 8,039 cases in 2015, which is 11 percent increase. The above may not be unconnected to hacking of bank websites, unsolicited text messages to unsuspecting bank customers claiming to be in a position to help them solve framed up problems, on release of some vital secret bank details (Udeh & Ugwu, 2018). However, with the adoption of this technology, the above cases can be curtailed close to zero; furthermore, banks having a high index report of fraud case stands to be of greatest advantage if they induct this technology to suit its operation.

Test of hypothesis three reveals that customer will not be satisfied if the Blockchain technology is operated by banks. (Nakamoto, 2018) posited that Blockchain will be a bridging block to Banks and customers, thereby stopping all interaction with banks staffs and officials to get quality service, (cyberspace interaction), he is of the view that Bank officials will be strictly replaced by the blockchain distributed ledger as an anonymous way of dealing with their banks. However, human needs interpersonal relationship with one another for mutual understanding of trades and services they receive from any business, but blockchain won't give that humanly attention to user, which stands as a limitation of the technology to holding humans fund. This notion is significant to inability of Blockchain to optimize customer's satisfaction in the real sense.

However, this can also be accounted for by lack of knowledge of the technology because the blockchain is a fairly new innovation, there aren't enough specialists out there with the skills needed to build the infrastructure to support the growing demand. A lack of knowledge also affects whether or not decision-makers in the industry will open their doors to the technology,

and can lead to problems with misunderstandings and misinformation. It's this gap in knowledge that hinders its widespread adoption.

Fortunately, there is a growing interest in the technology, with more and more people actively striving to learn about blockchain on their own, thanks to experts who are willing to share their knowledge. Over 600,000 students have signed up for Udemy's courses on blockchain to learn from respected industry tutors such as George Levy and David Joseph Katz which is helping drive growth in the sector. And in turn, this is helping reduce the gap, slowly but surely. After all, it's only when people are properly educated on the technology that we will see a surge in adoption. (Fintech, 2019).

The basis of this analysis is for the management of Banking organizations should exert collective effort in identifying the ideal mix of efficient and effective internal control system that matches their current challenges that can be filled with the Blockchain technology and invest in them.

Conclusion

The study examines how blockchain will revolutionize operations of players in the banking industry. Confirming the argument of the findings of this study suggests that bank transaction chain is one significant area banks

should give keen attention to in order to enhance organizational performance.

This study elicits the key attributes of blockchain which can be adopted by the management of bank institutions to scale up performance. Hence this study widens the scope of identifying measures that will enhance organizational performance like efficient bank transactions, safety of customers' funds and a pledge to funds transparency. Organizational performance is being measured to create awareness of the financial status of the organization in order to know if they are performing or not. Therefore, banks having realizing which area of their weaknesses can be catered for by blockchain, have to invest in this technology to realize better customers' patronage. Conclusively, Blockchain technology should be adopted by banks that deemed it fit needed for its operation to improve performance. The study thereby accepts two of the three hypotheses.

Recommendations

1. Banking institutions should embrace blockchain technology to its operation to ensure transaction efficiency. This will promote a reduction of workload faced by bank staff.
2. Account officers should use this technology to speed up its transparency process to avoid cases of unremitted debits of customers funds without traces.

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THE RELATIONSHIP BETWEEN ORGANISATIONAL CULTURE AND EMPLOYEES' PERFORMANCE: EVIDENCE FROM PARK INN HOTEL, ABEOKUTA, OGUN STATE

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Abstract

The place of a well-structured organisational culture in 21st century cannot be set aside in improving the performance of employees in the organisation. This study examined organisational culture and employees' performance in Park inn hotel, Abeokuta, Ogun State. The study adopted survey research design. Primary source was used to collect data through a questionnaire administered on employees working in the hotel. Seventy (70) questionnaires were administered but Sixty Five (65) were retrieved and used for the analysis. Regression analysis was used to analyse the data collected. The findings revealed that bureaucratic culture has contributed positively ($r = 0.337$ and $p < 0.05$) to the organizational sales turnover while innovative culture has positive contribution ($r = 0.348$ and $p < 0.05$) to employees productivity. The study concluded that there is significant relationship between organisational culture and employees' performance in the hotel. Furthermore, the study recommends that companies should be bureaucratic in the organisational culture to improve their sales turnover and also be innovative when implementing the culture of the organisation so as to improve its employees' performance.

Keywords: Organisational Culture, Employees, Employees' Performance, Culture.

1. Introduction

Organizational culture has been an important theme in management and business research for the past few decades due to its effect and potential impact on organizational performance. Organizational culture has been an important theme in management and business research for the past few decades due to its effect and potential impact on organizational performance. The contributions of organizational culture to firms' growth in developed and developing countries have been acknowledged by professionals, researchers and scholars (Olaigbe, Unachukwu & Oyewole, 2019).

Organizational culture comprises the unwritten customs, behaviours 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 (Wambugu, 2014). Organizational culture defines the way employees' complete tasks and interact with each other within the organization. The cultural pattern comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company. Organizational culture binds the employees together and provides a direction for the growth of the company. Organizational culture can have varying impacts on employee performance and motivation levels (Narayana, 2017). Organizations have distinct culture and personality which show the values of theirs, techniques of talking about issues, decision making and doing stuff. Organizational culture

includes beliefs and attitudes of people in executing, organizing, gratifying and evaluating their performance when managing issues of external adaptations and internal integration (Dom & Ahmad, 2019).

Most business culture mirrors benefit of proprietors in reinforcing the vision/ objective of the team to establish the main running orientation and also giving people with shared identity. And so, while it comprises a bond that helps to keep a company together, it is additionally an informal control mechanism which helps with control of individuals' efforts (Dom & Ahmad, 2019). Organizational culture refers to the beliefs and values that have existed in an organization for a long-time. The beliefs of the staff and the foreseen value of their work will influence their attitudes and behaviours. Organizational culture is divided into two major aspects: material and non-material cultures. The Material aspects of culture include products of industry, technology, art, and are directly observable. The non-material aspects of culture consist of the knowledge, philosophy, morals, languages, motivation, attitudes, values, and norms shared and transmitted in a society. They are not visible or tangible but they are manifested through the psychological states and behaviour of people. Knowledge of the culture of an organization allows employees to understand both the organization's history and current methods of operation (Padhi, 2017).

Oftentimes, employees work hard to achieve organizational goals if they consider themselves to be part of the organizational culture. Different cultural background operating in one company can also impact employee's performance. Strong corporate cultures indicate that employees are like-minded and hold similar beliefs and ethical values. When these beliefs and ethical values align with business objectives, they can prove to be effective in building teams because rapport and trust quickly ensue. The bonds that the teams build help them avoid conflicts and focus on task completion. Strong corporate cultures ease communication of roles and responsibilities to all individuals (Narayana, 2017). The stronger the organizational culture, the more effective the organization will be. Organizational culture is directly connected with the efficiency and effective performance of an organization.

Organizational culture is conceptualized as shared beliefs and values within the organization that helps in shaping the behaviour pattern of employees (Das & Tripathy, 2018).

Cultural diversity can, understandably, cause problems in interactions between persons who do not share national origins or nationalities. This is associated with differing behaviour or problem-solving styles in response to certain work situations or to adapting certain established work processes from one culture to another (Oberföll, Camarena Adame, & Saavedra García, 2018).

Moreover, a quantitative study will be conducted on organizational culture of the study firm based on the literature reviewed by the researcher. It was observed that literarily more studies need to be performed in developing countries such as Nigeria, especially in the hospitality management industry. This research attempted to fill this gap by studying the situation of Park Inn hotel and providing more empirical evidence on the effects of organizational culture on employee performance based on the data collected from the employees of the organisation. This study was guided by the general and specific objectives (Jepkorir, Lagat, & Ng'eno, 2017). Most of these studies focused on corporations, government establishments and universities which have different structures and objectives. In order to create an environment for employee performance, it is vitally important to be aware of the determinant factors. The study sought to assess the impact of organizational culture on employee performance specifically in hospitality sector operating in Nigeria.

The objective of this study is to examine the effect of organizational culture on employee performance and in line with this objective, this study is poised towards providing answers to the following questions: Does organizational culture have any effect on employee performance and in what way does organizational culture effects employee performance?

Statement of the Hypotheses

The following hypotheses were to be stated for the study:

Hypothesis One

Ho1: There is no significant relationship between bureaucratic culture and organizational sales turnover.

Hypothesis Two

Ho2: There is no significant relationship between innovative culture and employees' productivity.

Literature Review

Culture

Culture is said to be the way of life, that is, the way in which people are guided by their chosen norms, customs and beliefs system within a specific period of time. Generally, people are conscious about what they choose to practice as culture which as a way of affecting all sphere of life.

Organizational Culture

Organizational culture is the combination of expectations of organization, experiences, philosophy and values. Organizational culture is also called corporate culture. Organizational culture influences on performance and productivity of organization. It gives guidelines for the quality of product, punctuality, safety and other factors affecting environment. Organizational culture is unusual for every organization and it is very problematic to change it. An employee's performance is based on the combination of good working skills and work environment (Nazir & Zamir, 2015).

There is a need for some sort of motivation to get the good performance from employees. Motivation can come from salaries and other incentives. Productive work can be created by effective motivation. Employees feel that the organization has made a commitment to them to perform better. Organizational commitment offers a good pay and allowances, cost of employee's higher education, gives trainings that keep employee updated and gives the chance for promotion. There are some environmental factors over which an employee has no control.

Culture in an Organisation

Culture is a set of customs, values, norms and beliefs that influence an organization (Khorshidi, 2008). There are different personalities in an organization. An organization can be taken as humanity, warmth, wise, and modernism and have special characters like these. In

organization, these characters are used to predict the employee's behaviour (Khorshidi, 2009).

Culture comes from a culture of organization but it is not the culture of society. In each organization, beliefs, attitudes and patterns of culture are influenced (Khorshidi, 2009). Farjad (1989) believes that culture has two parts: material culture which involves all facilities, buildings and immaterial culture which includes values, laws, customs, arts and philosophies.

In many studies, it is shown that there is a significant relationship between employee performance and organizational culture if employees have common perceptions then they will be more cooperative with each other to achieve their goals (Eric, 2010).

The Influence of Organizational Culture on Employee Performance

Alvesson (2002) points out that employees' high performance is the effect of organizational strong culture. Atosokhi (2005) supports this point of view. The result of his research proves that the stronger the organizational culture, the stronger its influence on employees' behaviour which will eventually increase their performance. He further points out that strong culture is identified by firm values which are held more intensively and tenaciously and which are widely followed and inherited.

Lunenburg (2011) also points out that every organization which has an existing culture will have an influence on the attitude and behaviour of the members of a certain organization which will eventually have an effect on the increase in the performance. Lunenburg (2011) further explains that the value which is understood and stated in the form of behaviour will consistently lead to employees who have one perception on achieving organizational success through their work performance.

Weikel and Cameron (2015) explain that an organization with strong culture will have competitive advantage for a company. Strong culture will become the most effective media in directing and organizing employees in a company.

Employee Performance

Employee job performance refers to the level of productivity of an individual employee on several

job related behaviours and outcomes (Sarwar, Ketavan, and Butt, 2015). Employee's job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully subject to the normal constraints of reasonable utilization of the available resources. Sarwar, Ketavan, and Butt (2015) also assert that job performance is productivity, that is, the comparison of the amount of effectiveness that results from a certain level of costs associated with effectiveness. The concept of employee performance can never be overemphasized because it is important for an organization to achieve its set objectives and goals. Employees are, therefore, important assets to an organization that may either affect such organization positively or negatively.

Before an employee performance can be evaluated, the extent of the engagement of such employee at work must be well considered. This is because some employees are fond of eye service. The original responsibilities of such redundant employees are usually shared with or transferred to some other members of staff. This is not too good because it can reduce the lifespan of the organization in the short run. So, it is pertinent to assess and monitor the performance of each member of staff from time to time (Olawuyi, 2017).

Theoretical Review

Theory X and Theory Y

McGregor developed a philosophical view of humankind with his Theory X and Theory Y in 1960. His work is based upon Maslow's hierarchy of needs theory in that he grouped the hierarchy into lower-order needs (Theory X) and higher-order needs (Theory Y). He suggested that management could use either set of needs to motivate employees but better results would be gained by the use of Theory Y rather than Theory X. These two opposing perceptions theorized how people view human behaviour at work and organizational life.

With Theory X assumptions, the management's role is to coerce and control employees to perform since people have an inherent dislike for work and will avoid it whenever possible. Secondly, People must be coerced, controlled, directed, or threatened with punishment in order to get them to achieve the organizational

objectives. Thirdly, people do not want responsibilities and have little or no ambition and finally people seek security above all else.

With Theory Y assumptions, management's role is to develop the potential in employees and help them to release that potential towards common goals since employees view work as natural as play and rest. Secondly, people will exercise self-direction if they are committed to their own objectives. Thirdly, people are committed to objectives since it is a function of the rewards associated with their achievement. Fourthly, people learn to accept and seek responsibility, creativity, ingenuity, and imagination as widely distributed among the population, therefore, people are capable of using these abilities to solve an organizational problem. Finally, people have potential to propel the organizational performance.

Intellectual creativity cannot be 'programmed' and directed by Management programs but through proper impartation of cultural values of personal responsibility and accountability. This kind of intellectual contribution to the enterprise cannot be obtained by giving orders, by traditional supervisory practices, or by close systems of control. Even conventional notions of productivity are meaningless with reference to the creative intellectual effort. The management has to consider what is involved in managing an organization heavily populated with people of diverse culture and whose prime contribution consists of creative intellectual effort.

Methodology

The research design adopted for this study is descriptive survey. A structured questionnaire was used to generate the primary data which involves precisely cross-sectional data where the employees in the firm were asked to respond to the structured questions. The reason behind the selection of this hotel is because the area where it is situated is popularly known as an industrial area and this facilitates and generates in-depth information and knowledge about the hospitality industry. Seventy (70) staff were purposively selected from various cadres in the organisation. Influential statistics was used to analyze the data collected. Correlation analysis was used to test the two hypotheses as below.

Test of Hypotheses
Hypothesis 1

Ho: There is no significant relationship between bureaucratic culture and organizational sales turnover.

Table 1: Correlations

		Bureaucratic Culture	Organizational Sales Turnover
Bureaucratic Culture	Pearson Correlation	1	.575
	Sig. (2-tailed)		.000
	N	65	65
Organizational Sales Turnover	Pearson Correlation	.575	1
	Sig. (2-tailed)	.000	
	N	65	65

Source: Authors' Computation 2020

Interpretation

Correlation statistics indicate that there is a significant relationship between bureaucratic culture and organizational sales turnover. The Pearson Correlation Statistics posits that there is a strong relationship between bureaucratic culture and organisational sales turnover with $r = 0.575$, $n = 65$, $p < 0.05$. The positive correlation coefficient posits that organisational sales turnover in the examined organisation was

directly related with functionality of the bureaucratic culture. This depicts that hotels must construct their culture in such a way as to fully maximize the potential sales of the organisation.

Hypothesis II

H0: There is no significant relationship between innovative culture and employees' productivity.

Table 2: Correlations

		Innovative Culture	Employees Productivity
Innovative Culture	Pearson Correlation	1	.624
	Sig. (2-tailed)		.000
	N	65	65
Employees Productivity	Pearson Correlation	.624	1
	Sig. (2-tailed)	.000	
	N	65	65

Source: Authors' Computation 2020

Interpretation

Correlation statistics indicate that there is a significant relationship between innovative culture and employees' productivity. The Pearson Correlation Statistics posits that there is a strong relationship between innovative culture and employees' productivity with $r = 0.624$, $n = 65$, $p < 0.05$. The positive correlation coefficient posits that employees' productivity in the examined organisation was directly related with functionality of the innovative culture. This depicts that hotels must construct their culture in such a way as to fully maximize the performance of the employees' in the organisation.

Discussion of Findings

It is evident from the results that there is a positive relationship between organisational culture and employees' performance in Park Inn Hotel, Abeokuta, Ogun State. This reveals that the understanding of the culture of the organisation and structuring it in such a way that will be easy to be adopted by the employees will help to improve their performance. This is consistent with the studies by Aunga & Kaitwa, 2018. However, the existence of strong positive association was equally established between organisational culture and employees' performance in Nigeria. This implies that constant modifications in the organisational culture in line with the recent developments tend

to lead to ensure improvement in the performance of the employees in the hospitality management industry.

Conclusion and Recommendation

Considering the observed nature of the precise link between organisational culture and employee performance in Pack inn hotel, Abeokuta, Ogun state, organisation culture has been established to be an important practice for organisations in order to continue improving the

performance of the employees. It is, hereby, recommended that business owners should ensure that the organisational culture are bureaucratic in nature which will help to improve the employees sales turnover in the organisation while to enjoy a high level of productivity from the employees in the organisation, the managers should ensure that they are innovative in implementing the organisational culture.

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KNOWLEDGE MANAGEMENT AND INNOVATION PERFORMANCE: A STUDY OF FIRST BANK NIGERIA PLC

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Abstract

This study examines the effect of knowledge management on innovation performance, with particular reference to First Bank Nigeria PLC. The study employed three elements of knowledge management: knowledge creation, knowledge integration, and knowledge application. Survey research design was used, through the administration of structured questionnaire on 438 members of staff of First Bank Nigeria PLC. Four hypotheses were formulated and ordinary least square estimation technique was employed in estimating the regression model with the aid of SPSS version 23.0. The findings from the simple regression revealed that the three elements of knowledge management all have individual effect on innovation performance. Furthermore, the multiple regression result revealed that when combined with other elements of knowledge management: knowledge creation, knowledge integration and knowledge application significantly affect innovation performance. This can easily be deduced from their probability values (0.015, 0.000, and 0.033) for knowledge creation, integration and application respectively. Furthermore, the F -statistics =16.777 (P -value <0.001) showed that the model is fit for prediction and decision making, and it equally showed that knowledge management elements have combined significant effect on innovation performance. The adjusted R^2 of 0.191 indicated that knowledge management elements accounts for 19.1% variation in innovation performance. It is concluded that knowledge management enhances the innovation performance of banks in Nigeria. Thus, it affirms the claim that knowledge management is critical to the success of organizations. Therefore, organizations should have the capability to understand the development of competitive advantage through effective knowledge management.

Keywords: Knowledge Management, Knowledge Creation, Knowledge Integration, Knowledge Application, Innovation Performance, Bank

1. Introduction

Intellectual capital and knowledge management are progressively recognized as the important source of competitive edge in the new, knowledge-based economy. Business entities now give increased attention to the management of knowledge within organisations. The economy of the world is changing fast and the knowledge assets as well as knowledge innovation (KI) is fast becoming the primary source of the organization competitive advantage. Companies are facing important challenges such as the need to reduce the time-to-market (TTM) and manufacturing costs, or to manage produce with more and better technology. Thus, the current situation is encouraging the implementation of new knowledge management (KM) and innovation management (IM) to increase

competitive advantages. Nonaka (1994) argued that the concept of knowledge is a multifaceted and with multi-layered meanings. Scholars had earlier pointed out that knowledge is abstract in reality and hard to pinpoint. Knowledge is more on knowing how to interpret information and providing new insight to solve problems at hand. Knowledge can be moved, stored and valued.

According to Hislop (2009), knowledge management is a portmanteau term that captures efforts to manage the knowledge of the employees which can be attained via various methods either directly such as use of particular information communication technologies (ICT) or indirectly through management of social processes and structuring of firms in a particular way. Knowledge management is thus a planned

structure approach to managing, creating, sharing, harvesting and leverage of knowledge as an organizational asset to enhance a company ability, speed and effectiveness in delivering products or services for the benefit of clients in line with its business strategy. Knowledge management is the process established to capture and use knowledge in an organization for the purpose of improving organization performance and organizational capabilities are based on knowledge. Knowledge management systems refer to a class information system applied to manage organization knowledge which is an IT based system developed to support the organizational knowledge management behaviour, acquisition, generation, codification, storage, transfer and retrieval.

There are two forms of knowledge, namely explicit knowledge and tacit knowledge (Nonaka, 1994). Implicit knowledge can be defined as the knowledge that is unmodified and difficult to diffuse. It can be expressed informally. They are both complementary entities. They contend that there are four models (socialization, externalisation, combination and internalisation) in which organization knowledge is created through the interaction and conversion between implicit and explicit knowledge. Knowledge has increasingly been recognized as the new strategy imperative for organizations. A fundamental paradigm considers knowledge as power. While explicit knowledge can be defined as knowledge that can be expressed formally and can easily be communicated or diffused throughout an organisation.

The creation and diffusion of knowledge have become an increasingly important factor in competitiveness. More and more knowledge is being regarded as a valuable commodity that is embedded in products and in tacit knowledge of highly mobile employees. Today, knowledge is increasingly being viewed as a commodity or an intellectual asset. Knowledge sharing is critical to a firm's success as it leads to faster knowledge deployment to portions of the organization that can greatly benefit from it.

The link between knowledge management and innovative performance of firms, especially deposit money banks appears to be inconclusive. This study investigated three

elements of knowledge management, that is, knowledge creation, knowledge integration and knowledge application as they affect bank's innovation performance. Specifically, the study fills contextual gap by examining the effect of knowledge management on innovation performance of first bank of Nigeria plc.

In line with the research objectives, the following hypotheses are formulated.

H₀₁: Knowledge creation does not significantly affect the innovation performance of first bank Nigeria Plc.

H₀₂: Knowledge integration does not significantly affect the innovation performance of first bank Nigeria Plc.

H₀₃: Knowledge application does not significantly affect the innovation performance of first bank Nigeria plc.

H₀₄: Knowledge management elements do not significantly affect the innovation performance of first bank Nigeria Plc.

2. Literature Review

Knowledge management has foundation in theories developed by Cohen and Levinthal (1990) that involve the ability of employees to be more innovative. Knowledge management focus on extracting knowledge from technology, competitors and investment in research and development that generate productivity in an organization (Caragliu & Nijkamp 2012). Knowledge is acquired from both inside and outside the company using a spiral model suggested by Nonaka and Takeuchi (1994). This model involves the members of all lines of the organization and allows them to gain competitive advantage (Chen, Lin & Chang, 2009; Zack, McKen, & Singh, 2009). Other theories solely consider explicit knowledge as the means to generate innovation and productivity in an organization (Hansen, Nohria, & Tierney, 1999).

Knowledge management is a systematic process to acquire, share and use productive knowledge in the process of improving the performance of organization (Augier & Teece, 2009; Swan, Newell, Scarbrough & Hislop, 1999). Knowledge management is of utmost importance for the value of the business (Anand, Kant, Patel & Singh, 2012; Battistella, De-Toni, & Pillon, 2015). Knowledge management encourages the transfer of information for the purpose of enhancing the capabilities of

employees and strengthening the organizational culture (Amidon, Formica, Mercier-laurent & Ulikool, 2005; Davenport, Thomas & Cantel, 2012). This corporate strategy is an effective way to encourage innovation and to increase competitiveness and profitability in companies of different sizes.

Knowledge creation is the process of sharing, creating, using and managing an organization's knowledge and information. It is a multidisciplinary approach to making the best use of knowledge or information. It is also the formation of new ideas through interactions between explicit and tacit knowledge in individual human minds. According to Nonaka (1994), knowledge and creation consists of socialization (tacit to tacit), externalisation (Tacit to explicit), combination (Explicit to Explicit) and internalization. Put simply, it is the creation of ideas, which is at the heart of a company's competitive advantage. Competitive advantage is what a company has when it has the edge over its rivals, specifically, when it has the edge regarding the provision of a certain productive service. Knowledge creation is the formation of new notions and concepts. This occurs through interactions between explicit and tacit knowledge in people's minds. Explicit knowledge is information that is searchable and easy to find. Users can collaborate regarding the value and use of this type of explicit knowledge. Tacit knowledge, on the other hand, exists in people's minds. It is not searchable like explicit knowledge. It is also not easy to share with another person orally or in the development of new knowledge. In fact, many large corporations, non-profit organizations and public institutions dedicate resource to knowledge management.

Knowledge integration is an essential step in organizational learning and creative competitive advantages through knowledge (Quarvin, 1993). Quarvin (1993) sees a learning organization as skilled at creating, acquiring and transferring knowledge and at modifying its behaviour to reflect new knowledge and insight. Such learning is an important component of the knowledge integration process where knowledge held across the organization is combined to create competencies that are hard to replicate by competitors (Barney, 1994). According to Grant

(1996), there are three main characteristics which make the integration of knowledge effective and capable of creating a sustainable competitive advantage. These include the efficiency of integration, the scope of integration and the flexibility of integration.

Knowledge application is when available knowledge is used to make decisions and perform tasks through direction and routines (Becerrafernandez & Sabherwal, 2010). Routines involve the utilization of knowledge embedded in procedures, rule, norms, and processes that guide future behaviour. The patterns of knowledge application in new situations are explored from the perspectives of modeling and transfer. According to Bhattin, Mills and Smith (2011), knowledge application means making knowledge more active and relevant for the firm in creating values. For organizations to create value they need to apply knowledge to their products and services by various means such as repackaging available knowledge, training and motivating its people to think creatively, and utilizing people's understanding of the company's processes, products and services (Mills & Smith, 2011).

The key objective of knowledge management is to enhance knowledge processing which can be attained by correctly identifying the problems that need solving as they occur, have robust information location and retrieval channels to enhance individual decision making, embrace effective knowledge creation processes, ensure that created knowledge is shared with and integrated across the whole of the organization (Ikujiro, 1991).

Implementing knowledge management in organizations is beneficial in that:

- a) It fully and accurately informs employees, customers and stakeholders on anything they may desire to know.
- b) It improves team effectiveness and delivery of outcomes in the organization.
- c) It continuously improves on the organizational culture and makes the organization adaptable in the face of change.
- d) Enterprises generate value and become impracticable for modern business in the new economy.

- e) To be competitive, employees must have the ability to innovate, develop and implement newly acquired knowledge.
- f) It leads to long-term survival of an enterprise through creativity and innovation.
- g) Knowledge management improves capabilities of enterprise to acquire, adopt, transform and apply external knowledge.
- h) Knowledge management is essential for achieving internal and external cooperation for transferring tacit knowledge among individuals and organizations.
- i) Knowledge management leads to improving operational performances in an organization by providing reducing mistakes and costs in its daily business activities and so on.

Innovation Performance

Kotler (2006) defined innovation is any good service or idea that is perceived by someone and also the successful implementation of a creation and this innovation seems to foster growth, profits and success. Many companies today because of the competitive nature of the market are innovative, that is, they bring about new ideas and modifying existing ones into their offering. There exist features that are peculiar to innovation, though some products catch on immediately, whereas others take a longer time to gain acceptance. Aliu (2010) listed these features as relative advantage, which is the degree to which innovation appears superior to existing products; compatibility which is the degree to which the innovation can go with existing product of the organization; complexity which defines the degree to which the innovation is relatively difficult to understand; divisibility which defines the degree to which the innovation can be tried on a limited scale and communicability which is the degree to which the beneficial results of usage are observable or describable to others.

Theoretical Framework

The two theories underpinning this study are Knowledge-Based Theory (KBT) and Organization Learning Theory (OLT). The knowledge-based theory (KBT) was propounded by Wernerfelt (1984). The theory postulates that knowledge is the most strategically significant resource of a firm. As argued by Wernerfelt (1984), the major determinants of firm competitiveness and superior company performance are varied knowledge foundations

and competences among the company's since knowledge-based competencies are usually difficult to copy and socially complex. Knowledge is entrenched and inbuilt in many entities like organizational culture and identity, policies, routines, documents, systems and employees. This perception originally promoted by Penrose (1959) lays its foundation from the Resource-Based View of the firm and encompasses from there. It originates from the strategic management literature and was later expounded by others.

Organization learning theory was pioneered by Easterby-Smith, Crossan and Nicolini (2000). An organization that assists its members in learning and constantly improves itself is called a learning organization. It is developed when modern organizations face challenges. The main characteristics for a company to have sustainable competitive advantage in a turbulent business environment are business personal competencies, organisation culture, teamwork and system thinking. This concept motivates a more interconnected way of thinking from companies. Knowledge-Based Theory (KBT) and Organization Learning Theory (OLT) are relevant to this study as it shows the link between knowledge and organizational learning, which tends to propels innovativeness.

3. Methodology

This study employed survey research design, using descriptive survey design based on quantitative analysis of data. The population of the study comprises members of staff of First Bank Nigeria Plc. The entire 7616 employees of First Bank Nigeria Plc, thus, constitute the population of this study (www.firstbankng.com). In determining the sample size, Taro Yamane sample size determination formula was employed. Using the formula at 5% margin of error and 95% confidence level, a sample size of 366 was derived from the population of 7616. Convenient sampling techniques were employed in choosing the head office of the bank (First Bank Nigeria) and ten (10) branches of the bank within Lagos central senatorial district. A 20% non-response rate (Attrition rate) was assumed, which gave a value of 72. Therefore, the sample size was increased to 438. A purposive sampling technique was employed in determining the sample elements.

For this study, a questionnaire was adapted to collect data from the respondents. The method of analysis was quantitative, which helped to gather and examine the data. The research hypotheses were tested using regression analysis with the aid of SPSS version 23 at 5% level of significance

The theories underpinning the model for this study are knowledge-based theory and organization learning theory

$$IP = f(KM) \dots \dots \dots (i)$$

$$IP = f(KC, KA, KI) \dots \dots \dots (ii)$$

$$IP = \beta_0 + \beta_1 KC + \beta_2 KA + \beta_3 KI + \mu_i \dots \dots \dots (iii)$$

Where;

IP represent innovation performance

β_0 is the constant term

$\beta_1, \beta_2, \beta_3$ are the coefficient of the estimated

$\beta_1, \beta_2, \beta_3 > 0$

KC =knowledge creation

KI =knowledge integration

KA=knowledge application

μ is the error term

The a priori expectation: it is expected that knowledge creation, knowledge integration and knowledge application will have a positive effect on the innovative performance of First Bank Nigeria Plc, hence the parameters of knowledge creation, knowledge integration and knowledge application should all have the positive sign(+).

4. Findings and Discussion

438 copies of questionnaire were administered on members of staff of First Bank out of which only 201 copies were properly complete and found usable, giving a 45.8% response rate. The data were analyzed using SPSS version 23. The results were presented and discussed in 2 sections. The first section focused on the respondents' demographic detail, which include the respondents' educational level and level of experience. The second section focuses on the four formulated hypotheses.

4.1 Demographic Analysis

Table 4.1.1: Respondents Educational Level

Educational Level	Frequency	Percentage
SSCE	0	0%
OND/NCE	12	6%
B.Sc/ BA/ HND	146	73%
PG	43	21%
	201	100%

Table 4.1.1 indicated that 6% of the respondents are OND and NCE Certificates holder, while 73% of the respondents are B.Sc/ BA/ HND holders. Furthermore, 21% of the respondents

are post graduate degree holders. It is important to state that none of the respondents are SSCE Certificate holders.

Table 4.1.2: Respondents Level of Experience

Years of Experience	Frequency	Percentage
Less than 5years	71	35%
5-9 years	112	56%
10years and above	18	9%
	201	100%

Table 4.1.2 indicated that 35% of the respondents working experience are less than 5years while 56% of the respondents working experience range from 5-9 years. Furthermore,

9% of the respondents have years of experience ranging from 10years and above.

4.2 Test of Hypotheses

Table 4.2.1: The regression result for hypothesis 1 (Innovation Performance)

Variable(s)	Coefficient	T	P-Value
Constant	13.003	11.965	0.000
KC	0.245	3.616	0.000
F=13.072			$R^2 = 0.62$
(0.000)			

Author's Computation from SPSS 23

Source: Field Survey (2019)

The result on Table 4.2.1 revealed that knowledge creation significantly affected innovation performance of First Bank Nigeria Plc. This can easily be deduced from the probability value (0.000), which is less than the significant level at 5% (0.05). Therefore, the null hypothesis will be rejected while alternative

hypothesis will be accepted. Furthermore, the F-stat (13.072, p-value<0.05) showed that the model is fit for prediction and decision making. The R^2 (0.62) indicates that knowledge creation accounts for 62% variation in innovation performance of First Bank Nigeria PLC.

Table 4.2.2: The regression result for hypothesis 2 (Innovation Performance)

Variable(s)	Coefficient	T	P-Value
Constant	9.208	7.009	0.000
KI	0.435	5.882	0.000
F-Stat= 34.602 (0.000)			$R^2 = 0.148$

Author's Computation from SPSS 23

Source: Field Survey (2019)

The result on table 4.2.2 revealed that knowledge integration significantly affects innovation performance of First Bank Nigeria PLC, this can easily be deduced from the probability value (0.000), which is less than the significant level at 5% (0.05). Therefore, the null hypothesis will be rejected while alternative

hypothesis will be accepted. Furthermore, the F-stat (34.602, p-value<0.05) showed that the model is fit for prediction and decision making. The R^2 (0.148) indicates that knowledge integration accounts for 14.8% variation in innovation performance of First Bank Nigeria PLC.

Table 4.2.3: The regression result for hypothesis 3 (Innovation Performance)

Variable(s)	Coefficient	T	P-Value
Constant	11.404	9.066	0.000
KA	0.319	4.395	0.000
F-Stat=19.319 (0.000)			$R^2 = 0.088$

Author's Computation from SPSS 23

Source: Field Survey (2019)

The result on table 4.2.3 above revealed that knowledge application significantly affects innovation performance of First Bank Nigeria PLC at 5% (0.05) level of significance. Therefore the null hypothesis will be rejected while alternative hypothesis will be accepted.

Furthermore, the F-stat (19.319, p-value<0.05) showed that the model is fit for prediction and decision making. The R^2 (0.088) indicates that knowledge application accounts for 8% variation in innovation performance of First Bank Nigeria PLC.

Table 4.2.4: The regression result for hypothesis 4 (Innovation Performance)

Variable(s)	Coefficient	T	P-Value
Constant	5.411	3.303	0.001
KC	0.160	2.456	0.015
KI	0.349	4.549	0.000
KA	0.160	2.149	0.033
F-Stat= 16.777 (0.000)			$R^2 = 0.204$ Adj. $R^2 = 0.191$

Author's Computation from SPSS 23

Source: Field Survey (2019)

The result on the table 4.2.4 above showed the individual and combined effect of knowledge

management elements on innovation performance. It revealed that when combined

with other elements of knowledge management: knowledge creation, knowledge integration and knowledge application significantly affects innovation performance. This can easily be deduced from their probability values (0.015, 0.000, and 0.033) for knowledge creation, integration and application respectively. Furthermore, the F-statistics = 16.777 (P-value < 0.001) showed that the model is fit for prediction and decision making, and it equally showed that knowledge management elements have combined significant effect on innovation performance. Since we are considering multiple regressions, we employed adjusted R^2 (adjusted coefficient of determination) because the addition of more variables tends to increase the R^2 and this increment is addressed by the adjusted R^2 . The adjusted R^2 of 0.191 indicated that knowledge management elements accounts for 19.1% variation in innovation performance.

4.1 Discussion of Findings

Hypothesis H_{01} to H_{04} were raised to empirically examine whether relationship exists between each of the construct and employees use of knowledge management and innovation performance. H_{01} : Knowledge creation, H_{02} Knowledge integration, H_{03} Knowledge application and H_{04} combined knowledge elements and employees' use of knowledge management and innovation performance. The implication of the result of the table is that knowledge management of banks enhances innovation performance of banks in Nigeria.

The result corroborated the findings in the study conducted by Buheji, Thomas and Melle (2015) that investigated whether knowledge management holistically influences organizational development practices. Although the holistic influence of the model could not be confirmed, findings show a positive knowledge management influence on organizational development practices. The findings of the study established that knowledge creation, knowledge integration and knowledge application positively influence innovative performance.

5. Summary, Conclusion and Recommendations

This study examines the effect of knowledge management on innovation performance, with particular reference to First Bank Nigeria PLC. The study employed three elements of

knowledge management: knowledge creation, knowledge integration, and knowledge application. Survey research design was used, through the administration of structured questionnaire on 438 members of staff of First Bank Nigeria PLC. Four hypotheses were formulated and ordinary least square estimation technique was employed in estimating the regression model with the aid of SPSS version 23.0. The findings from the simple regression revealed that the three elements of knowledge management all have individual effect on innovation performance. Furthermore, the multiple regression result revealed that when combined with other elements of knowledge management: knowledge creation, knowledge integration and knowledge application significantly affects innovation performance. This can easily be deduced from their probability values (0.015, 0.000, and 0.033) for knowledge creation, integration and application respectively. Furthermore, the F-statistics = 16.777 (P-value < 0.001) showed that the model is fit for prediction and decision making and it equally showed that knowledge management elements have combined significant effect on innovation performance. The adjusted R^2 of 0.191 indicated that knowledge management elements accounts for 19.1% variation in innovation performance.

5.1 Conclusion

This study concluded that knowledge management enhances the innovation performance of banks in Nigeria. Thus, it affirms the claim that knowledge management is critical to the success of organizations. Therefore, organizations should have the capability to understand the development of competitive advantage through effective knowledge management.

5.2 Recommendations

The following recommendations were made based on the findings of the study:

1. Management of organizations should be sensitized to put emphasis on organizational factors, especially training. This can help to promote policies that enhance organizations learning and development in a developing economy.
2. Nigerian banks should employ knowledge application towards the enhancement of their innovative performance.

3. Private organizations must understand knowledge management processes and systems and ensure they are in place.

5.3 Contribution to Knowledge

The study expands the frontiers of knowledge, through the examination of the effect of knowledge management elements (Knowledge creation, knowledge integration and knowledge application) on the innovative performance of First Bank Nigeria Plc. The study found that

knowledge creation, knowledge integration and knowledge application are all important elements of knowledge management driving banks innovative performance in Nigeria. The study developed and tested a model showing the combined linkage of all the knowledge management components on the innovation performance of First Bank Nigeria Plc. These models can be employed by other scholars conducting similar studies.

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CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER RETENTION IN NIGERIAN BANKING SECTOR: EVIDENCE FROM RETAIL CUSTOMERS OF GUARANTY TRUST BANK PLC

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Abstract

This study examines the relationship between customer relationship management (CRM) and customer retention in the Nigerian banking sector; with a particular focus on Guaranty Trust Bank PLC (GT Bank PLC). The 8 million customers of GT Bank PLC constitute the population of this study. Raosoft sample size determination formula was employed to arrive at a sample size of about 400, from a population of 8 million, using a 5% margin of error and 95% confidence level. Furthermore, a 20% non-response rate was assumed, which gave a value of 80. Therefore, the sample size was increased to 480. Purposive sampling technique was employed in the selection of the respondents. 480 customers of GT Bank PLC were purposively selected across Lagos State. The data was analyzed using Spearman Rank Correlation, with the aid of SPSS version 23 at 5% level of significance. The results of the analyses showed that CRM strategies play major role in customer retention, the results obtained showed that certain extents of these strategies of CRM were helpful in customer retention; customer experience management and customer portfolio management, which are both elements of customer relationship management have positive significant relationship with customers' retention in Guaranty Trust Bank PLC. The study, therefore, concludes that customer experience management and customer portfolio management are important determinants of customer relationship management, driving customers' retention in Guaranty Trust Bank PLC.

Keywords: *Customer Relationship Management, Customer experience management, Customer portfolio management, Customer Retention, Guaranty Trust Bank*

1. Introduction

The highly competitive business environment has propelled firms to employ effective marketing strategies to survive; acquiring and retaining most important and economically viable customers as well as developing on-going and long-lasting relationship with them has become an important tactics. A business that wants to succeed in today's global competitive market, where customers are empowered and brand loyalty erosion is increasing, will have to employ customer relationship management (CRM). Customer relationship management enables organizations to provide excellent real-time customer service through the effective use of individual account information. This requires a more complex approach. Organizations need to investigate the customers' needs and build relationships with both existing and potential customers (Fares, Gama, & Campos, 2019; Dewnarain, Ramkissoo & Mavondo, 2019).

Kasemsap (2019) posits that in a competitive environment, customer relationship management is critical to a company's

profitability and long-term success. To become a customer-focused firm, all managers, professionals and executives of marketing as well as all employees of the organization must understand how to build profitable relationship with each customer and to take managerial decisions, designed to increase the value of both the company and the customer that will grow their value from the customer-based strategy (Souri, Rahmani, Navimipour & Rezaei, 2019).

CRM is an enterprise-wide commitment to identify the individual customers of an organization and create a relationship between the organization and its customers as long as the relationship is mutually beneficial. Customer Relationship Management evolved from organization processes such as relationship marketing (RM) and increased emphasis on improved customer retention through effective management of customer relationships. Customer relationship management aims to establish long-lasting relationships with the most important customers and generate increased

customer satisfaction, loyalty, and retention (Berndt et al., 2005; Munandar, Oktaviani & Angraini, 2020).

Developing a better understanding of existing customers allows companies to collaborate, respond and communicate more effectively to significantly improve retention rates of their customers. Companies establish their networks of new as well as existing customers to increase ongoing long-term customer satisfaction, retention and loyalty. To be able to maintain this, some companies engage in competitive strategy by implementing the principles of relationship marketing via strategic and technology-based customer relationship management applications (Roger, 2005; Sota, Chaudhry & Srivastava, 2020).

Banking activities in sub-Sahara Africa has grown in leaps and bounds in the last decade. The advent of technology and efficient management styles have brought about an improvement in bank performance and the efficient delivery of banking activities. Nigerian banks have proven to be efficient in terms of short term loans, bank deposits and customers' management (Worimegbe, Oladimeji & Eze, 2019).

Customer Relationship Management is a business strategy which leads to the value for customers, anticipating and managing their expectations, and demonstrating the ability and responsibility to satisfy their needs (Kasemsap, 2019; Dominic and Guzzo, 2010). Qualities of services are critical factors for the success of any business (Gronroos, 1990). Shamham (1998) opines that enterprises exist because they have customers to serve. The key to the achievement of sustainable advantage lies in delivering high-quality service that result in satisfied customers

Despite the explosion in the practice of relationship marketing, many questions about CRM practices continue to be debated by researchers. Scholars (Munandar, Oktaviani & Angraini, 2020; Sota, Chaudhry & Srivastava, 2020; Das, Mishra & Mohanty, 2020; Gupta, 2019; Dewnarain, Ramkissoon & Mavondo, 2019) studied customer relationship management from the perspective of customer loyalty, retention and satisfaction. However, only

a few empirical analyses focused on the customers' relationship management of Nigerian deposit money banks; of these few studies that analyzed customers relationship management of Nigeria banks, studies considering the views of retail customers who encounter the banks most frequently are scanty. This gap in literature forms the kernel of this study. The study is significant in three-fold: Firstly, it extends previous studies on customer relationship management by incorporating the views of retail customers of one of the biggest banks in Nigeria. Secondly, the study opens up new research space in customers' relationship management and finally, the policy implications of this study are relevant to the banking sector, banks' regulators and academics to meet customers demand in the highly competitive business environment.

Thus, this study evaluates the customer relationship management of Guaranty Trust Bank from the perspective of the retail customers in Lagos, Nigeria. The objective of the study is to examine the link between customer relationship management and customers' retention in Guaranty Trust Bank PLC.

In line with the research objectives, the following null hypotheses were tested:

- Ho₁: Customer experience management is not significantly related to customer retention in Guaranty Trust Bank PLC.
- Ho₂: Customer portfolio management is not significantly related to customer retention in Guaranty Trust Bank PLC.

This paper is segmented into five parts: the introduction, literature review, methodology, the findings and conclusion.

2. Literature Review

Customer relationship management (CRM) as conceptualized by Ogbojafor, Aduloju and Olowokedjo (2011) is a process that companies utilize to understand and react to customers' evolving desires, utilizing detailed customer acquisition, satisfaction and profitability. They perceive CRM as seeking customer retention by using a variety of after-marketing tactics that lead to customer bonding or staying in touch with the customer after a sale is made. Another important aspect of CRM is viewed as a comprehensive strategy and process of

acquiring, retaining, and partnering with selective customers to create superior value for the company and the customers. It involves the integration of marketing, sales, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value (Munandar, Oktaviani & Angraini, 2020).

Similarly, Siomkos and Tsianes (2006) posit that CRM is a two-way concept. The task of the first stage is to master the basics of building customer focus, which is moving from product orientation to customer orientation and defining market strategy from outside in. This means that the focus should be on customers' needs rather than on the product's features. Thus, there is the need for companies to understand their customers and provide personalized customer services. The task of the second stage involves moving beyond the basics by not resting on their laurels but rather pushing the firms' development of customer orientation by integrating CRM across the entire customer experience chain through the use of technology to achieve real-time customer management and by constantly innovating their value proposition to customers (Sota, Chaudhry & Srivastava, 2020; Gronroos, 1990).

In another view, Dewnarain, Ramkissoon and Mavondo (2019) observed that in recent years, the concept of customer relationship management (CRM) has undergone a major change from being a strategy that focused solely on establishing financial bonds with customers to one that promotes both transactional and interactional relationships with customers. This has given rise to a new form of CRM which is known as social customer relationship management (SCRM) or CRM 2.0.

According to Kutner and Cripps (1997), CRM is established on four tenets, namely:

- i. Customers should be managed as important assets;
- ii. Customers' profitability varies and not all customers are equally desirable;
- iii. Customers vary in terms of needs, preferences, buying behaviour, and price sensitivity; and
- iv. By understanding customer drives and customer profitability, companies can tailor their offerings to maximize the overall value of their customer portfolio.

CRM, Customer Retention, Loyalty and Satisfaction

The importance of using technology such as online business and internet as tools in CRM was stressed by Feinberg and Kadam (2002). They carried out a study on 42 different electronics-CRM features used by retailers. They found that there is a link between using the features of CRM in retailers' websites and the satisfaction of the customers. Azzam (2014) examined the effect of CRM on consumer satisfaction in Jordanian banks and found that customer relationship management components do not have a statistically significant relationship with consumer satisfaction. Ang and Buttle (2006) sought to acquire a better knowledge of the effect of customer loyalty programs on customer retention, the study focused on Jordanian clients, by exploring the effect of loyalty programs: (point system, tier system reward, charge an upfront fee for VIP benefits and non-monetary programs), on (customer retention), the findings reveal a significant effect of all loyalty programs on customer retention.

Complaint management is of great importance for companies in two ways. On the one hand, it takes the dissatisfied customers as a target group and has the central task of stabilizing customer relationships at risk due to dissatisfaction, thereby avoiding customer losses. In this respect, it holds great strategic potential in customer relationship management. This is particularly true because a strategy for minimizing dissatisfaction usually proves to be more profitable than the strategy preferred by most companies for maximizing the satisfaction of already satisfied customers (Stauss and Seidel, 2019). On the other hand, complaint management provides valuable information input for quality management because complaints contain relevant information about the quality defects perceived by customers and their unfulfilled expectations. Complaint information can be used for the improvement of products, services and processes. Therefore, complaint management also has high strategic potential in quality management and is an essential element of all important concepts concerning quality management and business excellence. Effective complaint management tends to enhance customer loyalty and retention.

Zairi (2000) assert that customers are the purpose for what firms do and rather than the customers depending on the firms, the firms very much depend on the customers. That is why organizations today are focusing on customer satisfaction, loyalty, and retention. Similarly, according to Hansemark and Albinsson (2004), satisfaction is an overall customer attitude towards a service provider or an emotional reaction to the difference between what customers anticipate and what they receive regarding the fulfillment of some need, goal or desire. Customer loyalty, on the other hand, according to Anderson and Jacobson (2000), is the result of an organization creating benefit for a customer so that they will maintain or increase their purchase from the organization, which will equally lead to customers' retention.

In another study, Ogbadu and Usman (2012) examined the impact of customer relationship management on customer loyalty. This study's findings revealed that there is a positive relationship between CRM and customer loyalty on firms' profitability. However, it can be deduced from their study that CRM is a viable competitive tool to enhance customer loyalty and also to attain desired profitability. Kotler and Armstrong (2008) posit that when organizations provide their customers with satisfactory services, they are likely to be loyal customers and could attract a large share of the market to the company. For CRM to work on customer loyalty, marketers have to adopt the customer management orientation, which emphasizes the importance of customer lifetime value, and retention (Reinatz & Kumar, 2003). The rationale behind CRM is that it improves business performance by enhancing customer satisfaction and driving up customer loyalty, which tends to lead to customers' retention.

Gupta (2019) investigated the boom in the Indian Banking sector. He ascribed the boom recorded to the adoption of a customer-centric method. As new private players are entering, it is mandatory for the public sector to develop a proper understanding of the customers' needs and expectations. Understanding the customers and their changing demands must come with a prompt response. CRM, in this context, is a proper methodology and an organized way to develop customers understanding. The customer target base is broadening day by day.

And to sustain and fight the competition, marketers have been equipped with a mantra, that is, CRM which enables marketers to maintain their presence.

In a recent study, Das, Mishra and Mohanty (2020) examined the moderating effect of job satisfaction and gender on the relationship between customer relationship management (CRM) practices and customer acquisition. The study investigated the relationship between the four CRM practices; CRM vision, CRM strategy, valued customer experience and organizational collaboration as suggested by Gartner's competency model, with customer acquisition and then tested the moderating effect of employee's job satisfaction and gender. The study finds a significant moderating effect of job satisfaction on the relationship between Gartner's CRM practices and customer acquisition.

Theoretical Framework

The theory underpinning this study is the relationship marketing theory. According to Alderson (1958), the roots of marketing and relationship marketing theory stem from economics and it seeks to explain how the link between an organization and its customer help to promote marketing. Relationship-marketing theory postulates that the on-going process of engaging in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers (parties) over time and its effect on customer retention is based on maintaining and enhancing relationships at a profit so that the objective of all parties involved are met.

This can be achieved by mutual giving or fulfillment of promises. The ability to provide superior value to customers is a prerequisite when an organization is trying to establish and maintain long-term customer relations. Relationship marketing theory is not philanthropic; it is a means to an end and it is based on two economic arguments. One, it is more expensive to win a new customer than it is to retain an existing one. Two, the longer the association between a company and the customer, the more profitable the relationship becomes for the firm. This theory is highly relevant to the subject matter, as it shows the interaction between customer relationship management and customers' retention.

3. Methodology

The study employed survey research design through the administration of structured questionnaire on some selected customers of Guaranty Trust Bank PLC in Lagos State, Nigeria.

The target population of this study is made up of customers of Guaranty Trust Bank Plc. According to www.relbanks.com, there are about 8 million retail customers of Guaranty Trust Bank Plc. Therefore, the entire 8 million retail customers of Guaranty Trust Bank Plc constituted the population for this study.

Lagos Metropolis was selected for the study because it is the commercial nerve centre of the country and accounts for a significant segment of the bank's operations. Furthermore, the bank headquarters is located in Lagos. The Raosoft sample size determination formula was employed to arrive at a sample size of about 400, from a population of 8 million, using a 5% margin of error and 95% confidence level. Furthermore, a 20% non-response rate was assumed, which gave a value of 80. Therefore, the sample size was increased to 480. Purposive sampling technique was employed in the selection of the respondents. 480 customers of GT Bank PLC were purposively selected across Lagos State.

The validity of the instrument was tested using the content validity index (CVI). The instrument was assessed by three assessors from Hallmark University. The instrument was assessed on two scales: Relevant and not-relevant, after which the CVI formula was employed to ascertain the validity of the instrument.

$CVI = n/N$

Where;

Table 4.1: Result Summary

		Correlations	
		CUSTOMER REXPMT	CUSTOMER RETENTION
CUSTOMEREXPMT	Pearson	1	.851
	Correlation		
	Sig. (2-tailed)		.000
	N	291	291
CUSTOMER RETENTION	Pearson	.851	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	291	291

Author's computation from SPSS 23

Source: Field Survey (2019)

n = number of questionnaire items rated as relevant

N = the total number of questionnaire items

A CVI value of 0.75 was obtained which indicates that the instrument is valid.

The reliability of the instrument (questionnaire) was tested using the test-retest method. The instrument was administered on 25 customers of GT Bank PLC at Ijebu-Ode Branch. It was administered twice within an interval of two weeks and the outcome of the first pilot study was correlated with that of the second and the values of 0.8013, 0.7642 and 0.8719 were obtained for customer experience management, customer portfolio management and customer retention respectively. George and Mallery (2003) suggested a continuum for assessing reliability values (α). (i) α greater than 0.9 - Excellent (High-Stakes testing) (ii) α 0.8 to less than 0.9 - Good (Low-Stakes testing) (iii) α 0.7 to less than 0.8 - Acceptable (Surveys) (iv) α 0.6 to less than 0.7 - Questionable (v) 0.5 to less than 0.6 - Poor (vi) α less than 0.5 - Unacceptable. Therefore, this indicated that the instrument is consistent (reliable).

The data was analyzed using Spearman Rank Correlation with the aid of SPSS version 23 at 5% level of significance.

4. Findings

480 copies of structured questionnaires were administered on customers of GT Bank PLC. However, only 302 copies were returned and 291 copies were found useable.

4.1 Hypothesis One: Customer experience management is not significantly related to customer retention in Guaranty Trust Bank PLC.

The result on table 4.1 revealed that the introduction of Customer experience management has a positive significant relationship with the customer retention in Guaranty Trust Bank PLC with correlation

coefficient and probability value of $r=0.851$, $p<0.05$.

4.2 Hypothesis Two: Customer portfolio management is not significantly related to customer retention in Guaranty Trust Bank PLC.

Table 4.2: Result Summary

		Correlations	
		CUSTOMERPORTMGT	CUSTOMERRETENTION
CUSTOMERPORTMGT	Pearson	1	.882
	Correlation		
	Sig. (2-tailed)		.000
	N	291	291
CUSTOMERRETENTION	Pearson	.882	1
	Correlation		
	Sig. (2-tailed)	.000	
	N	291	291

Author's computation from SPSS 23

Source: Field Survey (2019)

The result on table 4.2 revealed that the introduction of customer portfolio management has a positive significant relationship with the customer retention in Guaranty Trust Bank PLC, with correlation coefficient and probability value of $r=0.882$, $p<0.05$.

5. Conclusion and Recommendation

This study investigated the relationship between customer relationship management and customer retention in Guaranty Trust Bank PLC. The study employed survey research design, through the administration of structured questionnaire on 480 selected customers of GT Bank PLC. Two hypotheses were formulated and tested using correlation analysis. The result showed that customers' relationship management is positively related to customers' retention. The management of customers' experience as well as the management of the portfolio of customers was found to have a positive relationship on customer retention. That is, customer experience management and customer portfolio management, which are both elements of customer relationship management, have positive significant relationship with customers' retention in Guaranty Trust Bank PLC.

The study put emphasis on how the customers are treated and whether such treatment fosters their long term commitment in patronizing the

bank. The rationale of customer relationship management is to offer what the customer requires, not what the organization can make or has to offer. It has come to a strategic stage that everyone in the bank should place customers at the leading position of their minds. In the face of the competitive marketplace of today, customer retention presents increased profitability and sustainable protection against competitive inroads. The study, therefore, concludes that customer experience management and customer portfolio management are important determinants of customer relationship management driving customers' retention in Guaranty Trust Bank PLC.

In the highly competitive business environment, customers' retention becomes a priority and there are convincing arguments for managers of banks to carefully consider the factors that would increase customer retention rates. Following the findings of this study, the following recommendations are made:

Banks should improve on their relationship with their customers as this tends to be a more reliable way of retaining a good percentage of their customers. Banks should employ customer experience management and customer portfolio management towards the achievement of the effective management of customer relationship

activities which tends to enhance customer retention.

Banks should train its staff members to be more effective particularly on an interpersonal and business relationship such as complaint handling, devoting enough time to help and understand the dynamic individual customer needs and extend customer lifetime. Banks must

work effectively on business relationship and understanding the actions and reactions of customers as it is the key for a long term business relationship. Also, banks should go into innovations that will help them to always meet and surpass customers' expectation as this will help them retain their customers over time.

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ORGANISED CRIMES IN NIGERIAN BORDER COMMUNITIES: A SOCIOLOGICAL XRAY OF IDI-IROKO, OGUN STATE

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Abstract

Involvement of security agencies in criminal activities in the Nigerian border communities have been understudied in criminological discourse. Hence, this study sociologically x-rayed the criminal activities of Nigerian security agencies in border communities along Idi-Iroko, Ogun State. The study assessed the prevalence of criminal activities, key actors of the security agencies involved and implications of these crimes on the residents of the selected border communities. The study was approached from the Structural-Functionalist perspective and was anchored on Social Learning Theory. Exploratory research design was adopted. The sample size consisted of 16 purposively selected security operatives from NIS, NCS, NPF, NSCDC and NDLEA, 23 purposively selected indigenes and three (3) monarchs from Idi-Iroko, Ilase and Ihumbo communities. Data sources were primary (IDI and KII) and secondary (journals from relevant literature). Primary data were content-analysed while secondary data corroborated the findings. The study revealed that the security agents involved in several criminal activities which include smuggling, aiding and abetting crime (prostitution, armed robbery, illegal oil bunkering), assault on fellow public officers and indigenes and bribery. Specifically, officers of NPF and NCS were more involved in criminal activities in the selected border communities. Many of the indigenes have been killed in the process of fracas with the security agencies and many have fled the border communities for safety reasons. The study concluded that varying criminal activities in the selected border communities of Ogun State were perpetrated by security operatives, indigenes and migrants and this in turn negatively affects the reputation of Nigeria in international trade. The study recommended that government and indigenes should collaborate in curbing these varying crimes.

Key words: Border communities, Border crimes, Crime patterns, Smuggling, Security and Sociological investigation.

Word count: 270

Introduction

Recent studies on criminal activities in border communities in Nigeria have noted cases of insurgency, corruption and lackadaisical attitudes of the immigration officers and the Nigerian police towards crime control (Akinyemi, 2013; Johnson, 2014). These cases were identified to be some of the pivotal areas of concern which endanger the lives of the citizens of border communities and Nigeria at large (Mobolaji & Alabi, 2017). However, in some security check-points where the illegal migrants successfully evade the scrutiny of security checks, there are insinuations that the travellers

must have circumvented the normal public roads for a shortcut which is more likely to be within the communities and villages situated along the border routes with the connivance of some security operatives. But these claims have not been substantiated for lack of empirical evidences.

There are other claims that indigenes of the border communities have become actively involved in the smuggling of illegal goods into the country through their knowledge of the routes and increased partnership with some security agents of the federal government of Nigeria posted in the axis. However, these

claims have not been investigated empirically. Also, most of the studies on border crimes have centred more on smuggling, porous border security system, insurgency and illegal migration (Oluyemi & Fayomi, 2012). These studies have not specifically focused on the criminal activities of security operatives who are supposed to be the major crime fighters within the border communities.

Also, existing literature have not sufficiently documented the criminal activities in the communities along the Idi-Iroko area. The previous studies have not also empirically investigated the perception of the community dwellers on the peculiar crimes endemic in their communities and attributed to security operatives whose duties it is to protect the region. As a result, this study is an attempt to bridge this gap in knowledge and present adequate qualitative evidences which can be used to garner evidences on crimes committed by designated security operatives posted to the border communities in Idi-Iroko area of Ogun State, Nigeria.

Research Objectives

The general objective of this study is to sociologically investigate the criminal activities of Nigerian security operatives in Nigerian border communities, using Idi-Iroko, Ogun State as a case study. The specific objectives are:

- i. To examine the nature of the prevalent criminal activities in the selected border communities of Ogun State;
- ii. To identify the key actors of the criminal activities in the study areas; and
- iii. To identify the implications of these crimes on the residents of the selected border communities of Ogun State.

Scope of the Study

The study focused on the security operatives of the border communities in Ogun state border communities, specifically Idi Iroko, Ihumbo and Ilase because there are emerging evidences of crime prevalence among security operatives in these communities but these speculations have not been subjected to scientific enquiry. Hence, the findings of the study cannot be generalized on all the border communities in Ogun state and Nigeria.

Theoretical Review

Structural Functionalist Theory

The structural-functionalist school of thought views the society as a system with a set of interconnected parts which work together form a whole. The basic unit of analysis is society and its various parts are understood primarily in terms of their relationship to the whole. The classical theorists often draw an analogy between society and an organism such as the human body. They revealed that an understanding of any organ in the body involves the understanding of its relationship to other organs (Alliyu, 2003). Robert K. Merton in his contributions to structural functionalist theory distinguished between manifest and latent functions. According to Merton, manifest functions are those known to, and intended by the participants in a specific type of social activity but by contrast, latent functions are unconscious or unintended functions.

In application to the study, Structural-Functionalist Theory proposes that the structures of the society are to sustain the society and crime thrives within any society, such society is no longer immune from social disorder. The theory, however, has its weaknesses on Nigerian border communities because it did not consider the implication of social interaction and how crime can be perpetrated by humans (most especially the security agencies who are entrusted with the lives and property of border community dwellers and migrant) rather the structures of the society. Also, less emphasis was placed on the social motivations and psychological make-up of the actors of crime in the border communities. Hence, the need to adopt Social Learning Theory.

Methodology

This is a qualitative study. It adopted exploratory research design. The study areas were Idi Iroko, Ihumbo and Ilase communities of Ogun State. The study sample consisted of sixteen (16) purposively selected officers from five (5) security agencies in Nigeria (Nigeria Immigration Service, Nigeria Customs Service, Nigeria Police Force, Nigeria Security and Civil Defence Corps and National Drug Law Enforcement Agency). Purposive sampling technique was adopted for this study to select sixteen (16)... etc. The inclusion criteria were residency of the

officer for at least two years in Idi Iroko axis, officers' knowledge of the border routes and willingness to participate in the study. Primary and secondary data were utilized in this study. Primary data were gathered through qualitative instruments (in-depth interview guide, IDI, key informant interviews guide, KII, and non-participant observation guide). Secondary data were obtained through existing literature. The

qualitative data (IDI and KII) was analysed using Content analysis while the secondary data corroborated the findings of the study.

Result and Findings

Data were gathered in stages and with qualitative methods. The analysis was done thematically in tandem with the objectives.

Table 1: Socio-Demographic Data of Selected security agents in the study areas

SN	Sex	Age	Religion	Level of Education	Marital status	Occupation	Rank
1	Male	57yrs	Christian	Degree	Married	NIS	Assistant Superintendent of Immigration
2	Male	48yrs	Christian	Masters	Married	NIS	Superintendent of Immigration
3	Male	52yrs	Muslim	Degree	Married	NIS	Assistant Comptrollers
4	Male	49yrs	Christian	Degree	Married	NIS	Assistant Superintendent of Immigration
5	Male	46yrs	Christian	ND	Widowed	NCS	Inspector
6	Female	36yrs	Muslim	Masters	Married	NCS	Deputy Area Comptroller
7	Male	50yrs	Christian	Masters	Married	NCS	Deputy Superintendent Customs
8	Male	42yrs	Christian	Degree	Married	NCS	Assistant Superintendent
9	Female	45yrs	Muslim	Degree	Divorced	NPF	Inspector of Police
10	Male	36yrs	Christian	Degree	Married	NPF	Inspector of Police
11	Male	41yrs	Muslim	Masters	Widowed	NPF	Deputy Superintendent of Police
12	Male	37yrs	Christian	Masters	Married	NPF	Superintendent of Police
13	Male	42yrs	Christian	Degree	Single	NSCDC	Superintendent Cadre
14	Female	44yrs	Christian	ND	Single	NSCDC	Inspectorate Cadre
15	Male	34yrs	Christian	HND	Single	NDLEA	Inspector
16	Male	46yrs	Muslim	Degree	Widowed	NDLEA	Inspector

Source: Fieldwork (2019)

Table 1 revealed that sixteen (16) officers from the Nigerian security agencies were selected and interviewed for the study. Thirteen (13) of the participants were males while three (3) were females. The ages of the participants were between 36 years to 57 years. On religion, table showed that eleven of the participants were Christians while five (5) were Muslims. Also, on the participants' educational qualification, data showed that half of the participants (8) had first degree, five (5) had masters, two (2) had

National Diploma (ND) while one (1) has Higher National Diploma (HND).

On marital status, data showed that nine (9) of the participants were married, three (3) were widowed, three (3) were single and only one (1) was divorced. On the participants' occupation, data revealed that the officers were from Nigerian Immigration service (4), Nigerian Customs service (4), Nigeria Police Force (4), Nigeria Security and Civil Defence Corps (2) and National Drug Law Enforcement Agency (2). Data on the participants' ranks varied from

one security agency to another. In Nigerian Immigration service, data showed that there were two (2) Assistant Superintendents of Immigration, One (1) Superintendent of Immigration and one (1) Assistant Comptrollers. In Nigerian Customs service, data showed that the ranks of the officers were Inspector, Deputy Area Comptroller, Deputy Superintendent Customs and Assistant Superintendent. In

Nigeria Police Force, data showed that there were two (2) Inspectors of Police, one (1) Deputy Superintendent of Police and one (1) Superintendent of Police. In Nigeria Security and Civil Defence Corps, the officers were one (1) Superintendent Cadre and One (1) Inspectorate Cadre. In National Drug Law Enforcement Agency, there were two (2) Inspectors.

Table2: Socio-Demographic Data of the Selected Monarchs

SN	Sex	Age	Religion	Level of Education	Marital status	Community	Title
1	Male	57	Christian	Degree	Married	Ihunbo	Onihumbo
2	Male	43	Muslim	Masters	Married	Ilase	Alase
3	Male	52	Muslim	HND	Married	Idiroko	HRH

Source: Fieldwork (2019)

Table 2 presented the Socio-Demographic Data of the Monarchs in the study areas. The three monarchs were males, the ages of the participants were 57years, 43 years and 52 years. On participants' religion, data showed that two (2) of the respondents were Muslims while one (1) was a Christian. Data on participants' level of education showed that they

had Masters, First degree and Higher National Diploma (HND). On marital status, data showed that all the participants were married. Data on the traditional title and the community of the participants revealed that the participants were Onihumbo of Ihumbo, Alase of Ilase and His Royal Highness, Oba of Idi-Iroko.

Table 3: Socio-Demographic characteristics of the selected residents

SN	Sex	Age	Religion	Level of Education	Marital status	Occupation
1	Male	24yrs	Christian	SSCE	Single	Transport
2	Male	43yrs	Christian	SSCE	Married	Farming
3	Male	38yrs	Christian	ND	Married	Trading
4	Male	44yrs	Christian	NCE	Married	Trading
5	Male	22yrs	Muslim	SSCE	Single	Farming
6	Female	29yrs	Muslim	PSLC	Married	Trading
7	Male	31yrs	Christian	SSCE	Married	Transport
8	Male	25yrs	Christian	SSCE	Married	Trading
9	Male	27yrs	Christian	Degree	Married	Trading
10	Male	49yrs	Christian	NCE	Married	Transport
11	Male	28yrs	Muslim	ND	Married	Farming
12	Male	32yrs	Christian	SSCE	Married	Transport
13	Female	45yrs	Christian	SSCE	Married	Artisan
14	Male	38yrs	Christian	Degree	Married	Transport
15	Male	21yrs	Christian	SSCE	Single	Trading
16	Male	27yrs	Muslim	SSCE	Married	Transport
17	Male	28yrs	Christian	Degree	Married	Farming
18	Male	32yrs	Christian	ND	Married	Transport
19	Male	23yrs	Christian	SSCE	Single	Farming
20	Male	37yrs	Christian	NCE	Married	Transport
21	Female	29yrs	Christian	Degree	Widowed	Transport
22	Male	27yrs	Muslim	Degree	Single	Civil servant
23	Male	29yrs	Christian	NCE	Single	Transport

Source: Fieldwork (2019)

Table 3 showed the socio-demographic characteristics of the residents of idi-Iroko, Ilase and Ihumbo. The table revealed that twenty (20) of the participants were males while three (3) were females. Data on the participants' age revealed that thirteen (13) participants were between 21-30 years, six (6) participants were between ages 31-40 and four (4) participants were between 41-50 years. Data on religion also showed that eighteen (18) participants were Christians while five (5) participants were Muslims. Data on participants' level of education showed that ten (10) participants were SSCE holders, ND/NCE holders were seven (7) participants, five (5) of the participants were degree holders while a participant was having primary school leaving certificate. Data on marital status showed that sixteen (16) of the participants were married, six (6) of the participants were single and one was a widow. Data on the participants occupation showed that ten (10) of the participants were into transport, six (6) of the participants were into farming, five (5) of the participants were into trading, one of the participants was an artisan while another was a civil servant.

Common Criminal Activities in Ogun State Border Communities

Several criminal activities were identified in the study areas. According to the study, the most prominent criminal activities were identified as smuggling, aiding and abetting crime, illegal oil bunkering, assault on public officers, prostitution, human trafficking, armed robbery and bribery. Others were theft, fraudulent acts, land grabbing

Several criminal activities are practiced in this area. The most common is smuggling but apart from that there are cases of fraudulent acts which we often refer to as OBT (obtaining by false pretence) by both indigenes and security agencies who promise people to either smuggle in certain items and protect them respectively but after obtaining money from people, they fail to live up to expectation. Other common crimes are land grabbing, communal clashes, rape, and intra-communal clashes.

IDI/Male/NPF/37years

Another respondent also revealed that:

As for me, the major criminal act here is smuggling. Once you have realized adequate money from the smuggling venture, everyone will become your friend. Even women will voluntarily offer themselves to you despite not being your housewife. It is the stinginess of any individual that can invite armed robbers or make people to want to attack his personality. Once you are a cheerful giver as a smuggler, even to the security agencies, your sins are forgiven.

IDI/Male/Married/38years

Smuggling

Implicit from the above states that smuggling is the dominant crime committed in the Idi Iroko border communities. As a result, respondents' perspectives on the nature of goods smuggled varied. The study showed that despite the ban on importation of vehicles, rice and some other consumable goods such as frozen foods, refined vegetable oils, fruit juice, waters, (including mineral waters and aerated waters containing added sugar or sweetening matter or flavoured, ice snow), other non-alcoholic beverages and beer and stout, spaghetti/noodles, bagged cement and non-perishable goods such as soaps and detergents in retail packs, mosquito repellent coils, sanitary wares of plastics and domestic articles and wares of plastics, corrugated paper and paper boards, and cartons, boxes and cases made from corrugated paper and paper boards, toilet paper, cleaning or facial tissue, excluding baby diapers and incontinent pads for adult use, carpets and other textile floor coverings, foot wears, bags and suitcases, furniture and second-hand clothing. The act of smuggling in the aforementioned is a practice in the border region through several illegal routes used by the smugglers and often through security operatives who were to act as the watch dog of the government. The perspectives of the participants varied on smuggling. These are captured in the views expressed as:

Smuggling has been for long perceived as the only available job here. People around here and friends from the border communities have collaboratively smuggled in contraband products.

These prohibited products are mostly consumables which include refined vegetable oils, mosquito repellent coils, foot wears, bags and second-hand clothing.

IDI/Male/NCS/50years

Another respondent also revealed that:

Smuggling can never be totally ruled out in this area because apart from the identified routes, some of the residents had apartments which crossed the border. An example is the man we went to his house last month, his sitting room was in Nigeria while the bedrooms were in Benin republic in a single house structure. This is how many houses were constructed and when investigated, we found out that this man's house harboured drugs, non-alcoholic beverages and beer, bagged cement, processed vegetable oil jerricans and bags of rice. But surprisingly, the man in question is a retired police officer.

IDI/Male/NDLEA/34years

Implicit from above is that smuggling has been established as a major criminal activity in the border communities along Idi Iroko axis. Meanwhile, the smuggled items as identified above includes but are not limited to frozen foods, refined vegetable oils, fruit juice, waters, (including mineral waters and aerated waters containing added sugar or sweetening matter or flavoured, ice snow), other non-alcoholic beverages and beer and stout, spaghetti/noodles, bagged cement and non-perishable goods such as soaps and detergents in retail packs, mosquito repellent coils, sanitary wares of plastics and domestic articles and wares of plastics, corrugated paper and paper boards, and cartons, boxes and cases made from corrugated paper and paper boards, toilet paper, cleaning or facial tissue, excluding baby diapers and incontinent pads for adult use, carpets and other textile floor coverings, foot wears, bags and suitcases, furniture and second-hand clothing. However, the smuggling activities are usually done with the cooperation of security operatives in the region mostly, the officers of the Nigeria Police Force and Nigeria Customs Service.

Aiding and Abetting

Apart from the crime of smuggling which is generally acceptable by virtually all the population of this study, aiding and abetting of criminal activities was also identified as a major crime committed in the border communities by both residents and security agencies. This was expressed in the views below:

I don't want to believe that the indigenes of this community should be tagged criminals by anybody. What about those who aid them by collecting money from them on the agreement that the smuggled items will not be queried from the border until it gets to the destination? The Yoruba always say that: Eni to gb'epo laja ko ni ole, bi ko se eni to gba lowo e (the person who steals palm oil from the roof is not the thief but the person who aids the act and received it from him/her). The security agencies should be held responsible one by one. They are the ones who aid smuggling activities in this area. Especially the customs, their own is too much. They charge people on every item they bring in no matter how small. If you doubt me, go to the border to see for yourselves how many of Nigeria security agencies have become tax collectors from people. Then the question is, why won't they bring in any items since they know our security agencies know nothing more than money? The security agencies such as police and customs are the real ones to hold responsible for every smuggled items.

KII/Monarch/Muslim/57years

Another respondent also stated that:

See, we won't smuggle anything in if these people called security people don't have a share. They collect money and material items from us. Sometimes, they even send us to buy some things for them when returning from border without paying us a dime. We drivers have that understanding and we don't border to give them what they want.

IDI/Male/Christian/49years

Illegal Oil Bunkering

The study further revealed that illegal oil bunkering is also one of the prominent crimes committed by the residents of Ilase and Idi Iroko communities as they export petroleum products in jerricans and containers to Benin republic through some illegal routes mostly in the evening. This was affirmed by two of the participants in the study:

If you really want to make cool money here, have a friend who is managing a petrol station, then you are in big money (grins). All you need to do is to buy as much as possible kegs and get them filled up and load them in some rickety buses and I will tell you how it will turn to money at night after you are able to settle few of the police and custom people at the border routes you will wake up in the morning to start counting money and your empty kegs.

IDI/Male/Christian/23years

Another respondent also revealed:

Oil bunkering has been one of the identified crimes in this area. There is nothing this people won't do to make money. They put their lives at risk in the night because of money and smuggle petrol into neighbouring villages that belong to Benin communities through lfoyintedo routes.

IDI/Female/NSCDC/44years

From the information above, it is important to note that smuggling is not only about the products illegally imported and transported through the Nigerian routes but also those products which are illegally exported and through illegal routes and without legal permission but with cooperation of certain officers of the Nigerian security agencies. One of those is oil bunkering which is a coded act in the border communities and which have overtime become an overnight venture which many youth and security operatives cooperatively engaged in. One of the researchers in this study was privy to witnessing the formative part of the illegal oil bunkering in the backyard of a filling station at Ilase where more than five hundred (500) yellow kegs were gathered around noon and by late in the evening of the same day, they have been thoroughly arranged in a truck after being filled

to the brim, about to be taken to some villages whose routes links directly to the Benin republic.

Assault on Public Officers

The study showed that the border communities have witnessed periodic clashes between the indigenes and the security operatives and often times, these clashes escalate beyond the immediate community. Findings showed that often times, these clashes do involve police officers, customs and the smugglers. These were captured in the responses below:

There have been serious clashes in the past where smugglers, mostly indigenes think it's their right to commit offence and go scot free with it. These have often times caused conflict where they harm our men and attempt to launch injuries on innocent public officers but pathetically, some of the security agents usually take sides with the indigenes to fight us.

IDI/Male/NPF/36years

Prostitution

Findings showed that there is high rate of prostitution in the border communities. This was evident in the observation of one of the researchers in the evenings around the hotels, brothels and motels. Ladies in suggestive clothes were always seen around the brothels and around evening, they were usually picked by cars or taken into one of the rooms in the hotel. This scenario is a common phenomenon in the five out of the six hotels examined. The researcher interrogated four of the ladies on the suggestive clothing on different days and from different venues and found out that they were referred to as call girls. The researcher further probed the indigenes to find out why young girls between the ages of 16-30 years would always loiter around hotels in the evening, their responses were revealed as follows:

Ise Asewo ni won n se (they are prostitutes) and they are not ashamed of it. Everybody has to think of how to make money in this country. They don't have the means physically and cannot raise sufficient capital. So, they have decided to use their body to make money every day from those who want sex. If you check very well, most of them were usually patronized by the custom

officers and the police people. This is because most of the indigenous men here are married and infidelity is greatly frowned at.

IDI/Male/Muslim/28years

Another respondent also revealed that:

There is nothing new under the sun. These are the people that make this community lively for us. If not for the girls you said, many homes would have been broken because the women here are not too good sexually, so these girls help their husbands from having baby outside marriage. All the men want is sex and these girls are not even interested in being your wife. Just sleep with them and go your way.

IDI/Male/NCS/46years

Another respondent stated thus:

Most of the girls you see in the hotels with skimpy clothes are truly prostitutes who always warm the bed of the security officers and some of the drivers who come from long distance. They usually have their own lodge where you can go and meet them for short time and even overnight. It depends on your pocket. Everybody here knows them and they are not ashamed to parade their profession mostly in the evening after the daily work. If you want any, I can hook you up for free because they are my friends.

IDI/Male/Christian/31years

Implicit from the above is that prostitution is one of the identified criminal activities in the border communities but which have thrived for a very long time unchecked and unstopped. On the ethnicity of the persons involved in the prostitution engagements, the study found out that most of the ladies were from the South East and South-South part of Nigeria. This is because the researcher interrogated the respondents on their knowledge of the practice of prostitution. Out of the twenty three (23) respondents from the indigenes adopted for the study, seventeen (17) gave affirmative knowledge of the existence and practice of prostitution and virtually all of them stated that very many of the girls were from the South East and South-South part of Nigeria and very few of them from Benin

republic and Ghana. However, when examined, findings showed that the prostitutes were more patronized by the security officers and commercial and truck drivers in the border communities.

Stealing and Armed Robbery

There were evidences that stealing and armed robbery were part of the major crimes committed in the border communities. The study found out that several accounts were given on how shops were burgled and houses ravaged by armed robbers. This was captured in the expressions below:

Armed robbery is a major crime committed in this area. It was not like this before but ever since the government placed embargo on some goods and closed the border, people have become stranded and have resolved to start using force to obtain money from the poor community members. Although there has been reduction recently but shops are still being burgled and people's property being carted away. But the most surprising thing is that the robbers use weapons that are very sophisticated and each time we report anyone of them that are caught to the police officers, they end up releasing them without prosecuting them.

IDI/Female/Christian/45years

Another respondent also revealed that:

Young boys have resolved to stealing because there is reduction in the fayawo (smuggling) business and they need to survive. Although, these stealing were not always with weapons but always done when house owners are not around. In some other cases, some shops have been burgled by some notorious armed robbers some weeks ago and they killed the gateman who was trying to give them problem in the process. And the shocking part is that the criminals have been released and they are back in the community.

IDI/Male/Christian/37years

Inference from above is that armed robbery and stealing is prevalent in the border communities but have been attributed to lack of engagement

of the youth due to the embargo paced on importation of products which further affects the flow of smuggled products which in the keeps the youth busy in the border communities and most importantly, the connivance of the security operatives who either lend weapons to the criminals or release them without further probing after being reported by the community members and arrested. This assertion was affirmed by two officers of the Nigerian Police Force involved in the study:

We have many cases of theft and robbery in the station and have referred some of them to court for proper justice but some of the challenges we have is that stealing is increasingly becoming unbearable over robbery because of the lack of engagement for the people in this region. But one of the problems we have is that either theft or robbery, there is always a way this people have connection to some of the officers we work together in this place and they get to be released before we take the charges to court.

IDI/Female/NPF/36years

Another officer who was a respondent also stated that:

Robbery cases have just been a new culture and we are on top of it but stealing, it is like a general phenomenon. People here steal a lot from themselves to the extent of stealing from churches, hospitals and restaurants. We have many cases we are pursuing right now and I know that when we are done with those people, they will serve as a scape goat to the rest.

IDI/Male/NPF/45years

Bribery

The study showed that bribery is on the increase in the border communities. The researcher observed the prevalence of this phenomenon in several visits to the border offices domiciled in Idi Iroko and all the checking points of the Police, Customs, Immigration and Road safety officers from Owode to the border. These bribery acts were characterized by extortion from motorists, passengers suspected to be smugglers or intercommunity traders; reactive

persons who queried the security agents' approaches to them; strangers who are visiting the border communities for the first. This was taken into consideration by the researcher who observed that every check point was characterized by the presence very many vehicles and the use of threats by security operatives to scare commuters and passengers so as to elicit money from them. When asked, the security operatives denied involvement in the giving and taking of bribe and then stated that such never existed because they always follow the rule of law. Meanwhile, the perspectives of the indigenes differed when interrogated. Their responses were:

In my own perspective, all the security operatives in this community are rogues. All they care about is money. From Custom to Police to Immigration to Civil Defence to NDLEA, there is none of them who is not into the collection of bribe. Just last week, I paid forty-five thousand (45,000) naira to a Custom Officer who threaten to drive my vehicle into CENTURY. He didn't bother to care how to I got the money but he was just insistent that I drop the money. And sometimes, these people raid shops and bring out legally purchased items and ask us to rebuy it or get them seized. Failure to do so might be very negatively consequential.

IDI/Male/Christian/32years

Implicit form above is that many security operatives along the border axis were accomplice to the smuggling activities of drivers, immigrants and community residents. They are either silent on the commuters or take a proactive step to authenticate the prior payment of the smugglers. The study also revealed that transporters or smugglers who attempt to outsmart the security operatives, most especially, the customs will have his/her products taken to CENTURY.

The research team were also extorted for not responding to greetings by an officer and in the course of subsequent observation, it was discovered that every migrant that passed through the border most especially those coming from Benin republic on foot or through motor cycle were always charged on every item

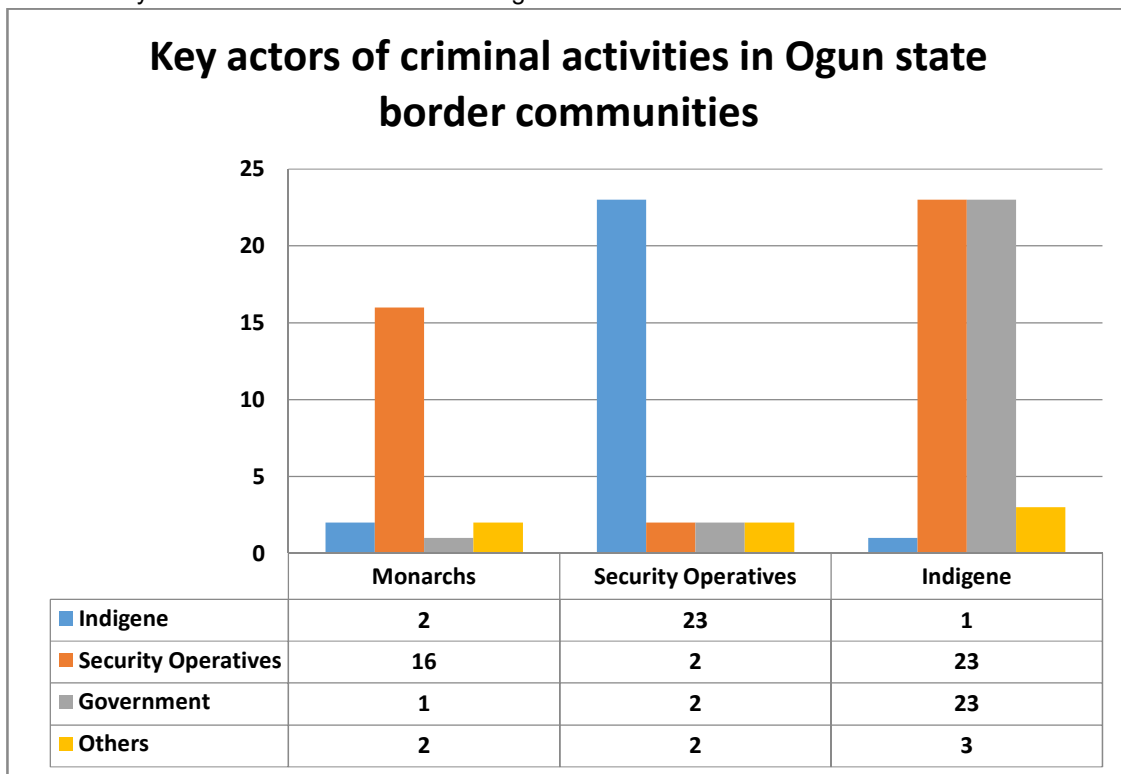
brought it. This practice continues all through the routes from the border gates to Idi Iroko communities check points and then through Owode or Ifo to the destination of the smugglers or travellers. And from observation, these items were the contraband goods the government has already placed ban. It then become a puzzle to the researchers that if the security operatives would let go those who smuggle in banned products after being paid a token, they are in no way different from the real perpetrators of the smuggling because they are accomplice to the crime committed and their conscience have

been bought when their consent has been paid for.

Key actors of the Criminal Activities in the Selected Border Communities

Findings from the study revealed that there are several parties linked to the criminal activities investigated in the selected border communities. This was indicated in the response given by the three involved in the study (i.e. the security agencies, monarchs and the indigenes) as captured in the chart below:

Chart 1: Key Actors of Criminal Activities in Ogun State Border Communities



Source: Fieldwork (2019)

From the multiple bar chart above which represents the key actors of the criminal activities in the selected border communities, data showed that all the parties involved had their fair share of the persons responsible for the criminal activities involved in the study. Findings revealed that the twenty-three (23) indigenes involved stated that most times, the security operatives, most especially customs and the officers of the Nigerian Police force are responsible for the prevailing criminal activities in their communities. Others are the non-indigenes or migrants from Benin republic as

well as a few indigenes. The security operatives involved also revealed that the indigenes are the major actors and architects of most crimes committed in the communities, while other key actors identified by the security operatives were the government, so-security operatives as well as non-indigenes resident in the area. The monarchs who were the traditional rulers also revealed that the security operatives were majorly the key actors of the crimes committed in the communities, followed by the government, immigrants and then indigenes.

The chart revealed that very many actors were involved in the practices of crimes in the communities surveyed. In the analysis above, two out of the three parties involved (monarchs and indigenes) identified the security operatives as a major actor in the criminal activities identified, followed by the government, co-indigenes and other actors such as immigrants and non-indigenes (Benin citizens). The security operatives also stated that the indigenes were the leading figure in the league of actors in the crimes committed in the border communities.

These views were captured below:

The indigenes of this community are very lazy. All they do is to engage in smuggling, steal and look for ways to squander their easily made money on prostitutes every evening. They have refused to abide by every law we have both agreed upon in a community meeting held to avoid clashes between our men and them. Even the monarchs do tell us to be careful not to be implicated by these indigenes.

IDI/Male/NCS/50years

Another perspective was given as follows

The main actor of crimes here are the government and our politicians. They are the ones who give these boys money to take drugs and drive recklessly on the road and refused to stop when ordered for a stop and check. I also blame the indigenes who have not taken the initiative to find other things they can do with their lives.

IDI/Male/NIS/57years

On the contrary, another respondent revealed that:

Our children are not wayward here. We brought them up to respect rule of law and be hardworking. I have lost count on the number of our children killed and harassed by the Customs and the Police officers. They sometimes shoot sporadically and kill innocent children all in the name of pursuing a smuggler. They also burgle the shops of our women and cart away with their goods all because they are seeking illegal goods. These illegalities have had a terrible effect on our indigenes and

further put us in the mood of tragedy almost every month. That is why customs don't enter the other street because they killed two children from a family in a single day as a result of stray bullets.

KII/Monarch/Muslim/52years

Implicit from above is that government, security operatives and the indigenes have been identified as key actors in the criminal activities of the border communities.

Implications of Crime on the Residents of the Selected Border Communities

The identified crimes have huge implications on the indigenes. These were captured in the views below:

We have lost several of our children to other communities based on the fact that Customs have killed many. The Police officers in this community too are not helping matters. They can't resolve issues without being paid a ransom. Very many of our children have fled and are not interested in returning home. This has resulted to brain drain. Also, very many of our women have left their matrimonial homes in pursuit of alliance with the security operatives just to pacify them to be able to go about their normal trade. This they do with sexual gratifications.

KII/Monarch/Christian/57years

Similarly, another respondent stated that:

The indigenes are seriously angry with the government for the kind of officers being posted here. They don't have human feelings in the way they interact with community members. They have overtime made us to lose our friends and very many acquaintances through their wicked acts. This has made very many of my family members to flee from this community.

IDI/Male/Muslim/27years

Discussion of Findings

Implication from the first objective is that several criminal activities were identified in the study areas. These include smuggling, aiding and abetting crime, illegal oil bunkering, assault on public officers, prostitution, theft, armed robbery

and bribery. Others were theft and fraudulent acts. The existence of these crimes were affirmed by the participants interviewed and the findings is in tandem with Oluyemi & Fayomi (2012) who found that border communities are fraught with arrays of crimes. The study also revealed that there is crime proliferation in the border communities which has huge implication on the relationship between the community members, security agencies and the monarchs of the communities of the border communities. This was affirmed by Chung, et al (2011) that increased criminal activities in border communities have become issues of concern for community leaders, military and para-military agencies and community residents.

The second objective identified the key actors of the criminal activities in the selected border communities. The study revealed that the key parties largely involved in the criminal activities in Idi-Iroko border communities were the security operatives' and indigenes. This negates the findings of Asiwaju (2005) who stated that international communities were key intruders in Nigeria border communities' crises. It supports the argument of Okeshola (2008) that crimes thrive in border communities because key actors such as the indigenes, government and security agencies are involved. The study also found out that the security agencies specifically the NIS, NCS, NPF, NSCDC and NDLEA were found culpable in aiding and abetting the crime of smuggling and others in the border communities. This finding is in tandem with the position of Inyang and Abraham (2013) that if certain criminal activities are prevalent in certain areas, the security operatives in such areas have compromised and should be held culpable to such crime.

The third objective identified the implications of the crimes on the residents of the selected border communities. The study found out that many of the indigenes have been killed in the process of fracas with the security agencies and many of the indigenes have fled the border communities for greener pasture. This affirmed the findings of Oluyemi & Fayomi (2012) that the border communities have lost key indigenes and is being managed by strangers who have very

little ethnographic understanding of the communities.

Conclusion and Recommendations

The study concluded that the identified crimes in the border communities were smuggling, aiding and abetting crime, illegal oil bunkering, prostitution, armed robbery and bribery, theft, fraudulent acts and assault on public officers. It also concludes that these crimes have huge implication on the economy of the selected border communities, has implication on the relationship between the community members, security agencies and the monarchs of the communities of the border communities. The study also concluded that the most prominent criminal activities in the border communities were mostly committed by the security operatives. The study concluded that in the quest to quell the crimes of the security operatives, several lives have been lost in the scuffle between the security agents and indigenes which often times have brought about untold hardship and poverty to many homes in the border communities. It also concludes that there is high level of criminal activities in the border communities of Ogun state and this in turn affects the economic activities of the area. It appears that it is only honest and decisive collaboration between government, security agencies, community leaders and indigenes can minimise crimes in border communities.

The study thus recommended that the government should employ and deploy officers with integrity to border communities. The community leaders should be involved in addressing indigene clashes with security operatives with a view to having a collaborative forum to resolve such crises. Also, the security operatives (most especially, Nigeria Customs Service and the Nigerian Police Force) should be taken through community survey to understand the terrain of their operations after postings to reduce the tendency of invading in community members' privacy and property in their quest to quell crimes within the border communities. The border control offices of the security operatives should emphasize on retraining their members to refrain from sporadic shooting of community members which has often brought about clashes between them and the indigenes.

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JOB SECURITY AND EMPLOYEE ENGAGEMENT AS DETERMINANTS OF ORGANIZATIONAL COMMITMENT IN A SELECTED NIGERIAN HEALTH MAINTENANCE ORGANIZATION (HMO)

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Abstract

The purpose of this paper is to examine job security and employee engagement as determinants of organizational commitment of employees of Health Plus Ltd, a selected Nigerian Health Maintenance Organization (HMO). Primary data that was based on 100 respondents that were purposively chosen were analyzed using statistical tools like frequencies and two-way analysis of variance. The research instrument comprised the Organizational Commitment Scale, Job Insecurity Questionnaire (JIQ) and Utrecht Work Engagement Scale (UWES). The results indicated that there was no significant influence of job security on organizational commitment. The result also revealed that there was a significant influence of employee engagement on organizational commitment. This paper made use of self-report surveys for data collection. Implications are that these organization and similar organizations should ensure that employees have a good degree of job security as it will give them the assurance of working in the organization for some good time whilst contributing their own quota to its development in the process. They should ensure that they efficiently encourage employee engagement, giving them a voice, as they will feel enthusiastic and happy and show more commitment to their job and the organization. Inclusion of employees of the health maintenance organizations will add value to existing knowledge on job security, employee engagement, and employees' commitment to their organization.

Keywords: Job security, employee engagement, organizational commitment, health maintenance organization.

Introduction

Commitment as a concept in the workplace is till today a much-researched topic. It is a fascinating trait of how employees behave in the workplace. It shows to what extent an individual is willing to do the biddings of the organization for the interests of the organization whilst also ensuring that the organization is in a good light in the eyes of their customers, clients, competitors, and the general public. The researches in this area have come primarily from the need to establish relationships between the factors responsible for an employee's commitment to his/her organization and what benefits or otherwise that accrue from such commitment so as to create a workplace that is capable of delivering its targets and possibly extending them.

Commitment to the organization is enhanced by the quality of work life workers enjoy at the workplace, the working conditions, the remunerations, the level of trust (mutual trust among colleagues, trust from managers), the

level of participation in decision-making, job security, employability, role stress, among other factors. As an instance, when employees have a high level of trust in their management about the fairness of work processes as well as good (and not just passive) involvement in the organization's policies and decision-making, organizational commitment tends to increase. When employees perceive that they are being treated fairly in terms of work, work outcomes, procedures and processes, they will become more committed to their work.

Meyer and Allen (2001), in their study, identified three forms of commitment, which are affective, continuance and normative commitment. Affective commitment refers to employees' emotional or psychological attachment to, identification with and involvement in the organization. It is depends on characteristics of job rather than personal characteristics. This implies that affective commitment is concerned with intrinsic factors than extrinsic factors. An employee is thus committed to the organization

through issues and factors that come from within him/her such as praise and recognition for a good work done. This commitment is influenced by factors such as the age of the employee, the number of years already spent, the sex of the employee, and the level of education an individual has been able to acquire, having a good and sociable atmosphere, involvement in decision-making, which all contribute to how an individual identifies with the goals of the organization. The individual is staying with his organization because he 'wants to'. For example, a woman may decide to continue with an organization because it is close to her home, children's school, or looks okay for a woman to do.

Continuance commitment refers to the commitment of an individual that is based on the costs that workers associate with leaving their current organization. This type of commitment is a product of the employee considering the cost that may be associated with quitting that job at that particular time which may have come from "investments" in the organization whilst having the perception that there are no alternatives to the current place of work. An individual looks at such issues like economic costs (e.g. cost of relocation, accruals of pension subscriptions), social costs (level and quality of interrelationships already shared with co-workers), disruption of personal relationships as well as other sundry benefits of being a member of that organization. The individual looks at the number of years already spent versus desiring to go and start new working relationships with new workers in the event that there are alternatives in other organizations. These 'investments' do not occur at once but they accumulate with an employee's age and years of service.

Normative commitment refers to employee feelings of obligation to remain in the organization. This means that employees believe that they have a responsibility to the organization. This commitment is based on feelings of loyalty, dedication, and obligation to the cause of the organization. These feelings may have come from pressures from within the individual before joining the organization and after he/she started to work there. An employee may feel that the organization has invested a lot

of resources on him/her in terms of trainings and development. He/she may feel that the organization has 'made' him/her into what or where he/she currently is and hence, on morality grounds, feel the obligation to reciprocate the faith and trust the organization has put in him/her over the years. An individual may also reflect an internalized norm that may have developed before he/she joined the organization, from family and other socialization agents that an employee is expected to be loyal and committed to his/her organization while he/she is working for them.

Job security is considered important for the continuity and sustenance of a job. From a review of literature, it could be said that employees in the public sector place more importance on job security than on pay, prestige and status than do their counterparts from the private sector. They perceive a lesser formalization of their jobs and the roles they perform as well as their communications with their superiors. It is public knowledge that working in the public sector tend to have a higher job security and stability than that of the private sector. For example, it takes a lengthier procedure to terminate an employee from his job in the government-owned establishments, even when enough evidence exists against him. He has to be made to go through several disciplinary proceedings before the eventual dismissal. New applicants and employees in the private sector thus because of these and similar reasons such as job tenure, relative freedom, lesser monitoring and supervision and the likes desire to enter into government-established jobs.

Apart from the monetary benefits, non-monetary benefits that accrue from the organization also play vital roles in an employee's commitment to that organization. A secure job is an employee's desire and wish. Job insecurity affects an employee's commitment to the organization. Employees' do not fancy risks and are willing to stay in an environment that provides satisfaction rather than optimized change (Kirmizi&Deniz, 2009). When employees feel a high level of job security, they may be less likely to leave their jobs, be absent from duties, be late to work, and are likely to be more productive than employees who don't feel secure on their jobs. For an

employee to be able to enjoy his/her work without constant fear, he/she wishes for a job that is secure because it allows him/her to effectively plan his/her life and future.

According to a Watson Wyatt Survey quoted in Naicker (2008), job security is one the seven key factors that impact on an employee's commitment levels. In order to achieve something, a person is expected to have the required knowledge, skills, abilities, and capacities but also important is the willingness and positive mind-set and attitude to achieve those things. Employees will feel encouraged and motivated to do their jobs when they hold the perceptions that whatever they are contributing to their organization are valued and the organization is able to meet their physical, psychological, and emotional needs, as well as needs for status, recognition, and actualizing their potentials. They do such for such in an environment that is safe, positive, progressive, and one that gives them the peace of mind and stability to achieve both personal and organizational goals.

Job security then gives the individual the feeling of having a proper job and the assurance of its continuance in future as well as the absence of factors that threaten such continuity. If an individual feels that he/she will continue his/her job until the end of his/her service or job tenure and will not be threatened by the other individual to carry out his/her normal job roles and tasks, such a person enjoys job security. Job insecurity affects a worker's commitment to the organization. An employee would be more committed to his/her job and the organization, if the person feels secure about the job.

The majority of the workers in Nigeria are unsure of the stability of the jobs in that they could have jobs today and tomorrow they are out of jobs. There is an air of uncertainty that grips them because they work sometimes for private investors who can downsize at will without recourse to employment contracts or agreements. When an organization provide job security for its employees, this will be highly beneficial to such organization because it will not only help in retaining its current employees, but also constitute a pull factor for drawing talented employees from other organizations.

Employees would perform their best under a caring leadership and healthy work atmosphere that is secured for long term. A secured job, since it allows an individual to plan his/her life in terms of marriage, accommodation, raising children and other facets of his/her work life, will help to generate sincere commitment from employees and it makes them dependable, energetic, reliable, courageous and persons of integrity, character, and good conduct.

The concept of employee engagement is not entirely new as many researchers (and organizations) have been studying it for some time using different terminology and slightly different definitions. For example, employee engagement has been defined as the extent of one's commitment (Lockwood, 2007), a work-related state of mind involving vigour, dedication, and absorption (Schaufeli & Bakker, 2004), job characteristics that include performing well and saying good things about your employers (Gubman, 2004), and "the ultimate prize for employers" (Perrin, 2003). Conversely, disengaged employees are burned out. This burnout is due, in part, to high job demands and limited resources leading to energy depletion and decreased motivation (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003).

Employee engagement can be defined "as a relatively enduring state of mind referring to the simultaneous investment of personal energies in the experience or performance of work" (Christian, Garza, & Slaughter, 2011). When employees are engaged with their work, they show a high level of job involvement and enthusiasm for the work they do. Engagement relates to an individual being completely sold out and invested into the role he/she is performing at the workplace. There is a feeling of being valued by their organization from engaged employees. Engagement for an employee is about passion and drive, of wanting to be a better person and making the organization better. It suggests the willingness of the worker to engage in discretionary efforts to help the organization and the management succeed. This is beyond just being satisfied with one's job and the employment arrangement or unalloyed loyalty to one's boss/employer but that the employee feels an obligation to ensure that the organization develop and achieve its goals.

An engaged employee feels an emotional connection to his/her place of work and this influences the behaviours and attitudes he/she put into work and non-work related efforts before, during, and after working hours. If an employee is disengaged, he/she will suffer from burnout and lesser job satisfaction. The individual will feel the job demands far outweigh the resources he has to deal with it, which then leads to depletion of energy and decreased motivation. Employees who feel well engaged are good for business in that they are more loyal, more productive, and are less likely to leave the organization. They are filled with a sense of belonging to a prosperous organization, one that looks after their welfare, that fulfills their basic needs of belongingness, and needs to achieve their very varied goals, and such one organization that deserves reciprocity of such faith, trust, and loyalty.

Statement of the problem

With the passage of time, business environment has been changed and it requires every organization to put effort for its employees' well-being by investing in them to increase their engagement in work (Vance, 2006). It is thought that engaged employees are going to be committed employees. Commitment with the organization also contributes in employee engagement which helps in increasing their further advancement. It is assumed that if level of the job security that employees feel they get from their jobs and their level of employee engagement with their jobs and organizations increase, then commitment with the organization becomes strong on the part of the employees.

If Nigerian workers are given the opportunity to describe the way job security is been perceived, many would probably describe them as inappropriate, because most workers in Nigeria goes to work every day with the hope of not receiving a letter of dismissal before the closing hour of work, due to the economic situation of the country. This suspected perception is inimical to favourable disposition to work and as a result has serious implications for the workers, because of the ways and manners in which people are managed in the workplaces.

Various researches over the years are replete with the issue of employees' perception of who their employers are and their intentions towards

them both in the short and long term and have often been challenged to think that employers think of them only for the moment they are still with them. This means that in the case of an economic downturn for the organization or a need for restructuring, employees are laced with the trepidation of being laid off by their organizations.

These perceptions have the potential of discouraging workers from readiness and capacity to make significant contributions to organizational success through their engagement and organizational commitment. The problem is that people do not feel committed to their work as expected if and when they observe that their jobs are not secure, living each day as if they are going to be sacked the next minute and also when they are not being properly engaged in their jobs.

Organization suffers from high attrition rate, poor organizational commitment, and job dissatisfaction among employees; despite of handsome remuneration and all other facilities, this scenario draws the attention of researchers and practitioners. Many studies have found that employees are not psychologically balanced owing to the constant fear of sack or the threat of sack by their employers. Some are also not drawn to their organization in a good level of engagement as they are expected to. Therefore this research is aimed at examining the influence of job security and employee engagement on the organizational commitment of employees of Health Plus Ltd and a selected Nigerian Health Maintenance Organizations(HMOs).

Research Questions

The following questions will be answered through this research work.

1. Will there be a significant influence of job security on organizational commitment?
2. Will there be a significant influence of employee engagement on organizational commitment?

Literature Review

Mowday, Porter and Steer (2002) defined commitment using three components: (a) identification with the values and goals of the organization (b) willingness to exert effort on behalf of the organization and (c) commitment to stay in the organization. This implies that the

workers accept the goals of the organization, take pride in the organization, participate in all activities and talk positively about the organization. It means recognition with and devotion to the organization and its mission.

According to May (2004), individuals who feel psychologically safe are likely to engage themselves more fully in their work activities. Thus, it could be assumed that a person in a psychologically unsafe situation (job insecurity) would most likely be less engaged in their work activities. In addition, Bakker and Demerouti (2007) explain that engaged employees perform better than those who are not engaged, because they are emotionally more positive (happy, joyful and enthusiastic) and enjoy better health. More importantly, engaged employees have the personal and job resources to motivate them to perform.

Luthans and Youssef (2007) note that when employees are concerned about the possibility of losing their job, they might initially tend to respond by working harder and longer to show their value to their organization in the hope of securing their employment. They further state that if such extraordinary work efforts persist for too long, they might have unintended negative consequences, including work performance quality deficits, job burnout and health problems such as increased stress, anxiety and depression. Some employees with very low levels of engagement, who may be defined as having active disengagement, may match what highly engaged colleagues are trying to accomplish.

Researchers commonly describe engaged employees as individuals who are highly energized and resilient in performing their job; put their heart into their jobs with persistence and willingness to invest effort; exhibit strong work involvement along with experiencing feelings of significance, enthusiasm, passion, inspiration, pride, excitement, and challenge from their work; and fully concentrate and immerse themselves in their work without noticing that time passes (Schaufeli & Bakker, 2004). Employee engagement has also been linked to customer satisfaction, retention, and loyalty (Bates, 2004), and also to a good relationship with co-workers (Vance, 2006).

Gallup organization defines employee engagement as the involvement with and enthusiasm for work. Gallup as cited by Dernovsek (2008) likens employee engagement to a positive employees' emotional attachment and employees' commitment. Robinson, Perryman & Hayday (2004) define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee."

Job security is the probability of an individual keeping his or her job for a longer period of time; a job with a high level of job security is such that a person with the job would have a small chance of becoming unemployed. Basic economic theory holds that during periods of economic expansion, businesses experience increased demand, which in turn necessitates investment in more capital or labour. By this, it means that there will be a desire to bring in more people and to maintain those who are already with them because of the vast experiences they possess that will help the organization in its quest for expansion both in the short and long term. Abdullah and Ramay (2012) were of the opinion that when businesses are experiencing growth, job confidence and security typically increase. The opposite of this is that when businesses experience a downtime, they are armstrung into reduced demand for their goods and services, hence they will look to downsize their workforce in the short term.

Theoretical Review

Two-Factor Theory by Frederick Herzberg

Attempts have been made to measure symptoms and causes of motivation and dissatisfaction among organisational employees. Professor Frederick Herzberg presented one of such profound attempts. Herzberg's motivation-Hygiene theory emphasizes that the levels of job satisfaction, motivation, and productivity are closely related to two sets of variables, which he classified as Hygiene (Dissatisfiers) and Motivators. For Herzberg, hygiene is made up of such variables as pay, fringe benefits, company

policy and administration, quality of supervision, working conditions, and many other factors incidental to the work. Herzberg believes that these factors, though traditionally assumed to be motivators of people at work, are more dissatisfying in their roles towards the workers feelings and attitude to work. In Herzberg's opinion, high motivation does not result from their improvement but dissatisfaction does result from their deterioration.

On the other hand, motivators are made up of factors such as achievement, recognition, responsibility, growth, advancement, and also variables associated with personal self-esteem and self-actualization on the job. From Herzberg's point of view, motivators enhance job satisfaction, high performance and production while dissatisfiers cause disappointments, frustration and ineffectiveness in job situations.

Herzberg's hygiene and motivators	
Hygiene	Motivators
☐ Company policy	☐ Achievement
☐ Supervision	☐ Recognition
☐ Relationship with Boss	☐ Work itself
☐ Working conditions	☐ Responsibility
☐ Salary	☐ Advancement
☐ Relationship with Peers	☐ Growth

Herzberg maintains that "the opposite of satisfaction is not dissatisfaction, as was traditionally believed". Removing dissatisfying characteristics from a job does not necessarily make the job satisfying. The opposite of satisfaction is no satisfaction and the opposite of Dissatisfaction is No Dissatisfaction. The factors leading to job satisfaction are separate and distinct from those that lead to dissatisfaction. Therefore, managers who seek to eliminate factors that create job dissatisfaction can bring about peace but not necessarily motivation. They will be placating their work force rather than motivating them. As a result, such characteristics as company policy and administration, supervision, interpersonal relations, working conditions, and salary have been characterized by Herzberg as hygiene factors.

In line with the foregoing discussion, it, therefore, suffices to say that the work that employees engage in and off itself can be a source of motivation for them insofar as it brings them job security, that is, they are not afraid of losing their jobs at any point in time. It makes them to settle down on the job and to be able to plan and chart the course of their lives at least to an appreciable degree knowing that it is not like one minute they are in the job and in the next minute they are not. The work for them also has to be engaging enough, so much so that it

allows them to express their creativity, allows them to be able to overcome personal and organizational challenges, and allows them to grow as individuals, on the job, and for future work and personal involvements.

Method

Sample and Procedure

This study employed descriptive research design. This is because the study aimed at collecting data on job security and employee engagement as determinants of organizational commitment. The population of the study was drawn from five (5) branches of Health Plus Limited with the Head Quarters in Victoria Island. Branches of the organization where the questionnaires were administered are the palms shopping mall in Lekki, Olowoora branch, Ikeja shopping mall branch, Surulere branch and Ilupeju bye-pass branch.

For the purpose of this study, one hundred (100) participants were purposively selected for the study. The stratified sampling technique was adopted because the organization spread across diverse geographical areas in Lagos State, Nigeria. Firstly, five branches of the organization were selected using purposive sampling. The selected branches and the number of respondents selected in each location are detailed in Table 1:

Table 1: Selected Branches and Number of Respondents

S/N	Branch	No of selected respondents
1	Health Plus, The Palms Shopping Mall, Lekki	25
2	Health Plus, Olowoora branch, Isheri-Berger	14
3	Health Plus, Ikeja Shopping Mall, Ikeja	36
4	Health Plus Surulere	10
5	Health Plus, Ilupeju Bye-Pass, Ilupeju	15
	Total	100

Research Instrument

The research instrument used for this study is a structured questionnaire designed. The questionnaire contained more than twenty questions which focused on the subject matter. Allen and Meyer's (1990) instrument was used to measure organizational commitment. The instrument include the three dimension of organizational commitment - affective, continuance, and normative. Possible responses were arrayed on a five-point Likert scale comprising "Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree".

The Utrecht Work Engagement Scale (UWES) by Schaufeli, Salanova, Gonzalez-Roma, & Bakker (2002) was used to measure work engagement. It is a 17-item questionnaire arranged on a seven-point Likert scale that range from 0 to 6. Never, Rarely, Sometimes, Often, Very Often, Always.

Also, 21 items of the Job Insecurity Questionnaire (JIQ) (Goslinga&Sverke, 2003) were also used to measure of job security; it examines job insecurity and summarizes it in the cognitive and affective dimensions. It used a five-point scale ranging from 1 (strongly agree) to 5 (strongly disagree).

Results**Descriptive analysis of the Socio- demographic characteristics of Respondents.****Table 2:** Socio-demographic characteristics of respondents

Variables	Group	Frequency	Percentage
Sex	Male	33	33.00%
	Female	67	67.00%
	Total	100	100.00%
Age	22-28	31	31.00%
	29-34	22	22.00%
	35-39	25	25.00%
	40 above	22	22.00%
	Total	100	100.00%
Marital status	Single	39	39.00%
	Married	54	54.00%
	Others	7	7.00%
	Total	100	100.00%
Educational Qualification	SSCE	6	6.00%
	ND/NCE	30	30.00%
	HND/BSC	31	31.00%
	MSC	20	20.00%
	PHD	13	13.00%
	Total	100	100.00%
Religion	Christianity	66	66.00%
	Islam	34	34.00%
	Total	100	100.00%

According to Table 2, it was revealed that 33(33%) of the respondents are male, while

67(67%) are females, this shows that majority of the respondents were females. Also the table

depicted that their ages ranging from 23-28, 29-34, 35-39, and 40 above are 31(31%), 22(22%), 25(25%) and 22(22%) respectively. While 39(39%) indicated that they are single and 54(54%) are married, and 7(7%) are others, which could be divorced, separated, widow or widower. The table also showed that 6(6%) of the respondents have SSCE, 30(30%) have ND/NCE, 31(31%) have HND/BSC, (20)20% have MSc, and 13(13%) are PHD holder. While 66(66%) also indicated that they are Christians

and 34(34%) are of the Islamic religious background.

Hypothesis Testing

In reporting the test of the hypotheses for this study, Table 3 will be used for the analysis of both hypothesis considered for this study.

Hypothesis one: Job security will significantly influence organizational commitment among employees of health maintenance organization. The hypothesis is tested with two- way ANOVA. The result of the hypothesis is presented in table 3

Table 3: Summary table of two-way ANOVA showing the influence of Job Security and Employee Engagement on Organizational Commitment.

Source	Type II sum of square	Df	Mean square	F	significance	P
Job security	244.805	1	244.805	2.756	.100	>.05
Employee engagement	1990.710	1	1990.710	22.413	.000	<.05
Job security* Employee engagement	25.336	1	25.336	.285	.595	>.05
Error	85526.477	96	88.817			
Corrected total	10760.000	99				

The results of analysis presented in Table 3 indicated that there is no statistically significant main influence of job security on organizational commitment among employees of health maintenance organization ($F [2,99]=2.756$, $P>.05$). This finding suggests that job security does not influence organizational commitment. Therefore, the hypothesis which states that job security will significantly influence organizational commitment among employees of health maintenance organization is rejected.

Hypothesis one which states that job security will significantly influence organizational commitment among employees of health maintenance organization was rejected this may be because the employees of the HMO perceived level of job insecurity is low as such there may be information about changes, such as cuts in overtime, pay and labour in the organization, also reductions in conditions of service are frequently been discussed due to the economic recession been faced by the Nigerian economy at the moment.

Hypothesis two: Employee engagement will significantly influence organizational

commitment among employees of health maintenance organization.

The hypothesis is tested using the two-way ANOVA, and the result is presented in Table 3 above. The results presented in Table 3 indicates that there is significant main influence of employee engagement on organizational commitment among employee of health maintenance organization ($F [2,99] =22.413$, $P<.05$). This finding shows that there is influence of employee engagement on organizational commitment of employees under study. Therefore, the hypothesis which states that employee engagement will have significant influence on organizational commitment is accepted.

Hypothesis two which states that employee engagement will significantly influence organizational commitment among employees of the HMO was accepted this may be because of the strong bond of emotional connection that exist between the employees and the organization, and because most of the employees may found their work full of meaning and purposeful by feeling enthusiastic about their job.

Discussion of Findings

Hypothesis one which stated that, Job security will significantly influence organizational commitment among employees of health maintenance organization. The result was presented and revealed that there is no statistically significant main influence of job security on organizational commitment among the employers of health maintenance organization, which led to the rejection of the hypothesis. The results indicated that employees of the HMO did not consider their jobs to be under threat as they are consistently carried along in the decision making of their organization and they are well communicated with concerning changes to their work schedules, policies and other administrative dimensions within their workplace.

When employees give their effort and contributions to their organization, they do so in a somewhat form of exchange for something they value from their employer, which includes but not limited to job security, pay and benefits or continuing training. When there is high job security in an organization, employees will not be seriously considering leaving the organization, employees will not be seriously considering leaving the organization because the work will give them a feeling of accomplishment.

The result was in disagreement with the study of Grenhalgh& Rosenblatt (2004), which concluded that, the subjective feelings of job security have a proclivity to influence job related attitudes such as organizational commitment and employee engagement. Also, the findings was opposed by the study Iverson (2006) who discovered that job security significantly related to employee commitment, and reported that job security has a significant impact on organizational commitment.

Hypothesis two which stated that employee engagement will significantly influence organizational commitment among employee of health maintenance organization. The result presented revealed that there is a significant influence of employee engagement on organizational commitment among employees of health maintenance organization. The hypothesis was accepted. When employees are engaged in their day-to-day jobs, they feel more

satisfied with their organization; feel proud to work for the organization and rate the organization as a good place to work. Also, the result was in agreement with the assertion by Baker and Demerouti (2007) who explain that employee engagement is a strong predictor of organizational commitment, this is because engaged employees perform better than those who are not engaged, because they are emotionally more positive, and enjoy better health, more importantly, engaged employees have the personal and job resources to motivate them to perform, which will lead to higher organizational commitment.

Conclusion and Recommendation

The study concludes that that these and similar organizations should ensure that employees have a good degree of job security as it will give them the assurance of working in the organization for some good time whilst contributing their own quota to its development in the process.

The management of the HMO should find means of improving the strategies for motivating their staff in order to ensure that its members of staff are engaged to their work. There should be provision for improved working conditions, recognition, advancement, career growth and improvements in the allowances they give them. A well-motivated worker will feel happy, energized, purpose-driven, enthusiastic, and more committed to their jobs and the organization.

The HMO's top hierarchy can also develop appraisal systems that recognize and rewards excellent and outstanding performance for members of its workforce. Organizational commitment will be enhanced among staff through this and it will bring about increased morale and healthy competition among the workers.

Organizational policies and practices that could affect the job security of staff should be avoided. There should be improved career development opportunities. If job security is high, the staff turnover will be significantly reduced.

In order to achieve organizational excellence, the administrators of the organization should endeavour to identify factors that motivate their staff that are specific to their organization. This

would help them to design organization-specific motivational strategies which are tailor-made to the staff. This would make the employees know that their employers are thinking specifically about them.

It is also of necessity that further studies related to this research should be conducted to broaden the horizon of this phenomenon, by making use of larger samples and also spreading the selection of samples across situations so that research endeavours will aspire to universal validity.

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HUMAN CAPITAL MANAGEMENT PRACTICES AND EMPLOYEES' JOB PERFORMANCE IN OYO STATE, NIGERIA

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Abstract

This paper attempts to evaluate the relationship between the human capital management (HCM) practices such as training and development, recruitment and selection, performance appraisal and employees' job performance in the production sector of Ibadan, Oyo State, Nigeria. To find the influence of HCM practices on employees' job performance within the production sector of Nigeria, the paper, therefore, employs the survey-based research study. The sample of the study is employees who are working in the production sector in Oluyole Industrial Estate, Ibadan. Data were collected through questionnaires. The sample size was (n=272); therefore, descriptive statistics, correlation and regression analysis have been used. The overall results support that HCM practices have a prominent and indispensable role in the performance level of employees, knowledge and skill through training and development, compatibility and competence through recruitment and selection, confidence and morale through performance appraisal. HCM practices are highly correlated with each other and also correlated with employee's job performance.

Keywords: HCM Practice, Employees' job performance, Production sector, Competence

1. Introduction

In this 21st century, the essentiality of the employee's performance for the success of corporate organizations cannot be overemphasized. Employees are the human capital of organizations and their performance is a key indicator for the organization to achieve its goals. Employee performance is one of the most important constructs in both business management and human resource management (Armstrong, 2009). According to Poole (2008), employees are the most expensive asset for any organization as they can build up or destroy the status of the company and they can affect profitability. Elnaga and Imran (2013) suggest that perceived job performance is influenced by many factors like organization overall policies, training and development, working climate, the relation between employer and employees. Employee's job performance in the organization can be improved in different ways. Employee's performance plays a significant role in competitive environments, where good performance leads to success while bad performance may lead to failure. Thang and Quang (2005) claimed that employee's performance can be measured by various ways like satisfaction, performance/productivity and

employee's absenteeism. It is a function that an individual can successfully perform within the framework of normal constraints and available resources. In the past decade, many studies on employees' job performance have been conducted across sectors. This is attributable to the increasing importance of human capital as the source of achieving competitive advantage. Competent human capital could transform other resources (such as money, machine, methods & methods & material) in to produce or service. Moreover, an organization requires result oriented training to compete in the market to be successful in the turbulent environment (Fajana, 2006).

Obikoya (2002) argues that training is the most important factors to attain high achievable results and to achieve the desired results. It is important to train relevant people in the relevant area "to be adaptive to the environment". Researchers are not interested in finding only research area, but they are interested in the importance of research areas. A lot of the researcher pleads to understand the importance of training programs. In recent time, training is used to influence employee's performance. They say that the comparative achievement of the

organization's asset in workers development has also influenced the importance of training. Furthermore, technological advancement and change in organizations have slowly resulted in the employer's realization that success is related to the skill and competence of their employees. This phenomenon has led to increasing investment in training and growing of employees. Recruitment and selection is a systematic procedure wherein first phase expectations are clarified and negotiated and information is mutually exchanged. Armstrong (2009) emphasizes that recruitment and selection as practices carried out by the association with the main determination of classifying and attracting productive workers. In the simple words, these are a significant part of HCM as it achieves the important purpose of drawing an important resource human investment into the organization. Research studies have found that the recruitment procedure is significantly and positively associated with workers and organizations.

Performance Appraisal is a system which can be used as a trigger to control and manage the progress of the employees towards achieving the desired organizational goals. Bhatti and Quareshi (2007) argue that an employee's high moral and work targets demanded by the management will be achieved if employees are supervised and properly managed, facilitated with health and safety standards and compensated fairly and equally. Expectancy theory identifies three conditions that result in high motivation to perform a task, namely first, belief or the expectancy that great effort will increase performance; second, instrumentality or the belief in the systems that determine performance and offer performance-based rewards; third, valence or the value assigned by individuals to specific rewards. According to above prospective that extrinsic rewards lead the employee's effort in the expected direction and elicit the employee's behavioural changes toward creativity when the given rewards are dependent on creative employee's performance in the organization (Hertzberg, Mausnener and Snyderman, 2007).

1.1. Research Gap and Objectives of the Study

Although modern management insists on the importance of human capital management practices on employees' performance, private and most public organizations in Nigeria are still managing based on a traditional approach where productivity and the work-driven system is the only focus of the management, while neglecting other areas that could generate better employees' performance. This study seeks to examine employees' perception on training and development, recruitment and selection, performance appraisal, which are key components of HCM as a determinant of job performance among employees of the production sector in Oyo State. This study has the following as its objectives:

- (i) To ascertain the level of relationship between training and development and employees;
- (ii) To determine whether there is any significant relationship between recruitment and selection and employees' job performance; and
- (iii) To examine if there is any relationship between performance appraisal of employees in an organizational and job performance.

2. Literature Review

This subsequent section reviews studies that lead to the formulation of hypotheses of this study.

2.1 Training and Development and Employees' Job Performance

Training is frequently used to fill the existing gap between present and future performance of the workforce. Training is a human resource improvement function, requiring being appropriately dealt with. Research author, Ngonyama and Ruggunan (2015) emphasized that employees should be fully involved in training and development programs and there must be a relationship between employee and employer. Templer and Cawsey (2009) also explained that development is the process of planning and preparing employees for future performance and upcoming competitive problems in the business field. The main aim of training and development is to train employees to work in a current competitive environment.

Training and development programs also create creative behaviours among employees for the expected job performance. Training and other human resource management practices that are positively related with the employee's job performance and this fact is opened by previous research studies. Specifications of the need for training programs for such purpose are a part of the activities of this function. Plan for the implementation of such functions and also evaluating their results are a part of this function (Armstrong, 2009). Training is a sort of activity that is designed, loaned and systematic. Training improves the level of skills, information and competency which are usual in performing work efficiently.

Fajana (2006) opines that training ensures the job performance of employees. Different organizations are motivated to adopt different training methods depending on the situations and organizational needs. This can also refer to the organization's strategy, objectives and physical & finance availability as per the requirements in the firm, depending on the targeted groups that are needed to be trained. In general, the growth and development of an organization are affected by multiple factors. However, training plays a key role in enhancing the productivity of individuals in an organization. Employee's performance and organizational performance are closely related to each other. Sutherland and Jordaan (2004) observes that employee's competence and performance promote to further improving standards. This does not only further polish the knowledge and skills of workers, it effectively improves their presentation skills and enable them for more tough jobs. Each researcher on training programs and workers progress has shown ultimate results on this particularly. This particularly has resulted in improved performance that is beneficial to both the individual and the organization.

Imran and Tanveer (2015) posit that training bridges the gap and removes deficiencies in performance which results in improving performance. Furthermore, some other researchers have given examples of training and sorted out on job-training as a way of meeting the training deficiencies and improving standard as the method of enhancing workers

progress. As per the above statement, when they observe that training enables organizations to identify that its employees are not motivated and also not delivering, information and attributes are needed to be prepared as per organizational goals. This is a fact that the workers keep a specific quality of standards associated with a specific task. Much more, it is necessary to point that this is not enough and workers require consistent change to advance the need for task progress. In other sense, firms require to have constant ideas of training programs and keep the employees. It is observed that investigation directed at building a contingency model of transfer-oriented training intervention design would provide information important for developing training environments more conducive to positive transfer in terms of productivity effectiveness. Identification of training needs design and implementation of training programs, transfer of training and evaluation of program's benefits as well as general training variables such as types of training, selection of trainees, selection criteria, evaluation instruments, etc. Good and purposeful training based on the positive investigation of the task needs an upgrade of the employees' skills and their general attitude towards the job. There is job security for the employees as their work is recognized by the employer. In this way, the employees work with a great sense of responsibility. Continuity leads to a gradual skill development and in this way; an organization has a more capable and skilled staff (Averinemi, 2012).

According to Akintayo (2005), an organization should adopt a comprehensive training system to train its employees in domains of skill development, decision making, teamwork and interpersonal relations. This will help the organization to effectively achieve its objectives and goals. Each researcher on training programs and workers progress has shown ultimate results on this in particular. This particularly has resulted in an improved performance that is beneficial to both the individual and the organization as well. Obikoya (2002) argues that recruitment and selection is a significant part of research study that manage employees in small and medium business organizations with more intellectual

work done than in other functional aspects of HCM.

H1: There is a significant relationship between training & development & employees' job performance

2. Recruitment and Selection and Employees' Job Performance

Recruitment is also one of the factors that can affect the employee's performance, which further suggests that the implementation of recruitment process which is not following the effective plan that has been set, will cause a lot of problems such as high level of employees' absenteeism and low employees performance, among others. According to Akintayo (2005), recruitment and selection of appropriate labour force tools can be viewed as essential to the success of an initiative and a key purpose in HCM. The premeditated position of staffing and selection is habitually stated in academic literature.

Cardon and Stevens (2004) emphasized that recruitment and selection is a systematic tool of HCM practices which recruiter and applicant use to pick from a group of applicants and individuals who are most likely to flourish in the occupation in line with organization's permitted boundaries. Recruitment and selection are very important functions of HCM for any type of organization. These are basic terms that refer to the process of attracting and choosing outstanding employees for the organization. The quality of the HCM and the organization heavily depends on the role of these two functions. The general purpose of recruitment and selection is to provide the organization with a pool of potentially qualified job candidates.

Recruitment and selection are very important functions of HCM for any type of organization. These are basic terms that refer to the process of attracting and choosing outstanding employees for the organization. According to (Obikoya, 2002), the general purpose of recruitment and selection is to provide the organization with a pool of potentially qualified job candidates. The study suggests that recruitment and selection have a positive relationship with employee's productivity, employee's commitment and work quality in the organization. Wright and Kim (2004) identified

the key stages of an orderly style to staffing and selection as job analysis, job explanation, and specification of person and encourage interviewees through the several approaches of staffing. A title of the book "Human Resource Management" the second edition was nearly in the settlement with Foot and Hook when they labelled the staffing and selection process as containing three phases. The three main phases affording to them are job analysis, job description and individual requirement. Good staffing and selection processes let together with the organization and the candidate to appropriately evaluate the degree to which the individual hysteries the job requirement and are in keeping with all appropriate regulation. Staffing and Selection are the best prospects for the organization to pick applicants that they trust are most suitable for the task achievements. Selection as a well-organized procedure of selecting an applicant who has required experience and qualification to fill a vacant position in an organization. This investigator explains recruitment and selection as the procedure of choosing the persons from the pool of probable applicants who meets the prerequisite of the vacant position recognized in the institute.

Recruitment and selection in a small and medium-size organization have stated in many inspections, that to find out capable workers is one of their most imperative problems. Schulze (2005, .industries are frequently not the employers of choice for job searchers. Medium size business is faced with difficulties because of the distinctive image those small businesses have as employers. Well organized staffing and selection methods include situations documentation, job analysis, job explanation, individual requirement and advertisement. According to him well-organized selection procedure includes the hiring process, and collecting suitable information about committed candidates, and making evaluation in the requirement of each candidate and making the assessment about the occupation.

Well, organized staffing and selection made ensure by the use of selection principles on the behalf of questions queried by the selection committee and in an interview. HR managers could achieve help from a better fit between job

and candidate by selecting the essential applicants for vacant situations in a particular department of an organization.

H2: There is a significant relationship between recruitment and selection and employees' job performance.

2.3 Performance Appraisal and Employees' Job Performance

The Success of performance evaluation system depends on the idea of any firm that performance evaluation practice is associated to firm purposes and the capabilities and selective perception of concerned individuals for the adoption of this tool (Brown, M. and Heywood, J. S. 2005). Boxall (2003), in a prior research study, performance appraisal has emerged as a tool for enhancing employee's professional development and organizational growth. However, he also suggests that performance appraisal has a positive and significant relationship with the employee's performance. The performance appraisal system is used to gather information about employees of the organization and also drives organizational and individual achievements towards their common goal. The absence of proper performance appraisal results in low morale and turnover of the employees. Furthermore, although the best performance measurement system could be better for industry, another face of the performance appraisal system may be bad if not systematically held. It depends upon employee assessment response; positive and negative.

The impact of employee response may be harmful to the firm if assessment procedures are not taken well by the employees. Performance appraisal system can dispirit the worker and for many times may top to mislaying important employees in a firm just they could not yield the referral response and manager realize that they will be good in many other employees. Performance evaluation practice signifies a dignified practice of

employees observing and is proposed like management instrument to expand the productivity and performance of workers. Productivity and commitment of employees can be more strengthened with progress evaluation method (Imran, 2015). A well-organized clarification and management of performance evaluation lead to greater professional commitment and job satisfaction among workers. When employees' in the organization are more committed to work, so it is the best approach toward performance assessment programs (Beardwell & Claydo, 2007). Brown and Heywood (2005) performance assessment programs will be developed in organizations and employees performance when there is the availability of balance human capital management factors like compensation, training and development, and then production will be spontaneously increased.

H3: There is a significant relationship between performance appraisal & employees job performance.

3. Methodology

The samples of this study are employees who are in the production sector in Oluyole Industrial Estate, Ibadan. Data were collected through questionnaires; the size of the sample was 272, from the population of 2725 from Yale Foods 1-4 due to time and economic restraints. One hundred and ninety-one 191 male and eighty-one 81 female employees, using purposive sampling technique, participated in this survey. Test-re-test method was used to determine the reliability of the instrument while the values obtained for both variables confirmed that the instrument is reliable. In this survey, the age of the respondents were between 20 years and 51 years or above. The respondent's age with respect to gender as shown in Figure 1. The qualification level of respondents in this survey is from secondary school leaving to postgraduate.

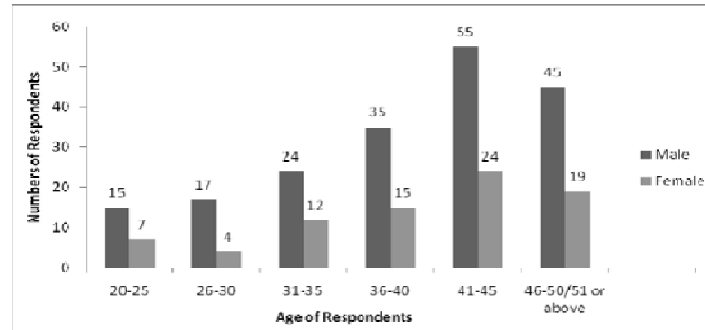


Figure 1. Respondents age with respect to gender.

4. Data Presentation and Statistical Analysis

This study examines the effect of three independent variables (training and development, recruitment & selection and performance appraisal system) on the dependent variable (employee's job performance), using regression analysis with the aid of SPSS version 20. The descriptive analysis of the data is shown in table 1.

4.1 Correlation and Regression Analysis

Pearson correlation was conducted to determine the association between HCM Practices and employee's job performance. In this study, the Pearson correlation was used. Correlation analysis showed there was a statistically significant correlation between HCM practices and employees job performance. The calculated value of training and development is $(.635^{**})$ and $(p < .005)$ which shows a significant relationship between training and development and the employee's performance, which are the most important factors in the production sector. Correlation matrix of recruitment and selection which shows a correlation coefficient of $(.659^{**})$ and $(p < .005)$ is also positively associated with the employees performance in the production sector. Value of correlation coefficient of performance appraisal is $(.658^{**})$ and $(p < .005)$ which ensure a link between performance appraisal and employees performance as shown in table 2.

Table 3 shows the regression analysis of all independent and dependent variable. When regression tools were applied on training and development and employee's performance, the variance accounted (R^2 0.189). This figure

shows that 18.9% of training & development can increase the employee's job performance in the production sector.

There is a statistically significant independent relationship between training & development and employee's performance. When recruitment and selection regress against employee's performance, the variance accounted for R^2 (.432). This figure shows that 43.2 % of recruitment and selection can increased performance. Regression coefficient verified the hypothesis that recruitment & selection and employee's job performance depend on each other in the production sector. When performance appraisal regress against employees' performance, the variance accounted for R^2 was (.430). This figure shows that 43.0% of performance appraisal increased employees' job performance in the production sector in Ibadan.

4.2 Hypotheses Testing

The significance was found $P < 0.05$ which is 0.000. This indicates that employee's job performance will remain constant by 2.591 when training and development are zero. The beta coefficient for the employee's job performance is 0.372. This means when one unit increase in training and development increase, the overall performance will increase by 0.372. Hence, the hypothesis **H1** was proved to be significant as shown in Table 3. The value of significant of the model from ANOVA is 0.000. This shows that the relationship between recruitment and selection and employees job performance is statistically significant.

Table 1. Cronbach's α coefficient, composite reliabilities and average variance extracted for each study variable.

Variable	Mean	SD	Cronbach's α
Training & development	3.968	.415	.716
Recruitment and selection	3.914	.505	.743
Performance appraisal	3.905	.425	.751
Employees job performance	4.643	.447	.752

Table 2. Correlation analysis.

Variable	TR	RS	PA	EJP
Training & development	1			
Recruitment & selection	.452 ^{**}	1		
Performance appraisal	.533 ^{**}	.583 ^{**}	1	
Employees job performance	.635 ^{**}	.659 ^{**}	.658 ^{**}	1

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

Table 3. Regression analysis model summary.

Variable	β	T	P	r	r ²
Training & development	.372	7.998	.000	.438	.192
Recruitment & selection	.583	14.393	.000	.659	.434
Performance appraisal	.692	14.344	.000	.658	.432

a. Dependent variable: EJP (Employees' job performance)

(Source, SPSS Result, 2019)

This indicates that employee's job performance will remain constant by 1.781 when recruitment and selection are zero. The beta coefficient of recruitment and selection and employee job performance is 0.583. This means that when 1 unit of recruitment and Selection increase, the overall employee's job performance will increase by 0.583 units. Hence the **H2** was proved to be significant as shown in Table 3. The significance was found between performance appraisal and employees job performance. This indicates that employee job performance will remain constant by 1.363 when performance appraisal is zero. The beta coefficient for employee's job performance is 0.692; this means when one unit increase in performance appraisal increase, the overall employee's job performance will increase by 0.692. Hence the **H3** was proved to be significant as shown in Table 3. This indicates that employee job performance will remain constant by 1.781 when recruitment and selection are zero. The beta coefficient of recruitment and selection and employee job performance is 0.583. This

means when 1 unit of recruitment and Selection increases, the overall employee's job performance will increase by 0.583 units. Hence, the **H2** was proven to be significant as shown in Table 3. The significance was found between performance appraisal and employees job performance. This indicates that employee job performance will remain constant by 1.363 when performance appraisal is zero. The beta coefficient for employee's job performance is 0.69; this means when one unit increase in performance appraisal increase, the overall employee's job performance will increase by 0.692. Hence, the **H3** was proved to be significant as shown in Table 3.

Discussions

After an exclusive and extensive study, results show that there is a proper system of human capital management practices in the production sector in Ibadan. Analysis results suggest some possible steps or remedies for employees' performance enhancement in the production sector in Ibadan. Some specific

recommendations for future improvements are given below. The training programs should be conducted to increase the level of learning and new effective method must be introduced to evaluate the effectiveness of training programs. Training equipment such as techniques and process need to be enhance according to the latest environment. For expected employees, performance manager should analyze procedure and methods of recruitment & selection in the organization. Performance appraisal system should be conducted in such a manner in which it is productive and development-oriented. Employee's performance will increase positively when performance appraisal is equally conducted for booth managers and subordinates. Performance appraisal will be done in such a highly results-oriented manner.

The data collected through questionnaires were comprehensive and it showed that a lot of researchers do not understand the activities happening in every area of the firm. It is very conceivable to explain with every participant's resume assessment. Preferably, the investigation or survey should be divided into two discrete parts: one, focus on human capital management. Two, focus on the financial position of the organization to get feedback from the top management in the organization. This was not done due to time and financial constraints. Another additional aspect of the survey which bound the availability of the financial performance department to issue

profound financial information about the organization is that the administration may not want to release secrete financial performance.

5. Conclusion and Recommendations

The present study was conceived against the background of determining the human capital management practices and employees' job performance in Oyo State, Nigeria and identifying whether the level attained can determine workers job performance. The finding of this study has established a strong relationship among training and development, recruitment and selection, performance appraisal and employees' job performance. This has recommended that employees need to participate in the management decisions of their respective production sector to guarantee optimum job performance which will also bring about higher productivity.

Management of production sector in Oyo State should, therefore, develop a platform where all cadres of employees will be adequately trained for effective development and qualified employees should be recruited and selected for right positions. Job performance appraisal be designed for feedbacks, promotion and improvement on the job as this will guarantee their job satisfaction and higher productivity. Employees should be updated with the key happenings in the organization as this also can improve employees' job commitment, productivity and job satisfaction.

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PERSONALITY TRAITS AND ENTREPRENEURSHIP PERFORMANCE IN NIGERIA

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Abstract

This study examined the link between personality traits and entrepreneurship performance. The study identify multi- dimensional factors that influence entrepreneurs to develop new ventures; and the personal characteristics and skills that affect the success of such ventures once they are established. Chief executives and owners of MSMEs constitute the population of the research. Survey research design was adopted. Check market sample size determination was employed, a sample of five hundred were selected by stratify and judgmental sampling techniques. Data were collected via questionnaires; and all the factors are measured on five points scale. Data analysis was conducted via predictive analytical software (PASW), the rank correlation coefficient (R) and kendall's coefficient of concordance. The research findings show that endowments of human characters examined are relevant for entrepreneurship performance and success in a developing economy specifically, in Nigeria. The study also offers a different approach for both practitioners and academicians in thinking about the factors which may be critical for the success of entrepreneurship.

Keywords: Personality traits, big five model and entrepreneurship performance.

1. Introduction

Entrepreneurship is a process of creating incremental wealth. Those who create this wealth are known as entrepreneur, they are found in every sector of the economy: agricultural sector, transport sector, entertainment industry and banking sector, among others. However, the origin of every successful enterprise varies greatly by form of entrepreneurial activity and psychological nature and development of the individual entrepreneur (Levine & Rubenstein, 2017). This is the core of both conventional and contemporary entrepreneurship research. Since the individual functions as a totality of his or her single characteristics involving the interplay of psycho-social, and context-related levels of viable, creative and innovative ideas towards delivering service or product under condition of relative risk in other to make profit.

These entrepreneurial individuals undertake innovations, resources and business acumen in an effort to turn innovations into economic

goods, they exhibits behaviors comprises of motives, characters, skills and actions through which entrepreneurs take decisions, seize profitable opportunities and make the most of those opportunities (Anthony & Christine, 2009).

These behaviors are personality traits, which are endowments of human character that tend to be consistent over time and across relevant situation (altitude, miscellaneous attributes, social endowments and skills explained by the big five model of personality traits, this differentiate none entrepreneurs because entrepreneurs has higher locus of control. This endowment of human character can either be positive or negative e.g., creative / uncreative, reliable / unreliable, supportive / indifferent and motivating skills / lack of motivating skills, honesty / dishonest (Lazear, 2000). Individuals who become entrepreneurs have a special ability to effectively lead, innovate and make profit despite numerous challenges they encounter. Moreover, studies have shown evidence that entrepreneurs' traits appear to

differ secularly from those of none entrepreneurs and managers with respect to some elements of basic personality (Thompson, 2009; Kuratko & Hodgetts, 2001)

Moreover, the process of entrepreneurship may result in new enterprises i.e., founding new independent firms or may become a part of revitalizing established organization in response to any perceived opportunity (Cooper and Dunkelberg, 1986). Starting new businesses is the most obvious form of entrepreneurship (sometimes referred as a startup ventures).

The study provides both conceptual and practical explanation of relationship between personality traits and entrepreneurship performance whose concept is not new. This study strive to fill the gap by examining the effect of personality traits component (openness to experience, agreeableness, extraversion, conscientiousness, emotional stability and honesty) on entrepreneurship; and the need to encourage the big five model and other key determinant to stimulate entrepreneurship development.

2. Literature Review

Entrepreneurial activity existed in ancient and medieval societies. Its success has always depended on overcoming various risks and external constraints (Hebert & Link, 1988). From an anthropological perspective, the earliest forms of entrepreneurial activity involved trading food or inimitable resources for survival purposes across tribes and clans. Eventually, by 50 BC in ancient Rome, avenues for entrepreneurial activity such as tax farming derived similarly within social controls, regulations, and institutions. In turn, the early middle Ages (500-1000 AD) saw new kinds of entrepreneurship (Baumol, 1991). From the fall of Rome to the eighteenth century, there was virtually no increase in per capita income in the West (Circa, 476 AD). However, with the advent of entrepreneurship, per capita income grew exponentially in the West by 20% in the 1700s, 200% in the 1800s, and 740% in the 1900s (Drayton, 2004). In this historical context, entrepreneurial thought has evolved by way of profound, unpredictable conceptual developments (e.g., international commerce, demand curves, competition as a discovery mechanism, the opportunity construct); each

one offering a re-conceptualization of what it means for something to be entrepreneurial.

However, the concept was first established in early 1700's. The term entrepreneurship comes from the French verb *entreprendre* meaning "to undertake". Though, entrepreneurship is the act and practice of being an entrepreneur; it entails the process of creating wealth. Those who create this wealth are known as entrepreneur, meaning "one who undertakes or transform innovations into economic goods" (Schumpeter, 1934). This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations.

However, theories postulated by different scholars which are empirical and based on synthesis of entrepreneurship theories and model that had been developed over time, explains the rise of entrepreneurship which are; psychological characteristics (i.e assessing personal qualities). The classical concept (recognizing opportunities), the management and classical concept (acting and managing) Schumpeter (1934) defines entrepreneurship in term of innovation and says that the single function of entrepreneur is innovation. This may not involve ownership of the enterprise.

Personality Traits

The building blocks of who we are, the tumbling gears that make us do what we do, and what we value is our endowment of character. Personality Trait is an approach that describes individual in terms of relatively stable patterns of behavior, thoughts, emotions and actions (Laura, Anat & Gilad, 2014). Studying human personality that identifies and measures the degree to which certain personality traits; recurring patterns of thought and behavior, such as anxiousness, shyness, openness to new things that exist from individual to individual.

History of entrepreneurial personality and assessment dates back to the period of World War I, though the utilization of personality characteristics as it pertains to entrepreneurship occurred about four decades ago (Davis, 2001).

However, the work of (McClelland, 1961; 1965), linked the need for achievement towards possible causes of entrepreneurial performance (Welsh et al, 1978; Elsch & Young, Goldberg, 1990; McClelland (1961) observed that entrepreneurs had a higher need for achievement than non-entrepreneurs. He also found that entrepreneurs were moderate risk takers. Majority of the researchers in the late 20th Century agreed that personality domains can be summed up in five different dimensions and these dimensions were later on known as big five factors of personality traits. Traits are defined as "a distinguishing qualities or characteristics that describe who you are, while "Personality Traits" are the unique set of stable characteristics and qualities of an individual. A lot of people might have similar personality traits; each person combines these traits in a different way, to create one unique, irreplaceable conglomeration of traits that make up their individual personality. Personality traits have considerable impact on performance of individuals. Substantial theory and empirical researches suggest that personality constructs are fundamental determinants of the intentions of an individual to grow to be an entrepreneur as well as the subsequent performance of the entrepreneurial firm (Hao et al., 2009). Several meta-analyses have also shown that entrepreneurs do differ from other groups (i.e.,

Managers) in context of a broad range of personality dimensions e.g. Entrepreneurs tend to be significantly higher in risk propensity than ordinary managers (Stewart and Roth, 2001, 2004), entrepreneurs are ranked significantly higher on the achievement motivation (Collins et al., 2004; Stewart and Roth, 2007). Barrick et al. (2001) found out that these personality dimensions are directly influencing job performance. Baum and Locke (2004) suggest that the distinct personality traits of entrepreneurs are also influential factor playing their role in subsequent venture growth.

The Big Five personality traits model

The Big-5 model is a multidimensional approach towards defining personality traits, through measuring openness, Conscientiousness (risk propensity), extraversion, agreeableness, and emotional stability. It has been the predominant model for personality traits since the 1980s, and the big-5 traits have been found to influence career choice and work performance (Goldberg, 1990; John et al., 2008; Rauch, 2014). This paper investigates which personality factors (and to what extent) affect the success of the entrepreneur. The big five personality traits related to the high-growth intention of the entrepreneurs can assist to predict entrepreneurship performance.

Table 1. Five-Factor Model of Personality Plus One.

Construct	Description: The extent to which individuals tend to be . . .
Openness to experience	. . . curious, intellectual, imaginative, creative, innovative, and flexible (vs. closed-minded, shallow, and simple)
Agreeableness	. . . helpful, good-natured, cooperative, sympathetic, trusting, and forgiving (vs. rude, selfish, hostile, uncooperative, and unkind)
Extraversion	. . . sociable, talkative, optimistic, ambitious, assertive, reward-seeking, outgoing, and energetic (vs. introverted, shy, reserved, quiet, and unadventurous)
Conscientiousness	. . . organized, responsible, dependable, neat, efficient, and achievement-oriented and risk propensity (vs. disorganized, lazy, irresponsible, careless, and sloppy)
Emotional Stability	. . . calm, self-confident, stable, resilient, and well-adjusted (vs. neurotic, nervous, insecure, fearful, and anxious)
Honesty	to be sincere, loyal, fair minded and genuine in dealing with others

Source: Adapted from Laura, Anat&Gilad (2014). Personality traits and personal values: A meta-analysis

From the above fig. 1, in order to determine your personality traits, using these six major approaches, psychologists gave test that asks a series of questions. The questions inquire about how you would react in a certain situation. This is what entrepreneurs refer to as achievement motivation test (AMT). After you answer the questions, you are given a percentile score. So, for example, a person might be; 80% open, 40% conscientious, 50% extroverted, 60% agreeable, 20% neurotic and 40% honest. This combination of scores can give you a pretty good idea of the personality of the person who took the test.

Entrepreneurship Performance

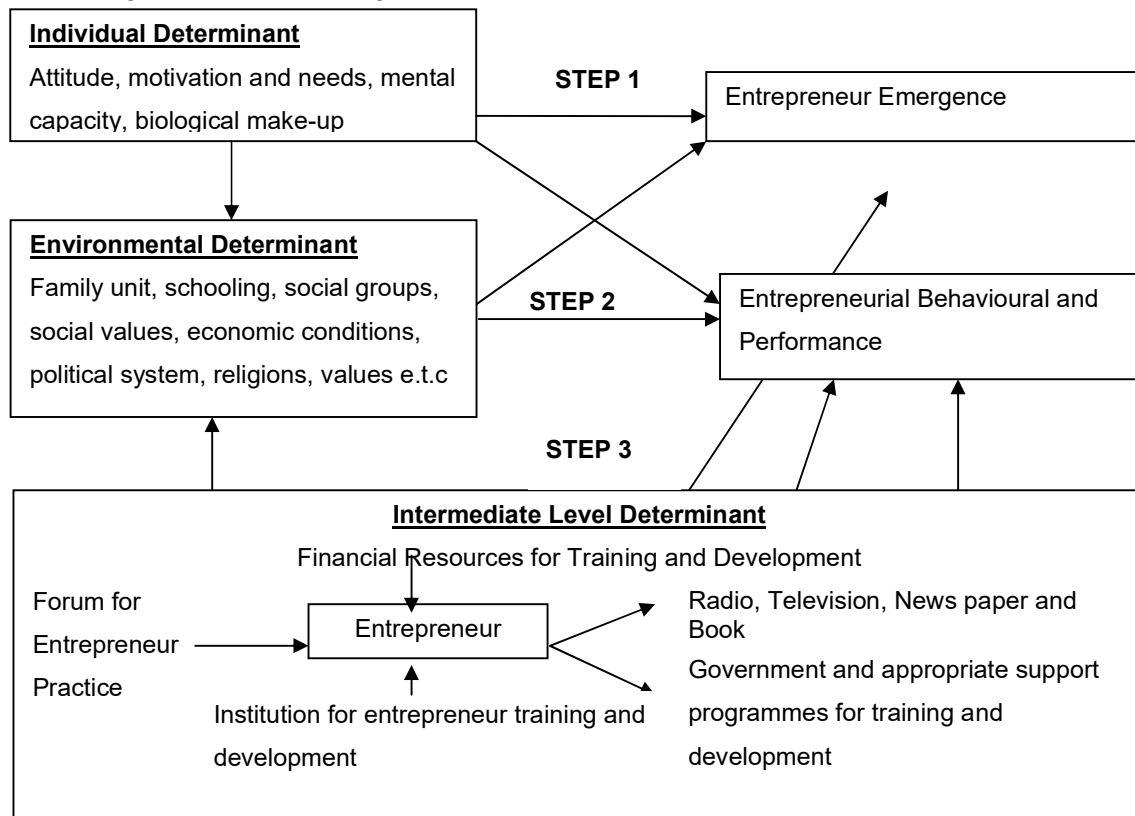
Research shows both financial and non-financial performance measures are used for assessing entrepreneurship success. Some entrepreneurial researchers have attempted to define performance in terms of growth, sustainability and turnover (Perren, 2000); while others have examined entrepreneurial characteristics and traits contributing to success and the organizational characteristics as indicators of success (Simpson et al, 2004). However, most of the study on entrepreneurship use only financial performance indicators, and considering the short coming of financial

performance measures (Kaplan and Norton, 1996; Mel, Andi and Mike, 2001; Abosede, Eze and Sowunmi, 2018) suggested the balance score card, which also entails combining none financial measures.

- i. Financial performance indicators include; sales revenue, profits, return on assets, return on investment, etc.
- ii None financial performance indicators include; product innovation and image, delivery speed, resource utilization rate, product quality and reliability, job ecosystem, customer satisfaction, employees motivation, market share growth etc. (Gakure, Kimemia, & Waititu, 2014; Hu, Zheng, & Wang, 2011; Kongmanilaa & Takahashib, 2009; Marimuthu, Arokiasamy, & Ismail, 2009). Moreover, it is no longer appropriate to use financial measures as the sole criteria for assessing performance (Kennerley & Neely, 2002).

A Developmental Model

A model of the determinants of entrepreneurial emergence, behaviour and performance in Nigeria. Attributes of Entrepreneurship Development is shown below:



Source: Ogundele (2002)

The model represents the processes that are involved in the education, training and development of entrepreneur. The model aid to explain the relevance personality traits in the emergence and development of the entrepreneur which is reflected in;

Stage 1: This involves the basic characteristics of the individual, attitudes, motivation, mental capacity, biological make-up. All these constitute some of the personal level determinants of entrepreneurship

Stage 2: This focuses on the immediate childhood and adolescent environment. These are homes, school, social group, family background, economics characteristics of the environment, political, technology and social value e.t.c will influence the processes of emergence development and performance of the entrepreneurial processes.

Stage 3: This depicts the intermediate determinant of entrepreneurial emergence, behaviour and performance. They include financial resources for training and development, mass media, government and other agencies support programmes, institutional facilities and entrepreneur associations.

However, the environmental and intermediate determinants are external stimulant to entrepreneurship performance.

Relationship between Personality Traits and Entrepreneurship

Personality traits and entrepreneurship studies have shown evidence that entrepreneurs' personality traits appear to differ secularly from those of managers with respect to some elements of basic personality (Thompson, 2009). This personality influences enormous entrepreneurial contribution to a country's economic growth (Ana & Nelu, 2019). The downturn in Nigeria turned the attention of

policymakers towards entrepreneurship as a driving force for the creation of new job opportunities, regional/national competitiveness and growth. Past study describes that personality traits is one of the most common psychological theories used to explain and predict human behavior, including entrepreneurship (Kautonen et al, 2009). A question arises here, are these characteristics identical to those which discriminate entrepreneurs from managers? It is objective to assert that entrepreneur is a person who has founded his or her own enterprise.

However, Amit, Glosten and Muller (1993) defined entrepreneur as individual, who innovate, identifies and creates business opportunities, assemble and coordinates new combination of resources, and extracting the most profit from his innovation in uncertain environment. Ogundele (2000) defined entrepreneur as the innovative individual who successfully thinks or conceives a new business concern, organize or initiates action to start it, and manage it through its initial problem and struggle for survival, He takes all measures that lead the organization to a state of stability and self-sustaining.

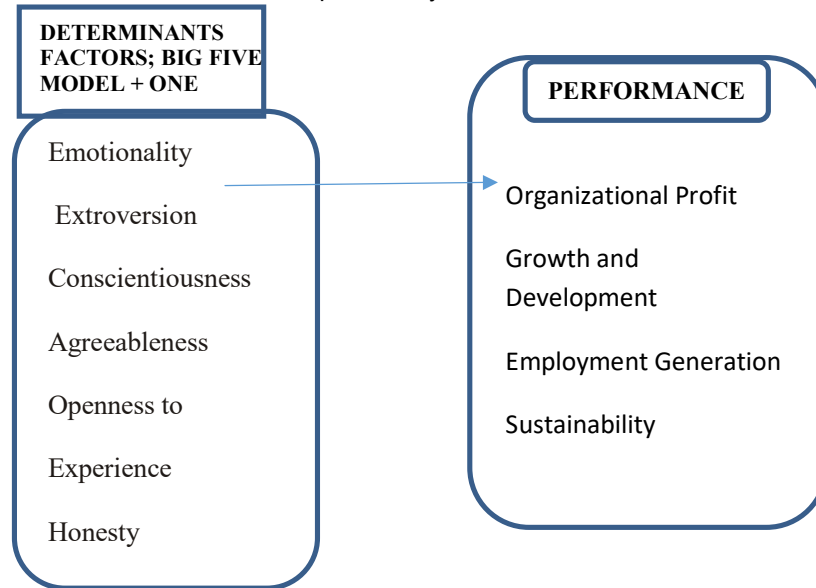
In almost all of the definitions of entrepreneur or entrepreneurship, there is agreement that we are talking about a kind of behaviour that includes:

- i. Creativity and Innovation
- ii. Explore opportunities
- iii. The organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account i.e. General management.
- iv. The acceptance of risk or failure.
- v. Intention to make profit.
- vi. Need for achievement
- vii. Locus of control
- viii. Risk taking propensity

Conceptual Frame Work

The Literature review is on Personality traits and entrepreneurship performance, the independent variable is personality traits and the dependent variable is entrepreneurship performance. It is depicted in the figure 2 below.

Conceptual Frame Work; A model of personality traits driven Performance.



Source: Author (2019).

Theoretical Review

Personality Traits Theory

Personality is all the consistent ways in which the behavior of one person differs from that of others. Personality traits are dispositions to display a certain kind of response across various situations (Caprara & Cervone, 2000). They are inclinations or propensities to act (McCrae & Costa, 1990). Coon (2004) defines personality traits as “stable qualities that a person shows in most situations”. To the trait theorists there are enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. The obvious or logical question on your mind may be “What are the exact traits/inborn qualities?” The answer is not a straight forward one since we cannot point at particular traits.

However, this theory gives some insight into these traits or inborn qualities by identifying the characteristics associated with the entrepreneur. The characteristics give us a clue or an understanding of these traits or inborn potentials. In fact, explaining personality traits means making inference from behaviour. Some of the characteristics or behaviors associated with entrepreneurs are that they tend to be more opportunity driven, demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic,

emotionally resilient and have mental energy; they are hard workers, show intense commitment and perseverance. Entrepreneurs are also transformational in nature; they are lifelong learners and use failure as a tool and springboard.

Locus of Control

Locus of control is an important aspect of personality. The concept was first introduced by Julian Rotter in the 1950s. Rotter (1966) refers to locus of control as an individual’s perception about the underlying main causes of events in his/her life. In other words, a locus of control orientation is a belief about whether the outcomes of our actions are contingent on what we do (internal control orientation) or on events outside our personal control (external control orientation). In this context the entrepreneur’s success comes from his/her own abilities and also support from outside.

3. Methodology

Survey research design was adopted, through the use of questionnaire to collect primary data from chief executives or owners of micro, small and medium scale enterprises MSMEs in Lagos, Kano, Rivers and Anambra states. The state has the highest MSMEs in Nigeria out of the six geo political zones (NBS, 2019; Oladimeji, Eze and Akanni, 2018). Also, scholars with similar objectives equally employed survey research design (Ekpe et al. 2010; Oladimeji, Eze and

Akanni, 2018). The population of the study consists of 37,067,416 MSMEs in Nigeria (NBS, 2017).

Check Maket (2018) sample size determination software was adopted to arrive at a sample size of three hundred and eighty-five (385) at the margin error of 5% and 95% confidence level. This is also equal to three hundred and eighty-five (385) minimum recommended by Raosoft (2004) sample size determination software. To compensate for none response rate, 30% of three hundred and eighty-five (385) will be added to increase the sample size by one hundred and fifteen (115) to give the total sample size of five hundred (500) respondents.

Primary data was collected through the administration of structured questionnaires to chief executives of MSMEs in Lagos, Kano, Rivers and Anambra state. A 5-point likert scale with responses structured as (5) SD: Strongly agree, (4) A: Agree, (3) U: Undecided (2) D: Disagree, (1) SD: Strongly Disagree was stated on the instrument so that the respondents can indicate their levels of agreement or disagreement with regards to each of the statements.

The validity of the instrument was tested using content validity index (CVI), through the assessment of five academics and five chief executives of MSMEs, the assessors rated the instrument on a two-point scale (relevant and not relevant) which gave a value of 0.9054, which indicated that the instrument was highly valid. A pilot study was conducted through test re-test method to ascertain the extent of reliability of the instrument, the questionnaire was administered twice within an interval of fourteen days, the result of the first and second test was correlated, which gave a Cronbach alpha of 0.84, which indicated that the instrument is reliable.

Research Hypotheses

H₀₁: openness to experience does not significantly affect entrepreneurship performance

H₀₂: Agreeableness does not significantly sustain entrepreneurship performance

H₀₃: Extraversion does not significantly influence entrepreneurship performance

H₀₄: Conscientiousness does not significantly influence entrepreneurship performance

H₀₅: Emotional stability does not significantly influence entrepreneurship performance

H₀₆: Honesty does not significantly influence entrepreneurship performance

Model Specification

$$PERF = f(O, A, E, C, EM, H) \text{ (i)}$$

PERF=

$$\beta_0 + \beta_1 O + \beta_2 A + \beta_3 E + \beta_4 C + \beta_5 EM + \beta_6 H + \mu_i \text{ (ii)}$$

Where:

PERF represents Performance

β_0 is the constant term

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$, and β_6 are the coefficient of the estimator.

$$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6 > 0$$

O, A, E, C, EM and H are respectively.

μ_i is the error term

The apriori expectation is such that personality components (openness to experience, agreeableness, extraversion, conscientiousness, emotional stability and honesty) are expected to positively affect entrepreneurship performance in Nigeria, the parameters of personality traits should have a positive sign.

500 copies of questionnaires were administered to the targeted respondents, 382 copies were returned and found useable. This gave a response rate of 76%, which is sufficient for this study. The data analysis was guided by the objective and hypotheses of the study as well as the instrument employed for data collection. The PASW 19.0 was employed for the analysis, this was obtained by using rank correlation coefficient (R). This coefficient is also known as the Spearman Rank Correlation Coefficient; and Kendall's Coefficient of concordance was used to test the research hypotheses.

4 Results and Discussion

Table 4.1 Kendall's Correlation Coefficient PASW 19.0

Variable(s)	Computed Rc	Table R* at 0.05 Confidence	Computed Z	Coefficient
Openness to experience	0.721	0.000	9.012	+1.73
Agreeableness	0.772	0.000	8.000	+1.7
Extraversion	0.890	0.000	9.012	+1.83
Conscientiousness	0.992	0.000	9.010	+1.68
Emotional stability	0.992	0.000	8.011	+1.73

Source: PASW 19.0 for Windows

The Z ($Z = r\sqrt{n-1}$) test result reveals that perceived openness to experience, agreeableness, extraversion, conscientiousness and emotional stability affect entrepreneurship performance positively. Since the Z computed (i.e. 9.012, 8.000, 9.012, 9.010 and 8.011)

respectively is greater than the critical value +1.73, +1.7, +1.83, +1.68 and +1.73, we reject the null hypothesis (H_0) and accept the alternative hypotheses (H_1) that, personality traits influence entrepreneurship performance.

Table 4.2: Spearman Rank Correlation Coefficient between Honesty and Entrepreneurship performance

Correlations		
	Honesty is significant to entrepreneurship performance	Entrepreneurship performance is relatively influence by honesty
Honesty significant for entrepreneurship performance;	1.000	-0.144
Spearman Correlation Coefficient	.320	.320
(Sig. (2-tailed))	382	382
N		
Entrepreneurship performance is relatively influence by honesty	-0.144	1.000
Correlation Coefficient	.320	.320
Sig. (2-tailed)	382	382
N		

Source: PASW 19.0 for Windows

Table 4.2 reveals that there is a negative relationship between honesty and entrepreneurship performance. Table 4.2 shows the Spearman's Rank Correlation Coefficient for perceive honesty and entrepreneurship performance variables to be -0.144 with $p=0.320$, implying that perceived honesty will not sustain entrepreneurship performance.

4. Discussion of Findings

The research shows that entrepreneur have higher internal locus of control than non entrepreneur. This collaborates with previous research by Johan Rotter in 1960. Moreover, perceived openness to experience, agreeableness, extraversion, conscientiousness and emotional stability affect entrepreneurship performance positively. However, there is need to create enabling business environment in

developing economy like Nigeria. It is clearly seen that country that have taken initiatives in providing enabling environment have intensify entrepreneurship behaviour, development and performance.

In Nigeria, individual, environmental and intermediate determinant could be identify as external stimulant to entrepreneurial performance though, some indicators of personality traits were identify as part of individual determinant. Ogundele (2000) identify altitude, motivation, need, mental capacity, biological make – up as (individual determinant); family unit, schooling, social group, social values, economic condition, political system, religion, values etc. (environmental determinant); the entrepreneur, financial resources, institution for entrepreneurship training and development, government and appropriate support programs e.t.c (intermediate level determinant). The study shows a negative relationship between honesty and entrepreneurship performance. This implies that honesty alone do not sustain performance in Nigeria.

Other major findings include;

- That married individuals are highly successful in entrepreneurship practice in Nigeria.
- Education and work experience precipitate entrepreneurship activities.
- Successful entrepreneur are revered and admired in Nigeria. by many Lagosian.
- That personality trait alone is not a determinant of entrepreneurial success in Nigeria.
- That entrepreneurship practice will lead to incremental wealth.
- Accessibility to finance is vital to entrepreneurial performance and success.
- That business growth and employment opportunity are essential feature of entrepreneurship success.
- That barriers which discourage economic activities negatively affect entrepreneurial performance such as; lack of financial resource, information, lack of appropriate education, epileptic power supply, lack of infrastructure; some cultural taboos, legal system that fails to protect innovations, weak market and excessive regulations

which frustrate the implementation of business ideas into reality.

5. Conclusion and Recommendation

In analysing the concepts, theories, models of determinants of entrepreneurship behaviours and respondents' opinion, the determinant of entrepreneurship performance and success are complex and varied. These determinant factors influence the level of entrepreneurship in a person community or a country. The integration and inter – dependence of two or more determinant factors in a person give rise to a complex phenomenon on entrepreneurship.

Nevertheless, no effort should be spared to initiate programmes and policies than can promote entrepreneurship behaviour in a society. The general finding that personality traits is an indicator of entrepreneurship performance in Nigeria is very important for policy makers to come up with viable interventions like awareness sensitization, skill acquisition program, ICT development, infrastructure facilities etc to stimulate entrepreneurial behaviour, development and success in Nigeria thus, leading to economic growth and improved standard of living

The study recommended that;

- i. Successful entrepreneurs should act as role models and provide support system to people around them including staff, peers, and younger relations,
- ii. The art and science of entrepreneurship development should not only be restricted to tertiary institution but all medium of skills acquisitions and education e.g. primary and secondary school, workshops, seminars e.t.c.
- iii. Private and public sectors should encourage and inculcate the art and science of intrapreneurship among staff early enough and not at the point of retirement.
- iv. Education institution and the state should collaborate on the need to orientate students towards employment generation early enough.
- v. Government should stimulate factor that enhance economic activities such as access to capital, access to stable market, availability of infrastructural facilities and appropriate needed information.

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INFLUENCE OF SOCIAL MEDIA ON UNDERGRADUATES' HEALTH BEHAVIOUR: A STUDY OF SELECTED TASUED UNDERGRADUATES

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Abstract

Social media is a global phenomenon integrated into our day –to –day lives. University students spend a great time on it and undergraduates by their age and the era they found themselves-millennial- are the greatest and largest users. The social media influenced them, most especially with the boom in Information Communication Technology (ICT) and mobile telephony. This study explores the impact of social media on health behaviours of undergraduates. This study used the survey research design with a total number of two hundred (200) respondents and the instrument for data collection was the questionnaire. The questionnaire was divided into two sections- Section A and B. Section A involves the demographic data of the respondents while section B involves statements relating to the research. Findings from this study show that TASUED undergraduates spend hours on social media and they learned so many things from the social media platforms. The paper concluded that these undergraduates are influenced by unsolicited adverts on social media. It recommended that online bloggers and marketers should mind what they post on social media because some contents can be harmful to the youth demographics that constitute TASUED undergraduates and others like them even when such contents are not meant to be harmful.

Keywords: Social Media, Influence, Health Behaviour, University Undergraduates

1 Introduction

Social network sites (SNS), known as Social Media, consisting of sites like Facebook, Twitter, Instagram, Snapchat, WhatsApp, Telegram and others have become the most dynamic web 2.0 application which enables humanity and most especially teenagers and young adults who are students not only to socialize with friends but also interact with one another. The growing popularity of these sites is further influenced by the free access of whomever that desire to interact with friends and colleagues, with a view to generating collective knowledge. Social media emerged as a term frequently used to describe different types of electronic communication platforms (Kanelechi et al, 2014). What actually started as a hobby for some people has become a social norm and way of life for people from all over the world. The advanced and improved usage of social media platforms such as Facebook has become a worldwide phenomenon for quite some time. Though it all started has been a hobby for several computer literates individual has changed to become a social norm and existence-style for students around the world. Students and teenagers have especially recognized these social media

platforms to be able to contact their peers, share information, reinvent their personalities and showcase their social live (Menzah & Nizam, 2016).

Gone are those days when letter-writing was the means of communicating with friends, colleagues and relatives. The use of social media is fast closing the barrier of distance in communication and thereby becoming the vital tools for individuals and even organizations. They have become a main tool even in corporate and official communications with those in top hierarchy of organizations using them to communicate with their publics. Facebook and other social media forms have become so ubiquitous as to be found with everyone from teenagers to grand-parents trolling for friends and using them for other purposes. However, these tools still represent more of a diversion than a legitimate business tools for those who cannot control their use or who have become addicted to them. People around the globe have been addicted to the internet which has given rise to more students using social media more often than before ((Menzah & Nizam, 2016). The use of social media is being rapidly rising during last few

years. It is not only being used by the working people but also there is heavy increase in the use of social media by the students or education society (Raut & Patil, 2016).

Social media are making significant inroad into the business practices of co-operation. Social Media are growing rapidly among the young generation all over the world. University age students widely engaged using Social Media (Mushtaq & Benraghda, 2018). Facebook first targeted Harvard students and then expanded to high school and college students. Today, with more than three billion active users worldwide, Facebook is arguably one of the most popular social networks. Since its evolution, there have been many more like Instagram, Twitter, LinkedIn, Snapchat, YouTube, Pinterest, Telegram. The most recent today are the Telegram and Meet up but Instagram and snapchat are the most commonly used today. Social media like all things have both negative and positive impacts. They have influenced teenager and young adults in so many ways. People have been influenced through social media educationally, socially, politically, sexually and even in how they manage their health and their treatment of health challenges. The social media is full of alternative therapies and adverts of the orthodox means of combating health challenges and situations through apps like WebMD which help users make informed decision about their health by giving them access to first aid information. The positive impacts of social media include the shortening of distance between people since individuals can communicate real time over any distance almost immediately like a person in Japan having oral and video communication with a person in Nigeria simultaneously on Facebook Messenger for example, or sending a twitter that is read immediately from any part of the world.

Social Media gives people awareness of job opportunities, career development and immediate access to information. Also there are many opportunities of learning so many things coupled with everyone having the right to express his or her opinions through whatever forum on social media. On the flip side, social media like all human creations have their negative aspects. These aspects affect all areas of human endeavours from fraud to confidence

trickery, sexing to outright murder mediated and mediated by the social media. Some people have lost their lives through social networking, by getting associated with the wrong people; some have inculcated bad habits through unsolicited adverts by entertainers and bloggers. The focus of this paper, however, is to determine the influence of social media on the behaviour of Tai Solarin University of Education Undergraduates and most especially when it comes to their health behaviours.

Statement of the Problem

Social media utilization and attraction to Nigerian youths is becoming alarming because today, the internet has taken a firm place in people's lives. As it is difficult to imagine a young man who at least once a day did not check for updates in social networks (Talaue et al, 2018). It has become a significant issue among the youths in Nigeria, especially students. Social Media have taken centre stage when it comes to communication, social interactions and serving as means of commerce and business. The Social Media have become tools of education, entertainment and information generation and dissemination with its attendant spread of fake news and information because of its lack of gate keeping in the 21st century. The emergence of different internet forums and social networks such as Facebook, Snapchat, YouTube, LinkedIn, Twitter, WhatsApp, Instagram, Telegram and others have changed the face of communication and information interface between people. Since the introduction of these social network sites, millions of users have been attracted and many have integrated these sites into their daily practices and routines. Social media have become an avenue to lure teenagers and young adults into various nefarious activities such as fraud, sex, rituals, smoking, heavy drinking, addiction to drugs, and others.

2. Literature Review

The Concept of Social Media

Media generally are instruments of communication through which information, ideas thoughts, and so on, are shared. For example, newspaper, magazines, radio, television are examples of media channel through which people can be reached. However, social Media are set of communication and collaboration tools

that enable many types of interactions which were previously not available to the common people (Brogan, 2010). Social media interaction allows people to communicate and engage with information that is quickly accessible on the internet and through these media, people have the opportunity to express their opinion to the public and even participate in conversations and dialogue through a common vital medium. It is an internet mode of communication adopted by 21st Century youths to ease their work and to save time. Merriam-Webster (2015), defined Social Media as “forms of electronic communication (as websites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos)”. Also, Piggot (2012) says that Social Media is an umbrella term that defines the various activities that integrate technology, social interaction, and the construction of words, would be a social channel of communication. It is the chatter occurring between customers, observer, critics, companies, institutions and it is a conversation going on right now, whether one is involved or not.

Social media is not actually new because people have been using digital media for networking, socializing and information gathering for over 30 years now. It only recently becomes part of mainstream culture and the business world (Border, 2009). Social media started as a concept many years ago but has evolved into sophisticated technology. The concept of social media can be dated back to the use of telephones for social interaction. The most recognizable use of media was through innovative application, an online dialogue framework created by Ward Christensen in 1978 (Christensen & Suess, 2009). They initially envisioned a place where they could contact their co-employees for announcement, that is, meetings, report and other affairs, rather than making multiple calls, distributing memos and the likes. The program was called Computerized Bulletin Board System (CBBS) because they were looking into creating such. More employees contributed their ideas in the social media online community. The event was a momentous episode in the history of computer and internet and it was like the birth of social networking. The

CBBS platform was made known to other companies and was being used for specific purposes. More people joined the online community and initiated the goal of creating identity in this space and at the same time exploring the vast space that is on the internet.

People started sharing common interests and point of view through websites where they can socialize, which are now being referred to as social networking sites. Social media has become an integral part of how people communicate, stay in touch, keep on top of new developments, and otherwise connect with the world around them. The advance of technology in communication, social networks such as Facebook and Instagram are perhaps considered one of the most important tools used to keep in touch or share information with peers. Students have an irresistible need to connect with their peers because of the development of these 24/7 accessible technologies (Fodeman and Monroe 2009). Fodeman and Monroe (2009), went further to explain that the usage of Facebook usage has raised the level of anxiety among students such that they are apprehensive about being without their cell phones for a few hours. Kanelechi et al (2014) opines that a growing number of Nigerian scholars agree that addiction to social media sites are potentially a disruptive technology to students' lives generally, health behaviour inclusive, because youths of nowadays tend to imitate what they see on the internet. Therefore, the way they imitate positive is the exact way some of these youths will imitate negative things which could be harmful to their health and other areas of their lives.

Health Behaviour among University Undergraduates

Behavior can be described as the manner of conducting one-self. It is the response to a particular stimulus, which could be internal or external, conscious or subconscious. Behaviours could be considered as abnormal or antisocial if it is not common, different from the norm and does not conform to what society expects (Benjamin, Eunice, Uche, Adolphus, Kachy, Uchechukwu and Chinwe (2010). A particular behavior is not acceptable and is considered antisocial if the behavior does not allow a person to function effectively with others as a member of society, if the behavior does not

permit the person to meet his or her own needs and if the behavior has a negative effect on the well-being of others. Teenagers and young adults, especially students are mostly people that display antisocial behaviours and these antisocial behaviors could bring about risks in their health. The categories of risk behaviours in students encompass several different subsets of behaviours that can comprise health, well-being and positive development outcomes. The health behavior includes behaviours such as alcohol abuse, illicit drug use, cigarette smoking, poor dental hygiene, unsafe sex which could lead to contraction of sexually transmitted disease, and so on. (Turbin, Jessor & Costa, 2000).

Health behaviours however are influenced by social, culture and physical environment in which we live or work. They can be shaped by an individual's choice and external constraints. Health behaviours could be positive or negative. Positive health behaviour helps promote health and prevent all kinds of disease while the negative health behavior brings about risk behavior which could be harmful to the health. What an individual is exposed to, the environment he or she lives in or work and one's experience in life could go a long way to determine one's health behavior. Health behaviours are indicators of population health, they do not occur in isolation- they are influenced and constrained by social and cultural norms. Health behavior like alcoholism, smoking, and drug abuse and so on, have exposed people to disease and disorders like liver problems, cancer of the lungs, cardiovascular collapse, high blood pressure, heart disease and other life-threatening conditions, and even death. It has damaged the parts of the bodies of so many people and has even led some people to the psychiatric homes. The rate of increase in antisocial and health behaviours in the society is so alarming and is evident in the number of people who die of various diseases. Teenagers and young adults are being exposed to incidence of violence and law breaking of all kinds. The academic institutions are not spared as they have been implicated as breeding grounds for all these antisocial and health behaviours.

Influence of Social Media on the Health Behaviour of University Undergraduates

Social media have become a global phenomenon and it has attracted extensive population from all around the world in different ages, cultures, education level and so on. According to research, it has been found out that millions of people connect to social network sites at least once in a day to check their profile or participate in different online activities. Social media has been seen to have exposed university students to so many things, both negative and positive. It has influenced the health behavior of students both negatively and positively. Through social media, some health behaviours are being promoted, while some jeopardize health and well-being. The rate at which Students visit social network sites cannot be over emphasized. It has also been discovered that many of these students spend a lot of hours on these social media which has succeeded in getting them influenced in so many ways and by so many things.

Students could derive a lot of benefits from social media. Through social media they can socialize and communicate. Social media sites allow students to accomplish online, many of the tasks that are important to them offline. They stay connected with friends and family, they make new friends, share pictures and also exchange ideas. However, these social media also helps students in promoting their health. For example information shared on Facebook, Whatsapp, Facebook Messenger, Instagram, and so on, that encourages the eating of vegetables and fruits which could help prevent overweight and obesity, diabetes and other chronic conditions. Another way by which social media promotes health is through the encouragement of exercise which also helps prevent overweight and obesity and over the life-course, contributes to cardio-vascular and musculoskeletal fitness. However, on the other hand, social media also influence these students negatively.

Social media has also been seen to influence university undergraduates negatively. Some of the negative health behavior that student could display include alcoholism (heavy drinking), use of hard drugs, obesity, unsafe sex, smoking, unhealthy diet, poor dental hygiene and so on. However, the most common health behavior that

can be related to undergraduate through social media use of hard drugs, smoking and heavy drinking. Social media influence students' negative health behaviours through unsolicited adverts by entertainers and bloggers. There are so many adverts and even videos on social media that should be banned because of the negative and harmful signals they send to our teenagers and young adults, student especially. An example of this is Davido's music video on YouTube and Instagram titled "Fans Mi". The video advertised the use of hard drugs and heavy drinking to show strength and power, thereby sending a negative signal to teenagers and young adults. As at 30th of October, 2015, the video has reached 3,557,044 views on YouTube which means that 3,557,044 people have viewed the video on YouTube despite the fact that it was only released on the 9th of June, 2015. An example of this is Lil Pump's music video on YouTube and Instagram titled "Drug Addicts". The video advertised the use of hard drugs and the musician even said it in the song that he has been smoking since he was eleven (11) years old, this is obviously sending a negative signal to teenagers and young adults. As at 31st of January, 2020, the video had 142 million views on YouTube which means that 142 million people had viewed the video on YouTube despite the fact that it was only released on the 5th of July, 2018.

Another example of unsolicited advert created by social media to influence health behavior negatively is Cynthia Morgan's music art cover titled "Baby Mama", where she was smoking a cigar and at the same time, carrying a baby which is barely two years old. The art cover encourages smoking among ladies, especially young mothers even in the presence of their kids. This is sending a wrong signal to teenagers and young adult and these are what they are exposed to everyday. A very recent example is Naira Marley's video (PUTA) which was released in the middle of September, 2019. The video was obviously promoting prostitution and within one week of release, it already had 3 million views on YouTube. However, online bloggers and marketers also encourage competition with mouthwatering price tag for followers. They request them to send unedited video clip on how well they enjoyed their brand. This competition shows different drinking stunts

that can be emulated by their followers. In fact, in 2013, a TASUED final year student, Seyi, popularly known as Oropo, won an online marketer's competition to support Ogidiga alcoholic drink. These are some of the negative influences the social media has on teenager and young adults, particularly students, and it calls for caution because with just a click on some buttons, people are able to share pictures, experience and opinion across multiple social media platforms. While this can be fun and exciting care should be taken because some contents can be harmful, even if not intended to be.

Objectives of the Study

1. To determine social media utilization and usage affect tertiary students' health behavior.
2. To know if social media utilization and usage generate and influence negative health behaviour from tertiary students.

Research Questions

The following research questions and hypotheses were tested.

1. Will social media utilization and usage affect tertiary students' health behaviour?
2. Will social media utilization and usage generate and influence negative health behaviour from tertiary students?

Hypotheses

- H₀₁ Social media does not significantly influence the health behaviour of students
- H₀₂ Social media has no negative influence on the health behaviours of students
- H₀₃ There is no significant relationship between students' health behaviour and social media usage.

Scope of the Study

This study focused on influence of social media on the health behaviour of Tai Solarin University of Education Students. The study was delimited to undergraduates of the four colleges in Tai Solarin University of Education, Ijagun.

Theoretical Framework

Of relevance to this research is the Uses and Gratification Theory. This theory was propounded by Blumler and Katz in the year 1974. This theory suggests that media users play an active role in choosing and using the

media. Users take an active role in the communication process and are goal oriented in the media use. The theory is therefore concerned with how people use media for gratification of their needs. The Uses and Gratification theory reminds us that people use media for many purpose among which are:

- (1) **Information:** people want to find out about society and the world they want to satisfy their curiosity.
- (2) **Personal Identity:** People may watch television or surf the internet in order to look for models for behaviour. They may identify with character seen in soap, which could help people decide what they felt about themselves. If users agree with their actions, then they succeed in feeling better about themselves.
- (3) **Integration and social interaction:** Some people use the media order to find out more about the circumstances of other people. Watching a show helps us to empathize or sympathize with the lives of others so that we may even end up thinking of the character in programme as friends.
- (4) **Entertainment:** Sometimes people simply use the media for enjoyment and relaxation. For example, children in peer groups use adventure stories from the media for group games while individual children use media stories for fantasizing and day dreaming.

Different people use the messages from the media for different purposes. People use messages in the media to meet their specific needs such as cognitive needs, social integrative needs and tension release needs. This theory is relevant to this research in the sense that undergraduates use the information they get on social media to meet their own specific needs.

Another relevant theory to this research is the Media Dependency Theory. This theory was

proposed by Sandra Ball-Rokeach and Melvin Defleur in the year 1976. This theory is one of the theories which regard audience as an active part in communication process. According to this theory, there is an internal link between media, audience and large social system. The audience learning from the real life is limited, they can therefore, use the media to get more information to fulfill their needs. The theory presupposes that the people's dependency on the media is a vital factor that is capable of influencing their opposition. The Media Dependency theory is however, expanded from the Uses and Gratification theory. This theory is also relevant to this research in the sense that undergraduates depend on the social media as they cannot even do with their phones for few hours. This dependency, however, influence their disposition.

3 Methodology

This study adopted the survey research method with a sample size of 200 respondents taken from the four colleges in Tai Solarin University of Education, Ijagun. The colleges included the College of Social and Management Sciences (COSMAS), College of Humanities (COHUM) College of Science and Information Technology (COSIT) and College of Applied Education and Vocational Technology (COAEVOT). The stratified sampling technique was used. Fifty (50) respondents were drawn from each of the four colleges to make up the population of 200 respondents. The respondents were selected randomly. The instrument for data collection was a questionnaire and data obtained were analyzed using simple percentage and inferential statistics. The analysis of variance to test the hypotheses was with the aid of the statistical product and services solution (SPSS) version 20.0.

Findings

Demographic Information of the respondents

Table 1: Distribution of Respondents by sex

	Frequency	Percentage	Valid percent	Cumulative Percent
MALE	127	63.5	63.5	63.5
	73	36.5	36.5	100.0
FEMALE	200			
		100.0	100.0	
TOTAL				

Source: Author's Field Survey, 2015.

Table 1 shows the sex distribution of the respondents, it was gathered that 127 (63.5%) of the respondents were males while the

remaining 73 (36.5%) of the respondent were females. With this information it can deducted that majority of the respondents were males.

Age Range	Frequency	Percentage	Valid percent	Cumulative Percent
19-22 Years	120	60.0	60.0	60.0
	52	26.0		86.0
23-26 YEARS	28		26.0	
	200	14.0		100.0
27-30 YEARS		100.0	14.0	
TOTAL			100.0	

Source: Field Survey 2015

Table above reveals the age distributions of the respondents, it was gathered that 120(60%) of the respondents are between the age 19 and 22 years, 52(26%) of the respondents are between

the age of 23 and 26 years while the remaining 28(14%) of the respondents are between the age of 27 and 30 years.

Table 3: Distribution of respondents by Religion

	Frequency	Percentage	Valid percent	Cumulative Percent
CHRISTIANITY	126	63.0	63.0	63.0
ISLAMIC	74	37.0	37.0	100.0
	200			
TOTAL		100.0	100.0	

Source: Field Survey 2015

The table shows the religion of the respondents, 126(63%) of the respondents are Christians

while the remaining 74(37%) of the respondents are Muslims.

	Frequency	Percentage	Valid percent	Cumulative Percent
COSMAS	50	25.0	25.0	25.0
COHUM	50	25.0	25.0	50.0
	50	25.0	25.0	75.0
Valid COSIT	50	25.0	25.0	100.0
COAVOT	200	100.0	100.0	
TOTAL				

Source: Field Survey 2015

The above table shows the college distribution of the respondents. For equal representation each college has 50 respondents which accounted for 25% each.

H₀₁ Social medial does not significantly influence the health behaviour of students.

Table 1:Effect of the independent variable

R=411

R²=169

Adj R²= 165

Std. Error= 7.73

ANOVA

Source of Variation	SS	Df	MS	F ratio	P
Regression	2409.46	1	2409.46	40.328	???
Residual	11829.90	198	59.747		
Total	14239.36	199			

Table 1 shows there was effect of the independent variable (Social media adherence) on student's health attitude $R = 0.41$, $P < 0.05$. the table further reveals 16.5% ($\text{Adj. } R^2 = 0.165$) of the variance in student's health attitude was accounted for by the independent variable. The ANOVA results from the regression analysis shows that there was significant effect of the

dependent variable on the dependent variable $F(1, 198) = 40.33$, $P < .05$. (What does this mean concerning your hypotheses?)

H_03 There is no significant relationship between student's health behaviour and social media adherence.

Table 2: Shows relationships between social media adherence and students health behaviour

Variables	Mean	STD	1	2	3	4
Social media adherence	34.49	5.103	1.000			
Alcoholism	10.14	3.74	.447**	1.000		
Drug abuse	7.61	2.87	.237**	.4137**	1.000	
Smoking	9.40	3.53	.319**	.643**	.542**	1.000

Table 2 shows Mean, Standard Deviation and zero order correlation among the variables. It was observed that there was significant relationship between the independent variables (Social media adherence) and the dependent variables (Health behaviour as measure by alcoholism, drug abuse and smoking) in the following order of magnitude: alcoholism ($r = .447$, $P < 0.05$), smoking ($r = .319$, $P < 0.05$) and drug abuse ($r = .237$, $P < 0.05$). On the premise the researcher rejects the hypothesis of no significant relationship and concluded that there is significant relationship between students' health behaviour and social media adherence.

3. Conclusion and Recommendations

The study examined influence of social media on undergraduates' health behaviour among selected TASUED undergraduates. It was discovered in the course of the findings that TASUED students' level of exposure to social media is very high. Most of these students strongly agreed that they spend up to five hours on social media on a daily basis. According to research question one which says "How will social media utilization and usage affect tertiary students' health behaviour?" It was found out that social media utilization and usage affect tertiary students' health behaviour through unsolicited adverts that are placed on the internet as well as musical videos that encourage the heavy drinking, smoking and the use of hard drugs. These adverts and musical videos might not intend to mean any harm but they send wrong

signals to these young ones and they could be harmful to their health in the sense that what they see register in their brain and they begin to feel there is harm in trying it.

Research question two however says that "Will social media utilization and usage generate and influence negative health behaviour from tertiary students? It was found out in the course of this research that social media utilization and usage generate and influence negative health behaviour from tertiary students. This is because they can learn a lot on different social media sites. Some of these young adults go to sites where they see pornographic pictures and videos which could lead them to having unprotected sex and through this, they could contact different diseases. Some of these youths also learnt smoking, heavy drinking and taking of hard drugs through social media usage and utilization and these has resulted in various health issues and misbehavior in the lives of these university undergraduates. Some of the example of these hard drugs Black Mamba, which is a new deadly form of marijuana and Colorado smoke which is slowly wrecking havoc in Nigerian cities and causing mental illness in the lives of the youths taking them.

Finding shows that social media influence students' health behaviour both negatively and positively. Majority of the undergraduate agreed that social media has taught them to do so many things. Most of them depend on the information on social media to do many things. This

therefore shows that undergraduates are influenced by what they see on social media.

Recommendations

1. Online bloggers and marketers should mind what they post on social media because some contents can be harmful to the

youthseven when such contents are not intended to be.

2. Some adverts and even musical videos should be banned because of the negative and harmful signals they send to our teenagers and young adults, students especially

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