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**MEDIATING ROLE OF EMPLOYEES' COMMITMENT ON LEADERSHIP SKILLS
AND EMPLOYEES' PRODUCTIVITY IN KADUNA STATE-NIGERIA**

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Abstract

Leadership skill is an essential component of driving organizations to the achievement of set objectives. This study empirically examines the mediating effect of employee commitment on the relationship between leadership skills and employee productivity in Kaduna State. The study is based on primary data collected from three hundred and eighty-eight employees using structured questionnaire in 2018. The data was analyzed using the technique of PLS path analysis. The finding of this study reveals that leadership skill has significant effect on productivity of employees and employees' commitment in organizations. Furthermore, the findings indicate that employees' commitment is significantly related to employee productivity. The findings also reveal that employees' commitment fully mediate the relationship between leadership skills and employees' productivity. The study concludes that skilled and dedicated leadership can set good values which facilitate leaders to spread and establish high standards in the organizations thereby improving productivity. The study recommends that organizations should have leaders with adequate skills to manage their staff since leadership skills has strong linkage with the productivity of employees and their level of commitment in organizations.

Keywords: Employee Commitment, Employees Productivity, Leadership, Kaduna State.

1. Introduction

In recent years, many organizations have either disappeared or were taken over (Mark, 2016). Leadership is believed to be one of the contributing factors to their turmoil as the magnitude and importance of leadership in different organizations has long been unnoticed and unobserved (Lewis, 2013). Hence, it proves that capable leadership is a critical element in any organization as it guides them through unprecedented changes. Without proper leadership, even the best and boldest strategies "die on the vine", and their potential is never realized (Jen, 2016). The quality of leadership talent determines the fate of the organizations' ensuring that their strategic plans are successfully implemented (Durga & Prabhu, 2011). According to Rana and Malik (2016), leaders acknowledge change and then create strategies that can turn the changes into opportunities. Leaders need certain skills to be successful (Malos, 2012). Lewis (2013) argues that the presence of sound leadership skill helps in preparing for a more uncertain future. Therefore, leadership skill has become a burning issue all over the world that has motivated researchers, nationwide and global organizations to receive keen and intense notice in it being that it is an important element that impacts on organizational culture, and plays a part in the productivity of the organization employee as the employees greatly depend on the leaders to provide guidance for the achievement of organizational objectives. Mark (2016) states that



seventy-six percent of highly productive companies attribute their success to leadership in their companies as the skills of the leaders were behind the raises in productivity of the employees.

Leadership skills such as technical skills, conceptual skills, interpersonal skills, emotional intelligence and social intelligence have impact on increasing the productivity of employees (Lewis & Gilman, 2013). According to Graen (2013), leadership skills impact on productivity in the following ways; it improves employee morale, it's a source of motivation, forms basis for cooperation, divides work as per capability, gives necessary guidance and creates effective communication. Therefore, such skills are essential for the survival and effectiveness of organization performance (Yao, Woan and Ahmad, 2017).

The widespread acceptance of leadership playing a vital role as a competitive advantage for organizations (McCall, 2008; Petrick, Scherer, Brodzinski, Quinn, & Ainina, 2009) has led to enormous amounts of money spends in the field of leadership development programmes and training (Avolio & Hannah, 2008). Leadership create an enthusiastic atmosphere and culture in an organization (Alghazo & Al-Anazi, 2016). Leaders are accountable for the performance of their organization or the success of the government, which is dependent on employees' productivity. Leader's skill is an indispensable requisite for the success of any organization (Lewis, 2013). Since an organization requires a leader to shape the behaviour of employees and lead them to the desired direction. The success of an organization is reliant on the leader's skills to optimize human resources. It has been widely accepted that effective organizations require leaders with effective skills and that organizational performance will suffer in direct proportion to the neglect of this (Fiedler & House, 1988). Furthermore, it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of its leadership. Effective leader skills facilitate the attainment of the follower's desires, which then results in effective performance (Durga & Prabhu, 2011).

Although attempts have been made by existing researches to establish a link between the variables of leadership skills and employees' productivity (Durga & Prabhu, 2011, Fiedler & House, 2018; Maritz, 2015; Ristow, Amos, & Staude, 1999), the findings of these studies were inconsistent with some reporting a significant relationship between the variables in both direction, while others reported insignificant relationship between the variables in both directions.

Moreover, it has been argued theoretically that employee commitment is central to the accomplishment of task in organizations which subsequently determines the productivity of employees in an organization (Warr, 2011), yet none of the previous studies attempted to investigate the role of employee commitment as a mediating variable in explaining the relationship between leadership skills and employees' productivity in organizations. It is against this backdrop that this study is undertaken so as to investigate the effect of leadership skills on employee productivity and determine the role of employee commitment in explaining the relationship between the variables.

This study tries to emphasize on the importance of leadership skills and its effects on employees' productivity in the workplace. This research study will be an important endeavour in helping employers to understand the relevance of leadership skills in the work environment due to its influential effects on the performance and productivity of the organization and



workers. Also, it can serve other researchers who want to re-investigate the reasons for decline in performance or productivity of employees in today's organizations being that productivity/performance is the primary focus of concern to all organizations.

The major objective of this study is to examine the mediating role of employee commitment on the relationship between leadership skills and employee productivity in Kaduna State-Nigeria. The specific objectives include: to determine the effect of leadership skills on employees' productivity in Kaduna State; to investigate the effect of leadership skills on employees' commitment in Kaduna State; to assess the effect of employees' commitment on employees' productivity in Kaduna State; and to explore whether employees' commitment mediates the relationship between leadership skills and employees' productivity in Kaduna State.

The following hypotheses are formulated for the study.

H₁: Leadership skills has significant effect on employees' productivity in Kaduna State

H₂: Leadership skills has significant effect on employees' commitment in Kaduna State

H₃: Employees commitment has significant effect on employees' productivity in Kaduna State.

H₄: Employees' commitment significantly mediate the relationship between leadership skills and employees' productivity in Kaduna State.

2. Literature Review

Conceptualization of the Study Variables

Employee productivity is an assessment of the efficiency of a worker or group of workers. Productivity may be evaluated in terms of the output of an employee in a specific period of time. According to Mathis and John (2007), productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. The more productive an organization, the better its competitive advantage, because the costs to produce its goods and services are lower. Better productivity does not necessarily mean more is produced; perhaps fewer people (or less money or time) was used to produce the same amount. McNamara (2009) further states that, results are usually the final and specific outputs desired from the employee. Results are often expressed as products or services for an internal or external customer, but not always. They may be in terms of financial accomplishments, impact on a community; and so whose results are expressed in terms of cost, quality, quantity or time. Measuring productivity involves determining the length of time that an average worker needs to generate a given level of production. One can also observe the amount of time that a group of employees spends on certain activities such as production, travel, or idle time spent waiting for materials or replacing broken equipment. The method can determine whether the employees are spending too much time away from production on other aspects of the job that can be controlled by the business. Employee productivity may be hard to measure, but it has a direct bearing on a company's profits. In this study, employee productivity is seen as an assessment of the efficiency of an employee to accomplish a given task in terms of achieving organizational objectives. An employer fills his staff with productivity in mind and can get a handle on a worker's capabilities during the initial job interview. However, there are several factors on the job that help maximize what an employee does on the job (Lake, 2000).

Employee commitment is defined as the degree of identification and involvement that individuals have with their organization's mission, values and goals. It is a multidimensional



construct that comprises affective commitment, normative commitment and continuance commitment. Allen and Meyer (2017) define affective commitment as the employee's emotional attachment to, identification with, and involvement in the organization. Continuance component is defined as commitment that is based on the costs that the employee associates with leaving the organization, while normative component is defined as the employees' feelings of obligation and sense of loyalty to remain with the organization and serve to the best of his potential. In this study, employee commitment is seen as amount of identification and level of involvement that employees have with their organizational objective.

The importance of employee commitment is quite evident if one considers prior researchs into the relationship between commitment and job satisfaction (Bateman & Organ, 1983), trust in and loyalty to the leader (Deluga, 2014) and perception of supervisor's fairness (Nierhoff & Moorman 1993). It is an important concept in the management and behavioural sciences. It is concerned with the relationship between an organization and its employees. The importance of organizational commitment of employees refers to its presumed relationship with important organizational outcomes such as turnover, absenteeism, and performance (Mowday, Porter, & Steers, 1982). Committed employees are expected to identify with and to feel loyal toward their organization; to feel the importance of the agency's values, goals, and mission; and also to feel that their job responsibilities are compatible with their personal values and ethics (Romzak, 2010). Mowday, Steers and Porter (1979) define commitment as the relative strength of an individual identification with and involvement in a particular organization.

Leadership skills is seen as the ability to delegate, inspire and communicate effectively the organizational policies and ensure compliance so as to achieve organizational goal in an effective and efficient manner. To enhance the performance of an employee, his/her dependence upon the leadership, which is operative, has a definite status. In the same phenomenon, the central role of the leadership along with his credibility becomes most prominent (Bass, Avolio, Jung & Berson, 2013). Actually, the transformational leader is a psychoanalyst, as he/she learns, comprehend and analyze the minds, thoughts, attitudes and desires of the followers/employees to reach the final decision which help in augmenting the employees level of performance (Qaisar & Sara, 2009). The leadership of this category always pursues democratically and believes to solve every issue in the organization according to the popular will of the employees. The diagnostic skills of the leadership, either they are intrinsic or gained are valuable for the resolving the issues related with the individuals and with the organization as a whole (Durga & Prabhu, 2011). The employees' performance is directly proportional to the effectiveness of the leadership. Through the powers of comprehension, analysis, planning and motivation, the transformational leaders augments the mercury level of the employees output (Iqbal, Anwar & Haider, 2015).

Review of Empirical Studies

Related empirical literatures concerning the subject matter include the following research works. Durga and Prabhu (2011) conducted a study on leadership skills and employee performance in India. The study is a comparison between selected public and private sector enterprises and the study used a descriptive survey research design with 43 middle-level managers and 156 subordinates as sample size. The study adopted correlation and regression analysis and the results suggest that leaders must have the skill to attract / influence their



subordinates, be able to set clear standards of performance to their peers and act as a best role model to the subordinates. The subordinates expect that their achievements must be recognized and rewarded either in monetary or in non-monetary terms. The results of correlation and regression analysis suggested that the leadership skills has significant relationships with performance outcomes both in the private and public sectors; The study thus, recommended that both private and public organization should ensure hiring leaders with sound skills so as to improve the performance of their employees. Lilian (2016) conducted a study in Kenya on the influence of leadership skills on employee productivity. The study used a descriptive survey research design with a sample size of 225 selected from a population of 450 managers and employees. The study used primary data which was collected by a semi-structured questionnaire. The data was collected from managers and employees of commercial bank using a drop and pick- later method. Data was analyzed using descriptive statistics and regression analysis. The study found that leadership skills lead to increase in employee productivity. It further established that employees at KCB bank act in a way that build one another, display sense of power and confidence and they go beyond self-interest for the good of the group. The study also established that employees do not fail to interfere until problems become serious and they do not wait for things to go wrong before taking action. It also revealed that employees direct their attention toward failures to meet standards; they keep track of all mistakes and focus attention on irregularities, mistakes, exceptions, and deviations from standards. The study therefore, recommends that leaders be aware of what is important for the subordinates and the organizations as a whole and encourage the employees to see the opportunities and challenges around them creatively.

Dalluay and Jalagat (2017) conducted a study in Philippines on the effect of leadership skill on employees' job satisfaction and performance on selected small-scale businesses in Cavite, Philippines. The study used a descriptive survey research design with a sample size of 150 selected from a population of 280 employees. The study used primary data which was collected through structured questionnaire and simple random sampling was used for selection of samples. Data were analyzed by using weighted mean, percentages, multiple regression and correlation coefficient. Percentages specifically were used to analyze demographic variables (gender, age, length of service and leadership styles). Weighted mean, correlation coefficient and multiple regression were used to analyze the relationship between variables on leadership skills, job performance and job satisfaction. The study concluded that corporations should constantly make the most of leadership skills which enhances employees' performance and employee job satisfactory level even though there is still rooms for improvements as the skills of the leaders is significantly related to employees job satisfaction and performance.

Paracha (2017) conducted a study in Pakistan to ascertain the moderating effect of mentorship on leadership skills and employee performance among employees of small scale businesses. The study employed descriptive research design with a sample size of 382 and regression was used in analyzing data for the study. The study indicated that when working toward goals, leaders make the process simple by indicating the vision and encouraging followers to pursue that vision and not worry about outside distractions and thus indicating that mentorship was significant in moderating the relationship between leadership skills and employees' performance. The study further confirmed that a link must exist between the leaders' goals and



entrepreneurial surroundings for small businesses to succeed. Employees who know their importance to the business and receive recognition for accomplishments feel positively engaged in their work.

Ismail (2017) conducted an empirical investigation in Malaysia on interaction between leaders and followers as an antecedent of job performance. The study used a sample size of 200 and cross-sectional research design was adopted for the study. Convenience sampling technique was used and SPSS version 16 is used to analyze validity and reliability of data. Pearson correlation analysis and descriptive statistic were used to access research variables. Standardized coefficient of Stepwise regression analysis was used to ascertain the relationship. The findings confirmed that interaction between leaders and followers does act as full antecedent of job performance.

Rao (2017) conducted a study on leadership skills and its impact on job outcomes in Ethiopian banking industry. The study used a descriptive survey research design with a sample size of 103 selected from a population of 420 employees. The study used primary data which was collected through structured questionnaire and simple random sampling was used for selection of samples. Data were analyzed by using multiple regression and correlation coefficient. The study founded that leadership skills explained the variation on performance of employees in organizations as the presence of these skills provide guidance to employees on achieving organizational objectives. Hence, the study recommended that banks under study should emphasized more on developing their leaders' skills as it would enable them to better satisfy their employees and hence gain more output from the employees.

Cavazotte (2018) conducted a study in Brazil on the impact of leadership skills on employee productivity in manufacturing sector. The study was conducted among three manufacturing companies using a sample size of 125 employees. Descriptive research design was adopted for the study using questionnaires, and correlation and regression analysis was used in analyzing the data. The study indicated that the skills of leaders have a positive effect on employee productivity and further confirmed that leadership skills aids in developing desire by employees to complete their assignments which subsequently leads to increase in accomplishing task.

Kehinde and Banjo (2018) conducted an empirical investigation on the impact of leadership skills on employee performance in Nairobi department of Petroleum Resources. The study adopted longitudinal research design and data were collected at three different intervals to ascertain the impact of leadership skills on the performance of employees using a sample of 132 employees. The study employed regression analysis to analyze data. The implication of the study was that leadership skills would bring effective results in organizations because it motivates employees to go beyond ordinary expectations, appeals to follower's higher order needs and moral values, generates the passion and commitment of followers for the mission and values of the organization, instills pride and faith in followers, communicates personal respect, stimulates subordinates intellectually, facilitates creative thinking and inspires followers to willingly accept challenging goals and a mission or vision of the future mission and objectives of organization, they recommend that leadership skill is good or appropriate for organizations that wish to compete successfully and mentor subordinates who will be managers of tomorrow to keep the flag flying for the firm. Leadership has got a paramount attention in both the



academia and practitioners since recent decades as determinant factor on employee behavior and performance.

Bayram and Dinc (2018) conducted a study in India to explore the effect of leadership skills on employee productivity in private universities. Descriptive research design was employed with a sample of 250 employees drawn from two universities and stratified random sampling was used for the selection of sample. Correlation and Regression analysis were used to analyze data in the study. The results of the study indicated that employees whom are involved in decision making process in the organization tend to be more align with the organization and thus their productivity were enhanced. The study concluded that informational and decisional skills of leaders are significantly related to employee outcome since the employee develop sense of commitment ones they are aware and involved in any decision in the organization.

Gimuguni (2018) conducted a study in Uganda on the effect of leadership skills on performance of local governments in Mbale district. The study used descriptive research design where primary data were obtained from employees of Mbale district. Census sampling technique was employed and 202 employees emerged as the sample. Simple percentage and chi square was employed for data analysis. The study founded a significant relationship between leadership skills and performance of employees in Mbale local government. The study revealed further that the skills of the leaders influence employees to perform their duties in terms of increased work forces, high speed of accomplishment of work, effectiveness and timeliness. The study therefore concluded that for effective administration of Mbale local government, leaders who possesses adequate skills that can always leads to effective administration of the local government should be employed to head the local government.

Most of the previous studies conducted in this area are conducted in foreign countries which makes it difficult to make generalization with respect to Nigeria given the peculiarity of the Nigerian situation. Similarly, none of the study attempted to use employee commitment as a mediating variable on the relationship between leadership skills and employee productivity even though it has been established theoretically.

Theoretical Framework

This study is underpinned by theory of organizational commitment (Meyer & Allen, 1991). The theory emphasized that under three circumstances the commitment and productivity of employees can be improved and those are normative, affective and continuance. Normative commitment is observed when employee feels appreciative to remain in the organization, becoming loyal and faithful to the other factor in the organization. Employees believed that loyalty is the moral value aimed at helping the organization (Wiener & Verdi, 1980). Affective commitment is viewed as emotional attachment towards organizational involvement and goal (March & Simon, 1958). It includes job characteristics as task significance, identity, autonomy and feedback involving decision-making processes. Continuance commitment remains in the organization because of the personal working relationship between workers and involvement in the community. Employee leaving the organization and seeking job somewhere else is considered costly to the organization especially in training and development of the employee. The organizational commitment of employee towards organization's goal will result in better



job performance. To increase employees' productivity, employees' commitment becomes an important issue to consider (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

The assumption of the theory is that the relationship between an employee and the organization is founded on behaviours bounded by a contract of economic gains. Employees are committed to the organization because they have some hidden vested investments or side bets. These side bets are valued by the individual because of the accrual of certain costs that render disengagement difficult. Since the previous approaches to employee commitment failed to distinguish between the two processes of commitment, i.e., antecedent and outcomes of commitment on one hand and the root cause of attachment to organization on the other. O'Reilly and Chatman (1996) pursued research in this area which would mitigate these problems at hand. They identified commitment as a psychological affiliation a person feels towards the organization manifested by the extent to which an individual is able to adopt and adapt to the attributes and viewpoints of the organization. An employee's psychological attachment can be predicted by their conformity to the company rules and regulations in lieu of extrinsic rewards, involvement based on a desire for affiliation, and internalization depending on the congruence between the personal and organizational values. O'Reilly and Chatman (1996) were successfully able to distinguish between the two stages- a shallow level of commitment resulting from the compliance perspective arising out of an exchange process and a more deep rooted one arising out of psychological insinuations. Two dimensions of psychological attachment identification and internalization were also recognized.

Criticisms were also leveled against the discriminant and content validity of the scales developed by Meyer and Allen (1991). Koontz (1996) argued that there were conceptual problems with these scales which rendered them difficult to be tested for psychometric properties. Further, the commitment definition put forward by Meyer and Allen (1991) did not encompass all the attributes of affective, normative and continuance commitment. Even though they identified a common factor between the three types of commitment, and characterized it as a psychological state, however, they failed to precisely define the meaning of psychological state. However, despite the shortfall in the assumption of the theory, studies such as Bozeman and Perrew (2001), Cavazotte (2018) and Babatunde (2015) have adopted the theory in their studies to explain the interconnection between the variables.

3. Methodology

The research design was a survey research in which primary data were used. The questionnaire was adopted from the work of Cheng, Jian and Riley, (2013) and Meyer (2017) and responses were taken on five-point Likert scale ranging from strongly agree (5), agree (4), undecided (3), disagree (2) and strongly disagree (1) respectively. The questionnaire was divided into three sections and all the questions were in close ended forms. Section A, B and C asked questions on leadership skill, employees productivity and employee commitment respectively. In order to ascertain the reliability of the instrument as adapted, a pilot study was conducted using 30 employees and the ChronbaAlpha of the instrument was 0.82 therefore meeting acceptance standards for research (Nunnally, 1978). The population of this study were the public civil servants of Kaduna State Ministry of Education whom were (12680) as at June 2018. The sample size was determined through Yamane (1986) sample size determination criteria cited in



Benjamin(2015)and 388 staff were chosen as the sample size. Simple random sampling technique was used for data collection. PLS Path analysis was used for the data analysis.

Variables measurement

The dependent variable of the study is employee productivity, and the independent variable is leadership skills which are all measured by unidimensional instrument adapted from Cheng *et al.* (2013). While the mediating variable is employee commitment which is also a unidimensional variable adapted from Meyer (2017). The measurement of the variables is presented in table below

Table 1: Variables and Measurements

Variables	Proxy	Type	Source
Employee productivity	<i>Task accomplish</i>	<i>Dependent</i>	Cheng <i>et al.</i> (2013)
Leadership skill	<i>Unidimensional</i>	<i>Independent</i>	Cheng <i>et al.</i> (2013)
Employee commitment	<i>Unidimensional</i>	<i>Mediator</i>	Meyer (2017)

3.2 Sources and Method of Data Collection

Primary data was employed for the study in order to guide the researcher in making meaningful findings and conclusions. The study obtained the data through administering questionnaires to employees of Ministry of Education across the three senatorial zones in Kaduna state.

4. Result

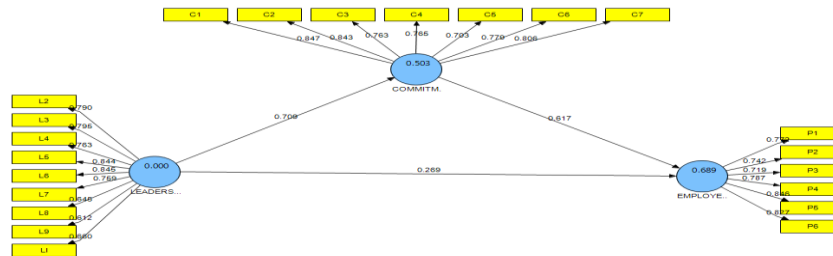
Assessment of PLS-SEM Path Model Results

This study adopted a two-step process to evaluate and report the results of PLS-SEM path, as suggested by Henseler, Ringle and Sarstedt (2013). This two-step process adopted in this study comprises; (1) the assessment of a measurement model, and (2) the assessment of a structural model

Assessment of Measurement Model

An assessment of a measurement model involves determining individual item reliability, internal consistency reliability, content validity, convergent validity and discriminant validity (Hair et al., 2014). As shown in figure 1 below

Measurement Model





Individual Item Reliability

Individual item reliability was assessed by examining the outer loadings of each construct's measure (Duarte & Raposo, 2010; Hair *et al.*, 2014; Hair *et al.*, 2012). Following the rule of thumb for retaining items with loadings between .50 and .70 (Hair *et al.*, 2014), it was discovered that out of 26 items, 04 were deleted because they presented loadings below the threshold of 0.50. Thus, in the whole model, only 22 items were retained as they had loadings between 0.612 and 0.846 (see Figure 2).

Internal Consistency Reliability

In this study, composite reliability coefficient was chosen to ascertain the internal consistency reliability of measures adapted. Nevertheless, the interpretation of internal consistency reliability using composite reliability coefficient was based on the rule of thumb provided by Hair *et al* (2011), who suggested that the composite reliability coefficient should be at least .70 or more. Table 2 showed the composite reliability coefficients of the latent constructs indicating that the composite reliability coefficient of the latent constructs ranged from .905 to .920, with each exceeding the minimum acceptable level of .70, suggesting adequate internal consistency reliability of the measures used in this study (Hair *et al.*, 2011).

Table 2: Convergent Validity

Variable	Items	Loadings	Ave	Composite Reliability
Employee Commitment	C1	0.847	0.621	0.919
	C2	0.843		
	C3	0.763		
	C4	0.765		
	C5	0.703		
	C6	0.779		
	C7	0.806		
Leadership Skill	L2	0.790	0.563	0.920
	L3	0.795		
	L4	0.763		
	L5	0.844		
	L6	0.845		
	L7	0.759		
	L8	0.645		
	L9	0.612		
	LI	0.660		
Employee Productivity	P1	0.772	0.614	0.905
	P2	0.742		
	P3	0.719		
	P4	0.787		
	P5	0.846		
	P6	0.827		

PLS Output

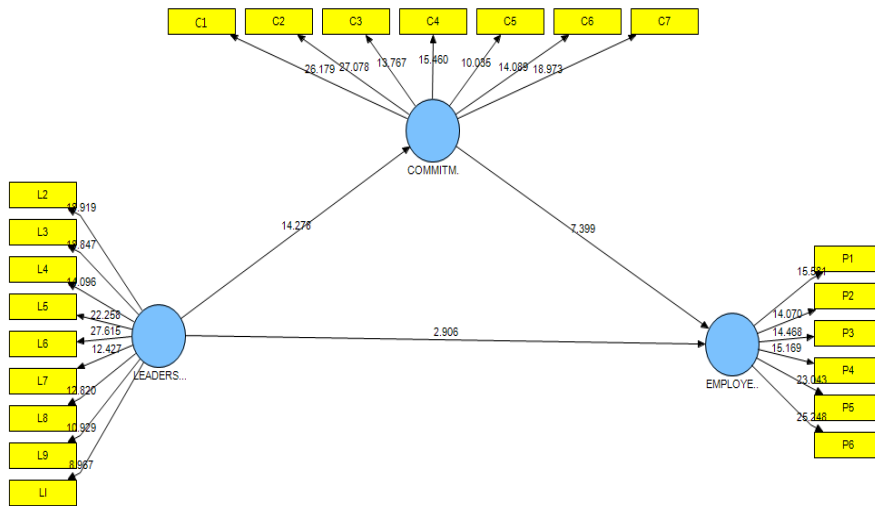


Convergent Validity

Convergent validity was assessed by examining the Average Variance Extracted (AVE) of each latent construct, as suggested by Fornell and Larcker (1981). To achieve adequate convergent validity, Chin (1998) recommended that the AVE of each latent construct should be .40 or more. Following Chin (1998), the AVE values (see Table 2) exhibited high loadings (> .40) on their respective constructs, indicating adequate convergent validity.

Assessment of Significance of the Structural Model

The study also applied the standard bootstrapping procedure with a number of 500 bootstrap samples and 388 cases to assess significance of the path coefficients (Hair *et al.*, 2011). Figure 2 and Table 2 showed the estimates for the full structural model, which includes mediator variable (i.e., Employee Commitment).



Test of Hypotheses

In this section the entire hypothesis formulated in the first section which are in alternate form will be tested for validation. The hypothesis will be tested at 5% level of significance indicating that where $p < .05$; then hypothesis will be supported and vice versa.

- H₁; Leadership Skills has significant influence on employees’ productivity in Kaduna State
- H₂; Leadership Skills has significant influence on employees’ commitment in Kaduna State
- H₃; Employees commitment has significant influence on employees’ productivity in Kaduna State.



H₄; Employees’ commitment mediate the relationship between leadership skills and employees’ productivity in Kaduna State.

Table 3: Test of Hypotheses

Hypothesis	Relationship	Beta value	Standard Error	T value	P value	Decision
H1	Leadership Skill -> Employee Productivity	0.269	0.092	2.906	0.002	Supported
H2	Leadership Skill -> Commitment	0.709	0.050	14.278	0.000	Supported
H3	Commitment -> Employee Productivity	0.617	0.083	7.399	0.000	Supported
H4	Leadership Skill -> Commitment -> Employee Productivity	0.437	0.020	21.445	0.000	Supported

p<.05; *p<.01

PLS Output

A partial least square path analysis was conducted to test whether leadership skill influence on employees’ productivity. In the analysis, the result revealed that leadership skills positively and significantly influence employees’ productivity ($\beta=0.269$, $t=2.906$, $p< 0.05$). This indicated that a direct relationship between leadership skill and employees’ productivity was significant. It is on these bases that the first hypothesis is supported as shown in Table 3.

Similarly, in the path analysis conducted to test whether leadership skill influence on employees’ commitment, the result indicated that leadership skill positively influence on employees’ commitment and can significantly predict it ($\beta=0.709$, $t=14.278$, $p< 0.05$). It is on these bases that the second hypothesis is supported as shown in Table 3.

Furthermore, in the path analysis conducted to test whether commitment influence on employees’ productivity, it was found that commitment positively influence employees’ productivity ($\beta=0.617$, $t=7.339$, $p< 0.05$). It is on these bases that the third hypothesis is supported. As shown in Table 3.

Nevertheless, from the analysis conducted to ascertain whether commitment mediate the relationship between leadership skill and employees’ productivity, the result indicated that commitment fully mediates’ the relationship between leadership skill and employees’ productivity ($\beta =.437$, $t =21.445$, $p< 0.05$). Therefore, hypothesis H₄ which stated that, employees’ commitment mediate the relationship between leadership skill and employees’ productivity was supported as shown in Table 3.

Discussion of the findings

The main objective of this study is to investigate the influence of leadership skill, commitment on employees’ productivity in Kaduna State of Nigeria. Analysis of the collected data revealed



that leadership skill has a substantial influence on employees' productivity affecting the employee positively. This finding is in line with the study of Campbell (2009), Durga and Prabhu, (2011) and Kehinde and Banjo (2018) which established that skill of leaders have the capability of improving the productivity of employees toward achieving organizational objectives. Thus, to ensure the development of employees' productivity, as the indicator for the success of organizations, it is necessary to place adequate importance on leadership skills in the light of the importance of the effect of leadership on employees' productivity founded by recent studies conducted in this field.

Similarly, the finding of the study indicated that leadership skill substantially influence on employees' commitment leading to increase in accomplishing task by the employees'. This finding is in line with the study of Faisal, Tariq and Bashir (2014) and Meyer (2017) which confirmed that leadership skills leads to increase in employees' commitment as employees respond to the changes in leadership in order to prove their talent.

In addition, this study anticipated that employee commitment mediates the relationship between leadership skill and employee productivity in organization. The findings of the study revealed that employee commitment fully mediates the relationship between leadership skill and employees' productivity thus indicating that improving employees' commitment in organization influence greatly the productivity of employees' in organizations and as such employees' commitment plays a critical role in determining the productivity of employees in organizations which is directly linked to organizational performance.

5. Conclusion and Recommendations

The study concludes that skilled and dedicated leadership can set good values which facilitate leaders to spread and establish high standards in the organizations thereby improving productivity. This indicates clearly that leadership skills are critical to employees' productivity in Nigeria particularly the education sector where employee productivity improvement has been a primary focal point for decision making by regulating bodies. Therefore, leaders' skills regularly shape the behaviour of employees leading to improvement of employee productivity and subsequently in organizations performance. Furthermore, the findings of this study revealed clear evidence of the relevance of employee commitment in determining the level of employees' productivity in organizations despite the lingering unresolved arguments on the mechanisms to which leadership skills affects employees' productivity.

This paper thus, recommend that organizations should have leaders with adequate skills to manage their staff since leadership skills has strong linkage with the productivity of employees and their level of commitment in organizations; the management of Kaduna state Ministry of Education should ensure it organizes leadership training regularly as the activity improves the skills of their managerial staff and it has direct influence on productivity of employees' and employees' commitment. Similarly, the management of Kaduna State Ministry of Education should ensure that they device means of improving employees' commitment as it a key determinant of employees' productivity.

The study suggests further the need for future researchers to conducted similar studies in different sector of the economy with the view of making generalization and also attempt can be made to ascertain whether a moderation effect may exist among the variables of the study.



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DOES POVERTY DISCRIMINATE BETWEEN GENDERS? AN EXAMINATION OF HOUSEHOLD POVERTY IN NIGER STATE

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Abstract

Gender inequality has been acknowledged as an important factor that is affecting poverty in the world both at the micro and macro levels. Many countries around the world have been battling with the menace of poverty for over decades with no serious achievement on its reduction despite some efforts geared toward it under Millennium Development Goals (MDGs). This paper examines the impact of gender equality on household's poverty reduction in Niger State, Nigeria. It focuses on the micro level of gender equality and how it reduces the level of household's poverty in Niger State. The study employs a set of household data generated from the administration of structured questionnaire to 479 households in Niger State. The paper investigates the impact of gender equality on household's poverty reduction in Niger State, Nigeria using Analysis of Moment Structure (AMOS) software and Structural Equation Model (SEM) as method of analysis. The results obtained shows evidence of gender inequality which has significantly affects the living standard of the households of women in the study area. Consequently, fulfilling a priori expectation that gender inequality has negative impact on household's poverty reduction. The study suggests policy measures that would address household's poverty reduction and gender inequality through girl-child education and women empowerment programmes in Niger State in particular and Nigeria in general.

Keywords: Gender Equality; Households; Inequality, Poverty Reduction

1. Introduction

The progress made over the years in improving the social and economic status of women and girls notwithstanding, the situation of gender in the world is still measured by structural inequality and anachronisms. In the last decade, the international agreements negotiated at the United Nation (UN) level pledge with the governments of UN members to eradicate political, legal, and social discrimination against women in all spheres of society (Rodenberg, 2004).

Evidence shows that Nigeria is blessed with huge minerals and natural resources, but many of its people are poor and starving in the midst of plenty. The poverty trend in Nigeria can be traced back to the year of independence where about 15 percent of the population lived below poverty line. In 1980, with an estimated population of 64.6 million in Nigeria, the poverty level rose to 28.1 percent and subsequently rises to 69.1 percent in the year 2010. The percentage rate represents, in absolute term 112.4 million people from an estimated population of about 160 million people. It again rose to 70 per cent in the year 2011 and 2012 and slightly drop to 67 per cent in 2013 (Ijaiya, Oni, Ikupolati, Saliu, and Ochepe 2018).



In Nigeria, using institutional indicators by gender, such as percentage of university enrolment, percentage of teaching staff in tertiary schools, percentage of seats held in National Assembly, percentage of high ranking government administrators, percentage of Federal Ministry, Department and Agencies (MDAs), staff on grade level 15 – 17 and percentage of judges in courts also depicts the extent of inequality in Nigeria.

Niger State is part of North central region of Nigeria, and its poverty rate as at 2014 stood at 61.20 percent. The causes of poverty in the State can be attributed to high level of adult illiteracy, gender inequality, lack of access to basic needs, such as, food, shelter, drinkable water, health, sanitation, epileptic electric power supply among others (NBS, 2014; UN 2015). The effects of increase in the rate of poverty in the state can lead to poor nutrition and physical health problems, gender inequality which will eventually lead to malnutrition and starvation, infectious disease, mental illness and drug dependence related crime and violence, as well as increase in the rate of “Almangiri” menace (Ijaiya, Dayang & Rambeli, 2016).

Some of the factors that determined poverty and inequality (income and gender disparities) in Nigeria include among others; an unprecedented decline in both economic growth and social development caused by the huge fall in the price of crude oil in the international market [(the key foreign exchange earner of the nation) from US\$109 per barrel in 2008 to US\$37 per barrel in 2015], exchange rate volatility that led to excessive devaluation of the nation’s currency (Naira) from N125.81 per US\$ in 2008 to N192.44 per US\$ in 2015 at official rate, increase in inflation rate from 9 per cent in 2014 to 18.5 per cent in 2016, macroeconomic policy inconsistency, instability and policy reversals, budget contraction, public sector dominance in production of goods and services, weak institutional capacity for economic policy management and coordination, lack of effective coordination among the three tiers of government, increase in security challenges in the North East and the Niger Delta that limited revenues, investment and output in both the real and oil sectors, a huge external debt overhand, deterioration in the state of infrastructural facilities (most especially electricity power supply), bad governance, pervasive rent seeking and corruption (AfDB, 2016).

Despite the numerous policies and strategies put in place by the Nigeria government since independent in order to reduce the poverty rate in the country, evidence shows that the rate of poverty is still on the increase (NBS, 2014; Balogun, Yusuf, Omonana & Okoruwa, 2011; Balogun, 2011; Ojimba, 2012; Zacccheaus & Nwokoma, 2012; Ijaiya, Dayang & Norimah, 2016). As indicated in Table 1, there is no aspect of the institutional indicators that did not show that women in Nigeria were not marginalised over the years. For instance, in 2015, male university enrolment rate was 55.3 percent to female 44.7 percent, male in the nation’s Senate in the National Assembly was 91.7 percent to female 8.3 percent and male judges in the nation’s courts was 73.8 percent to female 26.8 percent (Ijaiya *et al.* 2018).

Recently, there is a concerned by both researchers and policymakers with the understanding of the reasons why Africa’s have had limited impact on poverty reduction despite high growth rates. Measuring the growth of elasticity of poverty indicate that the effect is even lower in countries where inequality is high. However, most of these measures consider inequality along the income dimension. At the same time, there is another type of inequality that deserves



Table 1: Gender Inequality in Nigeria

Year	University Enrolment (%)		Teaching Staff in Tertiary Schools (%)		Seats held in the National Assembly (%)				High Ranking Government Administrators (%)				Federal MDAs Staff on Grade Level 15 – 17 (%)		Judges in Courts (%)	
	M	F	M	F	Senate		House of Rep.		Governors		Deputy Governors		M	F	M	F
					M	F	M	F	M	F	M	F				
2010	58.9	41.1	74.6	25.4	-	-	-	-	100	0	86.1	13.9	-	-	74.3	25.7
2011	57.3	42.7	75.6	24.4	92.7	7.3	93.9	6.1	100	0	91.7	8.3	75.4	24.6	73.5	26.5
2012	57.4	42.6	74.4	25.6	-	-	-	-	100	0	97.2	2.8	75.2	24.8	74.5	25.5
2013	56.1	43.9	74.5	25.5	-	-	-	-	100	0	94.4	5.6	74.0	26.0	73.7	26.3
2014	56.0	44.0	75.1	24.9	-	-	-	-	100	0	97.2	2.8	72.5	27.5	74.7	25.3
2015	55.3	44.7	73.7	26.3	91.7	8.3	92.8	7.2	100	0	94.4	5.6	72.1	27.9	73.8	26.2

Note: M is Male; F is Female
 Source: NBS, (2015)

attention: That is the inequality among genders, which remains to be considerable in many African countries (ADR, 2015). Inequality between men and women is one of the most crucial disparities in many societies even in modern age particularly in the less developed countries, Nigeria inclusive. Women tend in general to fare quite badly in relative terms compared with men, even within the same families.

Achieving equality between men and women has both intrinsic and instrumental significance. Intrinsically, women, like men, have a right to justice in all societies. Instrumentally, achieving gender equality would have numerous economic and social benefits for women, their children and for society as a whole. Denying 50 percent of Africa’s population from their deserved justice and the opportunities to contribute to economic and socioeconomic development; impact negatively on the continent as a whole. Despite the numerous merits of achieving a gender equal society, men and women are far from being equal in Africa. Therefore, this paper examines the impact of gender equality on household’s poverty reduction in Niger State, Nigeria.

The rest of the paper is structured as follows: section two provides the literature review of poverty and gender inequality, section three provides methodology and data source, section four present and interpret the result, while conclusion and policy implication are provided in the last section.

2. Review of Related Literature

Gender inequality refers to a situation where there is no equal treatment of men and women. This unequal treatment can be partially or wholly on basis of the gender. Gender inequality arises mainly due to the differences in socially constructed roles in genders. This difference, between men and women; is generally as regards to political, social, economic or any other problem that is perceived to exist as a result of such differences (Women, 2017). Gender inequality is a universal problem. Inequality in treatment of men and women is one of the most crucial disparities in many societies. Differential treatment of women is reflected in matters such as education and opportunity to development, availability of health care facilities, nutrition, property rights, etc. The significance of this issue can be understood by the fact that the United Nations has set promotion of gender equality and empowerment of women as one of



its Millennium Development goals. Empowerment and equality are important human rights on their own. The record-class status of women carries a social cost, not only for women, but also for men, and society in general. Gender inequality exists in most countries of the world; however, the problem is more acute in some countries as compared to others. To be more specific, greater gender inequality has been observed in the developing countries of Asia, Africa and Latin America. According to Sen (2001) “Gender inequality is not one homogeneous phenomenon, but a collection of disparate and interlinked problems”.

According to the UN-Habitat (2003), gender is a term that clearly means the economic, social and cultural attributes and opportunities linked with being male or female. In virtually all the societies across the globe women have the roles they play and so do men as well. This could be seen clearly in the activities that are ascribed to men and women which shapes access to and control of resources. While Okechuku (2013) identified gender as a social institution, cultural construct and power tool.

In the perspective of many, the term ‘gender’ is mostly touted as being related to the female gender. Nevertheless, as the society is changing, that notion has had impact on political, economic, social and cultural environments at the local, national and supra national levels. This development generated series of write-ups and one of such is the assertion made by Soetan (2003) where he postulated that the thought of gender is not limited to male or female, but rather it goes beyond that notion where an assessment of the relations between male and female are constantly being renegotiated.

In this regard gender analysis call for knowledge and understanding of both women and men's roles and responsibilities. However, the comparative analysis between these phenomenon is that it will highlight the gender inequalities of any society. Gender inequality does not imply that all women are worse off than all men. Relatively, gender (being male or female) is a significant social division characterized by inequality.

Many development agencies proffered meanings and clarity as regards the meaning of gender and other related concepts for instance, the Canada –Ukraine Gender Fund (2004) suggests that gender equality is when “women and men enjoy the same status and have equal opportunities for realizing their full human rights and potential to contribute to national, political, economic, social, and cultural development, and to benefit from the results”. In a similar fold the UN-Habitat (2003) states that “gender analysis must take into consideration and address differentials in control over and access to land and other resources, inequalities in gender participation and roles in decision-making forums as well as inequalities in representation concerning urban planning and development”.

Adediran (2006) posits that sustainability is only achievable when the management of gender related issues and ecosystem relationships within the confine of the immediate environment are known and recognized. This affirmation maintains that the throng of gender-differentiated information on the social, environmental, technical and economic aspects of development will render planning and forecasting for development more effectual and unrestricted, two themes that are needed for sustainable development.



The conception associated with equality stressed that both men and women enjoy equal opportunities. Aligning fully with the fact that gender equity is a process or approach for achieving gender equality in real sense. Even though, development organizations agree with the model that surround gender equity and as such the United Nations regards gender equality as a human right; alongside empowering women which is an indispensable tool for moving development further and reducing poverty (Igbuzor, 2010).

According to Okpe (2015), gender inequality can be pragmatically seen in the following areas:
Labour and Employment: many women do not normally earn the same income as men for the same work done particularly when the work is casual or unorganized type which is where most women secure employment. Many studies showed that majority of public servants are discriminated against in the area of maternity, sexual harassment and employment practices.

Access to Finances and Credit: In Nigeria many banks and financial homes do not feel comfortable giving loans to women and most times women have to present men especially their spouses as guarantors before they can access credit for their economic activities. This consequently results in more women becoming poorer and hindering them from bringing out their full potentials thereby impacting negatively on their business potentials.

Harmful Traditional Practices: Many cultures have discriminatory cultural practices against women. Such traditional practices include female genital mutilation, widowhood practices, male preference, and domestic violence. All of these pull down women and lend weight to discrimination against them. The dense workload of women's household chores and lack of home decision making powers contribute to the deprivation of women in terms of their rights and life. Information on family planning where they exist at times produces detrimental side effects. Male favoritism leads to exploitation and low self-esteem for the female child right from birth and consequently, she does not develop her full potentials to enable her make efficient contribution to the nation.

Violence against Women: This cuts across all cultures and tradition, women are silent victims of rape, sexual assault/harassment and battery, derogatory widowhood practices, forced labor, human trafficking, incest, and other forms of gender assaults and abuses. Most common among them all is domestic violence which is still regarded as a private affair requiring no legal or official intervention.

Access to Justice: in this part of the world women are politically, economically, socially, culturally, educationally, and legally disadvantaged. They cannot take advantage of facilities and opportunities available to them to attain and enforce their fundamental human rights. They are mostly ignorant of their fundamental rights and freedoms.

Poverty: Concepts, Causes and Consequences

Poverty is a multidimensional in nature; scholars have described it in different ways. There is no precise agreement on the definition of poverty. Depending on the societies and changes over time, the perceptions, contexts, meanings and usages may differ among the observers and researchers. For example, World Bank (2006) defines poverty as a condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic needs, such as adequate and nutritious food, clothing, housing, clean water, and health services.



According to United Nations (2009), “fundamentally, poverty is the inability of getting choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go, not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation”. Related to the definition of poverty are the causes and consequences of poverty. Maldonado (2004) classified the causes of poverty into two, (i) low productivity of available household resources and (ii) the high income and consumption volatility experienced by poor households.

The first one is associated to limited endowments (that is, human capital, technology and knowledge, social capital and physical capital), not well-defined property rights, and precarious access to markets (e.g., markets for goods and services, financial services, labour markets, and land markets). These constraints make it difficult for poor households to take fuller advantage of their productive opportunities.

The second one is the instability of income and consumption results from the incidence of shocks and the lack of mechanisms to anticipate and cope with adverse occurrences. The inability of households to deal efficiently with shocks may lead to loss of productive assets and, thereby, reduce income-generating opportunities. To solve this problem, households may choose strategies that generate lower, but more stable returns in the process trap into poverty. Consequently, poverty involves a complex array of risk factors that adversely affect the population in a multitude of ways. It has a wide ranging and often devastating effects. World Bank (2006) highlight five major consequences of poverty. These are malnutrition and salvation; infectious disease and exposure to the element; mental illness and drug dependence; crime and violence and lastly; long-term effect.

The bulk of consequences related to gender inequality and industrial development especially in the developing nations can be segmented into economic, environmental and socially related spheres. The critical are summarized below: Economically, research has revealed that there is low level of women’s participation in the manufacturing sector. UNDESA (2010) found that, women accounts for only 24% of available jobs in manufacturing and they are more likely to access low-payment, low productivity and access vulnerable jobs with no basic rights, social protection nor voice than the men folks. Women produce between 60 and 80% of food in most developing countries and are responsible for half of the world’s food production (UNIDO, 2012).

In the same vein the available statistics excerpted from UNDESA (2010) gave an insight as regards literacy level and gender, where women account for 2/3 of the world’s 774 million illiterate adults, and above one-quarter of researchers in the field of science. It was also discovered that there is still a momentous gender gap between young males and females who study within the shells of primary, secondary and tertiary education.

In the environmental context, research revealed that there is very low level of access to adequate resources, advanced technologies and modernized operating practices. This is seen to create



exclusion of vulnerable women, girls, men and boys from fully contributing to economic growth and sustainable development.

More so, there is low exigency access to energy which is considered a kind of inefficiency that greatly hinders full participation of women and indirectly promotes gender inequality. One out of five persons' lacks access to modern energy services, in a nutshell, three billion people rely on alternative source of energy such as wood, coal, charcoal or animal waste for cooking and heating (UNIDO, 2012).

Consequently, this study is an attempt to examine the connection between gender inequality and poverty in Niger state with the aim of filling a gap on whether poverty discriminate among gender. Most studies on gender and poverty are usually focused on contribution of inequality on poverty.

Empirical Review of Gender Inequality and Poverty Reduction

Kabeer (2015) provides a brief history of feminist contributions to the analysis of gender, poverty, and inequality in the field of international development in his study. It draws out the continuous threads running through these contributions over the years, as the focus has moved from micro-level analysis to a concern with macro-level forces. It concludes with a brief note on some of the confusions and conflations that continue to bedevil attempts to explore the relationship between gender, poverty, and inequality.

Lang and Lingnau (2015) based their study on post-2015 development agenda which requires to improve the concepts and measure of different forms of poverty and inequality. They build on the experiences made with the Millennium Development Goals, their study gave an overview of several possible approaches by discussing the strengths and weaknesses of the agenda. They considered national, international, relative and multidimensional concepts. It was argued that the discussions on the post-2015 agenda offer an opportunity to introduce new global measurements of progress that complement gross domestic product-based approaches, they made a case for a simple yet comprehensive index as a headline indicator that could help to better inform poverty and inequality reduction policies in the post-2015 world.

Cole, Puskur, Puskur and Zulu (2015) use qualitative data to investigate whether poverty is a consequence of women's limited access to natural resources or a cause that further exacerbates gender inequalities in Zambia. The study shows that many Zambians relied on wetlands, lakes, and rivers for their livelihoods. Social norms and power relations restrict access to natural resources provided by these aquatic agricultural systems for certain social groups, thus differentially impacting livelihood security (especially for women). A gender transformative lens and the concept of the "masculine rural" helps exploring poverty in the Barotse Flood plain in western Zambia. Sorting cause from consequence in such a context may help inform policies and research and development interventions that aim to facilitate equitable conditions for women who depend on resources provided by aquatic agricultural systems to secure their livelihoods.

Ogbeide and Agu (2015) in their study sought to establish whether or not there is a causal relationship between poverty and inequality in Nigeria. Using Granger causality techniques, issues pertaining to poverty and inequality have also continued to receive wider attention among



scholars in various economies of the globe. However, there seems to be a gap in literature as to the existence of a causal relationship between poverty and inequality. Should there be causality; the direction of causality is yet to be known, especially as it pertains to Nigerian economy. Therefore, this study found out that there is a direct line of causality between poverty and inequality as well as indirect channels through unemployment and low life expectancy on inequality which exacerbate poverty in Nigeria.

Theoretical framework

According to Sen (2009), economic development needs to be defined in terms of 'entitlement' and 'capability'. By entitlement, it means a set of alternative commodity bundles that an individual can command through the totality of rights and obligations that one faces. Thus, entitlement generates 'capabilities' that represent a person's freedom to achieve various functioning combinations. In other words, capability is essentially one type of freedom. And by economic development, Sen (2009) suggests capability expansion or expansion of freedoms. For instance, poverty is a failure to achieve certain minimum capabilities. Lack of freedoms like hunger, malnutrition, poverty, poor health, economic insecurity, poor schooling and health care among others generates inequalities. Despite remarkable growth, a vast section of population of the contemporary society is deprived of basic freedoms. One of such lack of freedom leading to inequality is gender bias. Though Human Development Index (HDI) incorporates some aspects of human development, inequalities in opportunities between men and women are missed out in HDI. Gender bias in health care, mortality rates of women are high compared to men. It is the adverse sex ratio as observed in Asia and North Africa which is attributed to 'missing women' concept (UNDP, 2018).

With the advancement of economic progress as well as social progress, such clear cut bias against women should have declined. Unfortunately, such trend is on the rise. Capability deprivation results in gender inequality. Through sex- selective abortion, female fetuses are eliminated so that no female child is born. In 1998, as a result, for the world as a whole, shortfall of women relative to men exceeded 100 million. This is called 'missing women'. (Allyse, Mollie; Berson; Sridhar; Margaret, 2015). According to World Development Report (2012), the figure is 3.9 million in low income countries. Substantive freedoms that a male member enjoys are denied to female member. For example, women eat less and get little medical attention. Educational gender gap is also perceptible. Women have no or little power or authority over any household decision-making process. Outside the home, women are politically marginalised. All these reflect gender disparity. To measure the extent of this disparity or inequality, UNDP (1995) took a new initiative to construct an index called 'gender-related development index' (GDI). Also to measure the extent of empowerment of women, the UNDP devised 'gender empowerment index' (GEI) (1995). The HDI measure achievements in human development in terms of three indicators, but ignores differences between men and women. Gender differentials in achievement are studied with the index called GDI. Like the HDI, GDI measures achievements in the same three dimensions and variables in respect of men and women.

These three dimensions are: estimated earned income measured by US \$; knowledge, as measured by the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio; and a long and healthy life, as measured by life expectancy at birth. The study



therefore aligns with the postulation of Sen (2009) that economic development is an entitlement that generate capability and failure to attain some minimum capability in some basic needs is what usually leads to poverty.

3. Methodology

This study was conducted in Niger State of Nigeria. Niger State is one of the State in the Northern part of Nigeria, specifically, North Central Region. The State is located in an area of about 150 Kilometer from Abuja, the Federal Capital of Nigeria and on Latitude 8022’N and 11030’N and Longitude 3o30’N and 7o20’E.

Data was collected through structured questionnaire administered among the heads of households in Niger State between the month of February 2019 and May 2019. A multistage sample design was used to collect cross sectional data from households in the study area. Specifically, a stratified sampling method and a random sampling were used in selecting the respondents. The first stage was to identify the sample areas which comprise 25 local government areas, which was divided into 3 senatorial district.

In the state, two local government areas were randomly selected from each of the senatorial districts based on the proximity, ecological, socio-cultural, language speaking, and economic variations. This was necessary for equal representation of the study area. The second stage identified the number of households and population in each study area, while the third stage of the sampling involves random selection of 87 households in each of the selected study areas. In all a total sample of about 519 heads of households were randomly selected to respond to the questions in the questionnaires.

In determining the influence of gender inequality on poverty reduction in Niger State, Nigeria, an econometrics model of simultaneous equation modeling through structural equation model was built around the indicators of gender equality and poverty reduction as the main objective of the paper. The model was used in estimating the impact of these indicators on the poverty reduction in Niger State, Nigeria. The variables considered are as follows: Knowledge (Education status), Income status and Participation in government.

These can be represented in the following model:

$$PovR = F (ES + IS + PG) + Ui \dots\dots\dots 1$$

Where:

PovR = Poverty reduction of the female heads of household in the study area.

ES = Education status of the heads of household in the study area.

IS = Income status of the heads of household in the study area.

PG = participation in government

Ui = Error terms.

The responses to the questionnaires by the respondents were coded and then analyzed using SPSS version 22. Structural Equation Model (SEM) was conducted using Analysis of Moment Structure (AMOS). All tests were at 95 percent confidence interval.



Structural Equation Model (SEM) is a statistical tool used in testing and estimating the causal relationships among latent variables. SEM was derived from an econometrics simultaneous equation modeling. SEM technique can be categorized among the second generation multivariate analysis such as confirmatory factor analysis, correlation, multiple linear regression and path analysis (Fornell, 1987). Also, SEM is a technique used by researcher to simultaneously assess the relationships that exist between multiple independent and dependent constructs. SEM can also be called latent variables model, the term structural depicts a causal relationship that the parameters show. AMOS was the software used in the analysis of the data.

According to Kline (1998), a sample size that is more than 200 can be considered to be large enough for Structural Equation Modeling (SEM) analysis. Hence, this study is qualified to adopt Structural Equation Model (SEM) technique, because the sample size exceeds 200.

4. Results

Measurement Model Fit

In the measurement model, the model fit generated along with the output including the Comparative fit index (CFI), Normed fit index (NFI), Goodness of fit index (GFI), Root Mean Square of Error Approximation (RMSEA) and Relative Chi-square meet their expected range to justify the validity of the measurement model.

Table 2: Established Criteria for fit Indices

Fit Indices	Authors	Recommended Values	Values from current model
CFI	Bentler, (1990), Hatcher, (1994)	>.90	9.54
NFI	Bentler & Bonett, (1987)	>.90	9.76
GFI	Yuan, K.H, (2005), Steiper, J.H, (2007), Hair et.al., (2010	>90 >.80	9.58
RMSEA	Byrne, (2001), Hu & Bentler (1999)	< 0.50 or <= 0.08	0.04
Relative Chi-square	Marsh & Hocevar, (1985), Bentler (1990)	0.05 or < 5.0	2.543

The CFI generated for the study was 9.54, NFI is 9.76, GFI is 9.58, RMSEA is 0.04 and Relative chi-square is 2.543. Also, the unidimensionality was tested and this was achieved because all factors loading were positive and greater than 0.5.

The value in diagonal and bold is the square root of AVE of the construct while other values are the correlation between the respective constructs. The discriminant validity is said to be achieved when a diagonal value (bold) is higher than the values in its row and column. Therefore, this study exhibits sufficient discriminant validity since the value in bold is higher than the values in its row and column. Also, there is the absence of multicollinearity since the correlation coefficient among the latent variables did not exceed 0.85 (See Zainudin, 2015).



Table 3: Discriminant Validity Testing

	ES	IS	PG	Pov
ES	0.75			
IS	0.24	0.79		
PG	0.29	0.42	0.84	
Pov	0.36	0.44	0.37	0.92

Table 4: Results of SEM on the Impact of Gender Inequality on Poverty Reduction in Niger State, Nigeria

Construct Results	β	SE	Beta	CR	ρ
ES	-0.213	0.042	-0.245	3.213	0.641 <i>Not Significant</i>
IS	-0.143	0.041	-0.423	2.413	0.543 <i>Not Significant</i>
PG	-0.254	0.043	-0.615	4.234	0.734 <i>Not Significant</i>
R = 0.82					
R ² = 0.68					

Table 4, shows the regression analysis on the impact of gender inequality on poverty reduction in Niger State, Nigeria. The R² value of 0.68 shows that 68 percent variation in the dependent variable; Poverty can be explained by the explanatory variables (gender inequality components). According to Chin, Marcolin and Newsted (2003), R² values greater than 0.67 is having practical value. R² value between 0.33 and 0.66 is assumed to have moderate explanatory value, while R² value between 0.19 and 0.32 has weak explanatory value. Therefore, R² for this study is 0.68 and it has a practical explanatory power. Looking at the individual variables, all independent variables, gender inequality components are statistically insignificant, an indication that the model is acceptable.

Educational status (ES) has a coefficient of -0.213, with critical ratio of 3.213 was negatively related to poverty reduction and statistically insignificant at 1 percent level. The beta result of -0.245 indicates that educational status has 24.5 per cent direct effect on poverty reduction among gender in Niger State, this can be attributed to the fact that female education is not a priority in the study area rather male education is preferred. Income status (IS) has coefficient of -0.143 with critical ratio of 2.413 been negatively related to poverty reduction and statistically insignificant at 1 per cent level. The beta result of -0.423 indicates that income status has 42.3 per cent direct effect on poverty reduction among gender in Niger State, Nigeria. This could be as a result of the fact that most women are not allowed to work, they are mostly full housewife, and they are not engaging in any economic activities. This can be attributed to the religion belief or their ethical belief. Participation in government (PG) has coefficient of -0.254 with critical ratio of 4.234 was negatively related and statistically insignificant at 1 percent level. The beta result of 0.615 indicates that participation in government has 61.5 per cent direct effect on poverty reduction among gender in Niger State, Nigeria. This can be attributed to the fact that women in the study area are not allowed to participate in politics because of their religion and ethical belief. All these have negative impact on gender poverty reduction in the study area. This result goes in line with our a priori expectation also similar with the work of Blau, (2016)



and Kabber, (2015) who were of the view that gender inequality components such as educational status, income status and participation in government have negative impact on poverty status in United States.

5. Conclusion and Recommendations

This paper investigates the impact of gender inequality components on poverty reduction in Niger State, Nigeria, using Structural Equation Model technique. This study focused on investigating on the causal relationship between gender and poverty using Niger state, Nigeria. The findings of this study revealed that educational status (ES), income status (IS), and participation in government (PG) all have negative impact on poverty reduction in Niger State, Nigeria. Gender inequality and poverty have been seen as two evils that are highly associated with a view of impacts which seem incontestable and must be fought together. The result of the study showed clearly that there is a very high level of poverty and poverty does not discriminate among gender in the study area in Niger State. There is a feedback causality effect between gender and poverty in Niger State, Nigeria. Income and educational status as well as participation in government does not reduce poverty in the study area. This is consistent with the few studies that have investigated the causal relationship between both. The result of the study further showed that educational status, income status and participation in government causes inequality between genders in the study area. Thus, there is an indirect link between poverty and gender inequality as well as an inequality causing poverty.

It recommends that female education should be encouraged in the study area, it's should be a major tool to be considered in the fight against poverty and gender inequality in the study area. It is also recommended that the issue of income inequality should also be addressed among genders; this can be done through women empowerment. This should not be left for the government alone; the private sectors are also encouraged to be actively involved in this as well as individuals through imbibing the spirit of entrepreneurship. The study also recommended that women participation in government should also be encouraged; this will go a long way in reducing the inequality among women in the study area. This study thus, concludes that since gender inequality and poverty are two major problems that are eating up the country, policy measure that would improve gender equality and poverty reduction in the study area should be put in place. Niger State government should try as much as possible to encourage women employment in the state.

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ANALYSIS OF FACTORS INFLUENCING TAX COMPLIANCE IN KWARA STATE

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Abstract

Low level of tax compliance has been a matter of serious concern in many economies like Nigeria, because tax revenue is tied to government performance. This study examined the factors influencing tax compliance in Kwara State. Specifically, the study investigated the effects of tax audit, tax fund management and tax payers' confidence in the tax operational system on tax compliance in the State. The study adopted cross-sectional research survey design and stratified sampling technique was used in selecting 400 respondents. Data were obtained from primary source through a 5-point Likert scale questionnaire and were analyzed using Ordinary Least Squares (OLS) regression method. The study revealed that the Use of Taxpayers Fund (UTF), effectiveness of Tax Operational System (TOS) and Tax Audit and Penalties (TAP) had significant effect on tax compliance with co-efficient of 0.571, 0.224 and 0.20 at 5% level of significance respectively on tax compliance. Based on these findings, the study concluded that these factors had significant effects on tax compliance in Kwara State. It was therefore recommended that Kwara State Government should ensure that tax funds are deployed towards developmental projects and it should intensify efforts to educate people more on tax legislations with a view to eliciting more compliance and economic growth in the state.

Keywords: Tax Compliance, Tax Morale, Tax Audit, Tax Payer's Confidence

1. Introduction

Taxation is an age-long practice which could be traced to the days of early civilization. Tax refers to a general concept for devices used by the government to extract funds from the citizen and organizations with the use of law. According to Nightingale (2001), a tax is a compulsory contribution imposed by the government, and while taxpayers may receive nothing identifiable in return for their contribution, they nevertheless have the benefit of living in a relatively educated, healthy and safe society. In other words, a tax is an imposed levy by the government against the income, profits, property, wealth and consumption of individuals and corporate organizations to enable the government to obtain the required revenue to provide basic amenities, security and well-being of the citizens.

Stephen (2015); Fagbemi and Abogun (2013); and Kennedy and John (2013), stated that there is an established link between government tax revenue and economic development. A country



with a low tax revenue profile will be lacking necessary funds needed for economic development and transformation. Therefore, all responsible corporate citizens would seek to ensure compliance with tax laws. Most developmental projects in developed countries are been attributed to proper utilization of tax revenue. The nation will remain underdeveloped, if it lacks financial resources to provide basic infrastructure.

The size of a country's revenues generation will be determined by the extent of tax compliance of that country. The greater the level of tax compliance, the greater the country's ability to raise funds from taxes. Citizens are expected to see tax as a social responsibility and the means of assisting their nation while the Chartered Institute of Taxation of Nigeria's (CITN) findings of 2010 on taxpayers' behaviour is contrary to the above view. According to CITN (2010), administration of income tax in Nigeria as in some other developing countries is characterized by low compliance level and despite Nigeria's human and natural endowment as well as economic potentiality, the country has continued to record one of the lowest tax compliance level in Africa.

Governments have embarked on many campaigns and strategies in an attempt to achieve the accurate compliance. These strategies include the use of tax audits and penalty, among others. However, the expected tax return is yet to be achieved. In Kwara State, the State Government has commenced the tax awareness programme on the state mass media outlet since last two years with little success to record for it as claimed by the Secretary to the State Government. Shop owners in kwara state registered their own grievances on personal income tax in Royal Time Newspapers on 10th of January 2017.

However, drawing from the Expectancy Theory of Motivation, Bariyima and James (2014) identified some attractive rewards to the taxpayers which are capable of satisfying taxpayers' unsatisfied needs and motivate adequate compliance to tax such as roads, electricity, water, security, etc.

The state's tax administration was making efforts to control the poor compliance situation. Some business enterprises were sealed off on the tax evasion counts, while large numbers were believed to have their escaping route through the tax officials and tax avoidance. The Kwara State Government resulted into handing over the State Internal Revenue Service Board to some tax professionals /tax officials to attain optimal tax compliance. It seems the problem includes low confidence in government and tax system as a result of poor delivery of expected and promised service of the government.

World Bank (2016), rated Nigeria 187th out of 189 countries based on tax compliance hours. Nigeria is just ahead Brazil and Bolivia in the world on tax compliance basis. Also, Nigeria was ranked as 181st out of 189 in overall paying taxes ranking which comprises of tax rate, payment system, tax administrative efficiency and time to comply with the measurement of all the countries. It is evident that non compliance to tax is not a minor practice in Nigeria and in Kwara State to be specific.

Looking into the scenario above, one will observe that inefficient tax administration is deemed to be part of what leads to non compliance, while a host of others is definitely involved in this



low revenue generation syndrome. This study examined tax compliance in Kwara State, Nigeria.

Low tax compliance is a matter of serious concern in many developing countries because it limits the capacity of government to raise revenue for developmental purposes (Torgler, 2003). Most researchers on tax compliance including, Torgler (2003) and Murphy and Harris (2007) focused their attention on the Western World and some Asian countries except that of Fakile (2012), who worked on analysis of tax moral and compliance. Bariyima and James (2014), studied the effects of motivation on tax compliance and Stephen (2015), examined the effects of economic growth on tax compliance. Also Fagbemi and Abogun (2013) worked on the factors influencing tax compliance. All these studies agreed that relationship between government and taxpayers influence tax compliance.

However, the gap from the above studies is the fact that none of the work look into the effect of Tax audit and Penalties, Government uses of tax funds and confidence in tax system all together as proxy for tax morale or motivation behind the tax payers compliance behaviour. Where the relationship between the taxpayers and the government is accepted by all the afore-mentioned authors to include any performance or responsibilities of government in relations to tax funds generations and uses of it. Based on this, the following objective became pertinent, without prejudice to the work of Alm and Tonglar (2006), Alm (2013), Fakile (2012), Fagbemi and Abogun (2013), Bariyima and James (2014) and Am and Yusuf (2009), this study evaluates the factors influencing the taxpayer's compliance attitudes in Kwara State. The specific objectives are to examine the effect of tax audit and penalties on the taxpayers' compliance decision, to ascertain the effect of the use of tax fund on tax compliance behaviour, and to evaluate the effect of taxpayers' confidence in tax operational system.

2. Literature Review

Conceptual Issues of Literature

There are some factors that might influence the taxpayer's behaviour, the roles of individuals in the society and accepted norms of behaviour have also shown to have a strong influence (Wenzel, 2001). Individuals are not simply independent selfish utility maximisers, but they also interact with other human beings in ways which depend on different attitudes, beliefs, norms and rules. It also means that as taxpayers they can normally be expected to act as responsible citizens, that is, in normal circumstances, they should conform to reasonable obligations of the tax system without the need for strict application of enforcement activity.

According to Bariyima and James (2014), tax compliance is the act of subjecting oneself to the demands of the tax laws either voluntarily, by persuasion, inducement or compulsion. "Voluntary tax compliance" occurs when a tax payer willingly submits himself as best as he can to the requirements of the tax laws. "Enforced tax compliance", on the other hand, is when he is compelled or coerced to do same. Thus, not all non-compliance were due to evasion some are tax avoidance which is legal. As Bariyima and James (2014) had noted, it is quite conceivable that non-compliance might be driven by simple incapacity to comply or even ignorance of what to do. Compliance has been a great problem in the Nigerian tax system as a result of the large scale of Nigeria's informal sector. The administrative burden of applying the tax provisions had equally been very cumbersome for some of these entities.



For over 40 years ago, the benchmark economic model of tax non compliance behaviour has been addressed in the Allingham and Sandmo's (1972) Model, in which self-interested taxpayers choose how much income to report to the tax authority by trading off the benefits of evasion (lower tax payments) against the costs of evasion (the possibility of being caught and punished). The key policy parameters affecting tax evasion are the tax rate, the detection probability, and the penalty imposed, conditional on the evasion being detected. (Fagbemi & Abogun, 2013).

Furthermore, the definition of tax compliance frequently used in the literature might be considered to be too simplistic. The most common approach previously has been to conceptualize compliance in terms of "tax gap", that is, the difference between the actual revenue collected and the amount that would be collected if there were 100 per cent compliance. However, the basic concept of "tax-gap" for non-compliance seems to be far too simplistic for practical policy purposes.

According to Roth, John and Witte (1989), compliance with reporting requirement means that the taxpayer files all required tax returns at the proper time and that the returns accurately report tax liability in accordance with the Internal Revenue code, regulation and court decisions applicable at the time the return is filed. Therefore, successful tax administration requires taxpayers cooperation in the operation of a tax rather than be forced. This clearly states the line between tax compliance and noncompliance; yet, tax compliance requires adequate record keeping and actions or concepts that leads to voluntary and adequate compliance with tax policies.

Consequently, a taxpayer can fail to comply either because he has made an honest mistake while filling his tax form, or because he wanted to evade his tax liabilities from the beginning. Whether the taxpayer made an honest mistake or intentional omission, the result is the same. For this reason, non-compliance includes situations where individuals underpay or overpay their taxes usually called underreporting or over-reporting.

Concept of Tax Morale

Tax morale is defined as the intrinsic motivation to pay taxes, although many researchers including Frey (2003) and Torgler (2002) stressed its relevance to achievement of high observed level of compliance.

There are three key factors that are important in understanding tax morale, they are: moral rules and sentiments; fairness; and the relationship between taxpayer and government (Erzo, Luttmer & Monica, 2014). These three key elements are important determinants in the empirical part of this study. Morale rules and sentiments focus on social norms and analyses the four sentiments – guilt, shame, duty and fairness.

Tax moral as perceived by Bariyima and James (2014), Kennedy and John (2014) Mark (2014), Fagbemi and Abogun (2013), among others, as a subject of government management tax funds and tax administration competency. Where the false declaration will generate anxiety, guilt, or if caught, shame and thus a prejudice to the taxpayer's self-image. It is assumed that a taxpayer feels these moral costs which act as a restriction on non-compliance. On the other hand, if a taxpayer feels or believes that the tax system is unfair, that is, having a high tax burden, moral



cost to behave honestly will decrease and tax evasion can be seen as a sort of resistance against the tax system (Fakile, 2012).

Tax morale is often used in reference to these types of influences on tax compliance. Tax moral can be defined broadly as an umbrella term capturing non-pecuniary motivations for tax compliance as well as factors that fall outside the standard expected utility framework. For example, individuals may have some intrinsic motivation to pay taxes or feel “guilt” or “shame” for failure to comply. They may comply due to reciprocal motivations: the willingness to pay taxes in exchange for benefits that the state provides to them or to others even though their pecuniary payoff would be higher if they didn’t pay taxes.

Tax compliance is not just a function of opportunity, tax rates, probability of detection and so on but of each individual’s willingness to comply shaped by tax morale. This means that if tax morale is favorable, tax compliance will be relatively high. On the other hand, tax moral will emanate from government discharge of duty which in most cases a subject of available resources.

Social Capital Theory

According to Alm (2013), there is abundant evidence that individuals are influenced by the social context they are into and the process by which decisions are made and that they are motivated not simply by self-interest but also by group notions like social norms; Social capital, social customers, social networks, fairness, trust, reciprocity, intrinsic motivation, tax morals as well as by individual notions of guilt, shame, morality, or altruism.” He called this a social interaction theory as agreed by Essian (2005).

Working on the psychology of taxation, Kirchler (2007) called this process a social norm of tax compliance. A social norm therefore represents a pattern of behavior that is judged in a similar way by others and that is sustained in part by social approval or disapproval. If others behaved according to some socially accepted mode, then the individual will behave appropriately; if others do not so behave then the individual will resent in kind (Alm, 2013).

This theory suggests that if the government comply with social norms and attaching specific goals to specific taxes and employ Management By Objectives (MBO) principles in formulating tax policies then people will comply with the social norms of paying their taxes. Again, the truthfulness of the governors to the governed in areas of fair electioneering, asset declaration shunning primitive capital accumulation and neo-colonialism will set a good model for confidence reliance, a catalyst for tax compliance. This theory can be linked to the axioms that this country belongs to all of us, play yours and I will do mine.

Expectancy Theory of Motivation

Social-political theory of taxation does not promise any benefit to the taxpayer. According to (Appah & Oyadonghan, 2011), it necessitated tax payment as a civil duty or responsibility without expecting a commensurate benefit or non from the government quid-pro-quo.

However, taxpayers have a fiduciary relationship with the government. This benefit received theory proposes that while the citizens pay tax, government is to in turn provide certain social goods and services to the tax payers. Bhartia (2004) said, this theory overlooks the use of tax policy for economic growth and stabilization of a nation. Individuals see payment of tax as a



means of contributing their quota to the cost of providing social goods by government (Appah & Oyadonghan, 2011).

The expectancy theory of motivation argues that the strength of tendency to act depends on the strength of an expectation that an act will be followed by a given outcome and on the attractiveness of that outcome to the individual (Tamunomiebi and Zeb-Obipi, 2009). The social capital theory states that masses should not expect a direct favour on tax paid while the government is responsible for provision of societal needs. The failure of one will definitely lead to reductions of the other's performance i.e. should government fails in their responsibilities, taxpayers will not comply.

Empirical Review

Alm and Tonglar (2006), conducted a world values survey data on wide range of countries over several years with a test on the role of culture on tax compliance, the result shows a significantly higher tax moral in the United States than in Spain. In addition to this, some have similar results which indicate that the US, Austria and Switzerland are the countries with high moral for tax compliance. Alm (2013), conducted a study in US to answer the question of what accounts for these great compliance. In an empirical study with experimental design, analyzed the results with correlation and regression. He discovered that Group motivation has a direct effect on tax compliance methods. (Alm, Clark and Label, 2012) in another study in UK making use of secondary data on tax filling compliance, the study analyzed the panel data collected with correlation and revealed that social capital factors such as heterogeneity in household incomes and religion on tax filling and discovered that not filling increases with heterogeneity by race and decrease by religion and other enforcement variables.

Also, Alm and Yusuf (2009) attempted to know the effect of non compliance by some segment of the society, their study was conducted in United Kingdom using spatial dependence with secondary data, state lead time series with cross sectional data. The result showed that an increase in tax evasion in one state led to a positive increase in tax evasion in a neighbouring state with a response of 10% to 20.4% effect on other states. Fakile (2012) conducted a study on analysis of tax morale and tax compliance in Nigeria, making use of primary data and the findings were of affirmatives that social norms, attitude towards government, tax evasion and tax avoidance had significant effect on tax morale. He stated further that taxpayers may follow laws they know or trust to produce good results. But laws are not only chosen according to past experiences; they are also influenced by the attributions taxpayers give to them (for example, fairness and efficiency).

Fagbemi and Abogun (2013) worked on factors influencing voluntary tax compliance among Small and Medium Enterprises (SMEs) in Ilorin metropolis with primary data from the computation using the Pearson moment correlation and multiple linear regressions, it was deduced that tax morale and trust in government had a positive impact on voluntary tax compliance among SMEs in Ilorin metropolis. Bariyima and James (2014) studied the effect of motivation on tax compliance in Bayelsa State, with public participation in the process of tax policy formulation; formulation of goal-oriented tax policies and the satisfactory use of tax revenue as motivational variables. The study made use of primary data and tested with Pearson



correlations where the result showed that the motivational factors had strong effect on tax compliance.

3. Methodology

Model Specification

Fagbemi and Abogun (2013), developed a model for factors influencing tax compliance where tax morale, trust in government and cultural norms are the independent variables that determine the tax compliance behaviour.

$$COM = \beta_0 + \beta_1TM + \beta_2TG + \beta_3CN + \varepsilon \dots\dots\dots 1$$

COM= Compliance
 TM= Tax Moral
 TG= Trust in Government
 CN=Cultural Norms.

This model was adopted and re-modified, due to the facts that two of the variables in it were substituted in this study. Cultural norms was not considered as a variable in this work as it was proved not to have significant relationship with tax compliance in some previous work on tax compliance. It was therefore replaced with the Government Uses of Tax funds. Also tax morale was substituted with Tax Audit and Penalties being the main variable that spring up intrinsic morale of the tax payer and prominent determinant of taxpayer’s compliance behaviour.

The relationship among the variables of this study as can be inferred from the literature and theories is guided by this generalized linear model:

$$Y = f(X) \dots\dots\dots 2$$

Where X is for the regressors and Y for the regressand, the regressand is tax compliance (VTC)

$$VTC = \alpha_0 + \beta_1TAP + \beta_2UTF + \beta_3TOS + \varepsilon \dots\dots\dots 3$$

Where:
 VTC = Voluntary Tax Compliance
 TAP = Tax Audit and Penalties
 UTF = Uses of Tax Fund
 TOS = Tax Operational System
 ε = the error term.

The *a priori* expectation of the linear model is: $\beta_{TAP} / \beta_{Tax} > 0$; $\beta_{UTF} / \beta_{Tax} > 0$.

Research Design

Research design is a procedure or process that guides the researcher in providing answers to research questions and meeting desired objectives. This study made use of cross-sectional survey design. This is because of the fact that respondents were large in number and of different groups.



Sample Size and Sampling Techniques

In view of the researcher’s inability to reach out to the entire population, and in order to gain the advantage of an in-depth study and effective coverage, samples were drawn using random sampling from the aforementioned selected four organizations and Yamane’s (1986) sampling formular was used to determine a sample of 392 from a population of 20,000

To enable each of the organizations to have fair and equal representation in the sample, approximating the sample size of 392 to 400 was considered necessary. Using a population of approximately 20,000 Kwara residents with an error limit of 5%, a sample size of approximately 400 is considered adequate as stated above. These are respondents are drawn from a sample size of four organizations in the public, private and informal sectors.

The four organizations were Kwara State Bureau of Land and Housing, Diamond Bank Nigeria Plc, Artisans and Crafts Practitioners and Mandate Marketers. Furthermore, a total number of 100 (one hundred) questionnaires were administered to each of the four chosen organizations. The choice to administer 100 questionnaires each in the four selected organizations is to have fair representations of each class i.e. state government staff, private establishment staff, self employed and informal sectors by having equal number of respondents in the study.

Methods of Data Analysis

The dependent variable in this study was represented by tax compliance while the independent variable was represented by determinant factors such as effects of Audit and penalties, trust of taxpayers in the government use of funds and trust in government tax policies

Ordinary Least Square Regression Analysis was conducted to assess the relative predictive power of the independent variables on the dependent variable. The statistical package for social sciences (SPSS) was employed in the different analyses conducted.

4. Result

Correlation and Regression / Results

Table 1: Correlations

		VTC	UTF	TOS	TAP
VTC	Pearson Correlation	1	.478**	.352**	.282**
	Sig. (2-tailed)		.000	.000	.000
UTF	Pearson Correlation	.478**	1	.385**	.352**
	Sig. (2-tailed)	.000		.000	.000
TOS	Pearson Correlation	.352**	.385**	1	.784**
	Sig. (2-tailed)	.000	.000		.000
TAP	Pearson Correlation	.282**	.352**	.784**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	388	388	388	388

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

Source: Author’s Computation, (2019)

The result of the regression analysis is presented in this segment of the study. This study has one outcome (dependent) variable and multiple predictors. We therefore regressed the



dependent variable, tax compliance on all of the predictor variables, tax audit and penalties Policies, government uses of tax revenue and tax operational system.

Table 1 was used to present the correlation result of the variables; the variables in the model were free from the risk of multicollinearity. None of the value of the correlation between the variable is above 0.4 while it could be said to have the multicollinearity if we have value greater than 0.7

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change	Durbin-Watson
						F Change	df1	df2		
1	.859 ^a	0.739	0.737	0.360	0.739	361.897	3	384	0.000	1.591

Note: Predictors: (Constant), TAP, UTF, TOS; Dependent Variable: VTC
Source: Author's Computation, (2019).

The R-square in Table 2 is .739; indicating that, approximately 74% of the variability of Tax comp. (Tax compliance) is accounted for by the variables in the model. (That is; tax audit and penalties, government uses of tax revenue and effectiveness of tax operational system).

The adjusted R-squared as shown in Table 2, indicates that about 74% of the variability of Tax Compliance (Tax comp) is accounted for by the model, even after taking into account the number of predictor variables in the model. Also from Table 2, Durbin- Watson value of 1.591 is obtained. This indicates that the data used for this study were not auto correlated.

Table 3: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	140.550	3	46.850	361.897	0.000 ^a
	Residual	49.711	384	0.129		
	Total	190.262	387			

Author's Computation, (2019)

As can be observed from Table 3, the p-value of F-test is statistically significant which means at p-value of 0.000, the model is statistically significant. The p-value associated with the F value is very small (.000) and when compared with our alpha standard level of 0.05 It can thus be concluded that the independent variables reliably predict the dependent variable.

Table 4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.(p)	Collinearity Statistics	
	B	Std. Error	Beta	T		Tolerance	VIF
(Constant)	.282	.127		2.221	.027		
UTF	.517	.028	.571	18.685	.000	.729	1.372
TOS	.235	.056	.224	4.166	.000	.234	4.267
TAP	.202	.053	.201	3.807	.000	.243	4.107

Author's Computation, (2019)



Collinearity result shown on Table 4 indicated that VIF value falls “between” 1 to 10 thus we can conclude that there is no multicollinearity. The coefficients for each of the variables as shown in Table 4, indicates the amount of change one would expect in VTC (Voluntary Tax Compliance) given a one unit change in the value of that variable, suppose that all other variables in the model are held constant.

Therefore, we would expect an increase of 0.51 (approximately) in VTC (Voluntary Tax Compliance) score for every one unit increase in UTF. (Uses of Tax Fund) assuming that all other variables in the model are held constant. Also, we would expect an increase of 0.24 (approximately) in VTC (Voluntary Tax Compliance) score for every one unit increase in positive behaviour TOS (Tax Operational System effectiveness) assuming that all other variables in the model are held constant. From Audit and Penalties (TAP), we would expect an increase of 0.20 (approximately) in VTC (Voluntary Tax Compliance) score for every one unit increase in TAP, assuming that all other variables in the model are held constant.

In Table 4, the column of Beta coefficients allows us to compare the strength of the coefficient of one independent variable with the other. These are the values for a regression equation if all of the variables are standardized to have a mean of zero (0) and a standard deviation of one (1). As the standardized variables are all expressed in the same units, the magnitudes of the standardized coefficients indicate which variables have the greatest effects on the predicted (dependent) value.

In this study, uses of tax fund (UTF) has the largest Beta Coefficient, (.571) and Tax Audit and Penalties (TAP) has the smallest Beta Coefficient, (.201). Thus, a one standard deviation increase in UTF leads to a (.571) standard deviation increase in predicted (VTC) with the other variables held constant. Also, a one standard deviation increase in TAP, in turn, leads to a (.201) standard deviation decrease in VTC with the other variables in the model held constant.

The difference between the regular co-efficient (unstandardized) and the standardized coefficient is the units of measurement. For example, to describe the raw coefficient for Uses of Tax Fund (UTF), we say a one-unit increase in UTF would yield a .571 increase in the predicted (VTC). However, for the standardized coefficient (BETA) we say a one standard deviation increase in Uses of Tax Fund (UTF) would yield a .439 standard deviation increase in the predicted (VTC).

As shown in Table 4, the coefficient for Tax Audit and Penalties (TAP) is significantly different from 0 using alpha of 0.05 because its p-value of .000 is smaller than alpha standard of 0.05. The coefficient for Uses Tax Funds (UTF) is significantly different from 0 using alpha standard of 0.05 because its p value of .000 is smaller than 0.05. The coefficient for Tax Operational System (TOS) is significantly different from 0 using alpha standard of 0.05 because its p-value of 0.000 is smaller than 0.05

The result of the test of this hypothesis as revealed in Table 4 shows a significant relationship between tax audit and voluntary tax compliance, government uses of tax fund and voluntary tax compliance as well as taxpayer’s confidence in tax operational system and tax compliance in other words, the null hypotheses is rejected while the alternative is accepted meaning that



government tax audit and penalties has significant effects on the taxpayers' compliance behaviour in Kwara State.

5. Conclusion and Recommendations

The study concludes that tax compliance is a function of government uses of fund, efficiency of tax operational system, and probability of detection and penalties where these three shape the tax moral. Thus; if tax morale is high, tax compliance will be relatively high. Taxpayers may follow laws they know or trust to produce good results and laws are not only chosen according to past experiences; they are also influenced by the attributions taxpayers give to them.

Based on the findings of this study and the conclusion drawn, the following recommendations were made: the tax audit and penalty assignment should be effective and efficient not to punish the tax evaders only but as a means to encourage all taxpayers. The fear of being caught would be sufficient to act as a deterrent; government should ensure that tax funds are tied to one or more specific developmental project. Taxpayers are very sensitive to the use of tax revenue especially in Kwara State, where there are indications that the institution of governance at all levels is entangled in a web of public distrust and declining public confidence; there is the need to provide strong taxpayer's services by the government particularly during the tax filing stage. This will include dissemination of information in order to enhance the taxpayers' compliance behaviour and also introduce the taxpayers' education programmes.

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**CHANGING MACROECONOMIC STRATEGIES IN NIGERIA FROM 1960 TO 2019:
LESSONS FROM THE PAST AND ROADMAP FOR THE FUTURE**

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Abstract

In 2017, the Nigerian government launched the Economic Recovery and Growth Plan (ERGP) in response to the multidimensional economic crises facing the country. Earlier works had reviewed the rapid changes in economic frameworks in Nigeria from 1960 to 2011, which included the development plans, Structural Adjustment Programme and National Economic Empowerment and Development Strategies. With this background, this paper went further to include the latest macroeconomic management framework in Nigeria, the ERGP, and how it fared up to 2019, as an input into future economic development frameworks. The setting for this study is Nigeria and the method adopted was desk research. The lessons from the past (1960 to 2019), which were the main findings of earlier studies and the current paper, included policy instability, increasing loss of compassion by the government and concentration of all development efforts at the center. Recommendations included resuscitating the bill on Project Continuity, adapting the model in which medium term plans are built into an existing long term plan, irrespective of the government in power, greater involvement of other tiers of government, assessing the poverty impact of government policies, and handling the introduction of new macroeconomic frameworks with a change management mindset. This paper is of great significance as the ERGP ends in 2020 and the government which has just returned to power is thinking of new economic strategies to move the economy forward. Furthermore, while others examined some of these frameworks, this paper examined all the economic strategies adapted in Nigeria from 1960 to 2019.

Keywords: ERGP, Macroeconomic Framework, Policy Instability

1. Introduction

Classical economists argued that government had no roles in economic management because the market forces and their self-regulatory mechanism would lead to optimal price and employment scenarios (Stonier & Hague; 1972). The market forces theory was proved wrong during the *Great Depression*, and Keynes (1936) posited that in a capitalist setup, it was imperative for government to get directly involved through monetary and fiscal policies (Umo;1986).

The overall economic objectives of government are to ensure economic growth, full employment, price stability and balance of payments. However, these objectives involve some tradeoffs (Jinghan, 2010; Onwe, 2013). Other economic objectives like poverty reduction, economic diversification, efficiency, freedom and nationalism, were later included (McConnel & Brue, 1980). Measures of economic development have also gone beyond Gross National Income, Gross Domestic Product and Per-capita income, to include social factors like



sustenance, self esteem and freedom from servitude, as propounded in the *Capabilities* concept and *Human Development Index* (Todaro & Smith, 2014).

Governments have deployed fiscal and monetary policies in pursuit of these objectives (Ackley, 1978), which have also been adjusted to suit different local peculiarities. In Pakistan for instance, these are divided into economic, demographic, cultural and political, and technological and miscellaneous objectives (Khan, 2011). There is now no doubt that government exists to promote the overall welfare of citizens within the framework of a social contract. The multi-party democracy/open market system is also generally accepted as the most appropriate method of determining what the common good is and who should drive the process. In a democracy, the common good is largely determined by the constitution and the manifesto of the ruling party. To ensure inclusive economic development in an orderly manner, governments initiate economic blueprints, which guide and coordinate economic activities, (Muo, 2006; Muo & Ariyo, 2018), ameliorate flaws in the economic system, optimise the efficiency of natural monopolies (Policonomics, 2019), influence the behaviour of economic units, resolve regulatory failures and pursue social goals (Government of Western Australia, 2018).

In Nigeria, there is no doubt as to what these goals are because the constitution emphatically declares that the primary purpose of government is “*the security and welfare of the people*”, within the context of a social order founded on the ideals of freedom, equality and justice (Federal Republic of Nigeria, 1999). The constitution further identifies the elements of the common good to include participatory democracy, humane governance, and a self-reliant economy built on the rule of law. In order to ensure the attainment of these goals in a coordinated, holistic manner, the Nigerian government has designed various macroeconomic strategies over the years.

Most of the earlier studies on Nigeria’s macroeconomic management strategies did not go beyond 2011 (Muo, 2006; Ibietan & Ekhousehi, 2013; Iheanacho, 2014; Muo & Ariyo, 2018). This is the gap which this paper filled by extending the critique of the various economic frameworks adopted in Nigeria up to 2019. No hypotheses are tested in this study and the objectives include an appraisal of Nigeria’s economic road maps up to 2019, extracting the lessons there in and making some recommendations for future better outcomes

2. Literature Review

National Development Plans

The overall aim of the first National Development Plan(1962) was to achieve and sustain ‘*the highest possible rate of increase in the standard of living*’. The first plan was extended to 1970 due to the political crises and the resultant Biafran war. The second, third and fourth plans followed(1970-1985) The 4th plan(1980-1985) was the last and as Nigeria moved into the challenges of oil curse (Ross, 2013), multilateral financial institutions became more interested in the affairs of Nigeria, which eventually adopted stringent austerity measures. Nwankwo (2003) believes that the discontinuation of development plans is the major cause of our national economic challenges. The Government also adopted the rolling-plans from 1990 to 1998 (Ibietan & Ekhusueh 2013; Iheanacho, 2014).



SAP, Vision 2010, Framework for Economic Development & National Economic Empowerment and Development Strategy (NEEDS)

The Structural Adjustment Programme (SAP) was introduced on 12/7/86 by the Babangida Administration with the key objective of enthroning economic efficiency, market driven resource allocation and macroeconomic diversification. SAP led to increased number of banks, deregulation, depreciation of the local currency and a suffocating attention to macro-economic stability, an economic management mindset that was criticized by the UNDP (1996) as *anti-people, anti-women, anti-nature, and socially destabilizing*.

This was followed by Vision 2010, a comprehensive economic management framework introduced by the Abacha Government. It contained 13 critical success factors, 17 sustainable economic sectors, a plan of action divided into immediate, medium and long terms and actionable milestones on 22 areas, including the GDP, inflation, local content in oil and gas and Human Development Index and a detailed action plan (FGN, 1997). Even though Nigerians expected much from Vision 2010, it was overtaken by events, key of which was the death of General Abacha.

The *Framework for Nigeria's Economic Growth and Development (2003-2007)*, which was launched in October 2003, which was promoted as a *prudent and transparent macroeconomic strategy*, and with major targets in inflation, real GDP growth rates and budget deficit. The framework also contained the plans for the creation of a *New Initiative for Growth, Employment and Redistribution, NIGER* (FGN; 2002). The framework appeared not to have been operationalized due to the uncertainties and political exigencies of that time.

NEEDS was launched by the Government of Chief Obasanjo in 2004, as a strategic framework for macroeconomic action with four key strategic focus on government/institutional reform, private sector growth, enthronement of a social charter and value re-orientation. Like the previous frameworks, It contained targets in key macroeconomic indicators including jobs, GDP, inflation, external reserves and electricity generation, to be attained by 2007. States and LGAs designed their own version of NEEDS, all of which contained an inbuilt mechanism for quarterly review.

The Seven-Point and Transformation Agenda

The Seven-Point Agenda (SPA) was introduced by President Yar'Aduah in 2007, with major emphasis to optimize the contribution of the non-oil sector. Drawing largely from the MDGs, the SPA planned to make Nigeria 20 leading economies by 2020 through strategic focus on transportation; power and energy, food, energy and national security; human capital development; land reforms and wealth creation (Nigeria High Commission, London, 2007). The Nigerian public perceived the SPA negatively (Guardian Opinion Poll, 2008) while Dode (2010) holds that the government lacked the will and the African Peer Review Mechanism (2008) argues that it lacked the requirements for clearly shared vision. However, Gadzama (2013) looks at it from the food security prism and gave it a pass mark. The death of President Yar'Adua's and the politics of transition truncated the SPA as his successor opted for another macroeconomic strategy.

The Transformation Agenda was introduced by President Jonathan in 2011, with ambitious targets for GDP growth and national investment, special focus on 1613 projects spread across



20 MDAs. It also promised to optimise the budgetary process, review the existing revenue allocation formula and institutionalize a culture of development planning (Nigerian Embassy, Dar el Salaam, 2011). It also proposed to address the infrastructure deficit by massive investments in power, ICT, Niger Delta and Transportation. The 2012 budget, the first under the agenda was based on the four pillars of macroeconomic stability; structural reforms; governance and institutions; and investing in priority sectors. There were contradictory ratings for the agenda, with Aye (2011), scoring it poorly, Obeche (2012) scoring it positively.

National Economic Recovery and Growth Plan: 2017-2019

This is the current macroeconomic framework operating in Nigeria, which was put in place by the Buhari government in 2017. It was designed to align with the Sustainable Development Goals, the ERGP is a medium term programme to restore economic growth through macroeconomic stability and diversification, investing in people through social inclusion, job creation and youth empowerment and improved human capital, and building a globally competitive economy by investing in infrastructure, improving business environment and promoting digital led growth. Its key execution priorities are stabilising the macroeconomic environment, achieving agriculture and food security, ensuring energy sufficiency, improving transportation infrastructure and driving industrialization with special focus on SMEs.

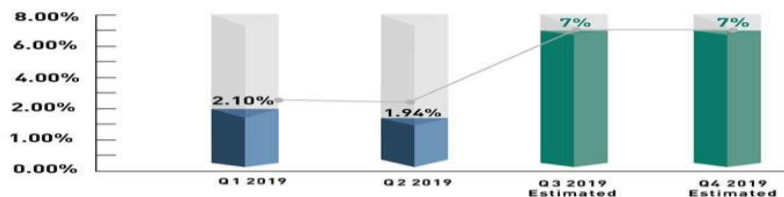
In terms of SMART objectives, real GDP is expected to grow by 4.62% on the average, reaching 7%; oil production to 2.5mbpd; employment reduction to 11.23% through the creation of 3.7m jobs annually and among others, become a net exporter of agricultural and refined petroleum products, all by 2020 (see Table 1)

Table1: Projections of the ERGP

Item	2016	2017	2018	2019	2020
Real GDP Growth	-1.54	2.19	4.80	4.50	7.00
Inflation	18.55	15.74	12.42	13.39	9.90
Unemployment	14.20	16.32	14.51	12.90	11.23
Unemployment/Underemployment	32.77	33.51	31.88	29.65	26.92
External reserves	23.26	30.56	43.53	60.10	79.63
Total debts	12,585	19,305	20,706	20,008	21,508

A comparison of the ERGP projections with current realities and figures for 2020 budget shows that the plan performed far below expectations. Growth in the 3rd quarter of 2019 was 1.94%, indicating that the GDP needs to grow by at least 7% so as to meet the ERGP target. (See Figure 1).

Figure1: GDP Figures & the challenges of ERPG expectations.



Source: Akinmulere,L (2019) 4 things to learn from Niergerians disappointing Q2 growth. *BusinessDay*,September,4



However, even the government has reversed its 2020 growth projections to 2.93%, indicating that it has given up on its earlier expectations of 7%. Inflation was 11.24 as at Q3'19 against 11.39 ERGP and 2020 projection of 10.81% while unemployment is 23.1% for 2019 while the Minister of Labour had forecast that it would hit 33% by 2020(Ngige, 2019). Oil production is projected at 2.18MBPD for 2020 as against the ERGP figure of 2.5MBPD and current production of 1.9mbpd in Q1'19 (See Table 2).

Total debts stood at N24.9trn as at March, 2019 against the ERGP figure of N20trn (National Bureau of Statistics, 2019; Debt Management Office, 2019; Budget Office, 2019). The hope of being a net exporter of petroleum products remains a pipe dream while a demand-supply gap of 2,2m tones still exists in the rice market, despite CBN interventions which is one of the reasons the price of rice has soared almost 100% since the recent border closure (Okojie, 2019)

Table2: Comparative analysis of current, ERGP and 2020 budget figures

Variable	Current	2020(ERPG)	2020 (Budget)
Growth	1.94%(Q1'19)	7%	2.93%
Inflation	11.24(Q3'19)	9.90%	10.81
Unemployment	23.1	11.23	-
Oil Production	1.96mbpd(March, '19)	2.5mbpd	2.18mbpd
Debts	N24.9trn(March'19)	N21.5trn	-

Computed from sources from DMO, NBS & Budget Office

All these figures paint a very gloomy picture of the ERGP, which raised much expectations when it was launched in 2017 by the Buhari Administration. Like other macroeconomic frameworks before it, its performance is nothing to cheer about.

Theoretical framework

The theoretical underling of this work is the Keynesian theory, which is the foundation of government intervention in economic affairs and which argues that governments can spend the economy out of economic recession (Keynes, 1936).

3. Methodology

This study is conceptual and historical in nature and adopted a qualitative design. It is based in Nigeria, the largest economy in Africa, which became independent in 1960. Nigeria is a republic, operates a multiparty democracy and is made up of 36 states, a Federal Capital Territory and 774 Local Governments. As to methodology, it adopted a desk-research and content analysis, which involves a review of relevant published works as regards various economic frameworks operational in Nigeria, drawing relevant lessons from them, and making evidence based suggestions for the way forward. The period covered is 1960-2019.

4. Results

An overview of these roadmaps from 1960 to 2019 shows that while all of them are very ambitious and contain enviable developmental goals, they failed to achieve the objectives. This is more so for the frameworks since SAP. The factors responsible for this unfortunate scenario, which also constitute the lessons from the initiation and implementation of these economic frameworks, are the results of this work. They are varied, though there are intertwined and can be identified as follows.



Instability of the Roadmaps: The frameworks have become increasingly unstable. While we had development plans in the first 25 years (1960 to 1985), in the following 25 years (1986-2011), we tinkered with up to four major and several minor economic roadmaps and now we have the NERGP. While all their objectives are commendable, the major problem was poor implementation. Every Nigerian leader also wants to start 'something new', a trend which UNDP (1996) condemned, stating that *various military and civilian governments of Nigeria have repeatedly announced new policies on virtually every aspect of the national life and there is no doubt that they will continue to do so in the future..*" This is similar to the position of the African Peer Review Mechanism (2008) that *continuously moving from one strategy to another without proper evaluation of the previous initiative... does not help in the building of the country's capacity for self-reliance,*"

High Turnover of the Operators: there is also a worrisome turnover of operators, who manage these economic frameworks; ministers, advisers, and heads of the MDAs are changed very frequently which makes it difficult for the government to maintain a stable outlook in its macroeconomic management strategies.

Government devoid of Compassion: Over the years, government economic policies have become increasingly devoid of compassion, with tokenistic attention to the 'people' who ought to be the core beneficiaries of economic policies and programmes. From the days of SAP, government policies have become mostly concerned with economic efficiency, without much attention to the people dimension.

Centralisation of Developmental Efforts: Increasingly, all development efforts have become the responsibility of the Federal Government while the other tiers of government just watch by the sidelines. The LGAs, the nearest tier to the citizens do not pull their weights in the developmental arena, and in some areas where the various tiers are making reasonable efforts, poor level of coordination and collaboration robs the economy of the benefits of such synergy.

Inconsistency: These various roadmaps have been characterized by policy inconsistency and contradictions. NEEDS planned to increase employment and reduce poverty but in practice led to mass-sack of civil servants, demolition of houses and banning of importation of certain raw materials without adequate notice. The federal government, which is bent on commercialization, and reducing the cost of governance is also simultaneously establishing statutory bodies with conflicting responsibilities. The instability mentioned earlier has also led to an unsustainable number of abandoned projects, which were 11886 in 2011 (Bunu, 2011). By 2019, The Niger Delta Development Commission alone has about 1200 abandoned projects (Akpabio, 2019)! This is mostly because each government has a new roadmap with a new set of priorities.

It has been motion without movement. The objectives of the various roadmaps are roughly the same: increasing per capita income, reduction of income inequality and diversification. The fact that we have kept on rolling over the same set of objectives since 1962 is an unfortunate indication that we have not made much economic progress.

5. Conclusion and Recommendations

This review of Nigeria's economic management models since 1960 indicates that the roadmaps have not delivered on their promises. This is in tandem with the works of Ibieta and Ekhosuehi



(2013) and Iheanacho (2014), who conclude that planning efforts in Nigeria have failed, and Adekinle and Alopa (2018), who premised review of ERPG on the foundation of failure of previous plans. The paper has also shown that the Keynesian theory on government involvement in the economy (Keynes, 1936), will not always hold true. However, while previous authors ascribe these failures to lack of political will and the nature of the planning process, this study admits that there may be other significant factors. It highlights the key problems with these roadmaps as been poor implementation, instability of roadmaps and operators, alienation of the people from the development process and de-emphasising human beings as the locus of development efforts. There has also not been anything fundamentally wrong with the various frameworks to warrant their replacement except the penchant for everybody to start something new.

Economic roadmaps are essential, but these are means to the end and not end in themselves, and the outcome will depend on how they are applied. The human drivers of the roadmaps should be capable and sincerely committed to the objectives and there should be collaborators and coordination among the various tiers and layers of government and unity of purpose amongst the key players in the macroeconomic management field or else, the roadmaps become useless.

So, whatever the framework, *the target should be visible improvements in peoples' standard of living*. The roadmap should be people oriented and be properly implemented. The worrisome turnover of economic roadmaps and their pilots has not done the country any good. And whatever the roadmap we are operating, the following recommendations are imperative. The Development Planning and Project Continuity Bill should be revisited because it will ensure policy and operational continuity. Nigeria should adapt the Indonesian model, with a standing National Long Term Development Plan and 5-year National Medium Term Development Plan (Indonesian Investment, 2017). The medium term plan draws from the former, and enables any new government to set its own priorities, with the proviso that it must be in tandem with the long term plan. This will ensure that we know where we are going, ensure continuity and allow politicians some flexibility.

The states and especially, local governments must become partners in the development process, with clearly articulated plans and policies. The state budgets must be underpinned by a developmental philosophy while the LGAs should have their own budgets within their limited resources, and the citizens should hold them accountable. Development is all about the people and we cannot be developing when the people do not feel the impact. This paper recommends a compulsory *poverty impact assessment* for all government programmes and policies. A Poverty Impact Assessment will assess in advance the potential poverty implications of any government programme, determine whether it is worthwhile in view of its poverty index and design sustainable and scientifically-based safety-nets or in our local parlance, palliative measures. It is also important that going forward, before any macroeconomic framework is discarded, a comprehensive study should be conducted to ascertain why the previous one is no longer appropriate at the time, and or changes that should be made in it so as to add more value to the economic wellbeing of the people. This will make the process scientific and prepare all the stakeholders adequately for the envisaged changes. Two of the reasons why our economic frameworks do not yield the desired results are the high rate of corruption and our import dependency. On corruption, there is need to design a comprehensive framework and strategy,



broaden the concept beyond the narrow focus on financial corruption, strengthen appropriate institutions and concentrate on efforts to plug the loopholes that facilitate all forms of corruption. Our level of import dependency is shown by the engagement of consultants from Malaysia at \$1500000 to facilitate the NERPG implementation (Udoma, 2017) by a government that has the local content programme and declares support for made in Nigeria goods, is far from ideal. A change management mindset should be adopted in future changes in our macroeconomic frameworks because each new framework involves changes in attitudes and behaviours and as with all change programmes, issues of resistance will ordinarily arise. Change management and transition strategies thus become inevitable

The Buhari government just came in for another four year tenure, the NERGP terminates in 2020 and we are facing different socio-economic challenges, including insecurity and possible debt overhang. Should we adopt another economic management framework or do we modify and update the NERGP? Whichever option is chosen, deliberate efforts should be made to ensure the stability of our economic frameworks. There is nothing wrong with all the roadmaps we have abandoned because they all contained very lofty and desirable aspirations. The sincere implementation and continuity of these roadmaps is what matters today and tomorrow.

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**DOES COMPLIANCE WITH ACCOUNTING STANDARDS DISCLOSURE
REQUIREMENT MATTER ON THE VALUE RELEVANCE OF OTHER
COMPREHENSIVE INCOME ITEMS IN NIGERIA**

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Abstract

Convergence with International Financial Reporting Standards (IFRS) has required Nigerian companies to recognize fair value gains and losses in statements of comprehensive income. The main objective of this study is to investigate the influence of compliance with International Accounting Standards (IAS) 16, IAS 19, and IFRS 7 on the value relevance of the components of other comprehensive income. Using 259 firm-year observations, the results of pooled ordinary least square regression show that compliance with relevant accounting standards are positively priced by investors. In further analysis, the results show that compliance enhances the value relevance of the components of other comprehensive income. One primary recommendation of the study is that reporting entities should pursue compliance of IFRS standards to improve the financial reporting process and consequently increase investors' perceived reliability of accounting information.

Keywords: Compliance, Accounting Standards, Comprehensive Income; Value Relevance; Nigeria

1. Introduction

International Financial Reporting Standards (IFRS) requires companies to prepare a statement of comprehensive income that incorporates the reporting of other comprehensive income. Revaluation of property, plant, and equipment (PPE), fair value gain on investment, and translation reserves are among the holding gains and losses included within other comprehensive income. This new reporting format is a joint project of the Financial Accounting Standards Board (FASB) and the International Accounting Standard Board (IASB) on comprehensive income reporting. These proposals assume that financial statements prepared using an inclusive approach reveals the true underlying earnings power of a company and provide capital markets participants with more relevant financial performance measures (Kanagaretnam Mathieu & Shehata, 2009; Mechelli and Cimini, 2014).

Researchers have cast doubts on whether fair value accounting will lead to transparent financial reporting, particularly when valuation models are used (Kanagaretnam et al., 2009; Lee & Park, 2013; Siekkinen, 2016). The main thrust here is that, when an active market for fair value assets and liabilities does not exist, fair value is derived based on the assumptions and estimations of managers (Lee and Park, 2013; Goh, Li, Ng, & Yong, 2015; Siekkinen, 2016; Song, Thomas & Yi, 2010). As fair value inputs become less observable to investors, they are viewed as being less reliable (Maines & McDaniel, 2000; Song et al., 2010; Lee & Park, 2013; Siekkinen, 2016).



Thus, the potential use of managers' discretion in fair value determination often induces information asymmetry in the financial reporting process, which leads to agency costs that could threaten the reliability of fair value earnings (Maines & McDaniel, 2000; Song et al., 2010; Lee & Park, 2013). Nevertheless, several studies have provided good arguments that the level of compliance effectively mitigates the reliability concern associated with the reporting of other comprehensive income and its components (Bushee & Leuz, 2005; Kang & Pang, 2005; Hodgdon, Tondkar, Harless & Adhikari, 2008; Hassan Romilly, Giorgioni & Power, 2009).

Nigerian Statements of Accounting Standards (SAS), referred to as NG-GAAP (IAS version adopted since 1984), remained the same until 31 December 2011 when they were replaced by IFRS standards (Report on the Observance of Standards and Codes [ROSC], 2011). Prior to 2012, no regulation mandated the presentation of a comprehensive income statement. Thus, presentation of other comprehensive income items such as unrealized gains and losses on available-for-sale marketable securities, gains and losses on non-current assets, and adjustment to pension reserves were not required prior to 2012. Unlike the IFRS framework, non-disclosure of these earnings may suggest an increased propensity for losing vital information and cases of potential earnings management (Nigerian Accounting Standards Board [NASB], 2010; ROSC, 2011). With an effective date of 2012, Nigerian reporting firms were mandated to mark-to-market certain financial assets and liabilities. Such fair value assets and liabilities include present value of non-current assets, available-for-sale marketable securities, and defined benefit plans (Price Waterhouse Coopers, 2011). Presumably, mandatory presentation of comprehensive income in Nigeria apparently represents an increase in disclosure level and could mean enhanced transparency and comparability in the financial reporting process. Using sample of Nigerian companies, Usman, Amran and Shaari (2016) observed that both net income and comprehensive income are value relevant, but net income is more superior. Usman, Amran and Shaari (2017) documented value relevant of other comprehensive income in Nigeria but was more value relevant when conditioned for corporate governance practice.

Studies have examined the information content of a comprehensive income statement using relative and incremental value relevance research design. Dominant in the literature are studies from developed countries such as the US, the UK, Australia, and New Zealand (Dhaliwal, Subramanyam & Trezevant, 1999; Cahan Courtenay, Gronewoller & Upton, 2000; Biddle & Choi, 2006; Kanagaretnam *et al.*, 2009; Lee & Park, 2013; Mechelli & Cimini, 2014; Marchini & D'Este, 2015). These studies have found net income and comprehensive income and its components to be value relevant. Nonetheless, the question of which is more value relevance to investors is still far from being adequately addressed. Again, none of these studies have attempted to steer investigation of how compliance with the disclosure requirement of other comprehensive income items affects their value relevance. Hitherto, assessing the effect of the firm's compliance with the disclosure requirement of fair value assets and liabilities provides a better approach for extending the on-going debate on the value relevance of fair value earnings. Thus, this study aims to investigate the influence of compliance with fair value disclosure requirement on the value relevance of other comprehensive income.

The findings of this study significantly enhance value relevance literature on comprehensive income reporting and respond to recent calls in the literature for more in-depth single-country studies (Habib, 2008; Barth, Landsman, Lang & Williams, 2012; Fasan, Fiori & Tiscini, 2014)



and IFRS adoption (Barth *et al.*, 2008; Kanagaretnam *et al.*, 2009; Rad & Embong, 2013). The findings of this study are of importance for academics because they shed light on the understudied issue of fair value earnings in the Nigerian market. Overall, findings documented in this study will promote benchmarking among companies to align with best practices in financial reporting processes. Practically, this study is also important to policy makers and regulatory agencies as they may be interested in knowing the effect of the adoption of IFRS in 2012 on the relevance and reliability of accounting numbers. Findings on the effects of reliability factors help firms understand the need to align with global best practices.

The remainder of the paper is organized as follows. Section 2 reviews the literature and develops hypotheses. Section 3 describes data and methodology. Section 4 presents the results and discussion. The last section offers the concluding remarks recommendations and suggestion for future research.

2. Literature Review

The value relevance of comprehensive income reporting

Previous literature provides a series of arguments that broader definitions of income are more useful for investment decisions, but such a position may not be the case for components of other comprehensive income (Biddle and Choi, 2006). This position has partly driven several studies on the incremental value relevance of other comprehensive income and its items. For instance, Dhaliwal *et al.* (1999) found no clear evidence that other comprehensive income reflects stock returns better than net income. Misgivings about dirty surplus accounting practices motivated O'Hanlon and Pope (1999) to investigate two main issues for a sample of UK firms. They investigated whether dirty surplus accounting might result in value-relevant items. They provided strong evidence that ordinary profit (net income) and extraordinary items were value-relevant. Little evidence was found that dirty surplus flows such as goodwill write-offs and foreign currency translation differences were value-relevant. Cahan *et al.* (2000) provided two market-based tests on the usefulness of comprehensive income using New Zealand listed firms. They revealed that other comprehensive income provided incremental information better than traditional net income; however, no benefit existed for reporting a separate comprehensive-income-type statement.

Similar to Cahan *et al.* (2000), some studies were driven by the general perception that reporting of comprehensive income and its components provides security markets with incremental value-relevant information over the traditional historical-cost-earnings approach. For instance, Kanagaretnam *et al.* (2009) reveals that yearly other comprehensive income, sample-partitioned up to ten years' interval, was better associated with three-month stock prices and returns than net income for Canadian firms. Wang *et al.* (2006) suggested that accumulated dirty surplus flows for samples partitioned into intervals of two, five, and ten years and yearly other comprehensive income were not value relevant for Australian and Dutch listed firms. Fasan *et al.* (2014) examined how the implementation of revised IAS 1 has affected the extent to which the market took other comprehensive income into account. Using an extensive data set covering firms in 19 countries from 1995 to 2010, they revealed an increase in the value relevance of other comprehensive income in the post-IAS/IFRS in 2005 and IAS 1 Revised in 2009. Using a cross-country research design for European countries, Mechelli and Cimini (2014) documented



an incremental value relevance of other comprehensive income, but that value relevance was continually lower than net income because of the non-recurring nature of its components. However, the incremental value relevance differed across European countries depending on the source of funds and the legal system.

Moreover, diverse results have been presented regarding the incremental value relevance of the components of other comprehensive such as unrealized gains and losses on available-for-sale securities, gains and losses on non-current assets, extraordinary items, pension reserves, and changes in foreign-currency-translation reserves. For instance, Barth and Clinch (1998) documented varying results depending on asset class. The revalued aggregate PPE was strongly associated with share prices for the entire sample of firms. This evidence held true when the sample was partitioned for smaller non-financial and financial firms. Cahan et al. (2000), Wang et al. (2006), Chambers et al. (2007), and Hlaing and Pourjalali (2012) documented evidence that asset revaluations had explanatory power for the market value of equities. Thus, these studies recognised fair value gains and losses on non-current assets as an important input for assessing a firm's market value. Cahan et al. (2000) stressed further that fair value gain and losses on non-current assets provided better incremental information than net income.

However, fair value gains and losses on non-current assets have been regarded as less consistent and less useful in explaining share prices (O'Hanlon and Pope, 1999). Moreover, Kanagaretnam et al. (2009) provided evidence that available-for-sale financial assets and cash flow hedges components were significantly associated with price and market returns for a sample of Canadian firms. Goncharov and Hodgson (2011) documented that unrealised gains and losses on held-for-sale securities provided better incremental information than net income for investors for a sample of continental European firms. These findings were based on the assumption that available-for-sale financial assets are liquid assets that can be quickly converted into financial wealth and are understood by most market participants and can easily be evaluated.

From the above studies, it is equivocal that the incremental value is relevance among other comprehensive income beyond traditional net income. Thus, a clear conclusion cannot be drawn on the incremental value relevance of dirty surplus. This could suggest that the IASB's prediction for the importance of these items to investors, creditors, and other financial-statement users in evaluating firms' economic activities has not been borne out (Chambers et al., 2007; Mechelli and Cimini, 2014). Perhaps the variations in the findings of previous studies can be attributed to differences in the data sets, definitions of other comprehensive income in the various reporting environments, and the transitory nature of other comprehensive income and periods examined (Chambers et al., 2007; Dhaliwal et al., 1999).

Empirical studies on the level of compliance

In 1997, IAS 1 Revised "Presentation of Financial Statements" was issued to reinforce the level of compliance with accounting standards by reporting entities. IAS 1 Revised stipulates that financial statements should not be described as complying with IASs unless they comply with all the requirements of each applicable standard (Hodgdon et al., 2008). Despite this pronouncement, compliance with relevant accounting standard continues to be an issue. Hodgdon et al. (2008), Hussainey and Walker (2009), and Tsalavoutas (2009) claimed that compliance with IFRS disclosure requirements supported the general submission that a high



level of compliance reduces information asymmetry and hence minimizes agency cost. Accordingly, these studies demonstrated a positive impact for higher compliance and an adverse effect for lower compliance. These arguments are essentially relevant given the low levels of compliance with the requirements of various standards reported in previous findings (Tsalavoutas, 2009; Hussainey and Walker, 2009).

Seemingly, the adoption of IFRS has been a great success of the 200 EU companies studied by the ICAEW (2007), 198 disclosed full compliance with IFRS and two disclosed partial compliance. However, the ICAEW's findings indicated that the impact of IFRS adoption on companies varied significantly across countries depending on the initial degree of similarity between national GAAP and IFRS. Hodgdon et al. (2009), in their study of international compliance, it was documented that compliance with disclosure was positively related to auditor size after controlling for size, profitability, gearing, and international diversification.

Further, Al-Akra, Eddie and Ali (2010), in their study of the influence of accounting disclosure regulation, governance reforms, and ownership changes, found that disclosure with the IFRS was statistically greater in 2004 than disclosures provided in 1996. However, regulatory reforms produced the most significant impacts on mandatory disclosure and governance reforms via audit committees were shown to be the most significant determinant of compliance with mandatory disclosure requirements. Mısırlıoğlu et al. (2013) examined the successes of mandatory adoption of IFRS by Turkish listed companies in 2005 with an emphasis on the impact of firm and country level factors. Firm-level characteristics such as auditor reputation, firm size, and the degree of foreign ownership substantially affected the degree of disclosures.

In Nigeria, little literature exists regarding listed firms' compliance with the disclosure requirements of IAS/IFRS standards. To fill this void, this current study examines the level of compliance of firms with disclosure requirements of IAS 16, IAS 19, and IFRS 7 for firms listed on the Nigerian Stock Exchange (NSE), because IAS/IFRS standards have more accounting policy choices, the standards differ in application and interpretation compared to the NG-GAAP. This could also suggest more disclosure requirements than the NG-GAAP as well as the differences. Implementation of IFRS has increased the need within an organization to gather, analyse, and report more information to demonstrate compliance with relevant disclosure. Given that fair value gains and losses on non-current assets, gains and losses on available-for-sale financial securities, and actuarial gains and losses on defined benefit plans are a product of IAS 16, IAS 19, and IFRS 7, their value relevance would probably be influenced by the disclosure of these standards for firms listed in the Nigerian market.

Prior studies have suggested that an increased level of disclosure has a positive valuation implication and reduces the agency cost of information asymmetry (Maines and Wahlen, 2006; Nobes, 2006). In terms of disclosure requirements, a significant difference exists between the NG-GAAP and IFRS frameworks. Many standards such as IAS 16 (revaluation of PPE), IAS 19 (employee benefits), and IFRS 7 (financial instruments: disclosures) require firms to disclose the assumptions used in determining fair value gains and losses on non-current assets, actuarial gains and losses on pension plan, and fair value gains and losses on available-for-sale marketable securities. Detailed disclosure of these assumptions improves transparency and subsequently affects users' perceptions of the financial statements regarding the prospects of the reporting entity (Hope, 2003). Furthermore, greater compliance provides insights on the



assumptions and accounting-policy choices used to determine the recognition and measurement of accounting items. Thus, greater compliance provides more transparent financial statements, which, in turn, reduces the uncertainty of the accounting transactions and could constrain some potentially harmful managerial actions (Hope, 2003).

To the extent that the level of compliance provides relevant information about a company's prospects, levels of disclosures should be associated with market values (Hussainey and Walker, 2009), reduce analysts' forecast errors, and enhance the predictive power of earnings (Goncharov *et al.*, 2006; Hodgdon *et al.*, 2008). So far, evidence in the literature regarding compliance mostly concerns voluntary disclosures (Tsalavoutas, 2009). Thus, the implication of mandatory disclosures is not "theoretically and heavily debated" (Bushee & Leuz, 2005). In both the international arena and in the context of the present study, these arguments are essentially relevant considering the low levels of compliance with the requirements of various standards reported in previous findings (Hodgdon *et al.*, 2008; Hussainey and Walker, 2009). Using sample of Nigerian companies, Usman, Amran and Shaari (2016) and Usman, Amran and Shaari (2017) provides initial insights on the value relevance of total and other comprehensive income. However, these studies did not examined compliance with accounting standards relating to other comprehensive income items.

Accordingly, a higher level of compliance suggests greater levels of disclosure of both proprietary and non-proprietary information and/or both good and bad news (Leuz and Wysocki, 2008; Tsalavoutas, 2009). Reporting firms that wish to reduce agency costs of information asymmetry can communicate their practices in a more transparent manner by providing detailed information. By implication, a positive impact can be assumed for higher compliance, whereas a negative impact may be assumed for low compliance. Because several creative-accounting practices have taken place in Nigeria, some due to the low disclosure requirements (NASB, 2010; ROSC, 2011), it is expected that implementation of IFRS will underscore more a detailed disclosure that will improve the country's financial reporting system, and earnings will be more positively priced. For these reasons, the following hypotheses are proposed:

H_1 : Compliance with IAS 16, IAS 19, and IFRS 7 is value relevant in the Nigerian market.

H_2 : Compliance with IAS 16, IAS 19, and IFRS 7 significantly influence the value relevance of components of other comprehensive income in the Nigerian market.

3. Methodology

Sample selection and data collection

The sample includes 259 firm-year observations from 2012 to 2014. The sample comprises companies that reported at least one item of other comprehensive income in their statement of comprehensive income in these years. Because this study used the price model, which requires share price as a dependent variable, we excluded firm-year observations for firms without data on share prices and dividend. The analysis for this study was conducted at the annual level using financial, market-based, and non-financial data collected from firms that passed the filtering process. All data regarding accounting numbers (except for other comprehensive income items) and measures of firm value were collected from the Thomson Reuters Database. Other comprehensive income items, missing information from the database, and non-financial data



were hand collected from annual reports following Barth and Clinch (1998) and Cahan et al. (2000).

Measurement of variables

Dependent variables: The dependent variables in this study are share prices, which are synonymous with the market value of equity. Value-relevance studies have extensively utilised share prices in investigating the value relevance of firm-specific and economic innovations such as the information content of a set of accounting standards, transition between accounting standards, changes in corporate governance practices, and listing requirements for different motivations. These relationships have been tested for different periods due to contextual factors and regulatory requirements: three months (Kanagaretnam et al., 2009); four months (Tsalavoutas et al., 2012); six months (Wang et al., 2006; Barth et al., 2008; 2012; Karampinis and Hevas, 2009); and financial year-end (Amir et al., 1993; Dhaliwal et al., 1999; Kim, 2013; Mechelli and Cimini, 2014; Mironiuc and Carp, 2014). Wang et al. (2006) used six months because the Dutch Civil Code, article 210, obliged firms to publish financial statements five months after the fiscal year-end with an extension of one month for the release of the financial statements.

Statutorily, all Nigerian reporting entities are mandated to file their annual reports with the Security and Exchange Commission (SEC) on or before the 90th day after the accounting year-end. Given this regulatory requirement, share prices are set four months after the financial year-end as follows [the motivation for this choice is based on the three months required to file their annual reports with the SEC plus a one-month extension for the release of the financial statements, in line with Wang et al. (2006)]:

SP_{it} = Share price four months after the financial year end of firm t at time i .

Setting share prices four months after the financial year-end ensures that market participants have access to all available information for decision-making and have incorporated such information into their portfolios as argued in previous studies (e.g. Tsalavoutas et al., 2012).

Independents Variables: Accounting information variables that represent the independent variables were operationalised in accordance with previous studies:

Book value of equity (BVE): book value of equity per share is measured as the book value of common equity at the end of the fiscal year t deflated by the number of outstanding shares, consistent with Kanagaretnam et al. (2009), Anandarajan and Hasan (2010), and Mechelli and Cimini (2014).

Net income (NI): refers to a company's earnings after tax at the end of the financial year t deflated by the number of outstanding shares, in line with Dhaliwal et al. (1999), Cahan et al. (2000), and Mechelli and Cimini (2014).

Gains and losses on non-current assets (GLN): refers to gains and losses on non-current assets of firm i at end of year t .

Gains and losses on available-for-sale financial securities (GLA): refers to gains and losses on available-for-sale securities of firm i at end of year t .



Actuarial gains and losses on defined benefit plans (GLP): refers to actuarial gains and losses on pension plan of firm i at year t .

Interacting and control variables: Interacting and control variables were operationalised in accordance with previous studies:

Level of compliance with IFRS: the measurement of the level of compliance is based on the disclosure index presented in Table 1, following Street and Gray (2001). Table 1 delineates a breakdown of IAS 16, IAS 19, and IFRS 7 and previous studies that justify their inclusion. In the compliance literature, Cooke's (1989) dichotomous approach for measuring compliance with disclosure requirements is most common. This approach used an unweighted disclosure index where compliance is calculated as the ratio of the total items disclosed to the maximum possible score applicable for that company (Cooke, 1989; Street and Bryant, 2000; Street and Gray, 2001; Glaum and Street, 2003; Hodgdon et al., 2008). Following previous studies, unweighted compliance scores were based on 41 disclosure items, obtained from IAS 16 (10 items), IAS 19 (17 items), and IFRS 7 (14 items), relating to reporting fair value gains and losses in comprehensive statements. The items were coded as disclosed or not disclosed for a sample of 259 firm-year observations reporting under IFRS. The index measures the actual number of mandatory disclosures provided by a firm in year t divided by the number of mandatory disclosures required for each standard in year t , following Street and Gray (2001), Hodgdon et al. (2008), and Hassan et al. (2009).

Company size (FSIZE): refers to the natural log of the market capitalization of a company at the end of the financial year (Chen and Jaggi, 2000; Leventis and Weetman, 2004; Hung and Subramanyam, 2007).

Type of industry (IND): classified according to the NSE industry classification code. Following Barth and Clinch (1998) and Dainelli et al. (2013), this study classified industry effect using the NSE industry classification code.

Firm leverage (DEBT): measured as total long-term debt per total assets of a firm during a financial year, in line with Habib (2008) and Anandarajan and Hasan (2010).

Audit firm (AUDR): refers to auditor's reputation, assigned the value of 1 for Big4 and 0 otherwise.

Table 1: Components of the IAS/IFRS Disclosure Index

<i>Accounting standard</i>	<i>Disclosures</i>	<i>Previous studies</i>
IAS 16 (revaluation of PPE)	All required disclosures for revaluing (fair value gains and losses) PPE.	Street et al. (1999) and Hodgdon et al. (2008).
IAS 19 (retirement benefits)	All required disclosures for actuarial gains and losses on the comprehensive income.	Street et al. (1999), Cairns (1999), Street and Bryant (2000), and Hodgdon et al. (2008).
IFRS 7 (financial instrument: disclosure)	All required disclosures for re-measuring available-for-sale financial assets.	IASB disclosure requirement for IFRS 7.



Model specifications

To test the impact of compliance with relevant accounting standards relating to components of comprehensive income, models 1 and 2 were estimated. The disclosure of accounting procedures followed in determining the value of accounting assets and liabilities can have positive valuation implications that can reduce the agency cost of information asymmetry (Maines and Wahlen, 2006; Nobes, 2006). Being an investor-based standard, IAS/IFRS underscores detailed disclosure of the assumptions used in determining fair value gains and losses relating to IAS 16 (revaluation of PPE), IAS 19 (employee benefits), and IFRS 7 (financial instruments: disclosures). Detailed disclosure of these assumptions could constrain some potentially harmful managerial actions, which may improve the transparency of financial reporting and subsequently affects users' perceptions of the financial statements regarding the prospects of the reporting entity (Hope, 2003). To the extent that disclosures provide relevant information about a company's prospects, disclosures should be associated with market values (Hussainey and Walker, 2009). Nevertheless, discussion regarding the low levels of compliance with the requirements of accounting standards is a common theme in the compliance literature (Hussainey and Walker, 2009; Tsalavoutas, 2009).

Accordingly, based on the premises of agency theory, companies differentiate themselves by trying, and/or incurring the necessary high information costs, to comply and consequently provide higher disclosure (Hodgdon et al., 2008; Hussainey and Walker, 2009). This seems to have "rewarding" implications because the transmission of reliable information plays a crucial role in the setting of market value, especially in an environment with weak enforcement. Arguably, firms with higher compliance are likely to be valued higher than those with low compliance.

Following Cahan et al. (2000) and Mechelli and Cimini (2014), we used a modification of Ohlson's (1995) model to test the impacts of compliance on the value relevance of the components of other comprehensive income. Model 1 tested the value relevance of the compliance-to-disclosure requirement:

$$SP_{it} = \beta_0 + \beta_1 BVE_{it} + \beta_2 NI_{it} + \beta_3 GLN_{it} + \beta_4 GLA_{it} + \beta_5 GLP_{it} + \beta_6 COMPL_{it} + \beta_7 LNI_{it} + \beta_8 NI * LNI_{it} + \beta_9 FSIZE_{it} + \beta_{10} IND_{it} + \beta_{11} DEBT_{it} + \beta_{12} AUDR_{it} + \epsilon_{it} \dots \dots \dots 1$$

where:

- SP_{it} = share price of a company *i* four months after financial year-end *t*.
- BVE_{it} = book value of equity of firm *i* at time *t*, scaled by outstanding shares.
- NI_{it} = net income per share of company *i* at end of year *t*.
- GLN_{it} = gains and losses on non-current assets of firm *i* at end of year *t*.
- GLA_{it} = gains and losses on available-for-sale securities of firm *i* at end of year *t*.
- GLP_{it} = actuarial gains and losses on pension plan of firm *i* at year *t*.
- COMPL_{it} = compliance score of IAS 16, IAS 19, and IFRS 7.
- LNI_{it} = indicator variable, taking the value of 1 for negative net income firms and 0 if otherwise.
- FSIZE_{it} = log of market capitalization.
- IND_{it} = NSE SIC code.
- DEBT_{it} = ratio of total long-term debt per total assets.



AUDR_{it} = auditor’s reputation assigned the value of 1 for Big4 and 0 otherwise.

All independent variables in the above equation are deflated by the outstanding shares, except control variables. The model was tested for the full sample and for the sample of low- and high-compliance firms. To control for factors that may influence firms’ COMPL with relevant accounting disclosures, size, industry, auditor’s reputation, and debt are included as independent variables. Statistically, the regression coefficient of β₆ is expected to be positive and statistically significant, as predicted for H₁. The coefficient for the earnings parameters (β₁ to β₅) and COMP (β₆) are predicted to be higher for high-compliance firms than low-compliance firms. As a measure of perceived reliability, this suggests that investors attach different weights to the level of compliance with the relevant requirements in the determination of fair value earnings in the Nigerian market.

The effect of COMPL on investors’ pricing of the items of other comprehensive income (H₂) is tested using model 2, which interacted COMPL with individual items of other comprehensive income:

$$SP_{it} = \beta_0 + \beta_1 BVE_{it} + \beta_2 NI_{it} + \beta_3 GLN_{it} + \beta_4 GLA_{it} + \beta_5 GLP_{it} + \beta_6 COMPL_{it} + \beta_7 GLN_{it} * COMPL_{it} + \beta_8 GLA_{it} * COMPL_{it} + \beta_9 GLP_{it} * COMPL_{it} + \beta_{10} LNI_{it} + \beta_{11} NI * LNI_{it} + \beta_{12} FSIZE_{it} + \beta_{13} IND_{it} + \beta_{14} DEBT_{it} + \beta_{15} AUDR_{it} + \varepsilon_{it} \dots \dots \dots 2$$

To demonstrate the incremental value relevance of other comprehensive income, given the level of compliance, interaction terms β₇ to β₉ are theoretically predicted to be positive and significant to justify the effect of compliance with relevant fair value accounting standards.

4. Results

Descriptive statistics

Table 2 shows the descriptive statistics for the sample of 259 observations from 2012 to 2014. The mean (median) of SP was ₦9.78 (₦2.68) for the period 2012 to 2014, suggesting that the sample firms exhibited positive share. The pooled three-year mean (median) net income per share was 0.3651 (0.0992). The mean of GLN was 0.0093, GLA was 0.0036, and GLP was 0.0031, with zero median values. The zero medians suggest a low frequency and magnitude of the components of other comprehensive income over the study period.

The mean proportion and standard deviation for COMPL (the unweighted disclosure score) were 57 and 10 percent, respectively. This statistic seems to suggest a low compliance with relevant accounting standards in establishing the fair value relating to the components of other comprehensive income when compared with Street and Gray’s (2001) study that documented a mean and standard deviation of 72 and 19 percent, respectively, and Hodgdon et al.’s (2008) study, which found 68 and 18 percent, respectively, using a similar unweighted compliance score. Thus, the mean COMPL levels documented in this study are somewhat low but are similar to previous statistics from emerging markets (Al-Shiab, 2008; Hassan et al., 2009; Al-Shammari et al., 2008) that have documented a low mean compliance. More specifically, the level of compliance for the sample of these studies ranged from 45 percent to 56 percent, which was about what is documented for the present study. Like in other jurisdictions, this low COMPL level in Nigeria further confirms problems with reporting incentives and weak



enforcement (NASB, 2010; ROSC, 2011). Table 2 also shows that approximately 87 percent of the sample observations were audited by Big4 auditors.

Table 2: Descriptive statistics related to the regression variables for the years 2012–2014

<i>Variable</i>	<i>Mean</i>	<i>Median</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>
SP_{it}	9.78	2.68	14.83	0.5	99.5
BVE_{it}	0.53	0.25	0.68	0.01	3.40
NI_{it}	0.36	0.09	0.89	-1.44	5.68
GLN_{it}	0.001	0	0.03	-0.19	0.28
GLA_{it}	0.01	0	0.04	-0.50	0.22
GLP_{it}	0.01	0	0.08	-0.55	0.65
$COMPL_{it}$	0.56	0.59	0.10	0.312	0.83
LNI_{it}	0.02	-0.43	1.018	0	1
$FSIZE_{it}$	23.71	23.43	2.42	16.52	32.58
IND_{it}	0.35	0	0.47	0	1
$DEBT_{it}$	0.14	0.11	0.13	0.001	0.60
$AUDR_{it}$	0.87	1	0.34	0	1

Notes: SP_{it} = four-month share price after the financial year-end; BVE_{it} = per share the book value of common equity; NI_{it} = net income per share; GLN_{it} = per share changes in revaluation surplus; GLA_{it} = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLP_{it} = per share actuarial gains and losses on defined benefit plans; $COMPL$ = compliance scores; LNI_{it} = indicator variables which equals 1 if earnings is negative and 0 if otherwise; $FSIZE_{it}$ = the log of market capitalization; IND_{it} = industry classification code; $DEBT_{it}$ = ratio of total long-term debt per total assets; $AUDR_{it}$ = assigned the value of 1 if Big 4 and 0 if otherwise. *i* and *t* refer to firm and year, respectively.

To assess the potential for multicollinearity, variance inflation factors (VIF) were calculated for all individual variables (see sections 4.2 and 4.3); all variables had VIF of less than 10, indicating no serious multicollinearity problems.

The valuation of compliance with accounting standards

The implication of valuation theory and agency theory are tested in this section, based on the assumption that investors priced firm level compliance (valuation theory). To the extent that investors price the level of compliance, companies will take advantage by differentiating themselves through incurring the necessary high information costs to comply with best practice, which, in turn, reduces agency costs of information asymmetry.

Table 3 presents the pooled OLS results. From panel A, the coefficients of BVE, NI, GLN, and GLP for the pooled data were positive and statistically significant and the R^2 of the model was 30.54 percent. However, the inclusion of the overall COMPL score (as presented in panel B) as a proxy for the perceived reliability led to a small increase in the coefficients of the parameters and statistical significance. Consistent with expectations, an increase in the R^2 was achieved (increasing to 34.43 percent). The coefficient of the COMPL score was positive and significant at 5 percent, suggesting that COMPL was positively priced in the Nigerian market. Firm-level characteristics such as auditor reputation, debt ratio, and industry classification substantially affected the degree of disclosures.

This result demonstrated that, beyond accounting numbers, non-financial disclosures accompanying the fundamentals of firms do convey relevant information to investors. This



Table 3: Value relevance of firm-level compliance for the years 2012–2014

Variable	Sign	Panel A: Valuation of fair value			Panel B: Valuation of COMPL		
		Coef.	Robust error	VIF	Coef.	Robust error	VIF
CONS	+/-	1.31 (-1.21)	1.09	-	1.93 (2.01**)	0.96	-
BVE _{it}	+	0.51 (2.46**)	0.21	1.24	0.88 (3.20***)	0.28	1.24
NI _{it}	+	0.26 (3.17***)	0	1.28	0.25 (3.12***)	0.08	1.25
GLN _{it}	+	0.24 (3.31***)	0.07	1.19	0.25 (3.52***)	0.07	1.14
GLA _{it}	+	-0.03 (-0.32)	0.1	1.05	0.02 -0.16	0.11	1.05
GLP _{it}	+	0.19 (1.80*)	0.1	1.22	0.48 -1.18	0.41	1.14
COMPL _{it}	+	-	-	-	0.69 (2.01**)	0.34	1.09
LNI _{it}	-	-0.03 (-0.46)	0.06	1.05	-0.05 (-0.73)	0.06	1.06
LNI*NI _{it}	-	-0.08 (-1.53)	0.06	1.03	-0.11 (-1.87*)	0.06	1.05
FSIZE _{it}	+	0.02 -0.65	0.02	1.05	0.02 -0.74	0.02	1.05
IND _{it}	+	0.0001 (2.35**)	0	1.05	0.01 (2.37**)	0.06	1.06
DEBT _{it}	+	-0.09 (-2.15**)	-0.06	1.03	-0.09 (-2.37**)	0.04	1.03
AUDR _{it}	+	0.71 (4.88***)	0.15	1.54	0.7 (4.76***)	0.15	1.3
F-statistic		9.48***			9.34***		
Observations		259			259		
R ²		30.54%			34.43%		
Mean VIF				1.17			1.12

Notes: Panel A provides the regression result of the components of other comprehensive income. Panel B provides the valuation effect of COMPL_{it}. BVE_{it} = per share the book value of common equity; NI_{it} = net income per share; GLN_{it} = per share changes in revaluation surplus; GLA_{it} = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLP_{it} = per share actuarial gains and losses on defined benefit plans. Control variables include: FSIZE_{it} = the log of market capitalization; IND_{it} = SIC code; DEBT_{it} = ratio of total long-term debt per total assets; AUDR_{it} = auditor's reputation assigned the value of 1 Big4 and 0 if otherwise. *i* and *t* refer to firm and year, respectively. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively).

finding provides strong evidence on valuation implication of COMPL with relevant accounting standards in gauging the reliability of components of other comprehensive income. This position is similar to the conclusions reached in prior studies on the importance of disclosure in determining the quality of accounting information (Hodgdon et al., 2008; Leuz and Wysocki, 2008; Hassan et al., 2009; Tsalavoutas, 2009). Nonetheless, because firms differ with respect to skills or resources to cope with the new set of accounting standards, the valuation difference between low- and high-compliance firms was explored. Following Tsalavoutas (2009) and Hussainey and Walker (2009), the median value of the COMPL score is the point of sample partitioning for low- and high-COMPL firms. This approach is essential to the objective of the present analysis as it implies that substantially different levels of information reach investors.



This could also serve as a basis for distinguishing firms that differentiate themselves by providing quality disclosure to demonstrate compliance with best practice (Maines and Wahlen, 2006). Table 4 presents the results of data partitioning between low- and high-COMPL firms.

Table 4: Valuation differences between high- and low-compliance firms for the years 2012–2014

Variable	Sign	Panel A: Low-COMPL firms			Panel B: High-COMPL firms		
		Coef.	Robust error	VIF	Coef.	Robust error	VIF
CONS	+/-	-3.16 (-2.35**)	1.34	-	2.98 (2.38**)	1.25	-
BVE _{it}	+	0.59 (2.64**)	0.23	1.24	0.9 (1.75*)	0.5	1.24
NI _{it}	+	0.42 (4.68***)	0.09	1.28	0.25 (2.86***)	0.09	1.25
GLN _{it}	+	0.06 -0.61	0.09	1.19	0.37 (4.54***)	0.08	1.14
GLA _{it}	+	0.01 -0.14	0.09	1.05	0.04 -0.41	0.1	1.05
GLP _{it}	+	-0.7 (-0.70)	0.99	1.22	0.42 -1.02	0.41	1.14
COMPL _{it}	+	0.54 -1.43	0.38	1.07	0.93 (2.58***)	0.36	1.09
LNI _{it}	-	0.04 -0.29	0.13	1.05	-0.08 (-1.09)	0.08	1.06
LNI*NI _{it}	-	-0.15 (-1.68*)	0.09	1.03	-0.08 (-1.02)	0.08	1.05
FSIZE _{it}	+	-0.09 (-1.92*)	0.05	1.05	0.05 -1.52	0.03	1.05
IND _{it}	+	0.08 -0.99	0.09	1.05	0.11 -1.46	0.08	1.06
DEBT _{it}	+	-0.03 (-0.44)	-0.07	1.03	-0.13 (-2.86**)	0.05	1.03
AUDR _{it}	+	0.31 -1.58	0.19	1.54	0.64 (4.05***)	0.16	1.3
F-statistics		6.12***			9.49***		
Observations		72			187		
R ²		31.20%			38.79%		
Mean VIF				1.17			1.12
Cramer's Z-test					-1.9 (0.056)		

Notes: Panel A delineates the result for low-COMPL firms whereas panel B presents the results for high-COMPL firms. COMPL_{it} = disclosure score for the two sample firms; BVE_{it} = per share the book value of common equity; NI_{it} = net income per share; GLN_{it} = per share changes in revaluation surplus; GLA_{it} = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLP_{it} = per share actuarial gains and losses on defined benefit plans. Control variables include: FSIZE_{it} = the log of market capitalization; IND_{it} = industry classification code; DEBT_{it} = ratio of total long-term debt per total assets; AUDR_{it} = auditor's reputation is assigned the value of 1 for Big4 firms and 0 if otherwise. *i* and *t* refer to firm and year, respectively. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively.

Similar to the results of the full sample, the coefficients of the book value of equity and net income were positive and significant for the two cases. When the data were analysed for the sample of low- and high-COMPL firms, the components of other comprehensive income were



not significantly priced for the two cases, except for REV of high-COMPL firms, presented in panel B. Interestingly, the coefficient of COMPL for the sample of high-compliance firms was positive and significant at 1 percent, whereas the coefficient for low-COMPL firms was not significant, suggesting low reliability based on compliance.

The differences in regression between the two sub-sample firms indicated differences in the perceived reliability between low- and high-COMPL firms. Cramer's Z-test of difference between the two sub-samples was statistically significant at 10 percent, based on the Z score of -1.59 (0.056). The implication for this result is that the level of compliance with accounting regulation is important in assessing the quality of accounting fundamentals. Theoretically, a case is made that an increased level of disclosure has positive valuation implications and can reduce the agency costs of information asymmetry (Maines and Wahlen, 2006; Hodgdon et al., 2008). Since several creative accounting practices have taken place in Nigerian as a result of the low disclosures (NASB, 2010; ROSC, 2011), this finding is essentially relevant in the Nigerian market. Accordingly, improving the COMPL level will imply a more transparent financial reporting process, reduced agency cost and, hence, lead to more value reliable accounting fundamentals. Thus, H_1 , which hypothesised that compliance with IAS 16, IAS 19, and IFRS 7 would enhance reliability in the Nigerian market, was fully supported.

The effect of compliance on the valuation of other comprehensive income

Table 5 presents the results of three years' pooled regression of components of other comprehensive income. The F-statistic of the model was 9.73 and significant at 1 percent, indicating that the model was well specified. The R^2 of 37.71 percent is satisfactory and similar to previous compliance studies (Street and Bryant, 2000; Street and Gray, 2001). The NI for the period was positive and significant at 1 percent. The regression coefficients on the fair value GLN was positive and significant at 1 percent. The regression coefficient on GLA and GLP were not significant. More interestingly, the results of the interaction term between $GLN*COMPL$ and $GLP*COMPL$ were positive and statistically significant. In absolute terms, the coefficients of $GLN*COMPL$ and $GLP*COMPL$ were greater than without interactions. This result demonstrates that components of other comprehensive income provided value-relevant information in explaining share prices when COMPL with relevant accounting standards was disclosed in the financial statements. To the extent that COMPL with relevant accounting standards relating to other comprehensive income addresses reliability concerns regarding the choice of valuation method for fair value determination, investors are more likely to view components of other comprehensive income as reliable.

As evidenced in Goncharov et al. (2006), when non-compliance costs are negligible, firms that incur high information costs to provide quality information are recognised as "good and responsible" and consequently are rewarded by investors. A similar attribution is likely for Nigeria, given the low level of disclosure in the Nigerian reporting environment and the disparity between the NG-GAAP and IFRS framework (NASB, 2010; ROSC, 2011). The IFRS reporting framework has more accounting policy choices, which are inconsistent with NG-GAAP, such as more disclosure requirements, and differences in application and interpretation are possible reasons that could make investors recognise COMPL with relevant accounting



Table 5: The impact of compliance on the value relevance of other comprehensive income items

Variable	Sign	Coef.	Robust error	T	p-value	VIF
CONS	+/-	0.75	0.64	1.17	0.242	-
BVE _{it}	+	0.88	0.24	3.73***	0.000	1.26
NI _{it}	+	0.22	0.08	2.83***	0.005	1.30
GLN _{it}	+	0.26	0.07	3.77***	0.000	1.19
GLA _{it}	+	0.06	0.10	0.61	0.542	1.06
GLP _{it}	+	0.50	0.39	1.30	0.194	1.22
COMPL _{it}	+	0.73	0.28	2.64***	0.009	1.07
GLN*COMPL _{it}	+	0.58	0.17	3.36***	0.001	1.06
GLA*COMPL _{it}	+	-0.01	0.07	-0.16	0.874	1.04
GLP*COMPL _{it}	+	0.11	0.06	1.96*	0.051	1.04
LNI _{it}	-	-0.06	0.06	-0.98	0.326	1.07
LNI*NI_S _{it}	-	-0.12	0.06	-2.07**	0.040	1.07
FSIZE _{it}	+	0.02	0.02	0.72	0.470	1.04
IND _{it}	+	0.002	0.00	2.49**	0.013	1.28
DEBT _{it}	+	-0.11	-0.04	-2.78***	0.006	1.05
AUDR _{it}	+	0.73	0.15	4.92***	0.000	1.52
F-statistic		9.73			0.000	
Observations		259				
R ²		37.71%				
Mean VIF						1.15

Notes: COMPL_{it} = disclosure score for the sample firms; BVE_{it} = per share the book value of common equity; NI_{it} = net income per share; GLN_{it} = per share gains and loss on non-current asset; GLA_{it} = per share changes in gains and losses on re-measuring available-for-sale financial assets; GLP_{it} = per share actuarial gains and losses on defined benefit plans. GLN*COMPL_{it} = interaction of per share gains and loss on non-current asset and level of COMPL_{it}; GLA*COMPL_{it} = interaction of per share changes in gains and losses on re-measuring available-for-sale financial assets and level of COMPL_{it}; GLP*COMPL_{it} = interaction of per share actuarial gains and losses on defined benefit plans and level of COMPL_{it}. Control variables includes FSIZE_{it} = is the log of market capitalization; IND_{it} = industry classification; DEBT_{it} = ratio of total long-term debt per total assets; AUDR_{it} = auditor's reputation assigned the value of 1 Big4 and 0 if otherwise. i and t refer to firm and year, respectively. *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively

standards when assessing the reliability of reported earnings. As such, this study fails to reject H₂, which hypothesised that compliance with IAS 16, IAS 19, and IFRS 7 significantly influenced the value relevance of other components of comprehensive income in the Nigerian market.

Robustness test

In testing H₁ and H₂, pooled data involving different years and unit observations were used (unbalanced panel). Residuals across years and units could be correlated (Petersen, 2009; Wooldridge, 2013). The test for firm fixed effect and time effect indicated an unobserved firm fixed effects for estimation testing H₁ and H₂. A corrective measure for standard errors and related t-statistics on one dimension (OLS standard errors, clustered at the firm level), which provides less-biased standard errors, was used to re-estimate models 1 and 2. This approach is similar to that of Song et al. (2010), Goncharov and Hodgson (2011), and Mechelli and Cimini (2014). The results shows that the direction of coefficients and the significance level of the models clustered at the firm level was qualitatively similar to the basic models of the interacting effect of compliance with relevant accounting requirement (not tabulated).



5 Conclusions and Recommendations

This study examines the value relevance of compliance with accounting standards. Additionally, it examines the effect of compliance with accounting standards on the valuation of other comprehensive income components in Nigerian market. A total of 259 firm-year observations from 2012 to 2014 were used as a sample for this study. Overall, the findings provide evidence that compliance with relevant accounting requirements enhanced the reliability of accounting information for investors. As a test of reliability, the study documented that the fair value of non-current assets and pension liabilities are positively priced for high-compliance firms, but not for low-compliance firms. This result underscores the importance of compliance with the reporting requirements relating to IAS 16, IAS 19, and IFRS 7. It was, therefore, concluded that fair value gains and losses of firms that disclosed relevant information are perceived to be more reliable. The study further explored the influence of disclosure relating to IAS 16, IAS 19, and IFRS 7 on the valuation of components of other comprehensive income. The findings indicate the influence of compliance on the components of other comprehensive income, particularly fair value gains and losses on non-current assets and actuarial gains and losses. To the extent that compliance with accounting standards relating to other comprehensive income addresses reliability concerns regarding fair value determination, investors are more likely to view components of other comprehensive income as reliable. This study provides some initial evidence on the effect of compliance on these fair value earnings. It is documented that fair value gains and losses on non-current assets and actuarial gains and losses seem more reliable when conditioned for level of compliance. Thus, compliance with relevant standards could be a determinant of the reliability of fair value earnings.

This study is subject to some caveats and a fair interpretation of the findings documented herein is better appreciated by understanding these shortcomings. First, the findings documented in this study are limited to the sample firms with non-zero other comprehensive income from 2012 to 2014. Inclusion of more years as data becomes available and the market becomes more vibrant may change the results documented herein over time. Second, evidence presented in this study relates to the value relevance in terms of quality of comprehensive income and its components relative to traditional net income. It is therefore suggested that the importance of components of other comprehensive income can be gauged by investigating other information dimensions such as persistence and predictive relevance. Future research is recommended to explore these issues in Nigeria.

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INFLUENCE OF EMPLOYEES ENGAGEMENT ON ORGANIZATIONAL PERFORMANCE

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Abstract

This study measures the significance of employee engagement on organizational performance. The research objectives were to assess the impact of employee engagement on employee effectiveness, and to determine the extent to which employee well-being affects the organization's efficiency. Data were collected through self-administration of a structured questionnaire based on the five-point psychometric Likert scale. A total number of 48 questionnaires were administered to UDEX staff. Simple regression analysis was used to test the hypotheses to measure the specified variables. The result shows that employee engagement has a significant effect on efficiency and effectiveness, which has a strong ability to enhance organization performance. It was recommended that; Top management of UDEX and other related organizations should keep in mind employee engagement various drivers such as empowering the employees, providing full information, support from the top management, aligning efforts with strategy while planning to engage their employees to ensure efficiency and improved performance in their organization.

Keywords: Employee Engagement, Profitability, Efficiency, Effectiveness.

1. Introduction

Survival of any organization in today's dynamic and highly competitive business environment is dependent on maximizing profits from its current capabilities, while recognizing and adjusting to the fact that organization and business environment of today is dynamic (McCann, 2015). To enhance or maintain competitive advantage, profitability, efficiency and effectiveness, organization must work hard to create a conducive work environment through employee engagement and their well-being (Sofian, 2016). Employee engagement and well-being have become a crucial concept with the utmost attention to management in today's organization. In this current and challenging globalised economy, business leaders need a high-performing workforce for growth and survival.

Effective management of employee engagement, employee well-being effectively, and the organization's objective is crucial to ensuring a sustainable and viable future for their organization (Hill & Birkinshaw, 2012). They recognize that a highly engaged workforce can increase innovation, productivity, and bottom-line performance and thus enable employees to be committed to the organization. More so, empowered employees are said to be in the position to make quick decisions and respond to any changes in the environment. Thus, the process of transferring power, an authority with responsibility and accountability to the employees enables organizations to be more flexible and responsive to lead improvements in both individual and organizational performance. This study, investigates the link between employee engagement



and organizational performance. Therefore, organizations need to create a conducive environment that enhances employee engagement and well-being to flourish and tap into their knowledge and human capital. According to Jumah (2016), employees come to work ready to be engaged, and emphasized that organizations need to create favorable working conditions for engagement. As engaged employees connect, the multiplier effects of synergy lead to collective actions, which influences organizational performance.

Employee engagement and employee well-being are considered today as a strategic organization's success tool due to the following reasons: Firstly, employee engagement is considered to be one of the most influential and effective human resource practices that facilitate the most significant contribution of the employee who is capable of creating added value to the product and service which is sporadic and unique. It enhances job satisfaction, career satisfaction and organizational performance (Spicer, 2014). Secondly, engaged employees are said to add value and create a competitive advantage for the organization (McCann, 2015). Thirdly, employee engagement is a motivational technique that is designed to improve performance if appropriately managed through increased levels of employee's participation and self-determination (Ongori, 2009).

Furthermore, Wernsing, and Palanski (2016) points out that employee with satisfied well-being have a high level of commitment and involvement in the day-to-day process of decision-making and contribute actively towards achieving the goals of the organization. It can be understood that organizational performance occurs when employees understand and show perseverance and enthusiasm for the achievement of the objectives of the business. Hence, measuring the significance of employee engagement and individual well-being on organization performance cannot be overemphasized. The primary objective of this research is to assess the impact of employee engagement on employee effectiveness, as well as to measure the significance of employee engagement and individual well-being on organization performance.

2. Literature Review

Sandhya (2016) described engagement as a positive, fulfilling, work-related state of mind characterized by vigour, dedication, and absorption; but it is distinct and is expected to predict a full range of outcomes. Satisfaction among employees is desirable, but satisfied employees may not necessarily display vigour in their work. Employees committed to their organizations may not always have an in-depth commitment to their job. Satisfaction and loyalty are related to performance, but engagement appears overall to be a better predictor of employee performance. Employee engagement is a novel concept as such has no universally accepted definition, thus, the definition varies with the difference in intellectual processes (Rafferty, Maben, West and Robinson, 2015; Ellis & Sorensen, 2017). Employee engagement is a relationship between the employee and the enterprise; an engaged employee is the one who is entirely engrossed in and ardent about his or her work and so takes affirmative steps to further the organization's prestige and interests. Engagement of employees with the organization is how employees feel about their senior executives, the trust that the employees have in the values policies, fairness and the confidence in organizational leadership. The concept of employee engagement originates from two concepts organization citizenship behavior (OCB) and employee Commitment (Rafferty, 2015).



Anitha (2014) asserts that there is no generally accepted definition of performance, and as such, the term performance has been defined differently by various scholars. In traditional terms, performance has been used to describe concepts such as efficiency, effectiveness, improvement, growth and success; these terms have been used interchangeably by researchers such as (Akbaba 2012; Reigonen & Akinyemi, 2013). In the same vein Brett (2007) noted that the definitions of successful performance and the variables used to measure performance vary widely. However, Anitha (2014) identified the main performance criteria of construction projects as financial stability, the progress of work, a standard of quality, health and safety, resources, relationship with the organization and its employee.

Organizational performance can be defined as the extent to which an organization has met its objectives (Sandhya, 2016). It was further stated that companies could determine their performance by assessing their financial and non-financial indicators or Key Performance Indexes (KPIs) against the set goals (Sandhya, 2016). Different organizations have different elements against which they measure performance based on the organization's objectives. While some companies measure their performance on customer satisfaction, others measure based on the profitability and other in non-profit organizations. The measurement is made against the impact made through their work (Sofian, 2016).

Factors Influencing Employee Engagement

Many researchers have diagnosed the field of employee engagement to determine the factors that will increase employee engagement in the organization. The employees are willing and enthusiastic to work where they find meaning. The workplace is the prime spot where employer and employee can come closer together for the benefit of both, the employee feels a sense of community, comfortable space for themselves and finds opportunities to contribute to the growth of the organization. Armstrong, Shakespeare-Finch, and Shochet (2016) proposed new model of engagement like the Maslow's need hierarchy has also been developed by the researchers where the lowest level is the basic need like pay and benefits; higher needs follow once the employee is satisfied to spot opportunities, the possibility of promotion and leadership and the final level of this hierarchy is aligning personal values with the values of the firm and discovering a common objective and a sense of connection. There must be more opportunities to grow and a robust employee-employer relationship for initiating employee engagement (Armstrong et al., 2016).

Employee Engagement and Organization Performance

Organizations today are inclining towards employee engagement which has gain popularity worldwide. The constantly arising dilemma is construed around investing the benefits of employee engagement which is surrounded by elements of employee satisfaction, motivation, and other productivity and financial goals. Studies like (Armstrong et al. 2016; Sofian, 2016; Ellis & Sorensen, 2017) show a significant relationship between employee engagement and well-being and organizational performance. The themes that have been highlighted include but not limited to customer loyalty, productivity, employee retention, safety, profitability, customer satisfaction, employee satisfaction, retention and absenteeism.

With traditional strategies focusing on performance enhancement concerning the internal and external environment, the resource-based view is concerned with the pool of resources and capabilities as the primary determinants of strategy and performance (Armstrong et al., 2016).



Barney (1991, cited in Alonso &Kok, 2018) advocates that the role of resources in producing firm-wide results should be taken into consideration. Sustained competitive advantage comes from developing resources that are rare and difficult to imitate. Barney includes human capital in his definition of resources, but it must be unique and imitable. It was further stated that managerial resources are not necessarily scarce unless there is a specific attribute that is not found in any other firm; as such, the resource-based view emphasizes that the uniqueness of each company as a critical factor for profitability and that exploiting these differences will maintain and sustain competitiveness. It has, therefore, become an essential factor for achieving an organization's overall strategy geared towards fulfilling its set objectives. It can be concluded that the RBV suggests that human resource systems can contribute to organizational performance.

Soane (2017) builds on Kahn's (1990) psychological conditions of personal engagement and disengagement at work theory and develop a model of engagement that has three requirements: a work-role focus, activation and positive effect. The model was operationalized using a new measure known as the ISA Engagement Scale comprising three facets social, intellectual and affective engagement. The results indicated positive associations with three theoretically and empirically essential outcomes that include task performance, organizational citizenship behavior (OCB) and turnover intentions. In addition, the study of Fairlie (2014) investigated the role of meaningful work in engagement and other employee outcomes such as burnout, job satisfaction, organizational commitment, and turnover cognitions and meaningful work characteristics had the strongest relationships with engagement and most other employee outcomes, relative to other work characteristics. In addition, meaningful work characteristics were the strongest unique predictor of engagement.

Ellis and Orensen (2017) from their study on effect of employee engagement with a sample of 320 respondents opined that an organization's performance is inclined with employee engagement having discovered a positive correlation between both variables. According to the researchers, the more engaged employees are, the better the performance of the organization which is measured by its profitability, productivity, employee retention, efficiency, safety, effectiveness and customer loyalty.

Kumar and Pansari (2015) in their studies reviewed relevant literature and press-articles on competitive advantage through employee engagement. The study built a framework around customer engagement and employee engagement while using a multidimensional method to define the concepts. Using a two-time period analysis, 120 companies were understudied from which strategies were developed to help the companies improve on their levels of customer and employee engagement. The findings revealed that employee empowerment had a moderating effect on both customer and employee engagement; also, the type of business either business-to-business or business-to-customer, and the nature of the industry were also critical factors that proved to have impacted employee engagement in particular. Furthermore, it was reported that both employee and customer engagement had positive influence on the performance of the companies, however, customer engagement proved to have a stronger effect. It is therefore conclusive to note that integrating both employee and customer engagement is more likely to produce better performance outcome than when they act individually.



Jamie and Alan (2014) in a bid to investigate the notion of employee engagement implied that the dilemma in this concept is related to how to measure employee engagement and the theories that adequately backs-up the concept. The theory of engagement as developed by Kahn (1990) and Job Demands-Resources (JD-R) model was employed in the study. It was concluded from the findings that a consensus is yet to be reached to provide a definition to employee engagement coupled with the concerns regarding how employee engagement should be measured. Causal conclusions were difficult to make any precursory judgments on the benefits and consequences of employee engagement and as such further findings were expected to be undertaken relative to developing a science of employee engagement theory.

Another study by Shuck, Reio, & Rocco (2014) examined the links between job fit, affective commitment, psychological climate, and employee engagement, and the dependent variables, discretionary effort, and intention to turnover. An Internet-based survey battery of six scales was administered to a heterogeneous sampling of organizations from service, technology, healthcare, retail, banking, nonprofit, and hospitality fields. The results indicted Job fit, affective commitment, and psychological climate were all significantly related to employee engagement, while employee engagement was significantly associated with both discretionary effort and intention to turnover.

Vogelgesang, Leroy, & Avolio (2013) examined in a 3-month longitudinal study on how a leader's integrity relates to a personal followership work engagement; it also viewed upon how such relationship, in turn, connects to performance. The findings indicated that followers rate their leaders more transparent communication at Time 1; they were also assessed to be more engaged in their work role at Time 2. The findings also revealed that their perceptions of leader behavioral integrity mediated that relationship, and as such, there was a positive follower engagement effect based on third-party ratings of follower performance at Time 3 lagged three months. This study, therefore, acknowledges that employee engagement is having a moderating impact on business performance.

Ronald and Ghada (2010) examined the consequences and antecedents of effective work engagement and well-being in a sample of male and female managers and professionals employed in various organizations and industries in Egypt. Antecedents included personal demographic and work situation characteristics as well as measures of need for achievement and workaholic behaviors; consequences included measures of work satisfaction and psychological well-being. The results indicated that first; both requirements for achievement and one workaholic job behaviour are found to predict all three engagement measures. Second, engagement, particularly dedication, predicts various work outcomes (e.g. job satisfaction, intent to quit). Third, engagement, again, particularly commitment, predicted different psychological wellbeing outcomes but less strongly than these predicted work outcomes.

3. Methodology

This study used a deductive approach to achieve accurate analysis to bring about a better understanding of the research topic. The deductive approach is a research strategy to test a hypothesis or theory; that is, moving from theory to research. The array of literature on the theory of employee engagement and individual well-being enable the researcher to confidently employ deductive approach investigate the significance of employee engagement and individual well-being on organization performance. The research strategy for the study is the survey



strategy which is selected to support the deductive approach. Usually associated with a deductive approach, the survey strategy is advantageous over other strategies (such as ethnography, case-study and action research) for obtaining a large amount of data easily and economically by questionnaire administration. It is easy to understand, work with and capable of recording the verbal behaviour of respondents (Levitt et al., 2017). It was also adopted by Saunders et al. (2016) to give the researcher more control over the research process. For this particular study, a survey is considered to be the most suitable method for gathering information and data required to ascertain the significance of employee engagement and individual well-being on organization performance. Consequently, the adoption of survey strategy supports previous studies in a similar area of research (Levitt et al., 2017) Choy (2014) argued that the weakness of both quantitative and qualitative methods could be overcome by employing both methods to provide a more comprehensive, robust and generalizable result for the research topic. Based on this, a mixed data collection method was adopted for this research. This study employed the use of quantitative and qualitative data through the use of questionnaire and interview. The data for the qualitative study was gathered during a semi-structured interview with top managers who are responsible for, or intimately involved in the policy formulation and implementation employee engagement and individual well-being. Qualitative research such as data collection method via interviews searches for meanings and views held by people. The quantitative data, on the other hand, was also analysed through the administration of a well-structured questionnaire; the mixed method was also adopted by Ellis & Orensen(2017) in a similar study. Effective research outcome depends on the quality of data collected. The population of this study is multi-dimensional cutting across the top, middle and lower level staff of UDEX. This study adopted census study on the entire 48 staff of UDEX using self-administered questionnaire and interview. Data were collected from primary sources with the use of a well-structured questionnaire and semi-structured interview in this study. One of the human resource executives was interviewed, and 48 copies of questionnaire were administered to the staff of UDEX Group. The retrieved data from the interview and questionnaire were displayed in the data analysis section of this study.

Therefore, a regression analysis was conducted to determine the influence of one variable over the other variable(s). The model is mathematically shown below.

$$Y = A + Bx + \mu, \dots\dots\dots 1$$

where Y is the effectiveness; A is the constant; B is the value of coefficient; μ is the error term

4. Results

Data Analysis

Table 1: Correlation Coefficient for employee engagement and Organizational efficiency

		Employee Engagement	Efficiency
Employee engagement	Pearson Correlation	1	.702**
	Sig. (2-tailed)		.000
	N	48	48
Efficiency	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.000	
	N	48	48

** Correlation is significant at the 0.001 level (2-tailed).



The above correlation Table shows that at a 0.01 level of significance, $r = 0.0001$ (2-tailed test). This means that since r is less than 0.01, there is a positive relationship between employee engagement and UDEX Group's Efficiency. The significance level of 0.01 implies statistical confidence of above 99%. By implication, employee engagement and efficiency are significantly correlated. Thus, we reject the null hypothesis (H_0) and embrace the alternative hypothesis. (H_1).

The coefficient Table shows a simple model that expresses how employee engagement impacted effectiveness.

Table 2: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.748	.201		3.726	.000
1 Employee well-being	.846	.050	.822	16.800	.000

Note: Dependent Variable: Efficiency

The coefficient in Table 2 is a simple model that expresses the extent to which employee well-being affects the efficiency of the UDEX Group. The mathematical model is demonstrated below. This means that for every 100% increase in UDEX Group's efficiency, employee well-being contributes 84.6%. The level of significance below 0.01 indicates a statistical confidence level of above 99%. This means that a greater proportion of efficiency increase is as a result of employee well-being.

Findings and Discussion

Findings and its discussion of this study were grouped for adequate triangulation base on the analyzed data and result derived from questionnaire and interview conducted in UDEX. Hence, for clarity purpose, the grouping of findings and its discussions were based on the objectives of the study.

Retrieved questionnaire data and information generated through an interview conducted in UDEX revealed that employee engagement has a significant effect on employee effectiveness; as such, the null hypothesis stating that employee engagement has no significant impact on the efficiency of UDEX Group is rejected.

It was recorded that engaging employee is crucial to UDEX performance. However, the performance of these employees varies based on their educational level. The engaged employees in possession of a college degree have a level of performance that is greater than those seen among employees in possession of a high school diploma or less. Engagement does not only increase focus and efficiency, but it also decreases absenteeism rates. Employees that are engaged recognise the importance of their effort in contributing and care about what they do, towards the success of their employer and the performance of the organization.

These findings corroborate the work of Ellis and Orensen (2017) from their study on the effect of employee engagement. They opined that an organization's performance is inclined with employee engagement having discovered a positive correlation between both variables. According to the researcher, the more engaged employees are, the better the performance of the



organization, which is measured by its profitability, productivity, employee retention, efficiency, safety, effectiveness and customer loyalty. In the same vein, about the findings of this study, some authors from their research concluded that employee engagement would lead to improved employee effectiveness and involvement towards respective jobs and thus creating a motivated workforce that will work together to achieve the common goals of the organization. (Rafferty,2015; Taris & Schaufeli 2015; Sandhya, 2016).

On another hand, other studies (Brett, 2007; Anitha, 2014; Armstrong et al., 2016) contrasts the findings, instead indicates that organizations should develop a robust performance management system which holds managers and employees accountable for the behaviour they bring to the workplace, place focus on top-performing employees to reduce turnover and maintain or increase effectiveness. Kumar and Pansari (2015) opine that for an organization to be effective using engagement tool, it must involve both its employee and customer. The findings revealed that employee empowerment had a moderating effect on both customer and employee engagement; also, the type of business either business-to-business or business-to-customer, and the nature of the industry were critical factors that proved to have impacted employee engagement in particular.

Lastly, information gathered through interviews, and retrieved questionnaire from UDEX staff revealed that employee well-being affects an organization's efficiency significantly; as such, the null hypothesis stating that employee well-being does not affect the efficiency of UDEX Group is rejected. The analyzed data from the retrieved questionnaire presents a simple model that expressed the extent to which employee well-being affects the efficiency of the UDEX Group. Interview section with the HR manager also revealed that employee well-being has a significant impact on the organization's efficiency. Hence, employee well-being is a critical part of the organizational success which predicts employee outcomes, organizational success, and financial performance. The impact of well-being can manifest itself through productivity, results for customers of the organization, employee retention rates and organizational culture. The findings of this study show that individual well-being is a vital tool to enhance organizational performance. It was also evident that the effectiveness of organizations depends on the rate of employees' productivity; as such, it is often the responsibility of the organization and specifically the HR department to continually carry out examinations via surveys, personal interviews, observations, and performance appraisals to monitor the rate of productivity and level of employee motivation towards discharging their duties. This finding corroborates the finding of Alan (2014) that examined the impact of individual well-being on organizational performance.

It was further implied that the level of individual or collective productivity is tantamount to the amount of job satisfaction and particularly the level of employee well-being. Employee well-being was, therefore, ascertained to have a more significant effect on individual employees as it dictates the level of productivity, which in turn affects the level of organizational effectiveness. In this study, it was asserted that for organizations to thrive and engage their employees optimally there is a need for the organization to ensure that the employees are often in the right state of mind. It was opined that employees with a low level of motivation to work are very likely to reduce their level of productivity, which adversely affects the performance of the organization. It was further revealed that one of the causes of the low level of motivation to



work arises from the inability for organizations to decipher and be sensitive to the attitude or behaviour of individual employees at a certain period which has a significant effect on the level of productivity. Organizations were therefore admonished to always carry out constant reviews of their employees, particularly on how they feel about the job they have been assigned.

One of the HR executives of UDEX Group was asked to relay his views on the effects of engaging employees on the efficiency and performance of the organization. The response given revealed that engaging employee is crucial to UDEX Group's performance. However, the performance of these employees varies based on their educational level. The engaged employees in possession of a college degree have a level of performance that is greater than those seen among employees in possession of a high school diploma or even less than that. Employee engagement does not only increase focus and efficiency, but it also decreases absenteeism rates. Employees that are engaged recognize the importance of their effort in contributing and care about what they do, towards the success of their employer and the performance of the organization. It is very important to note that the greater the involvement of employees an organization, the higher the chances of that organization succeeding; this is because employees are tangible assets to the organization and the more they are allowed to have a say in the decisions taken by the organization, the more they are willing to be committed.

5. Conclusion and Recommendation

Employee engagement and individual well-being matters to both the employee and the organization as a whole. Regardless of the industry, size, or location, many companies struggle to unlock the perplexities of why performances vary from one workgroup to the other. An organization that is bound to compete effectively in this highly competitive business environment needs to employ appropriately employee agreement and individual well-being as a tool to enhance the attainment of the organizational goals and objectives. This study measures the significance of employee engagement and individual well-being on organizational performance. The hypotheses were postulated to achieve the set objectives of the study and answer the research questions. The results derived shows that employee engagement and individual well-being has a significant effect on organizational performance positively.

Based on the findings of this research, the following recommendations for actions were made. Top management of UDEX and other related organizations should keep in mind that employee engagement drivers such as empowering the employees, providing full information, support from the senior management, aligning efforts with strategy while planning to engage their employees to ensure efficiency and improved performance in their organization. Secondly, communication within the organizations should focus more on engaging employee, individual well-being, empowering employees, and building a bond between leaders, rewards and recognition and employees as strategic objectives. Thirdly, management's at all levels should leverage on employee engagement strategies in the organization. This study revealed that the practical application of employee engagement and individual well-being strategies would assist the organization in enhancing its performance. Finally, organization leaders should adopt a periodic survey with employees to develop a better understanding of the employees' expectation trends over time. Monitoring and tracking employee engagement strategies of an organization and its competitors can be useful when planning to implement effective employee engagement strategies.



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DETERMINANTS OF LOYALTY AMONG CUSTOMERS OF NON-INTEREST BANKING SERVICES IN KADUNA METROPOLIS: THE CASE OF JAIZ BANK

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Abstract

The study examined the determinants of loyalty among customers of Non-interest Banking services in Kaduna Metropolis with reference to Jaiz Bank. A sample size of 394 customers was drawn from the population of the study. Descriptive and multiple regression statistics were used to analyze the primary data generated from the respondents. The findings of the study indicate that the loyalty of customers of Jaiz Bank is mainly determined by Customer satisfaction involving uniqueness of NIB services offered by the Bank and accessibility of NIB services offered by the Bank; followed by Customer Perception involving positive perception of the Bank due to its compliance to religious belief of prohibition of interest; and finally, Success Philosophy involving long-term consideration of success of the Bank. Based on the findings, the study recommended that the Management of Jaiz bank Plc should maintain or even improve on uniqueness and accessibility of its service. The Bank should also continue to strictly abide by its policy of Non-interest banking so as to maintain the positive perception of customers and their optimism in its success in future.

Keywords: Determinants, Non-interest Banking (NIB) Services, Customers and Loyalty

1. Introduction

Every community has its traditional saving system, however, saving through the modern commercial banking system takes the lead (Mamman, 2005). The domination of the Western commercial banking system can be attributed to colonialism and imperialism (Khan, 2000). The Western banking system is interest based. Interest is added on deposits and it is charged on loans. In Islam interest is strictly forbidden. In view of this prohibition, Nigeria's 46.7% population (mostly muslims Hausa-Fulani) is excluded from the formal financial services (Sapovadia, 2015). Alawaiye (2012) also noted that 56 million Nigerians were without bank accounts mainly due to religious belief and ethical consideration.

Globally, financial inclusion has assumed increasing recognition among policy makers. This has resulted in the legalization and practice of Non-interest banking (NIB) in many countries. With the promulgation of Banks and other Financial Institutions Decree (BOFID) 25 of 1991, Nigeria joined the host of other countries in which NIB is legal. Accordingly, an investment holding company known Jaiz International Plc, was granted license to practice NIB. The Bank commenced operations with three branches in Abuja, Kaduna and Kano states in 2012 (Oladimeji & Monisola, 2012).

The establishment of Jaiz Bank has increased the level of competition in the Nigeria's banking industry. The high level competition has made it necessary for banks to embark on relationship



marketing activities that will enable them attract new customers, retain existing ones as well as making them loyal. Customer loyalty is fast being recognized as effective competitive strategy and key determinant of long-term profitability in the banking sector (Ukenna, Olise, Chibuike, Anionwu, Igwe & Okoli, 2012). Loyal customers are profitable customers and generate revenue by higher patronage and by recommending new customers. Despite the importance of customer loyalty in the banking business, past studies appear to have paid less attention to it (Ukenna et al, 2012). The few conducted studies on customer loyalty were in respect of interest based commercial banks, knowledge gap exist on loyalty among customers of NIB services (Badara, Mat, Mujtaba, Al-Refai, Musa & Abubakar, 2013). To contribute in filling this gap, this paper examines the determinants of loyalty among customers of NIB services in Kaduna Metropolis.

Hassan, Bilal, Ahmed, Habib, Riaz, Maqbool and Anwar (2012) used five constructs to measure customers loyalty to islamic banks in Pakistan. The constructs are; Customer satisfaction, Switching cost, Trust and commitment, Customer perception and Success philosophy. This study adopted the five constructs and found out the extent each one of them determines loyalty of customers in patronizing the services of Jaiz bank, Kaduna branch. Accordingly, the specific objectives of the study are to determine the impact of (i) Satisfaction on customers loyalty, (ii) Switching cost on customers loyalty, (iii) Trust and commitment on customers loyalty, (iv) Perception on customers loyalty, and (v) Success philosophy on customers loyalty.

2. Literature Review

Conceptual Framework

Customer Loyalty: Oliver (1999) defines customer loyalty as a deeply held commitment to rebuy or patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour. He maintained that customer loyalty is reached through four sequential stages: Cognitive Loyalty; at this initial stage, loyalty is simply based on customers judgement (arising from the information provided by the banks) of how well the services meet their expectations. The loyalty is superficial in nature as it is not based on real satisfaction; it is simply based on mere information provided by the banks themselves. Affective Loyalty; at this stage customers begin to develop a liking or attitude towards the banks' services based on practical satisfying experiences they had. Though the customer can be emotionally committed to a bank at the affective stage, he can switch to other banks. Conative Loyalty; here the customer develop strong intention of future patronage based on repeated events of positive emotions towards services rendered by a bank. However, this intention may not always lead to actual patronage. Action Loyalty; at this final stage, the desire and intention in the conative stage translate into realistic loyalty actions or behaviour. In the context of this study, customer loyalty refers to the final stage of "Action Loyalty". The study will find out the determinants of customer loyalty in Jaiz bank from the following adopted study constructs:

Customer satisfaction: it is a marketing term that measures how products or services meet or surpass customers' expectations (Beard, 2014). Customers are said to be satisfied if a product or service consumed meet or even surpass their expectation and they are dissatisfied if the reverse is the case. Though customers differ in their expectations from products or services they consume, they always care for quality, uniqueness, accessibility, good value, room for expression,



promptness, taking of responsibility, empathy, conducive atmosphere and technological advancement.

Switching Cost: it is the cost which customers bear to switch from one bank to another (Hassan, et al, 2012). Klemperer (1987) identified three types of switching costs: transaction, learning and contractual. Similarly, Guiltan (1989) identified four types of switching costs as contractual, set-up, psychological commitment and continuity costs. The author adopted Klemperer's contractual costs while grouping together transaction and learning costs as set-up costs (Caruana, 2003). If customers are satisfied and loyal, switching cost will be high and may prefer to remain with their initial bank. It is important for non-interest banks to provide better services to their customers so as to make their switching cost higher. Better services can be in form of improvement in physical environment and making emphasis on compliance to religious beliefs of customers, which is the unique selling point of the bank.

Trust and Commitment: Trust is the confidence that customers have that NIB banks will not do something harmful or risky with their funds. For instance, the customer has confidence that their savings are free from interest which is against their belief. NIB customers ought to have confidence that their funds will not be invested in trade activities which are prohibited by Islam such as alcohol, gambling etc. Trust also involves confidence on the honesty and integrity of personnel working in the bank. Trust usually leads to commitment which involves a long-term desire to maintain a valued relationship with a bank (Morgan & Hunt, 1994). Trust and commitment are positively related with customer loyalty (Hassan et al, 2012).

Customer Perception: It is a process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of a product service. It is a three stage process that involves customers' exposure to information/stimuli, paying attention to it and finally interpret it as positive or negative. Positive perception is positively related with customer loyalty (Hellouf & Jacobson, 1999). NIB banks are expected to provide the kind of information in form of advertisement or words of mouth that will make customers to have positive perception about them. This kind of information may include the unique selling points of NIB such as non-charging of interest, profit and loss sharing, compliance to religious beliefs etc

Success Philosophy: NIB banks provide alternatives of interest based banking services. NIB banks in many countries like Pakistan are capturing the market share with a growth rate of 114% per annum (Hassan et al, 2012). This is a success for NIB banks. Perceived success can also be due to short or long term considerations by customers. For instance large share is a short term criteria for success and sustaining it is a long term one. Perceived success of banks by customers is positively related with customer loyalty (Salegna & Godwin, 2005).

NIB Services

The Central Bank of Nigeria (CBN) defines NIB Services as banking services that are offered in accordance with the principles and rules of Islamic commercial jurisprudence that strictly forbids charging and taking of interest (Sapovadia, 2015). In 2011, the CBN issued a license to Jaiz Bank to operate fully as non-interest bank. The bank commenced operations with three branches in Abuja, Kaduna and Kano states. In 2012 Jaiz Bank opened branches in many other states in Nigeria. The bank, based on its Brochure (2017), offers the following retail, corporate as well as financing products banking services; Current Account; it is an account that operates



under the principle Qardhasan (Non-interest loan. Salary Account; it is designed for salary earners to provide easy and convenient to their funds while enjoying host of other professional services from the banks such as Jaiz Kids Account, Jaiz Tier One Account etc. Jaiz Domiciliary Account; the account is in foreign currencies (Dollar, Pounds & Euro) and is designed to help customers conveniently carry out foreign currency transaction from the comfort of their homes, office or abroad.

In the area of financing, Jaiz bank offers the following NIB services; Murabaha; it is a financial product mostly used in financing purchase of raw materials, machinery, equipment and customer durables. Mudaraba; it is a form of partnership in which the bank provides funds and other partner(s) provide labour and profit is shared in a proportion agreed in advance. Musharaka; it is a joint venture between the bank and an individual or business entity to conduct certain business and net profits or losses are shared between the business partners according to the capital invested. Ijarah; under the scheme, the customer requests the bank (lessor) to purchase capital goods like machinery or equipment and rent it to him or her (lessee). In the context of this study NIB services refers to the above listed services being offered by Jaiz Bank, Kaduna branch.

Empirical Literature

A number of studies have been conducted on the determinants of customers loyalty as it relates to the five constructs of the study namely; Customer satisfaction, Switching cost, Trust and commitment, Customer perception, and Success philosophy. Odunlami and Matthew (2015) in a study on impact of customer satisfaction on customer loyalty in selected banks in Oyo state, Nigeria discovered that there is a significant relationship between customer satisfaction and customer loyalty. The study indicated that a 1% shift in customer satisfaction will cause a positive shift of 61.7% shift in customer loyalty. Shanka (2012) examined the quality of bank's service, satisfaction and loyalty of customers of Ethiopian banking sector. The study found a positive relationship between customer satisfaction and customer loyalty.

There have not been many studies on the factors that have impact on customers' bank switching behaviour (Arshad, Zahra & Draz, 2016). Caruana (2003) in an empirical study on the impact of switching costs on customer loyalty discovered a positive relationship between switching costs and loyalty. Sarwar, Abbasi and Pervaiz (2012) in their study on the effect of customer trust on customer loyalty and retention in Pakistan, found a positive relationship between trust, Commitment and customer loyalty. Gordon (2003) also observed that the loyalty of committed customers was higher than that uncommitted ones.

Moiescu (2015) studied the impact of customers' perception on customers loyalty in Romania. The study discovered a positive relationship between customers' positive perception of service quality and loyalty. Siddiqi (2011) conducted a study on the relationship between customers perception of service quality and customer loyalty. The study which involved 100 retail banking customers in Bangladesh discovered that customers' positive perception of quality service quality is positively related to customer loyalty. Salami and Olanye (2013) examined the relationship between customers' perception about service quality and loyalty in selected banks in Asaba, Nigeria. The population of the study comprised 300 customers randomly selected



from the five selected banks located in Asaba metropolis. The study also found a positive relationship between customers' positive perception of service quality and loyalty.

As for "Success Philosophy" determinant, the 2014 report of the World Bank Global Islamic Finance Development Centre, indicates NIB services have expanded rapidly over the past decade, growing at 10-12% annually. Sapovadia (2015) discovered that NIB or Sharia compliant assets are estimated at US\$2 trillion, covering bank and non-bank financial institutions, capital markets, money markets and insurance. Khaf (2011) noted other success criteria in the NIB industry to include high return on investment, minimum idle assets and economies of scale. Hassan *et al.* (2012) maintained that NIB banks are gaining customers' loyalty in many countries, including Nigeria, due to the success they are gaining in the global banking arena.

Apart from the studies conducted on the specific determinants of customers' loyalty, studies were also conducted on the collective impact of the determinants. Ukenna *et al* (2012) conducted a study on drivers of bank loyalty among students in Nigeria. The study found that customer satisfaction is the highest driver of loyalty among students from four tertiary institutions in the South-eastern Nigeria. This finding was supported by the study of Hassan *et al* (2012) in Pakistan. Hashim (2014) examined determinants of customer loyalty among subscribers of global system for mobile (GSM) communication in North-western Nigeria. The study discovered that customer perception of service quality is the highest determinant of loyalty among subscribers or customers of GSM services in the North-western Nigeria.

3. Methodology

This study adopts the cross-sectional survey research design. The design is considered appropriate due to the fact that the data for the study were collected at the same time. The population of the study comprises all customers of Jaiz Bank residing in Kaduna metropolis. According to the statistics obtained from the Bank, there were a total of 26,252 customers. Based on the formula for determining sample size given by Yamane as cited in Israel (2013), a sample size of 394 was determined.

Data were collected from primary source by means of a structured questionnaire administered on the sampled customers of the bank. The items on the questionnaire were based on the five point Likert scale ranging from 5 (Strongly Agree) to 1 (Strongly Disagree). Area random sampling technique was used in the selection of sample subjects across the metropolis. Descriptive and inferential statistics were used in analyzing the data collected. To test for reliability of the instrument, a Cronbach's alpha test was done and it gave the following outcome:

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.802	0.780	22

For the use of likert scale, exploratory factor analysis was conducted to determine the factor loadings for the variables. Over 70% of the items in the questionnaire have factor loadings >0.80, further justifying the sufficiency of the sample size in line with Guadagnoli and Velicer



(1988) proposition that a sample size of $n > 150$ will be sufficient for a dataset with several high factor loading scores ($> .80$); thus confirming its reliability.

Descriptive statistics in the form of frequency and percentage were used to analyze the demographic data about the respondents. Inferential statistics in the form of multiple regressions were used to determine the effect of Customer satisfaction, Switching cost, Trust and commitment, Customer perception and Success philosophy on loyalty of customers to Jaiz Bank.

The data gathered from completed copies of the research instrument were analyzed using inferential statistics (logistic regression model). Logistic regression was adopted as the expected dependent responses were dichotomous and categorical in nature. One of the conditions for meaningful use of logistic regression is that each predictor variable must be represented by a single term in the model (Peng, Lee & Ingersol, 2002) and to achieve this, the exploratory factor analysis was used to arrive at the representative factors utilized in the logistic regression model. Inferential statistics were performed using Statistical Package for Social Scientists (SPSS) software (version 16).

A logistic regression predicts the probability that an observation falls into one of two categories of a dichotomous dependent variable based on one or more independent variables that can be either continuous or categorical. Generally, logistic regression is well suited for describing and testing hypotheses about relationships between a categorical outcome variable and one or more categorical or continuous predictor variables. Logistic regression solves problems by applying the logit transformation to the dependent variable. In essence, the logistic model predicts the logit of Y from X . The logit is the natural logarithm (\ln) of odds of Y , and odds are ratios of probabilities (P_i) of Y happening to probabilities ($1 - P_i$) of Y not happening (Peng, Lee, & Ingersoll, 2002).

The simple logistic model has the form:

$$\text{logit}(Y) = \text{natural log(odds)} = L_i = (P_i \div 1 - P_i) = \alpha + \beta X \dots\dots\dots 1$$

Taking the antilog of equation 1 on both sides, one derives an equation to predict the probability of the occurrence of the outcome of interest as follows:

Where:

- α = the Y intercept,
 - β = the regression coefficient, and
 - $e = 2.71828$ is the base of the system of natural logarithms.
- Source: Peng, Lee, and Ingersoll (2002).

X can be categorical or continuous, but Y is always categorical. According to equation 1, the relationship between logit (Y) and X is linear. Yet, according to equation 2, the relationship between the probability of Y and X is nonlinear. The value of the coefficient β determines the direction of the relationship between X and the logit of Y . When β is greater than zero, larger (or smaller) X values are associated with larger (or smaller) logits of Y . Conversely, if β is less than zero, larger (or smaller) X values are associated with smaller (or larger) logits of Y . Within the framework of inferential statistics, the null hypothesis states that β equals zero, or there is no



linear relationship in the population under study. Rejecting such a null hypothesis implies that a linear relationship exists between X and the logit of Y (Peng, Lee, & Ingersoll, 2002).

The logistic regression for Y (Customer loyalty) is as follows:

$$L_i = P_i \div (1 - P_i) = 1 + e^{z_i} \div 1 - (1 + e^{z_i}) \dots\dots\dots 2$$

So that:

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots\dots\dots \beta_{22} X_{22} + U \dots\dots\dots 3$$

$\beta_1, \beta_2, \beta_3, \beta_4, \dots\dots\dots \beta_{22} X_{22}$ are the co-efficient of X_s

β_0 = intercept

U = disturbance term

Empirically:

$$L_i = e^{z_i} \dots\dots\dots 4$$

Where;

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12} + \beta_{13} X_{13} + \beta_{14} X_{14} + \beta_{15} X_{15} + \beta_{16} X_{16} + \beta_{17} X_{17} + \beta_{18} X_{18} + \beta_{19} X_{19} + \beta_{20} X_{20} + \beta_{21} X_{21} + \beta_{22} X_{22} + U \dots\dots\dots 5$$

Therefore,

$$L_i = e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots \beta_{22} X_{22} + U} \dots\dots\dots 6$$

Then

$$L_i = e^{\beta_0 + \beta_1 \ln X_1 + \beta_2 \ln X_2 + \beta_3 \ln X_3 + \beta_4 \ln X_4 + \dots \beta_{22} \ln X_{22} + U} \dots\dots\dots 7$$

Now,

$$L_i = P_i \div (1 - P_i) \dots\dots\dots 8$$

Where:

L_i = logit model (customer loyalty)

e = exponential.

Z_i = estimates.

β_0 = intercept.

β_1 = slope of My expectations are met on quality in NIB services offered by Jaiz Bank.

β_2 = slope of My expectations are met on uniqueness of NIB services offered by Jaiz Bank.

β_3 = slope of My expectations are met on accessibility of NIB services offered by Jaiz Bank.

β_4 = slope of My expectations are met on good value of NIB services offered by Jaiz Bank.

β_5 = slope of NIB services offered by Jaiz Bank met my expectation of self expression.

β_6 = slope of My expectations are met on room for self expression in respect of NIB services offered by Jaiz Bank.

β_7 = slope of My expectations are met on promptness with regards to NIB services offered by Jaiz Bank.

β_8 = slope of My expectations are met on empathy with regards to NIB services offered by Jaiz Bank.

β_9 = slope of My expectations are met on conducive atmosphere with regards to NIB services offered by Jaiz Bank.



- β_{10} = slope of My expectations are met on technological advancement with respect to NIB services offered by Jaiz Bank.
- β_{11} = slope of I may not switch to other banks due to Non-availability of NIB services.
- β_{12} = slope of I may not switch to other banks due to lovely environment of Jaiz Bank.
- β_{13} = slope of I may not switch to interest-based banks due to my religious belief of prohibition of interest-based transactions.
- β_{14} = slope of I have confidence that my savings are free from interest which is against my religious belief.
- β_{15} = slope of I have confidence in the honesty of staff of Jaiz Bank.
- β_{16} = slope of I have confidence in the integrity of staff of Jaiz Bank.
- β_{17} = slope of My positive perception of Jaiz is Bank is mainly due to non-adding and charging of interest on savings and loans respectively.
- β_{18} = slope of My positive perception of Jaiz Bank is mainly due to its compliance to my religious belief of prohibition of interest.
- β_{19} = slope of My positive perception of Jaiz Bank is mainly due to its profit and loss sharing arrangement.
- β_{20} = slope of My patronage of Jaiz Bank is due to its large customership.
- β_{21} = slope of My patronage of Jaiz Bank is due to its easy access.
- β_{22} = slope of My patronage of Jaiz Bank is due to its long-term consideration of success.
- U = error term

The null hypothesis underlying the overall model states that all β s equal zero. A rejection of this null hypothesis implies that at least one β_0 does not equal zero in the population, which means that the logistic regression equation predicts the probability of the outcome better than the *mean* of the dependent variable *Y*.

On a-priori, P_i is < 1 and the expected pattern of the structural behaviours of the independent variables on the dependent variable is greater than zero.

4. Results

Table 2: Omnibus Test of Model Coefficients

	Chi-square	Df	Sig.
Step 1 Step	163.778	22	.000
Block	163.778	22	.000
Model	163.778	22	.000

Source: SPSS output from field survey data

Table 3: Hosmer and Lemeshow Test

Step	Chi-square	Df	Sig.
1	8.538	8	.383

Source: SPSS output from field survey data

Table 4: Model Summary

Step	-2 Log likelihood	Cox and Snell R Square	Nagelkerke R Square
1	85.927 ^a	0.519	0.772

Source: SPSS output from field survey data



Table 2 depicts the Omnibus Test of Model Coefficients, which give the overall indication of how well the model performs ('goodness of fit' test). For this set of results, the requirement is a highly significant value (the **Sig.** value should be less than 0.05) (Pallant, 2007). In this study, the **Sig.** value is 0.000 (which really means $p < 0.005$). Therefore, the set of variables in the analysis fits the model. Similarly, the chi-square value is 163.778 with 8 degrees of freedom. In addition, Table 3 shows Hosmer and Lemeshow Test. The results in Table 3 support the model of this study as being worthwhile. For the Hosmer-Lemeshow Goodness of Fit Test, poor fit is indicated by a significance value less than 0.05, so to show support for a model a value greater than 0.05 is required (Pallant, 2007). For this study the chi-square value is 8.538 with a significance level of 0.383. This value is larger than 0.05, therefore indicating a support for the model of this study.

Table 4 is the Model Summary and it contains the Cox and Snell R Square, and the Nagelkerke R Square values, which indicate the amount of variation in the dependent variable explained by the model (from a minimum value of 0 to a maximum value of approximately 1). These are described as pseudo R square statistics rather than true R square (Pallant, 2007). Therefore, the explained variation in the dependent variable based on the model of this study ranges from 51.9% to 77.2%, suggesting that between 51.9% and 77.2% of the variability in Jaiz Bank NIB customers' loyalty in Kaduna Metropolis was explained by the set variables (My expectations were met on quality in NIB services offered by Jaiz Bank, My expectations were met on uniqueness of NIB services offered by Jaiz Bank, My expectations were met on accessibility of NIB services offered by Jaiz Bank, My expectations were met on good value of NIB services offered by Jaiz Bank, NIB services offered by Jaiz Bank met my expectations of self expression, My expectations were met on room for self expression in respect of NIB services offered by Jaiz Bank, My expectations were met on promptness with regards to NIB services offered by Jaiz Bank, My expectations were met on empathy with regards to NIB services offered by Jaiz Bank, My expectations were met on conducive atmosphere with regards to NIB services offered by Jaiz Bank, My expectations were met on technological advancement with respect to NIB services offered by Jaiz Bank, I may not switch to other banks due to Non-availability of NIB services, I might not switch to other banks due to lovely environment of Jaiz Bank, I might not switch to interest-based banks due to my religious belief of prohibition of interest-based transactions, I have confidence that my savings are free from interest which is against my religious belief, I have confidence in the honesty of staff of Jaiz Bank, I have confidence in the integrity of staff of Jaiz Bank, My positive perception of Jaiz Bank was mainly due to non-adding and charging of interest on savings and loans respectively, My positive perception of Jaiz Bank was mainly due to its compliance to my religious belief of prohibition of interest, My positive perception of Jaiz Bank was mainly due to its profit and loss sharing arrangement, My patronage of Jaiz Bank was due to its large customership, My patronage of Jaiz Bank was due to its easy access, My patronage of Jaiz Bank was due to its long-term consideration of success).

Furthermore, Table 5 on appendix I presents the variables in the equation, which gives information about the contribution or importance of each of the predictor variables. Wald test was used and the values in the **Sig.** column are used to indicate the significant contribution of each predictor variable in the model. The **Sig.** values of less than 0.05 are the variables that significantly contribute to the predictive ability of the model (Pallant, 2007). In the model of



this study, the significant variables comprise (my expectations are met on uniqueness of NIB services offered by Jaiz Bank, Sig. = 0.038; my expectations were met on accessibility of NIB services offered by Jaiz Bank, Sig. = 0.004; my positive perception of Jaiz Bank is mainly due to its compliance to my religious belief of prohibition of interest, Sig. = 0.043, my patronage of Jaiz Bank is due to its easy access, Sig. = 0.004; and my patronage of Jaiz Bank is due to its long-term consideration of success, Sig. = 0.000), that is to say the major factors influencing whether a Jaiz Bank customer will reports loyalty to NIB services are: Customer satisfaction involving uniqueness of NIB services offered by Jaiz Bank and accessibility of NIB services offered by Jaiz Bank which is in line with the findings of Olunlami and Mathew (2015) and Shanka (2012); Customer Perception involving positive perception of Jaiz Bank due to its compliance to religious belief of prohibition of interest which agrees with the findings of Siddiqi (2012) and Salami and Olanye (2013); and finally, Success Philosophy involving long-term consideration of success of Jaiz Bank, which also agrees with the findings of Sapovadia (2015) and Hassan *et al* (2012).

5. Conclusions and Recommendation

The objectives of the study are to determine the impact of Satisfaction, Switching cost, Trust and Commitment, Perception and Success philosophy variables on loyalty among customers of Jaiz Bank. From the findings, this study concludes that between 51.9% and 77.2% of the variability in Jaiz Bank NIB customers' loyalty in Kaduna Metropolis was explained by the set variables. Another important conclusion that can be drawn from the results is that there is a significant relationship between customer satisfaction, customer perception, and success philosophy and customer loyalty in Jaiz Bank. The relationship between trust and commitment and switching costs and customer loyalty was not significant in Jaiz Bank.

Similarly, based on the results it can also be concluded that the major specific factors determining loyalty of customers to Jaiz Bank are; meeting expectations on uniqueness of NIB services offered by the bank, meeting expectations on accessibility of NIB services offered by the Bank, positive perception of the bank mainly due to its compliance to religious belief of prohibition of interest, and long-term consideration of the bank's success.

From the conclusions drawn, the study recommends that Jaiz Bank should continue to maintain the tempo in the delivery of quality and efficient NIB services to its customers. Jaiz Bank should continue to maintain loyalty of their customers by offering NIB services that satisfy them in terms of uniqueness and difference from services offered by other banks. Jaiz Bank should continue to offer NIB services that meet the expectation of its customers in terms of accessibility and long-term consideration of success. Jaiz Bank should continue to create confidence in the minds of its customers by offering unique NIB services that complied with the religious belief of the majority of the customers. Lastly, Jaiz Bank should deploy advanced technology in the delivery of NIB services offered to its customers.

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Appendix

Table 4: Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
My expectations are met on quality in NIB services offered by Jaiz Bank	.049	.461	.011	1	.916	1.050	.425	2.593
My expectations are met on uniqueness of NIB services offered by Jaiz Bank	-1.482	.715	4.299	1	.038	.227	.056	.922
My expectations are met on accessibility of NIB services offered by Jaiz Bank	2.136	.732	8.509	1	.004	8.462	2.015	35.535
My expectations are met on good value of NIB services offered by Jaiz Bank	-1.267	.667	3.606	1	.058	.282	.076	1.041
NIB services offered by Jaiz Bank met my expectons of self expression	.256	.446	.330	1	.566	1.292	.539	3.093
My expectations are met on room for self expression in respect of NIB services offered by Jaiz Bank	1.221	.681	3.212	1	.073	3.390	.892	12.886
My expectations are met on propmtness with regards to NIB services offered by Jaiz Bank	-.633	.691	.840	1	.359	.531	.137	2.057
My expectations are met on empathy with regards to NIB services offered by Jaiz Bank	.342	.465	.543	1	.461	1.408	.566	3.503
My expectations are met on conducive atmosphere with regards to NIB services offered by Jaiz Bank	.386	.550	.492	1	.483	1.471	.500	4.322
My expectations are met on technological advancement with respect to NIB services offered by Jaiz Bank	-.303	.506	.359	1	.549	.739	.274	1.991
I may not switch to other banks due to Non-availability of NIB services	-.170	.338	.252	1	.615	.844	.435	1.637
I may not switch to other banks due to lovely environment of Jaiz Bank	.029	.390	.005	1	.942	1.029	.479	2.208
I may not switch to interest-based banks due to my religious belief of prohibition of interest-based transactions	-.318	.422	.568	1	.451	.728	.318	1.664
I have confidence that my savings are free from interest which is against my religious belief	.240	.495	.235	1	.628	1.271	.482	3.350
I have confidence in the honesty of staff of Jaiz Bank	-.444	.662	.449	1	.503	.642	.175	2.350



	B	S.E.	Wald	df	Sig.	Exp(B)	95.0% C.I. for EXP(B)	
							Lower	Upper
I have confidence in the integrity of staff of Jaiz Bank	.572	.685	.697	1	.404	1.772	.463	6.782
My positive perception of Jaiz is Bank is mainly due to non-adding & charging of interest on savings & loans respectively	-1.024	.563	3.310	1	.069	.359	.119	1.082
My positive perception of Jaiz Bank is mainly due to its compliance to my religious belief of prohibition of interest	-1.024	.505	4.107	1	.043	.359	.133	.967
My positive perception of Jaiz Bank is mainly due to its profit & loss sharing arrangement	-.025	.461	.003	1	.956	.975	.395	2.407
My patronage of Jaiz Bank is due to its large customership	.202	.647	.098	1	.755	1.224	.345	4.348
My patronage of Jaiz Bank is due to its easy access	-1.591	.558	8.144	1	.004	.204	.068	.608
My patronage of Jaiz Bank is due to its long-term consideration of success	-4.164	.862	23.322	1	.000	.016	.003	.084
Constant	26.305	6.158	18.250	1	.000	2.656E11		

a. Variable(s) entered on step 1: my expectations are met on quality in NIB services offered by Jaiz Bank, my expectations are met on uniqueness of NIB services offered by Jaiz Bank, my expectations are met on accessibility of NIB services offered by Jaiz Bank, my expectations are met on good value of NIB services offered by Jaiz Bank, NIB services offered by Jaiz Bank met my expectations on self expression, NIB services offered by Jaiz Bank met my expectation on taking responsibility, NIB services offered by Jaiz Bank met my expectation on promptness, NIB services offered by Jaiz Bank met my expectation on empathy, NIB services offered by Jaiz Bank met my expectations on conducive atmosphere, NIB services offered by Jaiz Bank met my expectations on technological advancement, I may not switch to other banks due to Non-availability of NIB services, I may not switch to other banks due to lovely environment of JaizBank, I may not switch to interest-based banks due to religious belief, I have confidence that my savings are free from interest in Jaiz Bank, I have confidence in the honesty of staff of JaizBank, I have confidence in the integrity of staff of Jaiz Bank, My positive perception of Jaiz Bank is due NIB services, My positive perception of Jaiz Bank is due to my religious belief, My positive perception of Jaiz Bank is due to its profit & loss sharing, My patronage of Jaiz Bank is due to its large customership, My patronage of Jaiz Bank is due to its easy access, My patronage of Jaiz Bank is due to its long term consideration of success.

Source: SPSS output from field survey data



**SOCIOECONOMIC DETERMINANTS OF MATERNAL HEALTHCARE
UTILIZATION: A LOGISTIC REGRESSION APPROACH FOR THE CASE OF
GOMBE METROPOLIS IN GOMBE STATE, NIGERIA**

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Abstract

The main objective of this study was to examine the major determinants of maternal healthcare utilization among pregnant women who also gave birth to at least one child before the study in the metropolis of Gombe State. A cross-sectional data set was collected from a sample of 399 women in 11 wards of Gombe Metropolis using well structured questionnaires. Within the theoretical framework of Anderson's Behavioral Model of healthcare services utilization, the study employed Logistic Regression Model (LRM) to empirically examine the influence of socioeconomic factors on the utilization of maternal healthcare services among women. On the whole, the results obtained revealed that mothers' age, educational attainment, employment status, household economic status and accessibility to healthcare facility have significant impact on women utilization of maternal healthcare services. Furthermore, the findings showed that birth order has significant negative effect on maternal healthcare utilization, while cultural practices, child sex and desire to have a child were found to have no influence on utilization of maternal healthcare services among women. The study, therefore, recommends programmes such as women empowerment via skills acquisitions, establishing more healthcare centers, organization of literacy programmes and compulsory child education, particularly female by both government and healthcare organization.

Keywords: Maternal Healthcare, Utilization, Logistic Regression, Gombe Metropolis.

1. Introduction

Although the cases of maternal deaths have remarkably decreased by about 35% at global level, the problem is still alarming in some specific countries (WHO, 2013). In the case of Nigeria for example, maternal deaths was about 630 per 100,000 live births (CIA, 2012). This was against the 160 per 100,000 live births in Botswana, 8 per 100,000 live births in United States and 400 per 100,000 live births worldwide in the year 2012. This has been the trend with Nigeria recording the relatively higher number of maternal mortality cases across the globe. However, lack of access and use of maternal healthcare services have been identified to be the major factor responsible for the high cases of maternal deaths. According to De Bernis, Sherratt, AbouZahr and VanLerberghe (2013), almost 4 million newly born infants were not been taken through consistent postnatal care; and a significant number of them were disabled mainly due to birth complications that were poorly attended. This has buttressed the report by the Federal Ministry of Health (FMOH, 2014) which posited that a large number of maternal mortality in Nigeria occurred at homes and that made it difficult for health agencies to see, assess and properly account for the cases in the official records of statistics.



In view of the above, many policies and programmes were initiated to reduce maternal mortality and encourage the use of healthcare services by pregnant women in Nigeria. These include: Free Maternal and Child Health Policy (FMCHP) initiated in 2006; Integrated Maternal, Newborn and Child Health (IMNCH) in 2007; Midwives Service Scheme (MSS) in 2009; Saving One Million Lives (SOML) in 2012; and Nigerian Urban Reproductive Health (NURH) that spans from 2009 to 2014. Despite these initiatives, utilization of maternal healthcare services among pregnant women still remain an issue of concern due to socioeconomic and cultural barriers (Izugbara, Wekesah and Adedini, 2016).

Going by the above submissions, the major challenge in Nigeria revolves around not only ensuring safe delivery and healthy childhood but also adequate provision, access and use of maternal healthcare facilities. This, however, requires effective government interventions at all levels targeted at women and their beliefs on the use of maternal healthcare services, given the socioeconomic and cultural context in which they live. Above all, despite the efforts of previous studies such as Shamaki and Buang (2014), and Oluwaseyi (2014) to examine the factors contributing to poor outcomes in terms of maternal health and access to healthcare in Nigeria, a gap still exists in understanding barriers limiting the accessibility and utilization of maternal healthcare services. This is because most of these studies were conducted in specific areas and regions with distinct socioeconomic characteristics. This is what motivated the conduct of similar study for the case of Gombe metropolis in Gombe State, Nigeria.

Therefore, the objective of this study is to examine the socioeconomic variables predicting the demand and utilization of healthcare services among pregnant women who at the same time gave birth to at least one child before the study. However, to put the paper on a proper perspective, the remaining part covers the following: section two reviews both the theoretical and empirical literatures in relation to the demand and utilization of healthcare services. While section three presents the methodology, section four dwells on interpretation and analyses of results. The last section, however, presents conclusion, recommendations and suggestion for further research.

2. Literature Review

Numerous empirical studies have been put forward to examine the determinants of maternal healthcare utilization among women of reproductive age in different countries. For instance, to investigate the factors associated with non-utilization of maternal healthcare in Botswana, Letamo and Rakgoasi (2003) drawn a sample of 19,031 women aged between 15 to 49 years who at least had one record of pregnancy in the last five years before the survey. The data of the study were sourced from the Botswana Family Health Survey. Based on simple cross-tabulations and logistic regression technique, the results revealed that low level of education, rural residence and low socioeconomic status significantly reduced the possibility of using healthcare services among women of reproductive age.

In another study, Abor, Abekah-Nkrumah, Sakyi, Adjasi, and Abor (2011) examined the socioeconomic factors of maternal healthcare utilization in Ghana. Using probit and ordered probit models, the results of their study indicated that factors such as age of the mother, type of birth, education of mother, ethnicity, economic status, geographic location, residence, and



religious affiliation have significant influence on the use of healthcare services among pregnant women in Ghana.

Also, Chimankar and Sahoo (2011) studied the factors influencing the utilization of maternal healthcare facilities in Uttarakhand, India. They employed both bi-variate and multi-variate techniques to examine the factors using data from the National Family Health Survey, 2006 to 2006. The findings of the study revealed that women's level of education, birth order and wealth index were the main predictors of maternal healthcare utilization in the study area.

In relation to Nigeria, Babalola and Fatusi (2009) investigated the determinants of maternal healthcare utilization in Nigeria using data from the National HIV/AIDS and Reproductive Health Survey, 2005. The study covered 2,148 women with at least a baby in the past five years before the survey. However, based on the multilevel analytical methods and state-level random effects technique, the study revealed that level of education, mother's age, ethnicity, family size were among the significant predictors of maternal healthcare utilization.

Again, Obiyan and Kumar (2015) studied the socioeconomic disparities in the use of antenatal care and medical assistance among women aged 15 to 49 with at least one live birth. The study employed cross-sectional data from the survey of Nigerian Demographic Health Survey (DHS) ranging from 1990 to 2008. Also, the study used Chi-square statistical technique to examine the association between maternal healthcare utilization and socioeconomic factors inform of household wealth index and women's level of education. It was revealed from the overall findings of the study that differences in socioeconomic status among women significantly influence the use of maternal healthcare services. Specifically, the study shows that poor and uneducated women have lower chances of using maternal healthcare services in Nigeria.

Moreover, Oyedele (2017) examined the factors that influence the decision of using healthcare services among women of reproductive age with at least a child in Nigeria. The study obtained data from the Harmonized Nigeria Living Standard Survey, 2010; and employed both logit and probit models to examine the impact of the predictor variables. On the whole, the findings of this study showed that level of education increases the use of healthcare services among both urban and rural women. Similarly, age of mothers and urban residence positively influence the use of maternal healthcare services in Nigeria.

On the whole, the above empirical studies have buttressed the arguments of Lawn *et al* (2010) that low socioeconomic status of women in developing countries does not only signify low incomes but is also associated with the general well-being and health seeking behaviors which can affect their health and that of their newborns. Therefore, based on the above empirical studies, it is apparent that non-obstetric factors also account for significant differences in the use of maternal healthcare services among women of reproductive age.

However, most of the above studies have neglected or at best, did not take into account the community based indicators and complexities associated with maternal healthcare utilization, particularly in Nigeria which has heterogeneous population with varied socio-cultural and religious beliefs.



Theoretical Framework

Andersen (1968) proposed a Behavioral Model of healthcare utilization in which he categorized the determinants into three major categories divisions. According to this model, healthcare utilization strongly depends on the predisposition of an individual to use the services (predisposing factors); factors that facilitate or hinder the use (enabling factors) and the individuals need for the service (need factors). The initial model has been revised consistently to incorporate more predictor variables that have been acknowledged to account for the differences in the access and use of healthcare services (Andersen, 1995, Andersen and Newman, 2005). Consequently, the model has been successfully employed by various studies that investigated the determinants of maternal healthcare services utilization across countries and regions (Amin, Shah, and Becker, 2010; Oluwaseyi, 2014; Shamaki and Buang, 2014). Therefore, in line with the main objective of this study, this model is adopted with some modifications as the theoretical framework.

3. Methodology

The area of the study covers Gombe Metropolis which has eleven (11) wards including: Shamaki, Bolari East, Bolari West, Kumbiya-Kumbiya, Dawaki, Ajiya, Nasarawo, Pantami, Bajoga, Herwagana and Jekadafari. Thus, the population of the study comprises of all pregnant women in the metropolis. The data set for this study was collected from the primary healthcare centers in the metropolis using instrument of well structured questionnaires. The aim of using this kind of data set was to take advantage of sampling a host of pregnant women at a given point in time. However, where possible, the questionnaires were translated in to Hausa language for easy response. The choice of Gombe metropolis is premised on the fact that it has a relatively large population with varied socioeconomic and cultural settings. This unique characteristic gave the study the advantage of a wide choice of respondents with different backgrounds.

The target population of the study was pregnant women who at the same time, gave birth to at least one child before the study. In order to have a faster data collection and equal number of respondents from the eleven Geo-Political wards of the metropolis, the study administer a total of 36 questionnaires per ward and additional 3 to a ward with largest population to give a total of three hundred and ninety nine (399) respondents for the entire metropolis. This sample size was determined using Yamane (1973) formula on 374,897 population of the study area as at 2015 annual population projection (NPC, 2006). The sample size of the study is 399.

This study applied stratified sampling method by dividing the population into 11 strata based on the eleven (11) wards that made up the metropolis. Secondly, a non-probability sampling method based on purposive sampling method was applied to select thirty six (36) households from each stratum with additional three (3) from a stratum with largest population (i.e. Shamaki Ward). Again, the same purposive sampling technique was employed in selecting respondents so that married women from different socioeconomic and cultural backgrounds were captured to avoid having one-sided data set.

Utilization of maternal healthcare services is influenced by many factors as earlier identified in the literature. Accordingly, a host of proxies for both dependent and independent variables have been identified. Therefore, following the conceptual framework of Anderson's (1995)



Behavioral Model and Young's (1982) Choice-Making Model of healthcare services utilization, a measure of each of the variables to be used in this research is highlighted below.

Utilization of Maternal Healthcare services is the dependent variable. This is measured as a dichotomous variable assuming the value of one if the woman utilizes healthcare services and zero if otherwise as measured by Letamo and Rakgoasi (2003).

This study employed some of the 'predisposing', 'enabling' and 'need' factors that predict the use of maternal healthcare services as identified by Anderson and Newman (2005) as Independent Variables. The predisposing factors (comprising both mother and child characteristics) include

Mother's Age: In this study, the age of the mother is measured in years and coded as follows: 15-24 = 1, 25-34 = 2, and 35+ = 3. However, in order to capture the non-linear effect of mother's age, we introduced a mother's age-squared term in the model specifications in line with the work of (Babalola and Fatusi, 2009).

Mother's Education:

This refers to the highest level of educational attained by the mother. It is divided into three levels: no education, primary education, and secondary/higher level of education (Babalola and Fatusi, 2009). This study merged the last two categories and adopted a dichotomous techniques of mother's education using 1 = Literate and 0= Illiterate. The study anticipates a direct relationship between mother's levels of education and utilization of maternal healthcare services.

Mother's Employment Status: Usually, women who are employed may have the capacity to pay for maternal healthcare services and high power of decision making in the family. This study considered women employment status as dichotomous variable which assumes value of 1 = employed and 0 = otherwise. The study anticipates a positive relationship between mother's employment status and the utilization of maternal healthcare services.

Use of Cultural Practices: Some studies revealed that using cultural practices such as herbs, waistbands, etc. during pregnancy and after birth reduce the utilization of maternal healthcare services in Nigeria (Shamaki and Buang, 2014). This study adopts a dichotomous technique of using cultural practices as 1 = if mothers use of cultural practices and 0 = if otherwise. However, the study expects a negative relationship between using cultural practices and maternal healthcare utilization among women.

Sex of Child: -According to Nkamleu and Kielland (2006), child sex is measured as gender of the child (1 = Male, 0 = Female). Some studies have shown that more resources are allocated to favour male child in access to maternal health services (Bishari, Suzuki, McQuestion, Chakraborty, and Koenig, 2002; and Yount, 2003). Thus, a positive relationship is expected. This study also used the same measurement.

Birth Order: This is an important determinant that influences women's desire to use maternal healthcare services. It is most likely that women may demand for maternal healthcare for their first-order births than for the subsequent ones, particularly because of the perceptions of risk and uncertainties associated with first pregnancies (Oluwaseyi, 2014). The categories included



for birth order and their coded values are 1 = 1, 2-3 = 2 and 3+ = 3. However, a negative relationship is anticipated between birth order and maternal healthcare utilization. Because it is assumed that the higher the number of birth given by a woman, the experience she has and therefore, the likely she demands for maternal healthcare services.

Economic Status: - Where household income and consumption can hardly be ascertained and assessed reliably, the quality of the shelter in which we live may be a good proxy for economic status. Therefore, shelters built with clays and straw roofs were given the lowest economic status (=0), while shelters built with bricks and iron sheets or other forms of solid roof were given the highest economic status (=1). This study applied the same pattern with slight adjustment and thus, the variable takes the value of 1 = Rich and 0 = otherwise. A positive relationship is anticipated between household economic status and woman utilization of maternal healthcare because the higher the economic status, the more likely to spend on healthcare services.

Accessibility to Health Facility: Usually, travel time and transportation costs used to be neglected when analyzing the ease of access to healthcare services. This study used three standard measures to get a proxy for access to healthcare facilities. These are: (i) the money required for treatment (ii) proximity to healthcare facilities and (iii) desire to take transport. The responses were categorized as 1 = Big problem and 2 = Not a big problem.

The needs factor is Woman's Desire to have a Child: This has to do with mother's desire to have a child at conception; and it was categorized into three as follows: 3 = desired, 2 = desired later and 1 = undesired.

Method of Data Analysis

A cross-sectional data set was analyzed using the STATA version 14 econometric software. Since the dependent variable is categorical, the ordinary least square (OLS) method can no longer be used as the best linear unbiased estimator. According to So (1996) the standard alternative is to use Categorical Dependent Variable Model (CDVM).

Therefore, Logistic Regression Model (LRM) was used as presented below:

$$\{Pr (y = 1/x)\} = \beta_0 + \beta X_i \dots\dots\dots 1$$

Where:

P (y = 1/x) = Probability of the outcome

Y = Response

X_i = Vector of explanatory variables

β₀ = Intercept of the equation.

β = Vector of parameters to be estimated

Model Specification

From the literature a very notable and related model to this study is that of Imran *et al.* (2008). In exploring the economic determinants of school attendance at primary level in Punjab province, the authors used a logistic model to regress school attendance on other control variables. Adopting this pattern, this study specified the following logistic model with slight changes. The dependent variable U_i takes the value of one or zero.



$$P_r (U_i = 1/0) = \alpha + \beta_1 MAge^2 + \beta_2 MEdu + \beta_3 MEmSta + \beta_4 CulPrc + \beta_5 ChldSex + \beta_6 BrthOrd + \beta_7 EcoSta + \beta_8 AccHFac + \beta_9 WomDes + \mu_i \dots\dots\dots 2$$

Where:

- $P_r (S_i = 1/0)$ = Probability of Utilization
- α = Constant Parameter of the Equation
- β_s = Coefficient of the Independent Variables
- MAge2 = Mother's Age Square
- MEdu = Mother's Education
- MEmSta = Mother's Employment Status
- CulPrc = Use of Cultural Practices
- ChldSex = Child Sex
- BrthOrd = Birth Order
- EcoSta = Economic Status
- AccHFac = Accessibility to Healthcare Facility
- WomDes = Woman's desire to have a child
- μ_i = Error term

4. Results

Results of Logistic Regression Model

Using a logistic regression model, a number of variables were employed to examine the major determinants of maternal healthcare utilization in Gombe metropolis. The value of 1 and 0 were used with 1 if a woman utilizes maternal healthcare services and 0 if otherwise. The independent variables used include mothers' age, mothers' education, and mothers' employment status, use of cultural practices, sex of a child, birth order, and economic status. Others include accessibility to health facility, and woman's desire to have a child.

From the results in Table 1 above, mothers' age was revealed to have a positive and statistically significant relationship with the utilization of maternal healthcare services at 1% level, while mothers' age square was found to have negative impact on maternal healthcare utilization but not significant. This suggests that the demand and use of maternal healthcare services increases with the increase in mothers' age until they reach a certain age level where the need for maternal healthcare may begin to decline as their age increases. As rightly argued by Chimankar and Sahoo (2011), mother's age has a positive effect on maternal healthcare utilization especially ante-natal care (ANC) when we control for the birth order.

Also, mothers' level of education which is a dummy variable (1 = literate and 0 otherwise) is positively related to utilization maternal healthcare services and significant at 1% level of significance, meaning that an increase in mothers' level of education leads to about 56.23% increase in the probability of utilizing maternal healthcare services. This is because women who are educated have more chances of having knowledge of pregnancy complications which in turn, increases their likelihood of utilizing healthcare services. This concurred with the findings of Chimankar and Sahoo (2011) that as women attain higher level of education, the chances for seeking medical attention and safe delivery also increases.



Similarly, the coefficient of mothers' employment status revealed positive and statistically significant relationship with maternal healthcare services utilization at a significance level of 5%. This means that mothers who are employed are more likely to utilize maternal healthcare services than those who are unemployed. This confirmed the assertion of Bhisare and Khakase (2014) that women who are employed may have more ability to cater for travelling expenses for going to primary health center without relying on their husbands.

Furthermore, the coefficient cultural practices which is considered as a dummy variable having a value of 1 = if mothers use cultural practices and 0 = if otherwise showed that using cultural practices is negatively related to maternal healthcare utilization but is not significant. Thus, cultural practice is less likely to reduce the use of maternal healthcare services among women in Gombe metropolis.

The gender of a child also has 2 outcomes with 1 if male and 0 otherwise. It could be observed from the results that the coefficient of gender of a child is positive but statistically insignificant at 5% level. Therefore, child sex does not have any significant influence on mothers' decision to utilize maternal healthcare services.

Table 1: Logistic Regression Results

Dependent Variable: Utilization of Maternal Healthcare Services: 1 = Utilized, 0 = Not utilized	
Independent variables	Coefficients
Mothers' age	1.3368 (3.94)***
Mothers' age square	-0.0222 (1.63)
Mothers' education	0.5623 (4.51)***
Mothers' employment Status	0.2217 (2.16)**
Use of cultural practices	-0.3148 (-0.39)
Child sex	0.0358 (0.23)
Birth order	-1.1027 (-2.49)**
Economic status	0.4383 (2.56)**
Accessibility to healthcare facility	0.3973 (2.17)**
Woman's desire to have a child	0.6355 (-0.72)
Pseudo R ²	0.7771
Value of Likelihood Ratio (LR)	381.80***

Source: Authors Computation (July, 2016). *** and ** indicates level of significance at 1% and 5% respectively.



In relation to birth order, the results showed a negative and statistically significant relationship with maternal healthcare utilization among women at 5% level of significance. For instance, as birth order of mothers becomes higher, the likelihood of using maternal healthcare services reduces by 1.1027. This is in line with the a priori expectation, and also with the work of Chimankar and Sahoo (2011). Because women with higher birth-order are less likely to demand and use maternal healthcare services compared to those with lower order of births.

As for the economic status (1 stands for rich and 0 otherwise), the coefficient is found to be positive and statistically significant. Precisely, the result shows that higher economic status increases the probability of utilizing maternal healthcare services by about 44% among women in Gombe metropolis. This also concurred with the findings of Chimankar and Sahoo (2011) that women with high economic status have more capacity to access and use maternal healthcare facilities than otherwise.

With respect to accessibility, women who said that the distance to a healthcare facility was never a serious problem for them (either the facility was not far away or there were reliable means of transportation) were more likely to seek for maternal healthcare than women who said the distance to a healthcare facility was a serious problem. From the results in table 4.2.1 above, it can be observed that the chances of utilizing maternal healthcare services among women in Gombe metropolis increases by about 40% with the increases in the ease of accessing the health facility. This indicates that the more health facility becomes accessible, the more likely to be utilized. This confirmed the findings of Imran et al (2008) which indicated that the probability of utilizing healthcare facility increases as the difficulties involved in its accessibility decreases. It also supported the work of Oluwaseyi (2014) who posited that accessibility to healthcare facilities was among the major predictors of using post-natal care (PNC) services among women in Nigeria.

Moreover, the woman's desire to have a child is found to relate positively with maternal healthcare utilization though not significant, indicating that has no influence on maternal healthcare utilization among women in Gombe metropolis. This, however, contradicted the findings of Oluwaseyi (2014) and Chimankar and Sahoo (2011) who argued that increase in the desire to have a child among women leads to a significant increase in their chances of using maternal healthcare services.

Finally, for the coefficient of determination, it can be observed that the value of Pseudo R^2 is 0.7771 indicating that approximately 78% of the variations in utilization of maternal healthcare services were explained by the changes in the predictor variables. Also, the value of the Likelihood Ratio (LR) Chi-square test is significant at 1% level, meaning that the model used was adequate.

Major Findings

Using logistic regression analysis, this study generates and applied a cross sectional data set for a sample of 399 respondents in Gombe metropolis of Gombe State. However, the major findings obtained from the study are summarized below:

The study finds that mothers' age, level of education, employment status, household economic status and accessibility to healthcare facilities have significant positive impact on the utilization



of maternal healthcare services. Also, the study revealed that birth order has negative and statistically significant impact on women's desire to utilize maternal healthcare facilities. On the other hand, mothers' age square and the use of cultural practices have an insignificant negative influence on women utilization of maternal healthcare services. In addition, the study revealed that child sex and the woman's desire to have a child have positive but also insignificant influence on maternal healthcare services utilization. Finally, the study observed that illiteracy, unemployment, poverty, and inaccessibility to healthcare facility are the major barriers to maternal healthcare utilization among women in Gombe State.

5. Conclusion and Recommendation

This study attempted to theoretically and empirically examine the determinants of maternal healthcare utilization in Gombe State using Gombe Metropolis as a case study. Within the theoretical framework of Anderson's Behavioral Model (Anderson, 1995) of healthcare services utilization, the study employed Logistic Regression Model (LRM) on a cross-sectional data set of 399 married women to empirically examine the impact of socioeconomic factors on the utilization of maternal healthcare services. However, based on the results obtained, the study concluded that the age of mothers, level of education, employment status, birth order as well as household economic status and accessibility to healthcare facility influence women utilization of maternal healthcare services in Gombe State, while cultural practices, child sex and the desire to have a child among women have no influence on utilization of maternal healthcare services in the state. Thus, the study rejected the null hypothesis that says socioeconomic factors have no significant impact on women's decision to demand and utilize maternal healthcare services in Gombe State.

Therefore, following the major findings and conclusions drawn from this study, a number of policy issues and recommendations were raised. Since the results have identified some areas of interest, this study recommends that all policies and programs by government and other relevant stakeholders in the health sector, aimed at reducing maternal and newborn morbidities and mortalities in Nigeria, and Gombe State in particular, should be geared towards increasing women's access to education; and poverty alleviation by providing skills acquisitions programs to the targeted women.

The study also suggest that both government and healthcare organizations should prioritized accessibility to maternal healthcare services by improving health facilities and establishing more health centers in appropriate areas that are relatively far from the existing ones. This may increase healthcare delivery and utilization in the state. Also, there is a need for government and healthcare managers in particular to embark on the organization of literacy programmes (be it formal or informal) in order to increase the general awareness of women (particularly illiterates) on the problems associated with the non-utilization of maternal healthcare services. Lastly, government should reinforce its commitment towards making child education compulsory, especially female education as this may serve as a preferred alternative to eliminating the incidence of non-utilization of maternal healthcare services from the grassroots.



Suggestion for further Research

This study has empirically examined the socioeconomic determinants of maternal healthcare utilization among pregnant women who at the same time, gave birth to at least one child before the study in Gombe metropolis. However, being a state with diverse people with different socio-cultural and religious background, the findings of this study may not reflect what is obtainable in other parts of the state. This calls for further research to explore the major determinants of healthcare utilization in other parts of the state in order to ensure equal access to health care services.

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EFFECT OF CHALLENGING WORK AND RESPONSIBILITY DIMENSIONS OF
MOTIVATION ON EMPLOYEES' PERFORMANCE IN MTN, NIGERIA

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Abstract

This study investigated the link between challenging work and responsibility with employees' performance in MTN. A cross sectional survey research design was adopted to study a population of 72 employees and a sample size of 61 was determined using the formula of sample size (Yamane, 1967). The simple random sampling technique was used to select the sample. The data were collected using questionnaire with the help of research assistants. The data were analyzed using SPSS, whereby factor analysis was done to validate the measurement constructs and regression analysis was done to determine the predictor of employees' performance in MTN and to test the hypotheses formulated. The result of the study found a positive but insignificant effect between challenging work and employees' performance. Responsibility was found to be the best predictor of employees' performance in MTN which explained 23 % of the variance. The study recommended that management should encourage employees' performance through assigning jobs that are attainable and through delegation of authority which increases degree of effort and interest in achieving the objectives of the organization.

Keywords: Challenging Work, Responsibility, Employee Performance, MTN.

1. Introduction

Mobile Telecommunications Network (MTN) is one of the licensed Global System for Mobile Telecommunications (GSM) companies operating in all parts of Nigeria. The height of innovation, adaptation and motivation of employees has continued to determine the level of success or failure of most organizations. The nature of GSM services requires employees' to be highly motivated in order to remain committed. Due to the many challenges organizations face in the area of stiff competition, organizations now use challenging work and responsibility motivation to enhance employees' performance and remain afloat (ArunKumar, 2014; Sani, 2013; Zachary, 2014).

Employees' performance is a requirement for the attainment of the goals of every organization in this present day dynamic business environment. For modern organizations such as MTN to perform at desired levels, they need committed and loyal workforce that are willing to take up difficult tasks and be responsible towards attaining the defined goals of the organization. Employees' performance in both task and contextual measures enable organizations to deliver both quantity and desired quality products and services to customers (Zachary, 2014).

Recently, customers have been alleging unsatisfactory products and services by MTN (Adegoke, Babalola & Balogun, 2013; Samuel & Olatokun, 2014). This is despite huge investment over the years on staff training and the procurement of state of the art equipments to



improve performance (MTN, 2019). Many different factors affect employees' performance such as ability, resources and motivation (Rashid, Hafiz & Rab, 2013; Uzonna, 2013). Motivation requires that, the human labour both skilled and unskilled to be compensated both monetarily and non- monetarily in order to increase performance (Sajuyigbe, 2017).

Scholars have posited that, a clear understanding and appropriate application of non-monetary factors could lead to organizations' attaining the required levels of employees' performance (Uzonna, 2013). Herzberg (1959) in Koontz and Wehrich (1990) posit that motivators such as recognition, achievement, advancement, challenging work and responsibility could be responsible for employees' performance in organizations. Hence, researchers have been carrying out studies in order to examine the contributions of these factors to employees' performance.

Challenging work according to Okwudili (2015) could lead to innovation and new ideas on how employees' can create new and better and cost effective ways to perform their duties. Responsibility motivation to employees' may invariably results to fast solutions to difficult organizational problems by creating a sense of autonomy towards the attainment of organizational goals (Zachary, 2014).

Apart from the revenue being paid to government in the form of taxes by MTN according to (Central Bank of Nigeria [CBN], 2016), its operations has led to the growth of Nigeria's Gross Domestic Product (GDP), generated employment for youths and rural dwellers, led to the creation of Small and Medium Enterprises (SMEs), Greenfields and technological transfers (Danbatta, 2016). Therefore, it is evident that, MTN has been playing a significant role in the socio-economic development of Nigeria.

It is worrisome that, despite the huge expenditure on equipment, resources and training of employees', yet the desired performance outcome had not been achieved (Danbatta, 2016). This led the Nigerian Communications Commission (NCC) to sanction MTN with a fine of 1.034 trillion Naira (Odunsi, 2017). This poor performance led the operators to sack some of their employees' (MTN, 2019; Ojiabor, 2016). Part of the problem leading to this poor performance have manifested through lateness, turnover, absenteeism, lack of courteousness, accidents etc in the organization (Ubabukoh, 2017). Also, it has been observed that, the jobs of the employees' in the organization are not very challenging and there is inadequate authority which may have also contributed to the poor performance levels.

Coupled with these problems, previous research works on performance relationships in MTN in Nigeria are not many. The few studies such as Sajuyigbe (2017) Adeleke and Aminu (2012), Adegoke and Babalola (2011) and Tihamiyu and Majeji (2012) were on performance appraisal, quality of service analysis and evaluation of subscriber attitude to mobile number portability respectively and not on employees' performance. Furthermore, most previous studies on challenging work and responsibility in different types of organizations have revealed inconsistent findings. (Cheema, Shujaat & Alam, 2013; Hamdan, Akif & Mohammad, 2015; Tizazu, 2015; Zachary, 2014). Hence, this study is aimed at determining the effect of challenging work and responsibility dimensions of motivation on employees' performance in MTN, Nigeria.



2. Literature Review

Campbell (1990) defines performance as behaviour demonstrated or something done by the employees' for organizational performance. Employee job performance is defined as a role of the individual's performance on particular objectives that consist of defined standard job descriptions (Koontz & Wehrich, 1990). Some scholars have advocated for a heuristic approach to performance (Robbins, 2005; Uzonnz, 2013). Understanding the four dimensions of employees' performance-task, contextual, adaptive and counterproductive workplace behaviour is crucial in the application of performance measurement (Uzonna, 2013). This study aligns with the measures of performance in Charbonnier (2012) to investigate the effect of challenging work and responsibility on employees' performance in MTN, Nigeria.

According to Koontz and Wehrich (1990), challenging work is the attempt to build into jobs a higher sense of challenge and achievement. This study sees challenging work as any task that stretches employee to move beyond one's comfort zone and learning new things on daily basis such as job variety, autonomy and developing new opportunities. This may lead to a feeling that the job itself is worth exerting more effort without need to any external incentive (Zachary, 2014). An important factor in challenging work or interesting work is through job enrichment. Koontz and Wehrich (1990) describe job enrichment as the attempt to build into jobs a sense of challenge and achievement. However, interesting work which is also viewed as what a person finds interesting is very subjective. Thus, before assigning employees' to tasks, managers should find out what interests each of their subordinates and try and make a match. Another way to make the job interesting is by diversity and framework breaking. (Arunkumar, 2014)

Hamdan, *et al.* (2015) view responsibility as waiving some administrative levels of powers and authorities for lower functional levels to help them in completing quests in order to providing services easily and rapidly for customers and beneficiaries. Gaudreau and Blanchard (2012) posit that responsibility is an employee feeling of (a) control over the job to be performed, (b) awareness of the context in which the work is performed, (c) accountability for personal work output, (d) shared responsibility for unit and organizational performance, and (e) equity in the rewards based on individual and collective performance. Employees' responsibility usually embedded in empowerment and involvement has widely been recognized as an essential contributor to organizational success with many authors observing a direct relationship between the level of employees' empowerment and employees' performance, employees' job satisfaction and employees' commitment (Hamdan, *et al.*, 2015). This study aligns with the views of Gaudreau and Blanchard (2012), given that employees' responsibility entails efficient and effective use of organizational resources by ensuring quality output and striving to meet predefined goals as suggested by theories and empirical investigations (Senyuta, 2013).

A lot of theories have been propounded by scholars to explain the relationship between challenging work, responsibility and employees' performance in organizations. Such theories in Robbins (2005) include McClelland's (1965) Needs Theory of Motivation in which clearly, challenging work and responsibility are embedded in Need for achievement (n-Ach)- which is need to set and meet standard of excellence. This connotes the challenging work idea and Need for Power- (n-Power) which relates to control over one's environment, establishes the link with responsibility on goal attainment. Goal-setting theory developed by Edward Locke (1968) refers to a series of propositions designed to help explain and predict work behaviour. Goals direct



work behaviour and performance and lead to certain consequences. The theory argues that, the combination of goal difficulty and the extent of the person's commitment to achieving the goal regulate the level of efforts expended. That people who have difficult goal, will perform better than those with easier goals. Koontz and Wehrich (1990) posit that, the motivational effect of the outcome of performance is predicated on certain propositions that include challenging goals and participation in goal setting which is a form of responsibility. However, Herzberg (1959) Motivation-Hygiene Factor Theory of motivation concluded that lower order needs are potential dissatisfiers or hygiene factors and only the higher order needs are the satisfiers or motivators. Herzberg listed specific hygiene factors in an organization as things that include; company policy and administration, supervision, working conditions, interpersonal relations, salary, status, job security and personal life. He listed the following all related to the job content and called them satisfiers or motivators; such as recognition, achievement, advancement challenging work, responsibility. Clearly, these factors of challenging work and responsibility as postulated by Herzberg are unarguably related to this study of MTN, Nigeria as posited by the employees' as having effects on their performance, Hence, the choice of this theory as the theoretical framework for this current study. Moreover, empirical studies have also shown that challenging work and responsibility have effect on employees' performance in organizations.

ArunKumar (2014) conducted a study on the relationship between employee motivation, satisfaction and organizational commitment in Malaysia on new retail formats such as hypermarkets, large scale supermarkets, and convenience stores using a sample size of 118 employees. The study concluded that Challenging task was specifically responsible for overall motivation and satisfaction of employees'. However, the study didn't clearly explain how the sample size was determined.

Sani (2013) carried out a study on the assessment of the impact of non-monetary incentives on employees' performance in NCC. The tools of analysis employed were the descriptive analysis using scores, rank and mean of respondents. The study found that majority of the respondents agree that challenging work have greatly affected their performance at work. The study is limited to be generalized due to the fact, it is limited only to the NCC and the use of correlation or regression statistical would have provided a more robust finding.

Uzonna (2013) in a study on the impact of motivation on employees' performance, in credit West Bank in Cyprus examined the non-monetary motivational factors of employees' to determine their level of performance. The study found that majority of the respondents agree that, challenging work is one of the most important non-monetary variable that plays a major role in employees' performance. The study however did not mention the population of study. The sample size of 134 was not shown to have been determined using any known formula for the determination of sample size. Despite the importance of employees' challenging work motivation towards enhancing performance, Tizazu (2015) found a negative and insignificant effect between challenging work and performance of employees.

Hamdan *et al.* (2015) in a study on the impact of the delegation of authority on employees' performance at great Irbid municipality in Jordan examined the effects of responsibility on performance of employees. The study found a significant relationship between delegation of



authority and performance. However, the study could not determine exactly the total population of the study and the exclusion of lower level employees' in the study was not explicitly explained. Moreover, the study's purported choice of 200 as sample was not justified.

Alkhalief and Hooi (2013) in a study on the relationships of non-monetary incentives, job satisfaction and employee job performance reviewed different literatures to show the positive relationship between non-monetary incentives on employees' performance. Most of the reviewed literatures were empirical studies conducted across industries. The important dimensions of non-monetary incentives such as employees' responsibility and challenging work were reviewed. However, the study was only a conceptual analysis as the study has not been undertaken in the expected field empirically.

Gaudreau and Blanchard (2012) was a study in a telecommunication company on effect of empowerment on employees' performance. The study used a sample of 226 people in order to collect data through the instrument of questionnaire. Spearman correlation method, Wilcoxon tests method, and multiple regressions, were used for data analysis. Findings showed that there is significant difference between rate of employees' performance before and after empowerment implementing. Also, the Spearman correlation test confirmed that, there is a significant effect between employees' responsibility motivation and performance. Diagnostics tests were not carried but the regression analysis was carried out. This may affect the outcome of the statistical result which may render the findings ungeneralizable. Despite the importance of employees' responsibility motivation towards enhancing performance, studies such as Cheema *et al.* (2013) found no significant relationship.

3. Methodology

This study adopted the cross-sectional survey research method which enabled the researchers to collect detailed and factual information from the respondents at a point time which can be analyzed both qualitatively and quantitatively. The instrument used for data collection was the questionnaire and was administered on the respondents by the researchers and one research assistant in Kaduna. The questionnaire was filled by the respondents at their convenience and retrieved. The population of the study is 72 employees which is the total staff strength of MTN in Kaduna state as sighted from account records by the researchers. The probability sampling method was used for precision while the sample size of 61 was determined using Yamane (1967) sampling size technique. The researchers deemed it appropriate to add a 10% margin as suggested by Israel (1992) in order to take care of wrongly or badly filled and administered questionnaire that may not be retrieved. The total number of questionnaire that was therefore administered to respondents was 71. Data for this study were obtained from primary source through questionnaire that was administered to the staff of MTN in Kaduna state. The study adapted the challenging work motivation survey by ArunKumar (2014), responsibility motivation by Hamdan *et al.* (2015) and performance items from Charbonnier (2012) and used the five – point Likert-scale to enable the respondents indicate the extent to which they agreed or disagreed on the items in the questionnaire. To ensure validity of the instrument, the study made use of results obtained from the factor analysis loadings with none of the items having a coefficient alpha of less than .70 based on the test of validation of instrument (Hair, Anderson, Tatham & Black, 2010). On reliability, this study conducted a pilot study to test the efficacy of the instrument on staff of MTN in Kano state. The results of the reliability test obtained showed



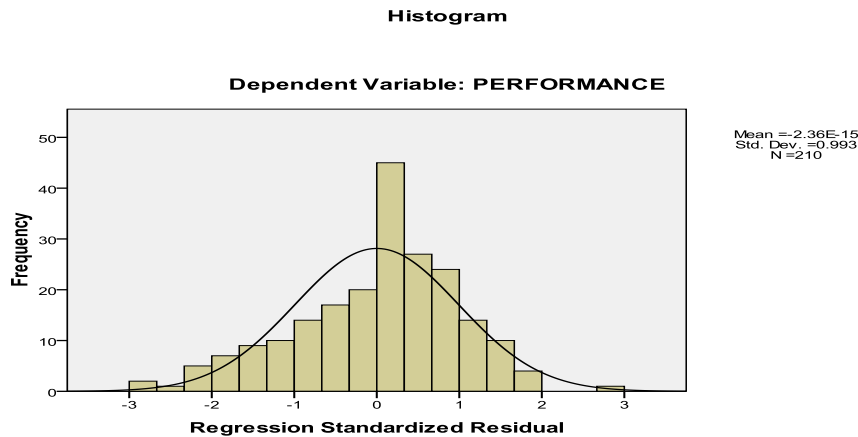
performance with reliability coefficient of 0.796, challenging work with 0.727 and responsibility with .727, all above the Cronbach alpha of .70 as suggested by (Sekeran, 2003). The data for this study was analyzed through the statistical methods of factor analysis and multiple regression (Hair, et al., 2010) and used the Statistical Packages for Social Sciences (SPSS) version 23 to process the data. The hypotheses were tested at 5% level of significance. The model for the study is expressed as:

$$PFM_i = a_o + \beta CHWi + \beta RSPi + \varepsilon_i$$

Where: PFM_i is perceptual score for performance by respondent i , a_o is the intercept or constant of regression equation, β is the coefficient of the independent variable. $CHWi$ is the perceptual score of challenging work by respondent i , $RSPi$ is the perceptual score of responsibility by respondent i , ε_i is the random error associated with the perception score of respondent i

4. Result

Some preliminary checks were conducted to ensure that the data were suitable before carrying out regression analysis (Hair, et al, 2010) such as normality and multicollinearity tests. Normality of the dataset was ascertained by the bell / curve shaped distribution as shown in figure 4.1



From figure 4.1: Histogram
Source: SPSS output, 2019.

Figure 4.1 depicts that the normality assumption is achieved since all the bars in the histogram are close to a normal curve. The Tolerance value and Variance Inflator Factor (VIF) were examined to detect multicollinearity problem. Hair *et al.* (2010) suggested that multicollinearity is a concern if tolerance value is less than .10 and VIF value is higher than 10. Table 4.1 shows the VIF values and the tolerance values for the independent variables.



Table 1: Tolerance and VIF Values of the latent constructs

Variable	Collinearity Statistics	
	Tolerance	VIF
Challenging Work	.883	1.133
Responsibility	.640	1.561

Dependent Variable: Performance
Source: Field Survey, 2018

The result in Table 4.1 showed that multicollinearity does not exist among the independent variables because the tolerance values are higher than .10 and VIF values are less than 10 (Hair, *et al.*, 2010). The results indicated that the study does not have any multicollinearity problem. Hence, the multiple regression analysis was carried out with results as indicated in Table 4.2.

Table 4.2: Multiple Regression Result between Challenging Work and Responsibility on Employees' Performance in MTN, Nigeria.

Model	UnStandardized	Std	Standardized	T	Sig.	Collinearity	
	Coefficients	Error	Beta			statistics	VIF
	B					Tolerance	
(Constant)	11.222	3.684		3.416	0.000		
Challenging	0.244	0.060	0.222	1.362	0.087	0.883	1.133
Responsibility	0.278	0.079	0.230	2.903	0.002	0.640	1.561
R	0.553						
R Square	0.305						
Adj R Square	0.298						
F-Statistics	14.67						
D W	1.843						

Source: Field work, 2019

Table 4.2 shows the R value of 55% which connotes a strong relationship between the variables in the model. Clearly, the model jointly explained 31% of the variance of employees' performance in MTN, Nigeria. Also, the significant F – test revealed that, the relationship between the dependent variable and the independent variables was linear and the model significantly predicted the dependent variable with F test result of 14.67 which is greater than the threshold of 4.0 and the Durbin Watson (DW) of 1.843 shows the absence of serial correlation.

Given these postulations, the first hypothesis of the study states that, there is no significant effect between challenging work and employees' performance in MTN, Nigeria. Table 4.2 shows that, the multiple regression analysis between challenging work and employees' performance is not significant, i.e. Beta = .222, p = .087 at .05 level. Therefore, the research hypothesis (Ho₁) is accepted. This means that, there is a positive but insignificant effect between challenging work and performance since the p-value is greater than .05. This is in line with the outcome of a study by Tizazu (2015) who concluded that, challenging work has no significant effect on workers performance in Ambo mineral water factory in Ethiopia.



The second hypothesis states that, there is no significant effect between responsibility and employees' performance in MTN, Nigeria. Table 4.2 shows that, the multiple regression analysis between responsibility and employees' performance is significant i.e. Beta = .230, $p = .002$. at .05 level. Therefore, the research hypothesis (H_{02}) is rejected. This means that, there is a positive and significant effect between responsibility and performance since the p-value is less than .05. This finding concurs with that of Zachary (2014) who concluded that, responsibility has significant effect on workers performance in Muranga water and sanitation company in Kenya.

5. Conclusion and Recommendation

From the findings of this study, it is evident that challenging work and responsibility are important in the day-to-day performance of employees' in MTN, Nigeria. These findings constitute the basis for concluding that, challenging work is not an essential motivator as it does not enable employees' to be committed towards achieving goals and that responsibility motivates employees' towards putting in more efforts in carrying out tasks designed for achieving the objectives of the organization. Based on the conclusions of this study, the following recommendations if implemented can improve the performance of employees' in MTN, Nigeria. Firstly, in view of the fact that challenging work does not act as a motivator in this study, management of MTN, Nigeria should ensure that employees' are only assigned tasks that are attainable. Secondly, given that responsibility makes employees' feel a sense of achievement, therefore, management of MTN, Nigeria should delegate authority to employees' to enable them take decisions and compare the outcome of their decisions with expected level of organizational goal. It should however be noted that, this study was only on challenging work and responsibility motivation which constitutes a gap as there could be other factors that may be responsible for the low performance in the organization apart from motivation which subsequent studies should investigate. Also, the extension of this study to cover the dimensions of challenging work and responsibility in future research could reveal other important information that could help in improving employees' performance in organizations given the speed of globalization and technological advancement in the business environment.

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SUCCINCT CLARIFICATION OF AMBIGUITY ON THE MAIN LINK AND DIFFERENCES BETWEEN LEADERSHIP AND MANAGEMENT – FOCUS ON MCDONALD’S FAST FOOD

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Abstract

This paper clarifies ambiguity surrounding the keyrelationship and disparities between leadership and management and explores excerpts from McDonald’s Fast Food industry leadership and management applications. Desk research approach made up of journals, online publications and articles by McDonald’s Fast Food were used. We argue that the relationship between leadership and management is tin. Findings show that there is relationship between leadership and management. Findings also show the disparities between leadership and management an Fast Food that the disparities are evident in their approach to achieving the goals of the organization. It concludes that since leadership and management are conceived as Siamese twins - efforts should be intensified to coordinate both for successful achievement of the organizational goals.

Keywords: Leadership, Management, McDonald’s Fast Food

1. Introduction

In the past, and till today, a lot were discussed and amplified about leadership and management (Kotterman, 2006; Northhouse, 2007), in particular, their link and differences. The debate on the subject matter, however, led to attempts by people from different quarters to sort out the areas of their relationship and disparities which still seems very confusing and incomprehensible. Though, the key points of the arguments stem from the fact that some individuals see leadership and management as the same. For some people – they are synonymous, while some perceives them as out rightly not the same at all. Others view them as separate and inseparable that both depend on each other for achievement of organizational goals. Most analyses on leadership and management pay less attention to properly clarify the ambiguity on their relationship and disparities.

Against these backdrops, the objectives of this paperisto clarify the ambiguity surrounding the keyrelationship and disparities between leadership and management and to draw a point of reference from McDonald fast food industry’s leadership and management applications.The questions addressed in this paper are: what are the keyrelationship and disparities between leadership and management? The first aspect of the paper discusses the keyrelationship between



leadership and management. Then, followed by the disparities between leadership and management, we proceed to enumerate individual qualities required for the position of leadership and management, practical demonstration of leadership and management disparities in McDonald's fast food, and the doctrines of leadership that enhances values in McDonald's fast food.

2. Literature Review

Meaning of Leadership and Management

Bohori and Vorria (2008) highlighted that leadership is everything someone is doing in order to lead effectively. This was however, validated by Kotter (2001) posit that leaders lay direction, bring people together, encourage and inspire people. For Drucker– leader is someone who has followers.

Management on the other hand consist of series of action explored to accomplish organizational goals, a step that is utilised to achieve the objectives of the organization (Bohoris and Vorria, 2008). Managers therefore, are those given the management functions to perform, and it is generally believed that the set goals are achieved through the key functions of planning and budgeting, organizing and staffing, problem solving and controlling (Kotter, 2001).

Key relationship between Leadership and Management

Individuals, academicians and stakeholder have expressed numerous views on leadership and management. For example, Kotterman (2006) laments that in any working place or organization, the need for effective leadership and management is paramount for successful operations. He also averred that there should be a balance in the composition of organisation's leadership and management with focus on excellent managers and just few competent leaders. The ideas were also underpinned by Algahtani (2014) that leaders and managers are required together because they influence each other by exploring specific powers to achieve some set goals.

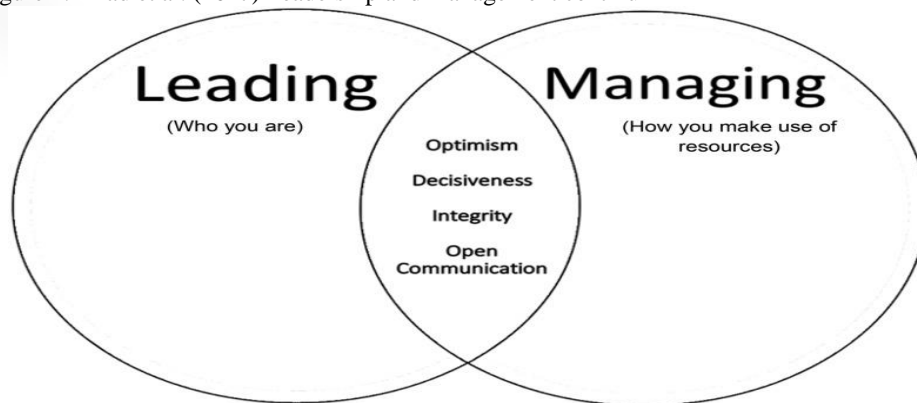
However, scholars such as Azad *et al.* (2017) provide some reasons that could make it very ridiculous for leadership and management to be separated in an organization. According to them, they share some qualities in common. They say "*the two processes are not effective without supporting each other*" (Azad *et al.*, 2017).

Further substantiation of the key relationship between leadership and management show they are:

First, seen as the same continuum of a single construct "*where the circle of leading is the reflection of who are you, and the circle of managing is how an individual explore the resources at his disposal*" showing an overlap in many key areas. They cited some instances of optimism, decisiveness, integrity, and open communication (Azad *et al.*, 2017). To them, it is time to neglect the initiative that leading and managing are apart and that this notion could encourage the development of individual alteration of reality and irresponsibility in those who view themselves as leaders, and it can even results to inaction and unhealthy forms of dependency in people who do not view themselves as leaders, but ordinary managers (Azad *et al.* 2017). The leadership and management continuum are reflected below:



Figure 1: Azad et al. (2017) Leadership and management continuum



Second- Azad *et al.* (2017) strongly support that leading and managing are identical and the same and that growing the skills of a leader and a manager are virtually the same way of growing people who can adapt to change and become a source of strategic advantage.

The Disparities between Leadership and Management

The disparities between leadership and management have brought about numerous views from various quarters. These are evident from the fact that leadership and management are perceived differently by different people which results to controversies. For example, some scholars enumerated that the disparities between leadership and management are strongly reflected (Northouse, 2007). Some view leadership and management as never synonymous (Bass, 2010) and with a point of disagreement (Yuki, 1989). While some people see them as opposite (Ricketts, 2009), and that it is callous to find a good leader as a good manager (Algahtani, 2014). Algahtani (2014) also stated that the key disparity between leadership and management is in the approach explored to achieve the goals of the organization. Just like managers exercise their control via formal power, leaders utilise their vision, and by inspiration, encouragement to bring people together as their followers (The Guardian, 2013).

Other critical literature on the disparities between leadership and management reveals that leadership and management are unidentical and overlap (Kotterman, 2006). He further amplifies that leadership and management profession are extremely not the same (Kotterman, 2006). This was underpinned by Zalesnik (1977) who argues that leadership and management play different roles in an organization. Also – Kartz (1955) in his view says leadership possessed ample ways of influencing relationship in an organisation, whereas, the authority relationship of management focused on just one direction. For Kotter (1987), leadership is more than the performance of day to day functions that helps to sustain change, while management is concern with frequent performance of responsibility to cope with routine challenges. Kotter (1990) further provided the flavors as the disparities between leadership and management:

“Leaderships differs from management not because people think. Leadership is not mystical and mysterious. Leadership doesn’t require special charisma or personality trait and is not



greater than management or can be substituted for management but rather, leadership and management are two distinctive and complimentary activities. They are significant for success in an increasingly complex and volatile business environment”.

Leader	Manager
Soul	Mind
Visionary	Rational
Passionate	Consultative
Creative	Persistent
Flexible	Problem-solving
Inspirational	Tough-minded
Innovative	Analytical
Courageous	Structured
Imaginative	Deliberate
Experimental	Authoritative
Independent	Stabilising

Process	Leadership	Management
Vision Establishment	<ul style="list-style-type: none"> • Sets direction and develop the vision • Develops strategic plans and achieve the vision • Displays very passionate attitude about the vision and goals 	<ul style="list-style-type: none"> • Plans and budgets • Develops process steps and sets timelines • Displays impersonal attitude about the vision and goals
Human Development and Networking	<ul style="list-style-type: none"> • Align organization the vision, mission and direction • Influences creation of coalitions, teams and partnerships that understand and accept the vision • Displays driven, high emotion • Increases choices 	<ul style="list-style-type: none"> • Organizes and staffs • Maintains structure • Delegate responsibility • Delegates authority • Implements the vision • Establishes policy and procedures to implement vision • Displays low emotion • Limits employee choices
Vision Execution	<ul style="list-style-type: none"> • Motivates and inspires • Energizes employees to overcome barriers to hanger • Satisfies basic human needs • Takes high risk approach to problem solving 	<ul style="list-style-type: none"> • Controls processes • Identifies problems • Solves problems

Individual Qualities Required for the Positions of Leadership and management



Certo and Certo (2006) encapsulated the roles and functions of leaders and managers (qualities) as key disparities between leadership and management. The disparities were proved through demonstration of suggestions such as: first, *leadership is centred on people and management is centred more on tasks*. Second, *soul was explored for leaders and mind for managers* shown Figure 1; Certo and Certo (2006) characteristics of the emerging leader versus characteristics of the manager.

Practical demonstration of leadership and management disparities in McDonald's Fast Food Industry

Easterbrook utilized various approaches to achieve the goals of McDonald's (Algahtani, 2014). These were exhibited for example, where he used effective leadership style for leadership and smart management style (Doran, 1981) for management. For effective leadership style – Easterbrook influence and motivate McDonald's employees exploring McDonald's culture of generosity, and benefits of health care incentives, leave benefits, compensation of employees and some other associated benefits.

Doctrines of Leadership that Enhances values in McDonald's Fast Food

McDonald's five doctrines were the bases of its value and leadership behaviors commitments. The doctrines consist of: responsible leadership, inclusiveness, progressiveness and local integration (McDonald's/people, 2018). These doctrines, however, reflect its culture and describe the culture it embraced.

McDonald's Five People Doctrines

It is believed of McDonald's that their promise with stakeholders is greater than just some few words. Its employees are integral part of its stakeholders which they are committed to. However, it is pertinent to note that McDonald's doctrines indicate its values and describes the culture it imbibes (McDonald's, 2018).

Respect and Recognition

Employees of McDonald's were accorded due respect, valued and were fundamentally identified for hard work and perfect performance. McDonald's encourages fair playing ground in terms of customer's service; additional efforts put in by employees and also reward them abundantly.

Values and Leadership Behaviours

All actions by the McDonald's are targeted towards achieving the objectives of the organization. McDonald's explore open communication system, adopt the attitude of listening to comprehend the numerous opinions of stakeholders, coach them as well as tap from their experiences.

Bumper Remuneration and Peculiarities

The remuneration of McDonald's employees is at par with some reputable organisations or even higher. The remuneration not only patterns their basic pay but their entire emoluments such as benefits which are paid on recognition of hard work performance, extra efforts, service to customers and ability to work as a team.



Tapping Experiences, Development and Individual Elevation

Training, acquisition of new skills and improving on existing skills are fundamental paradigm in McDonald's. Employees in McDonald's receive work experience that teaches skills and values that last for lifetime.

Resources to Get the Job Done

The resources required to get the job done in any organization does not exclude McDonald's fast food. These are made up of money, men (human), and material resources. These resources are made available by McDonald's in all her restaurants which enhances its efficiency and effectiveness of her staff.

3. Methodology

We explored desk research approach for this paper. This simply means that the data for this research were gathered from the internet and available print or publications such as journals, magazines and online articles by McDonald's fast food. We explore document contents analysis to clarify ambiguity on relationship and disparities between leadership and management and also on application of leadership and management doctrines in McDonald's fast food.

4. Result

To clarify the ambiguity, we extrapolated our views and the views of some popular leadership and management scientists from the critical literature on the key arguments of the subject matter via the relationship between leadership and management, the disparities between leadership and management, and demonstration of leadership and management doctrines in McDonald's fast food.

First – the key relationship between leadership and management

Findings from the study debunked the argument that there is no relationship between leadership and management. Our findings show that relationship exist between leadership and management. Our relationship is perceived from the angle that a successful manager can easily become a leader by virtue of the requisite knowledge and experiences already acquired. This was clarified by Kotterman (2006) and Algahtani(2014) that relationship exist between leadership and management and they are required together for successful attainment of the organizational goals. This was also in line with the views by Azad *et al.* (2017) that leadership and management are the same, and therefore, identical and no attempt should be made to divide them as they both depends on each other.

Second –the disparities between leadership and management

Findings show mixed views in three perspectives. Northouse (2007), Yuki (1989), Ricketts (2009), Kotterman (2006), Zalesnik (1977), Kartz (1955) and Kotter (1987) debunked the assertion that leadership and management are identical and performs exactly the same roles and functions in an organization.

Similar views in support of the above are views by Certo and Certo (2006) that:

“the disparities between leadership and management are in their functions/roles where leadership is attuned to be characteristically people-centred/soul and management task-centred/mind”



For Kotter (1990) and Algahtani (2014): ‘‘the disparities between leadership and management are evident in the approaches explored to achieve organizational objectives and the complimentary roles they play to each other’’

Third –Demonstration of leadership and management doctrines in McDonald’s fast food

Findings show that McDonald’s Easter-brook explored effective leadership style. This means that Easter-brook had a vision for McDonald’s, gives clear direction to employees, encourages employees to do their jobs effectively, enhance team work, and he was able to effect serious changes after been able to identified and comprehend some obstacles and challenges facing McDonald’s.

For management – McDonald’s Easterbrook used smart management propounded by Doran (1981) to spot a specific area for improvement; quantify, or even suggest, an indicator of progress; reveals who will carry out the work, mention the expected feedback given available resources and precisely mention the time the feedback could be achieved.

5. Conclusion and Recommendation

This paper clarifies the controversies surrounding the relationship between leadership and management and in particular - excerpts from McDonald’s fast food industry. It is also pertinent to state that this paper contributes to clear the dust and air on long standing arguments pertaining the disparities between leadership and management. There were categorically reflected to be hidden in their approaches to achieving the goals of the organisation. McDonald’s Easterbrook’s demonstration of leadership and management capabilities and styles were extensively articulated in the paper.

However - evidences were also alluded that attaining success in an organization could be somewhat very ridiculous without fundamental relationship between leadership and management. Furthermore - Leaders and managers needs to work *paripassu* in order to meet the targets of the organization. This assumption, however, in part, supported inseparability of leadership and management and therefore effective coordination of roles and functions are required from both if an organization must survive.

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**IMPLEMENTATION OF PLANNING IN NIGERIAN LOCAL GOVERNMENTS:
ISSUES AND CHALLENGES**

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Abstract

Regardless of the system of governance, Local Governments worldwide serve the purpose of providing essential services to the local populace. To accomplish these goals, Local Governments strategize to ensure the realization of the set objectives. In spite of these, there are huge plan implementation flaws that affect service delivery. This paper therefore, investigates the impediments to effective plan implementation at local government level in Nigeria. The paper is conceptual and used literature and other documents such as the Financial Memoranda. It was discovered that most of the development plans at the Local Government level faced enormous challenges including deficiencies in plan implementation, lack of political will, insufficient and unreliable data, institutional weakness and inadequate funding. It is therefore, recommended that the issue of corruption should be tackled as it paves way for plan implementation; accurate and reliable data should be provided; institutional capacity needs to be strengthened; there should also be adequate disbursement and judicious utilization of financial resources. These will enable local governments to formulate and implement its plans effectively towards achieving the goals of providing essential services thereby improving the quality of life of the local populace.

Keywords: Local Governments, Planning, Plan Implementation, Nigeria

1. Introduction

Regardless of the system of government, philosophy or even circumstances under which a government operates, it is incontestable that the major priority of most governments is the provision of essential goods and services so as to enhance the socio-economic well-being of the citizens. The realization of this objective however, depends largely on government's ability to plan properly and ensure their effective implementation, while also trying to avoid or minimize challenges in the implementation process should be the major thrust of government's planning efforts.

Being an important tier of government, Local Governments in all parts of the world are generally established to serve the people at the grass root level. Also, in their efforts to make the local populace feel the impact of the government, Local Governments engage in planning and also developed strategies of making such plans a reality. This is imperative as planning is inevitable towards the realization of the goals which government set to achieve. Lack of proper planning and ineffective implementation however, leads to many drawbacks including non-accomplishment of the government's development missions that are directed to serve the needs of both the present and future generations.



Nigeria's planning experience dates back to 1940s when the British colonial office requested the colonies to prepare development plans which assisted in disbursing the colonial development and welfare funds. In response to this request, the administration in Nigeria prepared a ten-year plan of development and welfare covering the period 1946-1956. This plan led to the foundation for the pre-independent economy. The production and expansion of export crops were promoted. Also, a five year plan covering period 1955-1960 was put in place which was prepared due to advice by the World Bank (Obiajulu & Obi, 2004).

At the post-independence era, Nigeria had series of development plans, rolling plans and strategic planning but had huge experience of plan failure attributed to ineffective plan implementation. This paper therefore, specifically focuses on Nigeria's planning process in local government administration with a view to identifying the impediments to effective plan implementation. This is because previous studies to the best knowledge of the researchers did not touch the area of plan implementation at local level; instead, they focused on other issues of vital importance as well. For instance Agbodike, Igbokwe and Nkah (2014) focused on issues on local government administration in Nigeria and the challenges of sustainable development. Odalonu (2015) focused on the factors militating against the provision of social services at local level. Phillip (2016) focused on the challenges of revenue allocation in local governments in Nigeria. Alao, Osakede and Awolabi (2015) focused on the factors inhibiting effective service delivery at local level using comparative analysis between Nigeria, USA, UK and France. Other authors such as Oviasuyi, Idada and Lawrence (2010) researched on the reasons behind the establishment and development of local governments in Nigeria taking into account its functions and characteristics of good governance and accountability. Shamsuddin and Siddiq (2012) focused on the factors militating against the performance of local governments in Nigeria towards ensuring effective service delivery.

2. Literature Review

Theoretical Framework

The paper adopts the Bottom-Up theory of Policy Implementation. The proponent of the theory is Lipsky (1980). The assumption of the theory is that implementation is carried out through both formal and informal means. This means that to appropriately implement public policy, there is the need to involve the target population so as to have a good outcome (Howlett & Ramesh, 2003). The theory suits this research because local governments in Nigeria suffered the gap of not involving the target population in plan implementation. Lipsky (1980) is of the view that proper implementation is ensured by involving the target population, who are also known as "street level bureaucrats or field workers". The street level bureaucrats are central in the political process for the fact that they interact with the public and have a clear understanding of public needs. The need for policy experts to explicitly consider the relationship between social workers and citizens is therefore, crucial. As policy makers cannot efficiently control implementation; they have to involve those affected by it through the informal way.

Review of Related Literature

Local Government Conceptual Clarification: The concept of local government denotes a philosophical commitment to democratic participation in the management of affairs at the grassroots level. This encompasses the legal and administrative decentralization of authority,



power and personnel by a higher level of government to a community with a will of its own, performing specific functions as within the wider national framework. The local governments are duty bound to implement the ideals, objectives, programmes, and aspirations of the national government at the grass root level. Thus, local governments are not only agents but arm of government which merely serves as an instrument for effective and efficient service delivery at the local level (Oladonu, 2015).

Local Government is recognized as the third tier of government by the 1999 constitution of the Federal Republic of Nigeria and its roles are critical in terms of identifying local or rural needs and mobilizing resources to meeting those needs. The guidelines for local government reforms (1976) defined local government as “governments exercised through representative councils established by law to exercise specific powers within defined areas.” Orewa and Adewumi (1992) described local government as a system of local communities and towns which are organized to maintain law and order; provide some limited range of social services and co-operation of the inhabitants in joint endeavors towards the improvements of their conditions of living.” Akinyele (1988) defines local government as a political submission of a law which is constituted by law and has substantial control over local affairs. From the definitions offered by the authors above, it could be deduced that all the authors have a somewhat similar views of what local government entails and what it is supposed to accomplish.

Local Governments has numerous functions to perform which as contained in the Fourth Schedule of the 1999 constitution of the Federal Republic of Nigeria are meant to improve the general living standard of the local people through the provision of essential services such as good drinking water, building boreholes in the rural and urban communities to complement the efforts of the water boards, electricity supply, an efficient waste disposal system, recreational facilities, construction, reconstruction and maintenance of local and other access roads, bridges and culverts, quality and affordable primary healthcare and educational services, etc. The aforementioned wide range of services and functions are products of deliberate planning which would address the felt needs of the rural dwellers (Ivancevich *et al.*, 1994).

Planning as a Management Function a Medium for Grassroots Transformation: Planning includes all courses of action to achieve some pre-determined objectives (Ivancevich *et al.*, 1994). Thus, planning is often seen as a process of determining organizational objectives and identifying the ways and means of realizing them. Dalton (1986) sees planning as that part of the management process that attempts to define the organizations future. In a related view, Kootnz (1980) opined that planning is deciding in advance what to do, how to do it, when to do it and who is to do it. This in essence, signifies that in order to achieve development missions at the grassroots, local governments must plan ahead to provide for the present and future needs of the people. Planning therefore, bridges the gaps of the present condition to where we desire to be in the near future. Policy makers and planners at the local level need to decide in advance on what they intend to achieve and also set road maps and strategies of facilitating effective implementation as this is crucial to the success of administrative systems.

The planning process itself can be described as an exercise in which a government first chooses social objectives, then set various targets, and finally organizes frameworks for implementing, coordinating and monitoring programs/projects. It is imperative for the planners to set



objectives designed to maximize social welfare such as security, employment generation, health care, food security, poverty reduction or more generally, quality of life. Economic planners typically measure the social worth of a project in terms of the degree to which it contributes to the net flow of future goods and services in the economy and society. The availability and quality of statistical information on major socio-economic indicators represents critical influence on the choice of particular planning approach. While the complete absence of certain statistical information may preclude the use of particular models, as economic planners sometimes resort to educated guesses of the adaptation of social reality. These however, provided some of the challenging nature of planning in public domain.

Robbins (1980) identifies certain reasons why it is necessary to plan. He observed that every organization or government is influenced by changes from its environment. He further argues that planning is a way of anticipating and offsetting future changes. These force administrators to look ahead and anticipate future deviations based on data from the past and present, to consider the impact of changes on the organization and to develop appropriate responses. Secondly, administrators engage in planning as it gives some sort of directions. Viewed within this context, planning is concerned with organizations' objectives. This is because no organization can succeed if its objectives are not clearly specified, inconsistent and contradictory. When the employees know where the organization is going and what they are expected to contribute to achieve the organizational goals, there would be increased co-ordination, cooperation and collaboration. This has to do with effective hierarchical sharing of duties and responsibilities. Thirdly, administrators engage in planning in order to eliminate wastage and duplication. This is due to the fact that the process of administration involves many activities covering more than one goal, and if there is no plan, wastages and duplication are likely to be the outcome of such activities. The fourth and last reason why government plans is for the purpose of establishing standards and control. Administrators usually develop standards in the planning process against which the actual performance can be compared. To do this, administrators has to be determined and be sure of what they want to achieve. In this respect, evaluation and control will lead to identifying whether what was planned have been achieved or otherwise. Because through evaluation and control necessary information can be obtained so as to correct any identified lapse (Robbins, 1980).

3. Methodology

Methodology explains how a particular research is to be conducted. This research is conceptual even though reviews of some empirical studies on the subject matter were made. Specially, the paper used literature reviews and other documentary sources such as the Financial Memoranda for local governments (2009) and fourth schedule of the 1999 Constitution of the Federal Republic of Nigeria (as amended).

4. Instruments of Local Government Plan and Implementation Process

As a tier of government, Local Governments are expected to prepare plan as a process to carry out its constitutional responsibility. According to the provisions of the Financial Memoranda, local governments shall prepare plans for capital development at such interval and in such manner as may be directed by the state government. Local Government plans shall be coordinated and integrated with the State plan prepared for the same period. The department of planning, budgeting, research and statistics of local government shall be responsible for



preparing the draft plan for consideration by the council in accordance with the instructions and time-table for finalizing and approving the draft plan before forwarding to the state government. In framing its plans, a local government shall have regard to all the following factors as stated in the financial memoranda for Local Governments (2009):

The total of the funds available, from all sources, to meet the capital cost of the plan; The estimated net additional recurrent expenditure generated by each project in the plan in the year of its completion and during the next two years (in the case of rolling plan) and the ability to meet the total additional recurrent expenditure in respect of all projects from local government funds; The availability of manpower, in particular trained professionals and technical staff, needed to operate and maintain the various projects, and the extent to which the various local communities (which should be encouraged to assist in any project in their areas) have undertaken to contribute towards the capital and running costs of the project concerned.

This indicates that any project to be undertaken must be subject to the available funds. The available funds should be able to cover the capital cost of the projects including the manpower needed to ensure effective implementation.

The Financial Memoranda (2009) also indicates that the capital cost of projects included in a local government plan shall be financed from either the capital grants from the federal and state governments, other sources approved by the state governor, contributions from the local government's surplus on recurrent account or contributions from various local communities in cash or in kind. The council may issue directives regarding the extent to which contributions shall be made.

However, where funds are available, local governments may embark on medium and large size development projects which are capable of generating enough income to the Local Government. By and large, Local Governments are allowed to embark on other priority projects that can improve wealth which the local governments cannot immediately finance. Also, Local Governments can undertake expensive priority projects which will consume huge amount of money over a long period of time. All these projects are expected to improve the socio-economic well-being of people at the local level.

To undertake these gigantic tasks, the department of planning, budgeting, research and statistics must meet as soon as possible to assess, broadly the development needs of the local government area as a whole and the available financial resources having regards to the government guidelines. The department can however be assisted with subordinate planning committee. This committee shall consult with representative of every town and village, in order to identify and evaluate those projects within the area for which it is responsible. The projects are however, in categories.

For instance, there are such projects which can be implemented by communities themselves with technical advice only being provided by the local government; this are the Category A projects. There are also projects which will normally be of a priority nature, those that qualify for grants from the Local Government and the state government. These are the category B projects. The Category 'C' projects are those that the Local Government will finance from its own resources; while the Category 'D' projects require state government and occasionally,



federal government for financial and/or technical supports for their execution. In all these undertakings, an estimate of cost and benefits should be made available with the help of the various local committees (Model Financial Memoranda for Local Governments, 2009).

Furthermore, the subordinate planning committee shall undertake its duties in accordance with guidelines issued by the Local Government to state clearly Local Government's policy regarding the funding of projects, as far as possible, the limits within which plans for development should be contained, the approach to be followed in assessing the ability of a local community to maintain or assist in maintaining a project after implementation, as well as the manner in which the SPC shall work with heads of various departments of the Local Government especially with regards to the preparation of feasibility studies.

All projects should be listed in order of priority while at the same time abiding by the rules and regulations or guidelines laid down by the local government. The prepared plans are then submitted to the various relevant committees charged with the responsibility of doing the needful by examining all proposals in consultation with the secretary and the heads of departments. The essence of examining the proposals is to ensure that all what is required in terms of cost and resources are made available. It is the duty of the committee to among other things ensure that full consideration is given to development plans which has to be discussed thoroughly by the local committees concerned.

Where there is planning committee, it shall work in conjunction with the finance and general purposes committee in discharging the responsibilities enumerated above. The appropriate committee shall then prepare a draft plan for the local government. The local government council shall accept the draft plan or accept it with such modifications as it may think fit. Four (4) copies of the final draft plan together with project data sheets and the summaries shall then be submitted to the governor's office for its comments. Subsequently, after making such amendments as are necessary in the light of the comments of the governor's office, the Council shall approve the plan, copies of which shall be forwarded to the government's office and the chairman (Model Financial Memoranda for Local Governments, 2009).

Plan Implementation Challenges Grass roots Experience: The Implementation stage is one of the most important and critical aspect in the policy and planning process. In this stage, the set goals are put to reality through the activities that follow goal setting. Implementation stage as a vital ingredient in the policy process is often described as the rest (Peter & Michael, 2015) for the fact that implementation is the last thing to be realized after the initial stages of problem identification and policy formulation. Implementation refers to undertaking a task in order to achieve some targeted goals (Paudel, 2009). In essence implementation encompasses all the procedure and efforts of actualizing the policies decided upon by the government in order to attain the desired outcome as prescribed in the policy guidelines. Thus, implementation is the routine administrative procedures of putting the targeted goals set by the government into action which is normally carried out by the government agencies or its officials. This signifies that implementation deals with the execution of government policies (Kraft & Furlong, 2007; Ajaegby & Eze, 2010). Usually in the implementation stage, the project to be undertaken is divided into tasks which are assigned to different actors to carry out. Care should therefore, be



taking in assigning duties and responsibilities so that each task is assigned to a specialist or a team of specialists in order to avoid implementation challenges.

Furthermore, despite the guidelines of the financial memoranda, certain factors have been discovered to constitute major challenges to effective implementation of government plans at the local government level in Nigeria. These factors include among others:

Deficiencies in plans implementation and lack of political will: Local Government administrators most often try to accomplish too many objectives at once without consideration of how some of the objectives are competing or even conflicting. The gap between plan formulation and implementation is often enormous hence many plans are never implemented. Added to this is the issue of poor plan performance. All these are attributable to lack of commitment and political will on the part of leaders. In fact, lack of adequate government support for plans is the prime reason why most plans are never carried out.

Insufficient and unreliable data: The economic wisdom of a development plan depends to a great extent on the quality and reliability of the statistical data on which it is used. Most often the data are weak, unreliable, simply non-existent, as one can observe particularly at Local Government level where the culture of preserving the socio-economic indices are not imbibed over the years. The situation becomes more daunting, when unreliable data are compounded by an inadequate supply of qualified economists, statisticians and other planning personnel. In such situations, it can be waste scarce high-level human resources to engage in an extensive planning exercise.

Institutional weaknesses/weak bureaucratic capacity: This has to do with the bureaucratic inefficiencies. Weak bureaucratic capacity has led to plan implementation challenges at local level including poor projects execution, lack of control and co-ordination, as well as poor supervision. Bureaucratic capacity is the strength and ability of public organizations to effectively utilize public resources in order to ensure effective implementation of government policies (Barkey & Parikh, 1991; Evan & Rauch, 1999; Fukuyama, 2013). Most often the planners, administrators and political actors fail to engage in dialogue about the goals and strategies in the planning practices. In other words, there is a communication gap in the planning and implementation processes due to lack of hierarchical sharing of duties and responsibilities. In addition, there has been much concern about incompetent and unqualified personnel and bureaucratic bottlenecks that is pervasive at the Local Government level.

Inadequate Funding: The issue of inadequate funding remains a great militating factor against effective plan implementation in Local Governments in Nigeria. This is however, linked to increasing recurrent expenditure outlays, additional responsibilities, high inflation rates and unpredictable economy all of which increase the cost of governance. Not only this, the issue of lack of fiscal discipline is another stumbling block to effective plan implementation at local level considering amount of money they receive from the Federation Account. Most planners and implementers lack fiscal discipline to judiciously utilize the limited funds at their disposal. In addition to this, there is absence of cost and benefit analysis. Most planners at local level failed to consider the cost and benefits of undertaking projects. This results to plan implementation failure as the planners were unable to accurately estimate the actual cost of undertaking projects before full take off.



5. Conclusion and Recommendation

To achieve the objective of touching lives at the local level, Local Governments must make adequate planning and also ensure that such plans are effectively implemented. Development projects all over the world originate from quality government plans. The development projects especially at the local level where they are needed most are fundamental towards improving the quality of life of the citizens. In the Nigerian context however, it is no longer story that funds purposely meant for capital development continue to disappear due to corruption and lack of fiscal discipline on the part of the personnel in positions of authority. In recent years, however, State Governments also act as a big stumbling block to the realization of the development projects at the local level as they fail to release full allocations of the local governments from the federation account in the name of joint account. The little amount allocated is however mis-handled. This limits the extent to which Local Governments can have positive impact on the lives of the local populace.

To address the identified plan implementation challenges towards ensuring effective plan implementation at local level, the research recommends the followings: Local Governments should as a matter of utmost importance address the issue of deficiencies in plan implementation and lack of political will by tackling the issue of corruption. This is because corruption is among the major issues that led to deficiencies in plan implementation. Many staff especially at local government level loots public treasury and go free. This manifested due to lack political will on the part of the government to deal with unscrupulous elements. This scenario should be completely stopped. All those who misappropriate public funds should be made to face the law irrespective of their affiliation or status in the society.

As a pre-requisite to effective plan formulation and implementation, Local Governments should try as much as possible to obtain and preserve accurate and reliable data on certain socio-economic variables that can influence changes in people's living conditions. Accurate and reliable data would assist immensely in proper planning and effective implementation of development projects. Local Governments should strengthen its bureaucratic capacity with emphasis on merit recruitment so that professional and qualified personnel can be employed who can effectively and efficiently manage the planning and implementation processes. In essence, the right caliber of personnel should not only be employed, but they should be made to undergo series of training from time to time so as to acquaint them with modern techniques of planning and budgeting as well as how to effectively manage and implement development projects. Government should ensure adequate disbursement of financial resources to the Local Governments. They should also ensure judicious utilization of the funds. Within this context however, the local government personnel charged with plan implementation should be effectively trained. This will enable them have fiscal discipline, because most of the embezzlements and misappropriation of government funds emanates from lack of fiscal discipline and lack of abiding by ethics of the profession.

Limitations of the Study

It is a well-known fact that no research is without some limitations. The conceptual nature of this research is its limitation. Empirical studies normally explore more on the subject matter. Future research should therefore consider conducting empirical research (qualitative,



quantitative or mix-mode) in order to get the actual information and facts from those involved in planning as well as implementation of planning at the local level. Future researches should as well covering either the whole country or select at least two states from each of the six geo-political zones in the country so that generalization could be made.

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INHABITANTS' ATTITUDE TO ENVIRONMENTAL EDUCATION AND MANAGEMENT THROUGH RADIO JINGLES IN BENIN METROPOLIS

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Abstract

Radio jingles is one of the many ways to inform, educate and enlighten people on various social issues. Government, non-governmental and corporate bodies adopt radio jingles for the promotion of products, service and ideas. However, attention has not been drawn to environmental education and management. This study examines inhabitants' attitudes to environmental education and management through radio jingles in Benin metropolis under Oredo Local Government Area of Edo state. The study was anchored on the theory of value change, which explains that attitude towards the environment should be predicated on a person's value of life and beliefs. In order to ascertain inhabitants' attitudes to environmental jingles, questionnaire was used as instrument for data collection. The sample size of was 384 adopted, however, 377 copies were retrieved. The environmental education and management through radio jingles specifically focused on indiscriminate solid waste disposal, stagnant waters on gutters, uncontrollable bush burning, oil spills, floods and tree falling. Results showed that while there are radio jingles on environmental education and management, indiscriminate solid waste disposal was the most jingled. The overall result showed that there were poor radio jingles on environmental education and management. Reasons were based on dearth of sponsorship and dearth of environmental-social responsibility on the part of the mass media. Sponsorship and environmental-social responsibility were therefore recommended.

Keywords: Attitude; Environmental Education and Management; Inhabitants; Radio Jingles/Messages

1. Introduction

The need to educate people, protect and manage natural resources through environmental education has been accepted in many countries as a global necessity. In the past, environmental problems were considered as technical and economic problems; but in the recent times, the social dimensions of environmental problems such as public attention and people's attitudes towards environment have become one of the areas of environmental education, environmental sociology and environmental psychology (Kalantari & Asadi, 2009).

Environmental education through the mass media is very essential for attitudinal change in the area of environmental management. Santra (2011) says environmental education deals with the knowledge, values, attitude, change and participation in finding solutions to environmental problems. Environmental education leads to positive changes in attitudes, commitments and civic actions, ethical values and responsibilities with respect to the protection and improvement



of the environment with due consideration given to future generations (Santra, 2011). On the other hand, poor environmental education leads to health related problems.

Health related problems are directly related to poor environmental education and management. Perhaps, high level of poverty, illiteracy and poor enlightenment campaigns on environmental responsible behaviour in Nigeria could be linked to poor environmental education and management. Generally, environmental education had not been given the adequate campaigns in mass media except on global climate change. In addition, the average masses are often more interested in 'stomach-infrastructure' and other issues related to their daily survival than environmental management. This lack of interest and awareness on environmental education and management often lead to irresponsible environmental behaviour which in turn breeds more environmental problems. Environmental problems lead to high risk health related illness namely: lasar fever, typhoid, cholera, river blindness and guinea worm. Babalola, Babalola and Okhale (2010) noted that the major public health problems associated with poor environmental sanitation and exposure to communicable diseases is poor personal hygiene compounded by malnutrition which reduces resistance to diseases especially among vulnerable groups like children, pregnant women and nursing mothers and the aged.

Scholars in the fields of health and social environmental studies have advocated for mass media enlightenment campaigns on environmental management for behavioural change. However, the adoption of radio jingles for public environmental education and management have not been sufficiently researched upon in Nigeria. Nonetheless, studies on radio jingle for environmental and health related campaigns exist (Akpoghiran, 2014). There are studies to show that public environmental education through radio jingles is significant for fostering awareness about socio-political and ecological value and attitude to improve the environment, provision of opportunities to acquire the knowledge, and the creation of new patterns of behaviour of individuals towards the environment (Ibimilua, 2015). Radio jingle had been found to be significant for environmental education campaigns (Olusola, 2007). Olusola (2007) for instance, had examined the adoption of indigenous language in environmental campaign using Radio Lagos 107.5 FM as a reference point. His study revealed that indigenous language is significant for environmental communication, because it gives good understanding and better meaning of radio messages for the listeners.

The nature and characteristics of radio perhaps, explains why radio jingles have been adopted by individuals, governments, profit organisations and non-profit organisations as strategy for Public Environmental Education (PEE) on health and environmental related issues. Environmental education through media enlightenment campaigns namely radio, as Ibimilua (2015) sees it, is aimed at increasing public knowledge and awareness about environmental issues and to provide opinions or the skills to make rational decisions and implement actions in the environment.

Nonetheless, there are numerous studies on environmental and health related issues. However, in broader perspective, this study intends to add to the existing studies or knowledge on environmental communication, but specifically, it seeks to: determine the existence of radio jingles or messages on environmental management in radio stations in Benin City; and ascertain whether radio jingles have enhanced inhabitants' attitude towards environmental management.



Conceptually, the scope of the study is inhabitants' attitude to environmental education and management through radio jingles. Geographically, Benin metropolis was adopted because the city has more radio stations when compared to neighbouring states like Delta and Bayelsa. Demographically, it was limited to inhabitants' from eighteen (18) years who reside in Benin City, the capital of Edo State.

2. Literature Review

Environmental Education (EE) is a life-long learning process. This is why Ibimilua (2015) believes that environmental education is a useful tool for the enhancement of good quality of life. It is a major instrument for the achievement of sustainable development. It is on this note that Anil and Arnab (2014) see environmental education as the transfer of knowledge and skills about the environment and its allied problems. It is the people's education which holds the key to environmental management and good quality of life. To Aina (1990), environmental education is that which aims at developing a world population that is aware of and concerned about the environment and its associated problems, and which has the knowledge, skills, attitudes and motivations collectively directed towards the solution of current problems and the prevention of new ones. In this wise, environmental education, is aimed at creating awareness for environmental behaviour or management. It is therefore environmental concerned (Aina, 1990; Anil & Arnab, 2014, as cited in Ibimilua, 2015).

There are possible ways to promote environmental education. The promotion of environmental education, as Ibimulia (2015) noted include trainings, public campaigns, open forum public meetings, indigenous education, radio jingles, visual displays, discussions and citizen participation in planning as well as the mass media. Also, curricular of schools and colleges are included. The social media platforms are very crucial for the promotion of environmental education especially in this age of the social media.

Radio stations are capable of transmitting signals within and beyond its immediate locations, and as such, capable of "shaping social norms and values, influence people's decisions in manners that promote a more environmentally sustainable society" (Nwabueze, 2007). In a study of environmental conservation and management, Ojo and Kadri (2001) found that media houses in Oyo state took to putting slogans, jingles and publishing articles on environmental management. Their study showed that environmental illiteracy and ignorance on the part of the people was high. In an appraisal of the contributions of the print and electronic media to environmental education and consciousness; Agbola, Olurin and Mabawonku (2007) found that the mass media are of limited relevance to city residents in their perception, knowledge and finding solution to their environmental problems in Ibadan.

A study had showed that environmental awareness relates to the recognition by the public on environmental issues and values, and the implications they have in relation to economic issues and social standards of living (Chaineux & Charlier, 1999) while Wood (1994) believes that environmental awareness is best produced and developed by personal exploration and discovery of people's surroundings. In his study, Talero (2014) argues that public environmental awareness and participation is vital to the goal of achieving a sustainable future. Allen (2001) had shown that public environmental education and applied communications are the key tools for expansion and effective delivery of awareness campaigns to different types of audiences.



Allen believes that campaigns and programmes should be designed in a sustainable way to assist target groups with the acquisition of knowledge, skills, and attitudes that are necessary to solve actual and local environmental problems (Wood, 1994; Chaineux& Charlier, 1999; Allen, 2001, as cited in Talero, 2014).

Attitude towards environmental management can be influenced through consistent environment education from the mass media. Environmental behaviour is as a result of consistent awareness and knowledge put into practice. Environmental attitude determines the level of environmental management. In their study; Kaiser, Woffing and Fuhrer (1991) believe that environmental attitude is a powerful predictor of ecological behaviour.

All the studies imply that environmental jingles aimed at improving environmental attitude and management.

Theoretical Framework

The value change theory was drawn from Dewey's theory of valuation in 1903 by different scholars and theorists like Debreu in 1972, Detmer in 1988 and others writers like Max Weber, Talcott Parsons and Jurgen Habermas depending on their fields. This theory states that rather than simply inform people about the harmful or beneficial effects of certain kinds of behaviour, methods based on value change theory challenge the people to test their own values against others, which are presumed to be socially more acceptable. Value change theory examines how, why and to what degree human value things whether the object or subject. It is concerned with personal values which are popularly held by a community and how those values might change under particular conditions. The postulation is that since values underlie attitudes, which in turn underlie behaviour, it is assumed that a change in value will lead to corresponding changes in attitude and behaviour. Importantly, the individual has to have clear information on the ranking of his present value. Harmful attitudes of individual to the environment do not add value to the environment but could be seen as value-action gap, rather a gap in environmental management. Generally, it is the difference between what people say and what they do, in this case, environmental management.

The application or justification of this theory to the study is that attitudinal change and value for the worth of the environment will definitely lead to a better environmental behaviour. The extent of value we placed on environment determines our attitude to environmental management. Our attitude to the environment is measured by the value we hold about the environment. The theory is more of moral and natural values. Therefore, we should direct our moral and natural values to the environment. Inhabitants should adopt actions and values that are in conformity with environmental values, and avoid actions that are harmful to the environment. In other words, self-consciousness for the worth of the environment is the first step towards environmental management. Enlightenment campaigns on solid waste management of the broadcast media can help to change people's values or promote environmental values. In other words, consistent environmental jingles on radio are capable of changing people's values towards the environment. This is where the functions of the broadcast media in terms of information and education are imperative. The broadcast media for example, are expected to inform or educate the general public of their behaviours that may be harmful to the environment. The value change theory can be applied to issues on attitudinal change. The value for the worth of the environment will definitely lead to a better environmental behaviour.



Our moral values should be directed towards environmental management especially in the area of solid waste.

3. Methodology

Data were collected through primary and secondary sources. The primary source of data collected was through the administration of questionnaire to targeted respondents while the secondary source of materials were books and academic journals consulted. The population of the study was Benin City. The population of Benin City as at the 2006 National Population Census was 1, 495,800. This was according to the National Bureau of Statistics but by projection of 2.3 growth rate, the population in 2019 is 1,749,316. The areas that make up parts of Benin metropolis were Aduwawa; Ekenwa; G.R.A; Ikpoba hill; Oko/Airport road; Ugbowo; and Upper Sakpoba area. The respondents were inhabitants drawn from these areas listed above. The demographic population was limited to respondents from the age of eighteen (18) years who lives in these areas listed above, and who received programmes from radio stations in Benin metropolis through their radio sets or mobile phones.

The reason for adopting Benin City in Edo state is that it has a lot of radio stations among the south-south states. Some of the radio stations in the metropolis for example but not limited are: Bronze FM (of FRCN); Edo Broadcasting Service (Radio); Independent Radio; KU FM 92.7; Raypower FM; Rhythm(Silverbird) FM 93.7; Speed FM 96.9; Vibes FM 97.3. There were eight (8) radio stations as at the time of the study. In order to determine the sample size for the study, the Krejcie Robert and Morgan Daryle sample size was adopted. The sample size was developed in 1970. It has been used by many researchers over the years. For example, if the population ('N') is 270 the sample size ('S') is 159. Even if the population is above a hundred thousand (100,000) to a million or millions, the sample size remains 384. Therefore, three hundred and eighty four (384) was the sample size for the study. Seven (7) research assistants who lives in Benin City and know these areas very well were purposively selected as Research Assistants for the administration of the questionnaire. The purposive sampling technique was used. The instrument for data collection was purposively administered to adult respondents.

Items considered for environmental education and management aired as radio jingles or message within the frame of this study were: Indiscriminate solid waste disposal, stagnant waters on gutters, uncontrollable bush burning, oil spills in the Delta, floods, and tree falling

The questionnaire was the instrument for data collection from the targeted respondents in those areas listed above. The copies of the questionnaire (384) were equally shared among the 7 Research Assistants, 54 each, except the Research Assistant assigned to the University of Benin, Ugbowo campus, who had 60 copies of the questionnaire. This was because of the huge numbers of students. The questionnaire has both open-ended and closed-ended questions. It also has two options scale and Likert scale. The copies (384) of the questionnaire were administered to adult respondents who live in Benin City.

4. Results

The three hundred and eighty four (384) sample size for the study was administered but three hundred and seventy-seven (377) copies were returned. This represented 98.2%. The data collected through the questionnaire were pooled and analysed using descriptive statistics of frequency counts, percentage, mean and standard deviation.



The sample size returned (377) consisted of 148 of the respondents representing 39.2% males and 229 of the respondents representing 60.7% females. In the age ranges, ages between 18-24 were 102 (27.1%) respondents, between 25-34 were 136 (36.1%), those between 35-44 were 77 (20.4%) respondents, and those from 45 above were 62 (16.4%) respondents. There were 253 respondents representing 67.1% that were singles and 124 representing 32.8% that were married. The data also showed that there were 254 (67.4%) students while 123 respondents representing 32.6% were in other occupations namely traders; teachers; artisans; health workers as indicated in the retrieved questionnaire. On educational level, 291 (77.2%) of the respondents had higher education while 86 (22.8%) had primary education.

Table 1: Determination of Radio Jingles on Environmental Management

S/N	Questions	Options			Total
		Sure	Not sure	Not at all	
1.	Do you listen to any radio station services?	253 (67.1%)	98 (25.9%)	26 (6.89%)	377 (100%)
2.	Have you heard of any environmental message on radio?	281 (74.5%)	71 (18.8%)	25 (6.63)	377 (100%)
3.	Had there been radio jingles on environmental education and management on the station you listened to?	188 (49.8%)	175 (46.4%)	14 (3.71%)	377 (100%)
4.	Does the radio jingle come on air often?	Often (5.57%)	Not often 263 (69.7%)	93 (24.6%)	377 (100%)
5.	Do you consider radio jingles effective for environmental management?	291 (77.1%)	72 (19.09%)	14 (3.71%)	377 (100%)
6.	Rate the level of environmental jingles on radio stations in Benin?	Good 35 (9.28%)	Fair/Average 273 (72.4%)	Poor 69 (18.3%)	377 (100%)
7.	How had your response or attitude to environmental management through radio jingles been?	Good 22 (5.83%)	Fair/Average 87 (23.1%)	Poor 268 (71.1%)	377 (100%)

Author's field work, 2017

Table 2: Aspect of Environmental Message Respondents' Have Heard on Radio

S/N	Categories	Frequency	Percentage
8.	Problem of solid waste management	93	24.6%
9.	Oil spills in lands, farmlands and waters in the Delta	31	8.2%
10.	Floods caused by gutters filled with dirt	201	53.3%
11.	Tree falling	52	13.7%
Total		377	100%



Figure 1: Aspect of Environmental Message Respondents' Have Heard on Radio

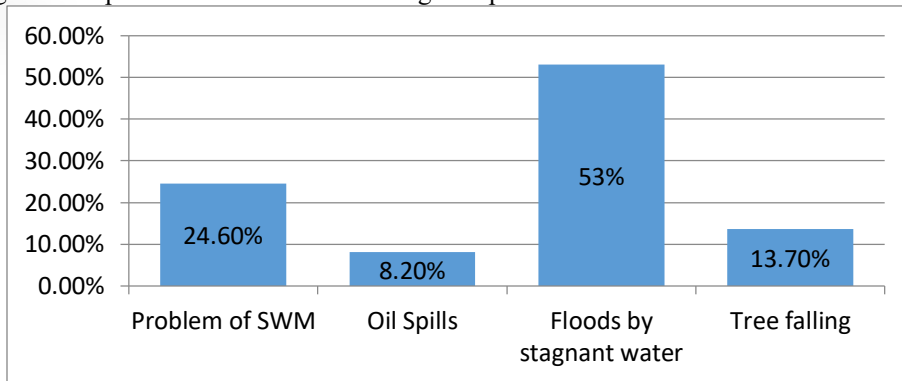


Table 3: Most Frequent Aspect of Environmental Message Respondents' Have Heard as Radio Jingles

S/N	Categories	Frequency	Percentage
8.	Problem of solid waste management	193	51.6%
9.	Oil spills in lands, farmlands and waters in the Delta	59	15.6%
10.	Floods caused by gutters filled with dirt	113	29.9%
11.	Tree falling	12	3.18%
Total		377	100%

Figure 2: Most Frequent Aspect of Environmental Message Respondents' Have Heard as Radio Jingles

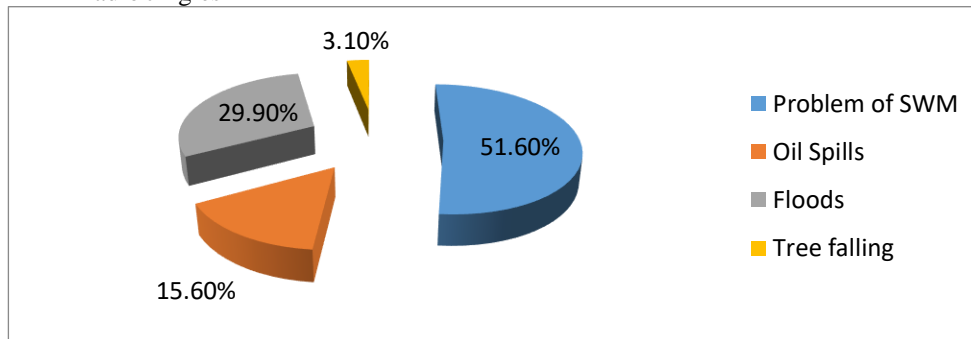




Table 4: Respondents' Attitudes to environmental management through radio jingles on how respondents Perceive Inhabitants' Attitudes to Environmental Management through Radio Jingles. Had their Response/Attitude Been.....?

S/N	Items	Yes	No
a.	Encouraging to environmental issues	276 (73.2%)	101 (26.7%)
b.	Proactive to environmental management	80 (21.2%)	297 (78.7%)
c.	Environmentally responsible	239 (63.3%)	138 (36.6%)
d.	Very poor	281 (74.5%)	96 (25.4%)
e.	Too busy with other important things in life	298 (79.0%)	79 (20.9%)

Figure 3: Respondents' Attitudes to environmental management

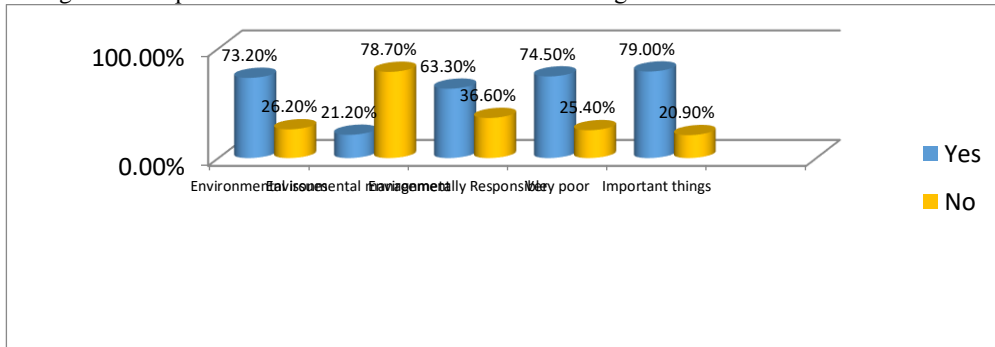


Table 5: Assessment of Respondents' Level of Worries about Environmental Problems on Radio Jingles

S/N	Rate how much you are worried about environmental problems you heard on radio jingles?	Very worried	Worried	Not so worried	Not worried at all
a.	Indiscriminate solid waste dumping	61.8%	38.1%	0	0
b.	Stagnant waters on gutters causing mosquitoes	79.8%	20.1%	0	0
c.	Uncontrollable bush burning	18.8%	23.8%	56.4%	0.79%
d.	Oil spills on waters and farmlands	77.1%	22.8%	0	0
e.	Floods	72.9%	27.1%	0	0
f.	Indiscriminate and unauthorized falling of trees	0	30.7%	69.2%	0



Table 6: No: 14: Attitude of Respondents to Environmental Radio Jingles/Messages

S/N	Items	SA	A	UD	D	SD	Mean	STD
1.	Environmental radio jingles/messages are not effective for the promotion of environmental education and management.	12	71	3	201	90	2.24	0.76
2.	Consistent environmental radio jingles can bring about responsible environmental behaviour.	213	94	5	41	24	4.14	-1.14
3.	Environmental radio jingles in this radio station have been inadequate for environmental education and management.	81	288	8	0	0	4.19	-1.19
4.	My perceptions of environmental issues have improved as a result of environmental campaigns on radio.	77	103	13	98	86	2.96	0.04
5.	Environmental jingles and campaigns on radio have not made impact on me.	21	49	5	111	191	1.93	1.07

Mean and standard deviation analyses at 3.00 and 0.50 respectively.

Source: Author's field work (2017)

Discussion of Findings

There are possible ways to promote environmental education. One of such ways is the strategy of radio jingles, which help to enlighten, educate and inform listeners on environmental and health management. As to radio stations that have aired campaigns/messages on environmental management, respondents who filled the unstructured questionnaire indicated that only four (4) stations have jingle or message on environmental education. They were Edo Broadcasting Service (Radio); Bronze FM; Independent Radio and Speed FM. Speed. This finding corresponded with that of Ojo and Kadri (2001) that media houses in Oyo state were engaged in environmental slogans and jingles. Aspects of environmental message campaigned on were: regular cleaning of market places by traders and flood in residential houses caused by stagnant waters filled with dirt. Regular cleaning of market places by traders is a weekly environmental exercise imposed by the Edo State Government as a policy to clean market places and shops every Monday. Speed FM, Edo Broadcasting Service (Radio arm) and Independent Radio carry out a weekly campaign on solid waste management. Speed FM runs a daily reminder to their listeners on their news bulletin to clean their environment. There is also a drama jingle by Speed FM on the need by inhabitants to clear their gutters to prevent flood in residential houses caused by stagnant waters filled with dirt. This was during the rainy season between August to September, 2018 while campaigns on weekly cleaning of market places and shops have been a regular reminder on air for some years.

The above findings provided answer to objective 1 of the study which was to determine the existence of radio jingles or messages on environmental management in Benin City. By implication, environmental jingle on radio in Benin had been on the average scale. This finding



was in conformity with the result obtained in item 6 of Table 1 where 72.4% of the respondents rated environmental radio campaigns in Benin City as average.

Results from the data collected and analysed in Table 1, using percentage analysis showed that 74.5% of the respondents have heard of environmental message on radio. In line with this, Banjo, Adebambo and Dairo (2009) result on inhabitants' perception on domestic waste disposal in Ijebu Ode, Southwest Nigeria, showed that radio and television were the most available (93% and 96% respectively), the most easily accessed (70% and 73% respectively) and the most effective sources of environmental information (61% and 64% respectively). Their study showed the effectiveness of the mass media, particularly the radio and television in creating awareness about public health and environmental issues. Though, no specific radio station was stated, 49.8% of the respondents were in the affirmative that there been radio jingles on environmental education and management on the station they listened to. Talero (2004) had observed that the lack of adequate environmental knowledge had been a big obstacle towards achieving a sustainable future for humankind at both global and local scales. Talero believes that proper media education and awareness campaigns regarding the importance of environmental health were vital to enhance the protection and well use of natural resources, and to reach a sustainable future in any community. This means that radio jingles on environmental education and management have been aired. How often the message came on air within the period of study was asked. The answer to this showed 69.7% of the respondents indicated that environmental radio jingles do not come on air often. Reasons for this could be dearth of sponsorship and the lack of interest by the appropriate authorities. These reasons were obtained orally from some of the respondents by the Research Assistants.

The effectiveness of radio jingles for environmental education and management was ascertained. 77.1% of the respondents considered radio jingles as effective for environmental management. This 'effectiveness' was not attitudinal change of respondents but the level they appreciated environmental jingles. This implies why 72.4% of the respondents rated environmental jingles on radio stations in Benin City as average. However, respondents' response or attitude towards environmental education and management through radio jingles and messages as the study showed was poor. 71.1% of the respondents responded to this. This simply means that inhabitants' attitude towards environmental management through radio jingles was poor and not encouraging to environmental management. This result corresponds with the result in Table 4, where 74.5% of the respondents were honest to admit that their attitudes towards environmental management through radio jingles have been very poor.

Aspect of environmental message respondents' have heard on radio jingles (flood, solid waste, oil spills etc) and the most aired aspect were obtained. As shown in the study, 53.3% of the respondents indicated flood as the aspect of environmental message they have heard on radio. Flooding was not only as a result of torrential rainfall but mainly as a result of stagnant water in drainage channels filled with dirt, and the lack of urban planning among other human factors. In the same vein, problem of solid waste management was the most frequent aired on radio in the radio stations under the period studied. The result to this was affirmed by 51.6% of the respondents. It is taken therefore, that solid waste problem and flood were the most aired environmental jingles on radio, and as such, most discussed environmental issues on air and most concerned or worried environmental issues by the inhabitants.



Environmental problems are worrisome issues in the local, national and global environmental. Inhabitants' level of worries about environmental problems heard on radio as jingles were ascertained. Respondents' were asked to rate the extent they were worried about environmental problem. As obtained from the data, 61.8% of the respondents' indicated that they were very worried about solid waste management. It implies that indiscriminate and unapproved places for solid waste dumping worried majority of the respondents. Stagnant waters on gutters breed mosquitoes and other diseases. This explains why 79.8% of the respondents were very worried about stagnant waters on gutters. Also, data obtained showed that 77.1% of the respondents were very worried about oil spillage. Flood problems are caused by poor drainage system and wrong urban planning. Data analysed on this showed that 72.9% of the respondents were very worried about flood problem. This affirms that flood problems were not just caused by heavy rainfall but poor urban planning.

Respondents' attitudes to environmental radio jingles were also determined through Likert scaling method where mean and standard deviation were used to analysed the data. This was shown in Table 6. The mean-point or point of decision (acceptance or rejection) was 3.00 while at the point of standard deviation was 0.50. Using mean-point analysis, at the mean-point at $2.24 < 3.00$, respondents' disagreed to the statement posed that environmental radio jingles were not effective for the promotion of environmental education and management. This implies that radio jingles were effective for the promotion of environmental education and management. At a mean-point at $4.14 > 3.00$, it was affirmed that consistent environmental radio jingles can bring about responsible environmental behaviour. However, respondents' in item 3 of the same Table 6, result showed that environmental radio jingles in many radio stations in Benin City have been inadequate for environmental education and management. The mean-point for this was $4.19 > 3.00$. Many radio stations as a matter of environmental-social responsibility do not carry out campaigns on environmental management without sponsorship or paid announcements. There were therefore, poor green campaigns by broadcast stations in Nigeria. This also could be responsible for the poor public attitude to environmental awareness and management.

The above results provided answer to objective 2 of the study which was to ascertain whether radio jingles/messages have enhanced inhabitants' attitude towards environmental management. The result presented implies that environmental messages on radio have not enhanced inhabitants' attitude towards environmental management as a result poor environmental campaigns on radio. This also explains why at the mean-point of 2.96, respondents' perceptions of environmental issues have not improved as a result of poor environmental campaigns on radio, and by implication, environmental jingles and campaigns on radio stations have not made impact on inhabitants (*Mean* $1.93 < 3.00$). This shows that radio station's message on environmental management whether solid waste management; oil spills in lands, farmlands and waters have been inconsistent, and the import of this is poor attitude to environmental management.

In the light of this study, the theory (value change) adopted for the study is in line with the findings of the study. Attitudes towards the environment are contingent upon the value we attach to the environment. The study showed inhabitants' poor attitude or response to environmental education or management through radio jingles or messages are as a result of 'value-lost' or 'value-gap', which means that, there is a big gap between our values/attitude and



the environment. Radio stations for example, have the responsibility to inform and educate the public of the behaviours that may be harmful to the environment, and enlighten them on behavioural change or beneficial effects. Radio stations' campaigns on solid waste management, floods management, tree preservation or oil spillage control can come in the forms of radio jingles, television commercials in the main news bulletin, radio commentary, special report and so on. For example, a specific period can be devoted as advocacy campaigns on environmental management on various issues. The essence of environmental communication is for behavioural or attitudinal change. A value in the environment will lead to corresponding changes in attitude and behaviour. In all, the findings imply that environmental communication is very imperative for environmental management.

5. Conclusion and Recommendation

Radio jingles are ways of informing, educating people of available products, services or ideas or as a social campaign. However, as shown in the study, radio jingles have not been directed towards environmental education and management. This study examines inhabitants' attitude to environmental education and management through radio jingles using eight radio stations in Benin metropolis in Oredo Local Government Area of Edo state. The central objectives were to determine whether radio jingles have been directed towards environmental education and management. Questionnaire was used as instrument for data collection. Results showed that only few stations in the study area, Benin City have radio jingles on environmental education, and this comes occasionally. Environmental radio jingles have been very poor especially in the areas of solid waste, oil spills, floods, cleaning of gutters. The poor radio campaigns on environmental education are insufficient and inadequate for environmental management or responsible environmental behaviour. The implication of the findings is that many Nigerians have not attached values to environmental management.

It is recommended that there should be regular radio jingles on environmental education and management by government at all levels. Individuals, group of individuals and corporate organizations should sponsored environmental jingles. The telecommunication service providers like MTN, GLO, AIRTEL and 9MOBILE and other telecommunication service providers should use their SMS to carry out environmental education and management campaigns. Environmental-social responsibility is therefore recommended. Individual should inculcate right environmental attitude always.

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THE IMPACT OF SOCIAL MEDIA NETWORKS ON INSECURITY IN NIGERIA

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Abstract

Social media relates to the technology and platforms that enable the interactive web's content creation, collaboration and exchange by participants and the public which is an open electronic communication networks that connects diverse people through online platforms, allowing them to exchange thoughts and ideas. The problem of insecurity is a global phenomenon as it is one of the major issues of concern that is attracting global attention and is fast threatening the corporate existence of many nations where mass media has become a very potent tool in the hand of the government, the general public as well as the perpetrators of violence to get across to the public with the social media networks now taking a lead. The objective of this study was to examine the impact of social media networks on insecurity in Nigeria. A sample size of one hundred and ninety six (196) respondents was drawn from staff and students of Delta State Polytechnic, Ogwashi-Uku. Data were generated through questionnaire and analyzed with Likert five point scale and simple percentage. Result show that majority of the respondents claim that social media have in no small way contributed to insecurity in Nigeria. This is perhaps because everyone is free to post information in the social media such as facebook, twitter, WhatsApp, instagram, etc, without any form of censorship. It was concluded that facebook and WhatsApp networks contributed more to national insecurity. It was recommended amongst others that there should be an encompassing national legislations (laws guiding the use of social media) that would attract strong sanctions on violators.

Keywords: Social Media, Insecurity, Networks, Communication, Internet, Platform

1. Introduction

The mass media generally have a very important role to play in modern society as basic channels of communication. Thus, members of the public rely on them not only as the main sources of information, but also the basis on which they form their opinion on events that take place in the society. With the advent of new technologies, the World has changed from analogue to digital and this has brought about change in every facet of our lives (Asemah, 2011).

Social media relates to the technology and platforms that enable the interactive web's content creation, collaboration and exchange by participants and the public. It is the horizontal system of open electronic communication networks that connects diverse people through online platforms, allowing them to exchange thoughts and ideas. Dewing (2012) as cited in Nnoruka (2017) notes that social media are wide range of internet based and mobile services that allow users to participate in online exchanges, contribute user-created content, or join online communities. He further noted that the kind of internet services commonly associated with social media which is sometimes referred to as web 2.0 are, Blogs, Wikis, Facebook, LinkedIn,



Twitter, WhatsApp, You Tube, 2go, Instagram, etc. They are web-base technologies, desktop computers and mobile technologies (e.g., smartphones and tablet computers) to create highly interactive platforms through which individuals, communities and organizations can share, co-create, discuss, and modify user-generated content or pre-made content posted online. They introduce substantial and pervasive changes to communication between businesses, organizations, communities and individuals. According to social media statistics, there are now about 3.2 billion users around the World. That is about 42% of World total population (Smith, 2019). Social media changes the way individuals and large organizations communicate.

The problem of insecurity is a global phenomenon. Insecurity is one of the major issues of concern that is attracting global attention and is fast threatening the corporate existence of many nations across the World. Since the September 11, 2001 terrorist attack on the World Trade Center and Pentagon in the United States of America, insecurity has been on the increase globally. In the African region, many countries have been engulfed with one security issue or the other. In Nigeria, the issue of boko haram, kidnapping, robbery, banditry, secession, hacking of bank accounts, etc, have in recent time constituted strong threat to national security (Nnoruka, 2017).

In Nigeria, over 87.37 per cent of social media activities are conducted on facebook. The National Communications Commission (NCC) attributes 74 per cent of this traffic 32,513,261 young Nigerians who use mobile devices. This new media eliminates the gate keeping mechanism of traditional media, which has allowed a large number of youth the freedom to communicate anonymously thereby resulting to direct hate filled comments to other Nigerians. Such actions generate and fuel hatred, which then leads to acts of individual and collective violence which pose significant threats to national security. Accordingly, the Nigeria Government adopted measures, including establishing the Nigeria Internet Registration Association and other organizations which censor content deemed offensive to the Nigerian community. Also, the National Assembly passed the Prohibition of Frivolous Petitions and Other Related Matters Act 2017, which was popularly termed the “social media bill” that aims to censor aspects of conduct on social media . These steps have failed to curtail hate speech, incitement to violence, and other criminal activities conducted over social media in Nigeria (The Nation Newspaper, 5th October, 2018)

As the insecurity situation continues unabated, the mass media has become a very potent tool in the hand of the government, the general public as well as the perpetrators of violence to get across to the public with the social media networks now taking a lead. The universality and limited restrictions of the cyber world have made a lot of people embrace it as a means of reaching out to the public in various ways. In Nigeria most people especially the youths are hooked to various social networks such as Facebook, Twitter, and 247 ureports.com, 2go, YouTube, WhatsApp, Instagram, etc. According to Professor Ben Ayade, the executive governor of Cross River State, “we won’t have the kind of peace we have now in the next 20 years if social media is allowed to destroy our country, and our value as those who publish horrible pictures should go to jail because animals are becoming more humans while humans are becoming more animalistic”(The Punch Newspaper, 15th November, 2019)



This research is anchored on the following objectives to ascertain whether social media have contributed to insecurity in Nigeria, to find out the social media network that has contributed more to insecurity in Nigeria. The following research questions were also formulated to guide the study; have social media contributed to insecurity in Nigeria? what social media network has contributed more to insecurity in Nigeria? The significance of this study is that, it is timely as it will not only contribute to the body of knowledge but also serve as a guide to government in tackling security challenges magnified by social media. From the above premise, this study focused on the impact of social media networks on insecurity in Nigeria.

2. Literature Review

Concept of Social Media

Social Media (SM) or Social Networking Sites (SNS) according to Adebayo (2012), is a kind of communication that takes place online, using some platform (website) such as Facebook, Twitter, WhatsApp, You Tube, Instagram, LinkedIn, etc, in which people can place messages and connect with others who are on the websites. These platforms usually require each participant to publish a “profile” that usually include a picture of the participant as well as any personal details that the participant want to share, thus forming an online identity that can be wholly created by the participant. The networking part of social media comes from the fact that these platforms usually involve some kind of grouping or categorization system that we all become participants connecting to many friends and followers in different ways and forming networks that range in size and scope from the very small and personal, to the vast, international and professional.

While their key technological features are consistent, the cultures that emerge around social networking sites are varied. Most sites support the maintenance of pre-existing social networks, but others help strangers connect based on shared interest, political views, or activities. With this, it is obvious that social media sites are based on interaction and communication with others (Uzorka; Obi; Umukoro; Uwegbu; &Oduh , 2015) .Social media are numerous, but for the sake of this study we gave brief overview of the different platforms and what benefits they can provide:

Facebook : It is a social networking site which allows participants to create a profile, search and receive friends request. Participants can upload profile pictures, tag pictures and comment on pictures of friends. It also gives participants the opportunity to upload and share information, either public or private. There is also room for privacy in which participants grant access to selected participants within his or her group of friends. Facebook has nearly 2.7 billion monthly active users who come from diverse backgrounds. There is also a nice balance of genders and age groups when it comes to Facebook’s user-base. This makes it a great social platform for businesses that are trying to reach a wider audience.

Instagram: Instagram is a great social media channel for brands that create a lot of visual content. Instagram’s audience tends to be on the younger side with more female users than male users. This can be a great platform for businesses selling products or services related to fashion, lifestyle, art, or other visual-focused industries.



Twitter: It is an online social network that asks participant to update their followers as to what they are doing in fewer than 140 characters. Some “twits” or choose to “tweet” many times a day to hundreds, and sometimes thousands of followers. Twitter has not less 321 million active users worldwide and tends to be where users go for news and trends. This platform is ideal for brands that want to join a conversation about trending topics in their industry.

LinkedIn: With LinkedIn, you can find, interact, and share content with people on different issues like politics, sports, business activities, etc.

YouTube: YouTube has become the second largest search engine in the world, second only to Google. You can upload your video content to this channel to help engage and connect with your audience. With unlimited video hosting, your business can post as much video content as you want and share through other channels.

Pinterest: Pinterest is another great channel for sharing image-focused content. This has become a must for consumers who are interested in DIY, crafts, home improvement, nutrition, fitness, fashion, and more. If your brand sells a product or service that lends well to imagery, then Pinterest may be worthwhile.

WhatsApp is a platform agonist. You do not need to own the same brand of phone as your call recipient or be on a specific platform- the app works with iphone, Android, and windows phones, and Mac or windows desktop or laptop computers which you can use to send or receive messages. Like any other SMS messenger you can initiate a conversation with an individual or a video chat with up to four people.

NNG: The name comes from the website Ning.Com that provides free networking space for any group of people who want to form an online community. It takes only moments to set up and then other people who have joined. Ning is like facebook in which participants create a profile and then post comments and questions to the group.

Theoretical Framework

Two theories served as theoretical framework. They are Technological Determinism Theory and the Media Equation Theory.

Technological Determinism Theory holds that changes in in communication modes largely determine the course of history. McLuhan (1962) in this theory aim at drawing attention to the strength of communication technologies, it emphasizes the dimension of information craze in the society, as a direct result of the information explosion fostered by ICTs (Asemah, 2011). It is therefore safe to assume that social, historical, economic, and cultural changes occurring in human society today are because of development of new technologies. The basic premise of technological determinism theory is that the media are extensions of the human body and that the media not only alter their environment, but the very message they convey. The media bring new perceptual habits while their technologies create new environments. Based on this theory, people tend to think, behave and act because of what they have seen or heard from the media. It means that the kind of technology we use discharges how we react to situations around us. The use of multi-media phones now determines how people behave and interact with their environment. This theory is relevant to this study as it says new media technology creates new environment. Thus, the development of any given society is driven by technology.



The Media Equation Theory as noted by Griffin (2000), was developed by Byron Reeves and Clifford Nass in 1997. The theory proposes that media are equal to real life and that electronic media in particular are being given human attributes. In most cases, people talk to computers as if they were talking to human beings. In some cases, you talk to your television as if you are discussing with human beings. That is people have personalized the media of mass communication to the extent that they are seen the same way the theory sees human beings. Thus, Griffin (ibid) notes that media equate real life. He further note that what Reeves and Nass's equate suggests is that we respond to the communication media as if they were alive. This theory suggest that that people tend to treat computers, television and the new media like real life people and places.

The practical implication of the Media Equation is that once we turn on a television or boot up a computer, we follow all the rules of interpersonal interaction that we have précised throughout life. Thus, the word interface is particularly apt when describing human media relations. This natural social response goes way beyond occasional words yelled at the television set or our frantic play for the computer to retrieve lost data. Griffin further said that Reeves and Nass maintain that the media is so basic that it applies to everyone; it applies often and it is highly consequential. The above observation obviously captures how the audience members tend to engage the media in a discussion as they do with human beings. Therefore, the relevance of this theory to this study is that people treat the media like human beings, so whatever people see via the mass media, they tend to believe because they respond to the mass media, especially computers and television, the way they respond to human beings.

Insecurity in Nigeria

Insecurity Nigeria has been a major challenge that has bedeviled both past and present administration. The Aba riot, the Zango-Kataf, the Atem-Ityo, Boko Haram and other religious crises across the nation have often threatened the corporate existence of the country. Insecurity is one of the major factors impeding development in Nigeria. Since the emergence of democratic leadership in Nigeria, the greatest challenge of governing Nigeria has been posed by this menace. The state of insecurity in Nigeria is so alarming that some crime that were unthinkable and could not be associated with the country has become the order of the day. The height of terrorism by the Boko Haram Islamic sect, incidents of kidnapping in the southeast and South- South parts of the country, including agitations by militants in the Niger Delta have become "brands" of crime that have given a negative identity to Nigeria. This is in addition to other conventional crimes - theft, arson, violent ethno-religious conflicts, etc, which the law enforcement agents battle daily. All these have contributed in creating an alarming state of insecurity in some parts of the country (Nwabueze & Ebeze, 2013). Akpan, Ering and Adeoye (2013) averred that the media as the fourth estate of the realm is susceptible to manipulation positively and otherwise, regardless of place and time, and that this is partly why media-conflict study is gaining currency globally. They further noted that the role of the media in conflict prevention, resolution and escalation is now of global concern to both peace and conflict scholars and public policy makers. The point to note is that, social media could be a threat to national security and also serve as a tool in the hands of security agencies to combat insecurity. Social media has become a very potent tool in the hand of the government, the general public as well as the perpetrators of violence to get across to the public with the social networks. The



universality and limited restrictions of the cyber world have made a lot of people embrace it as a means of reaching out to the public in various ways.

Empirical Review

The empirical review is anchored on similar researches on carried out by Joshua and Chijioko (2018), and Nsudu and Onwe (2017), on national security. The first research sought to understand how social media (SM) platforms contribute towards the security challenges in the northern and south-eastern parts of Nigeria. Participants suggest that SM contributes towards rumour attacks (106; 31.6%), hate speech (94;28.1%) and others. The finding proves that SM contribute negatively towards various rumour attacks, promote hate speech, tribal clashes, and terror attacks. These leads to high levels of insecurity and threats to lives and properties in the northern and south-eastern regions and the country at large. The study again sought to find out whether SM contributes towards the advancement of Independent People of Biafra (IPOB) activities. Result shows that 73(43.5%) of the sampled respondents believe that SM contribute towards the progression of IPOB activities and events. The study found out that SM advances the social movement and agitation of IPOB organization.

According to Nsudu and Onwe (2017), SM platforms are used by separatists to spread their propaganda. Their study sought to know whether SM information promotes positive or negative views. The study reveals that 78(46.4%) of the respondents felt IPOB was labeled a terrorist organization due to information displayed and shown on social media. Overall, the study summarizes that SM information and events can be motivating factors towards the labeling of certain organization (IPOB) as terrorist group. This implies that information and events displayed on SM could be seen as influencing factors pushing government and its security agents to proscribe and label any anti-government movement as a terrorist organization. The study further sought to know whether dedicated servers and websites are used to spread their propaganda. Result shows that they use the medium for recruitment, fund raising, and as training mechanism and other forms of cybercrime. Again, the study reveal that 104(17.2%) suggest that SM mainly facilitates propaganda, and threats of violence are suggested by 98(16.2%). The IPOB displays their activities on Facebook, Twitter, and WhatsApp. The activities of Boko Haram are displayed on different SM platforms bythe media and individuals as they get hold of this information. Overall, participants suggest that the use of SM can facilitate propaganda, threats of violence, mobilization, recruitment process, radicalization of ideology, insecurity, training, and many more. All these factors in return lead to social, economic, and political insecurity where lives and properties are endangered.

3. Methodology

This study is a combination of empirical study and literature research. The study used survey method of research. One hundred and ninety six(196) respondents were randomly drawn from five schools in Delta State Polytechnic, Ogwashi-Uku, Nigeria(School of Business Studies; School of Applied Sciences; School of Engineering; School of Arts and Design; and School of General Studies). The respondents were staff and students of the Polytechnic. The research is anchored on both primary and secondary sources of data. The primary data were generated through questionnaire administered on sampled respondents



4. Result

The data generated were analyzed and presented in tables in line with the stated objectives of the research.

Table 1: Responses on whether Social Media have contributed to Insecurity in Nigeria

Statement	SA	A	UD	D	SD	Total
Social media have contributed to the security challenges in Nigeria.	90	70	6	21	9	196
There is no link between social media and security challenges in Nigeria.	9	21	5	50	110	196
The security challenges in Nigeria and indeed the entire World would be reduced if the social media contents are regulated.	80	65	3	33	15	196
Some contents in the social media were generated to cause chaos.	91	70	0	10	19	196
People have come to accept and believe the messages in the social media and based on this, they are able to cause problem in the society.	60	87	0	40	9	196

Source: Field survey, 2019

Table 2: Responses on the Social Medial Network that has Contributed more to Insecurity in Nigeria

Social Media	Frequency	Percentage (%)
Facebook	88	45
Twitter	24	12
WhatsApp	72	37
Instagram	8	4
You tube	4	2
Total	196	100

Source: Field survey, 2019

Discussions and Findings

Majority of the respondents claim that social media have in no small way contributed to insecurity in Nigeria. This is perhaps because everyone is free to post information in the social media such as facebook, twitter, whatsApp, instagram, etc, without any form of censorship. People now practice journalism without any form of training. Individuals can post pictures that can bring about sentiments, which may in turn lead to crisis. People now use the social media network to send all sort of alarming messages without minding the consequences. This according to McQuail (2005), is because it is still difficult to find a better means of regulating the new media.

Furthermore, findings show that of the social media network, the Facebook and WhatsApp are the ones that cause insecurity more than others. Through Facebook, WhatsApp, and other social media sites, people study and learn about one another, discuss or talk about issues and methodologies and defy each other in that process. Facebook is the fastest developing social network site particularly popular with people between the age of 25 years and 55 years Worldwide. In many cases, it is just a way for people to keep in touch with one another and



exchange news and photographs. It is interesting to know that young people prefer it as a source of news and information rather than listening to radio or watching television.

5. Conclusion and Recommendations

This study appraised the effect of social media networks on insecurity in Nigeria. These new media are desperate set of communication technologies that share certain features made possible by digitalization and widely available for personal use as communication devices. The new media are not only or mainly concerned with the production and distribution of messages, but also concerned with processing, exchange and storage. Having thoroughly examined the subject matter, the study concluded that social media networks have contribution greatly to insecurity in Nigeria and that Facebook and WhatsApp networks contributed more to national insecurity.

From the findings and conclusion of the study, the researchers therefore recommended that there should be an encompassing national legislations (laws guiding the use of social media) that would attract strong sanctions on violators. The audience and users of social media should be well educated on the dangers of using social media to portray negative vices. Social media networks should be used to promote national security in Nigeria instead of using them as tools for fanning the ember of insecurity.

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**CONCEPTUALISING RESOURCE ACCESS FOR SUSTAINABLE RURAL
ENTREPRENEURSHIP AND COMPETITIVE VALUE CHAIN IN THE CONTEXT OF
NIGERIA**

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Abstract

Excerpting from the available literature on capital assets and rural entrepreneurship development in the developing countries, it is revealed that a handful of such discussions mostly capitalized on social capital as the most important asset which enabled access to resources for rural entrepreneurship development. Here, specific consideration is given to natural capital as an enabling asset for rural entrepreneurs to pull other assets together to attain competitiveness in value chain. This paper deploys the rural livelihood approach in developing a conceptual model for the analysis of rural entrepreneurship in the context of resource access and its implication for promoting competitiveness in value chain. The paper deployed the Sustainable Value Chain Analysis' approach and draws on the available literature to develop a conceptual model of five capital assets for improvement in competitive value chain while capitalizing on natural capital. The findings showed that a combined capital asset model through institutional interventions is more likely to promote value creation, creativity and increased production.

Keywords: Capital Assets, Rural Entrepreneurship, Value Chain, Natural Capital, Rural Entrepreneurs.

1. Introduction

This paper critically examines some of the available literature relating to the roles of institutions in the promotion of competitive agricultural value chain using the lens of capital assets among rural entrepreneurs in developing countries. This is not a criticism of the previous literature but rather, a development of a conceptual model that widens our understanding of rural entrepreneurship and access to capital assets, which will further shape the roles and involvement of institutions in facilitating competitive value chain using the combination of natural capital with other capitals within the context of the rural settings in Nigerian. As Hartwich, Devlin, Komawa, Bisallah, Odufote and Polycap (2010) make recommendation for value chain development in Nigeria, Herrington (2010) also make suggestions for rural entrepreneurship development in Africa, where he made assertions that interventions don't yield expected results base on how entrepreneurs present proposals and how they pull resources together. Even though, some commonly recognized models used in the analysis of capital assets give precedence to natural capital but eventually portrays social capital and financial capital as the major requirements for rural entrepreneurs since natural resources are always available and exploitable in the rural settings (Ijaiya *et al.*, 2012; Abdalla, 2013; Kristinsdottir, 2016).



In an attempt to build a suitable conceptual model that tackles competitiveness in value chain, the framework shall be linked to availability of natural resources which is the major requirement for improved agricultural activities. This paper builds on literature connected to stocks of natural resources and its usefulness to rural entrepreneurs in the quest to achieve competitiveness in value chain. Therefore, the major crux in this paper is to have a widespread understanding of the processes involved in accessing natural resources to boost value chain while combining the other capital assets such as infrastructure, funds, entrepreneurial experiences and relationships (Hartwich *et al.*, 2010; Ducastel & Anseeuw, 2017). Conceptualizing this interconnection can be beneficial in sustaining and promoting value chain and by extension supply chain management, thereby providing analysis for frameworks that can clearly show the relationship between rural entrepreneurs and natural resources.

Analyzing natural capital in a nutshell, theorizes a cohesive framework for accessing resources to enhance value chain since it is a concept that brings together the economy and environment as it is seen as the stock of renewable and nonrenewable natural resources such as soil, plants, water, air, animals, minerals that can be combined to provide benefits to people (Bebington, 1999). This framework will also provide a lead way to the understanding of the relationship between entrepreneurial activities in the rural settings which is dependent on the association between institutions and the actors in the value chain of agricultural products. Here, the capability of rural entrepreneurs shall be linked to the socio-economic relationship that allows cohesive negotiations for resources that are within the reach of entrepreneurs and the type of interventions required from various instructions. It is in this regard, that access to natural capital becomes an extremely important component of a viable model for competitive value chain.

It is evident that many studies used the sustainable livelihood approach as the base of their analysis and those analyses touched the five-capital assets namely financial capital, natural capital, human capital, physical capital and social capital. (Mancini *et al.*, 2007; Moser, 2008). While some even included the cultural capital as asset in their frameworks. Nevertheless, the spatiality of these discussions depended greatly on the geographical context of the region researchers are familiar with and for this paper the focus would be on agricultural value chain in Northern part of Nigeria. Though, this is broadly important for rural entrepreneurship and improved value chain, it shall be extended to review on discussions centered around rural entrepreneurship, value chain as well resource access. Where the debate on rural entrepreneurship has been conceivably seen to be more covertly than overtly discussed in terms of access to natural resources for improved value chain, thus extenuating that culture, tradition and policies of government are hindering factors and they have become imperative.

2. Literature Review

The Need for Access to Resources in Nigeria

In the Nigeria context, discussions on value chain in the agricultural sector were centered around access to resources, opportunity for rural entrepreneurship and exploration of improved means of livelihood (Yunusa, 1999; Olawepo, 2008). Many contributors have presented debates on the challenges of rural entrepreneurs accessing resources, some of them argued that with social capital accessing resources is possible within the rural context through social and cultural relationships (Ijaiya *et al.*, 2012). In the last two decades' research revealed that a bulk of the



discussions about rural entrepreneurship in Nigeria have been widely characterized by lack of access to resources which had great effect on the capability of rural entrepreneurs to excel and meetup with the requirements of local needs and international standards, this was discovered to be as a result of over reliance on institutional support, social arrangements and system of agriculture. While, much have been debated on the limitations of the agricultural practices obtained in the rural areas of Nigeria, how resources are being sourced remained a parameter used for understanding agricultural value chain (Hartwich *et al.*, 2010; Tersoo, 2014). The reality is that the economy of Nigeria is tied to the resources available in the rural areas and this demand has inhibited the rural entrepreneurs from having access to adequate resources. This has caused unpleasant relationship between the actors involved in value chain, buyers of products and the consumers. With this arrangement, rural entrepreneurs feel cheated in the course of selling their products at cheap rates to traders who further sells at exorbitant prices to consumers.

The bulk of stringent constraints on rural entrepreneurs' access to assets was being considered as a policy issue in Nigeria and therefore programmes such as FADAMA emerged. It was initiated between the Federal Government and International Development Organizations. Research then revealed that the entrepreneurial activities of the rural entrepreneurs were not viable and sustainable in terms of access to natural, financial and physical capitals (Afolabi, 2015). Due to the fact that they had inadequate assets for their use, it was claimed that the rural entrepreneurs could not possibly participate in competitive value chain that is capable of transforming the rural economy. Therefore, these rural entrepreneurs should not be seen as the entity that will promote competitiveness in value chain but rather, they should be given adequate support by the government and other stakeholders who have the capability to open ways of opportunities for the rural entrepreneurs. Undeniably, a review of FADAMA project in Nigeria suggests that even though there were very glaring challenges in many instances, there were also cases of changed and improved livelihood as a result of the project (Afolabi, 2015).

Changes in the Structure of Agricultural Value Chain

A significant exploration of the change in agricultural practices due to institutional interventions which provided alternative to the difficulties of accessing resources for improved livelihood has been widely discussed (Bamba *et al.*, 2010; Okoruwa, 2011). Recent developments in this area of research are the Feed the Future Nigeria Agricultural Policy Project funded by USAID in collaboration with Michigan State University (MSU) and the International Food Policy Research Institute (IFPRI). A pragmatic empirical indication from this development is the rise in innovative agricultural practices among the rural entrepreneurs which has proved successful especially as a result of the economic recession witnessed recently in Nigeria many households had embraced new agricultural practices and the rural economy has improved by 5.3% in 2016. The areas that witnessed these changes include farming and fishery. These areas were used as experiential precursor to the understanding of the feasible components of the changing agricultural system. Though this hasn't been widely studied from the available literature but some researchers suggest that changes and improvement in livelihood is becoming viable especially in the North-Central and North-West regions of Nigeria where there have been drastic intervention in the rice industry (CBN, 2016). These success have been linked to access to land, water, finance and sheared experiences.



More arguments have begun to suggest that there is transition in not only value chain but supply chain as well, as it is obtained in the relationship that exist in the rice supply chain between Kebbi State and Lagos State, Nigeria. While access to capital assets and resources for actors in the value chain had been obtained through the government institutions, traditional institutional support and actors in the private sector, external developmental interventions from the donor agencies is generally more important in providing access to information, funding, innovation, technology and standard markets (Ugalahi *et al.*, 2016; Shitu & Mohd-Nor, 2016). In the case of irrigation for instance, the intervention of government institutions and non-governmental organizations has been very important in spreading access to rural entrepreneurs at relatively low cost for entrepreneurial sustainability.

Changes in Rural Based Industries

As a result of improved access to capital assets in the rural areas, many rural firms have emerged in the past one decade; even though they are cottage-like they had paved ways for diversification in rural livelihood. The rise in garri, melon, rice milling firms in various geopolitical zones of Nigeria, for instance, reversed migration from urban to rural areas as well as participation of more people in the agricultural sector (Olowa, 2012). These have also led to improved rural income and wellbeing of the rural dwellers. The shea butter industry has also dominated the North-Central region of Nigeria, where many actors are keying into the value chain and supply chain. Recently value addition became the priority of many rural entrepreneurs and this has led to the production of high value added products especially in the shea butter industry (Shitu & Mohd-Nor, 2016). Interestingly, this has boosted the economic power of few rural entrepreneurs who have the skills compared to a large percentage of entrepreneurs in the rural areas who have no skills and cannot participate in markets that care about high value products.

Despite the constraint of every rural dweller not having direct access to capital assets, this hasn't stopped people from participating in value chain. An important characteristic of the rural economy has been the proliferation of strong entrepreneur's enterprises which allows those without businesses of their own work for other entrepreneurs. The rise in rice production in the northern part of Nigeria brought specific consideration for off farm job creation among the rural people as well as fish and garri production. By extension entrepreneurs who are not directly involved in agriculture or have special skills and trainings also benefitted, such as food vendors who were able to create jobs in both rural and urban settings (Fasoyiro & Taiwo, 2012). In some cases, rural entrepreneurs migrate from an area where they do not have access to natural resources to places where they could gain access as in the case of entrepreneurs migrating from urban areas to rural areas especially those who engage in fish business chose to move to coastal areas. These allows family members to relocate along with the entrepreneurs for improved livelihood, even though some members of the rural communities may remain in the same environment to enable access to rural markets.

Entrepreneurial Competences and Access to Resources

Bebbington (1999) argue that the competences of individuals in their choice of livelihood depend on their capabilities to utilize various capital assets especially social capital. In the work of Tuazon *et al.*, (2013), they acknowledged that human capital cannot outrightly foster aggregate growth, but rather the exploitation of natural and human capital. As it was argued in



the study conducted by (Van Rijn *et al.*, 2012) on rural livelihood and economic growth in the sub-Saharan Africa, cultural capital has been discovered to influence access and the utilization of natural capital. Tuazon *et al.*, (2013) gave an assertion that the most important factor to be considered in agricultural value chain development is the performance of actors measured by the consistency in their approach of connecting with other actors in value chain. In situations where there is straightup structure based on the relationship that exist between institutions and individual entrepreneurs then the competences of individual entrepreneurs in taking decisions for themselves shall be limited because they will have to follow due process in accessing resources. Equally, it is also agued that in situations where entrepreneurs have good relationship with institutions, social capital would play a role of easy access to utilization of natural assets.

Inversely, in situations where rural entrepreneurs have not been able to adopt innovations in the ways they pull resources together to improve their value chain practices, they may not achieve any meaningful development in value chain. The major reason for this failure appears to be their inability to preserve the natural resources as in the case of charcoal value chain which is actually destructive in nature (Schure *et al.*, 2013). Not only that, failure to recognize and exploit the right opportunities to transform all forms of capital into a viable means of livelihood is another challenge for rural entrepreneurs. In most cases, they are not able to deploy creative ways of pulling resources together to achieve competitiveness in value chain e.g. adopting new ways of production to facilitate sustainable export. A very crucial factor that promote failure in such instances is the limited ability of rural entrepreneurs' to access financial capital that can drive smooth business relationship among rural entrepreneurs, network with government institutions, non-state actors and create market linkages. In this regard, to develop a conceptual model there is a need to recognize how dependent and intertwined the various capital assets are with one another; the ways in which rural entrepreneurs take advantage of resources and utilize it; the sustainability of such assets for long term usage for the purpose of generating income, promoting economic viable communities and competitiveness in value chain.

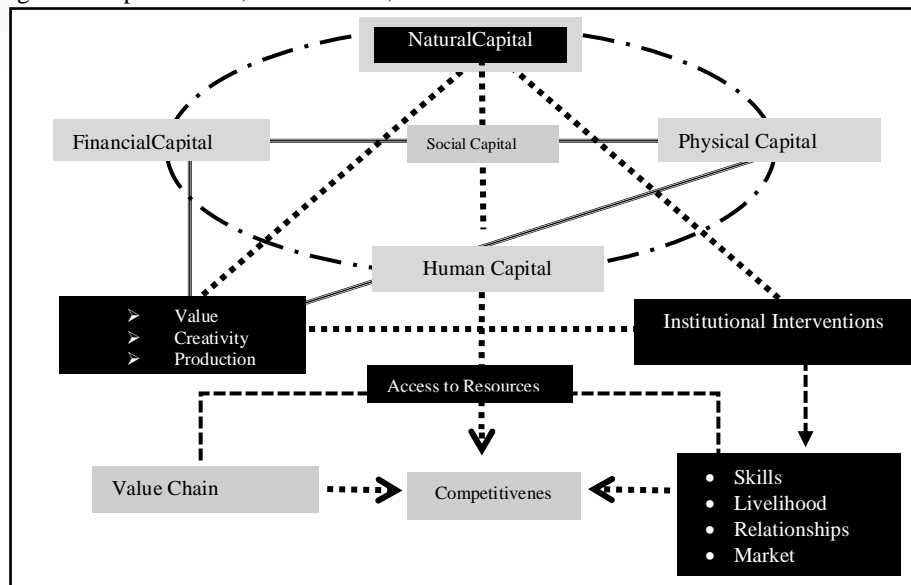
3. Methodology

The methodology is grounded on the premise of 'Sustainable Value Chain Analysis' method bounded by the assertion of Moser (2008) which proposed a multi-dimensional evaluation of resource access for sustainable rural entrepreneurship and competitive value chains together with the analysis of five capital assets which includes financial capital, natural capital, human capital, physical capital and social capital.

The model developed in Figure 1, reflects five capital assets, the relationship that exist among the capital assets as they are broadly dependent, the value to be derived from the assets and the transformation of such assets for production. The model is in two folds; one is where the intervention of institutions needs to play a role in improving skills, livelihood, relationships and access to market this will lead to competitiveness in value chain and improvement in rural entrepreneurs' livelihood as well as rural economy. The second fold reflects the channel at which access to resources and value chain processes follows to achieve competitiveness in value chain. In this regard access to resources will pull out the skills in peoples which will direct their means of livelihood and this usually depends on the relationship that exist among actors and the market forces.



Figure 1: Capital Assets, Interventions, Access



Source: Research Findings

5. Conclusion and Recommendation

This paper has provided the conceptualization of capital assets by providing evidences for the possibility of combining all capital assets with natural capital enabling other assets. With the model showing that institutional interventions are noticeably more likely to promote value creation, creativity and increased production. With this, however, it is discovered that inadequate attention given to research on cultural capital posed an unsatisfactory conclusion due to the fact that natural capital and social capital are practically inseparable and this has raised additional enquiry regarding the non-inclusion of cultural capital in the developed model.

The model proposed here draws from this important point on the practicability of the argument raised. The analysis of competitive value chain needs to be interpreted in terms of rural entrepreneurs having access to all capital assets including cultural capital. This is important for rural entrepreneurs to review how they pull the capital assets together to promote sustainable and competitive value chain that will as far as possible increase productivity; not only that, the manner at which the rural entrepreneurs are able to develop their relationship with a wider range of rural entrepreneurs by following the advice and recommendations of the government and non-governmental institutions. If adhered to, the implication will be that rural entrepreneurs will be able to organize and improve their skills to maximally harness the potentials in the capital assets and most prominently to transform indigenous knowledge into value chain competitiveness.



Within this wide-ranging model, more emphasis has been given to natural capital as an established determined value chain coordinator. This is important for certain reasons. For instance, the scope of accessing every other asset depends on the need for the natural assets that rural entrepreneurs need in order to attain competitive value chain, and then combining social capital with natural capital is very important for knowledge sharing and flow of information. Though financial capital facilitates easy access to natural capital and it is thus, a very important forerunner even though it is very scarce and very difficult to access without the support of institutions. This paper therefore combined the capital assets and analyzed their contribution to competitive value chain, what is not very clear is the mechanism for constructing the process of sustainable and competitive value chain. Therefore, further studies can dwell on this gap.

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**RETHINKING EFFECTS OF EXCESSIVE USE OF SOCIAL MEDIA
TECHNOLOGIES (SMTs) ON THE ACADEMIC PERFORMANCE OF STUDENTS: A
CASE STUDY OF DELTA STATE UNIVERSITY, ABRAKA, NIGERIA**

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Abstract

Excessive use of Social Media Technologies (SMTs) has become an issue of international concern which is giving educationists, policy makers and parents of students of tertiary institutions cause to fear that it might lead to health problems. This research assessed the effect of social media technologies on students' academic performance in the Faculty of the Social Sciences, Delta State University, Abraka. Three research questions guided the study which adopted the descriptive survey design. The sample was 480 students purposively taken from the FSS, DELSU. Uses and Gratifications, and Media Dependency theories were the anchors of the study. Frequency tabulation, simple percentages and explanation building were used to present and analyzed the data collected. Findings show that there is a positive relationship between time spent on social media platforms and academic work that has however not turned many students to social media addicts. The study also found that the nature of social media activities which the students engage in positively enhanced their academic performance. The conclusion of the study is that excessive of SMTs cannot be said to categorically lead to addiction. The study recommends that students should become more discerning users of SMTs to intellectually and effectively separate their academic lives from their social lives.

Keywords: Social media, Academic performance, Core categories and characteristics, SMTs.

1. Introduction

Vivian (2012) says "it is fair to say we now live and work in an information society. In an information society, the exchange of information is the predominant economic activity". The internet, "a high capacity global telephone network that links computers" is emerging as the delivery vehicle of choice for any kind and all media products. Vivian (2012) says the technological basis called digital, is distinctive. Messages, whether text, audio, image or a combination, are broken into millions of bits of data, The bits are transmitted one at a time over the internet, which has incredibly high capacity and speed, then reassembled for reception at the other end. A digitization revolution is in progress. Proliferation of social media technologies and the widespread adoption of these media tools have brought dramatic changes in the university environment. The use of social media has rapidly become ubiquitous among adolescents and young adults, and is now excessive among university students. Osharive (2015) avers that modern communication technology has indeed turned the world into a 'global village'. However, as it is, he adds, technology has two sides, like a coin – both the negative and the positive. Technology, especially social media help people to be better informed, enlightened, and keep abreast with world developments. Social media include; Twitter, Yahoo Messenger, Facebook, Blackberry Messenger, WhatsApp, Skype, Snap chat, Google talk, Google



Messenger and search engines like Mozilla, Explorer, Chrome Wikipedia. Agwi and Ogwueleka (2018) opine that the use of social media have exploded and evolved into online platforms where people create content, share it, bookmark it and network at a prodigious rate. They add that the prominent users of the social media are students. This may be the reason Echeburua and De Corral (2010) state that researchers have suggested that the excessive use of new technologies (especially online social networking) may be particularly addictive to young people. Mowafy (2018) agrees. She says it is not surprising that social media usage is one of the most trending activities among children, adolescents and young adults nowadays. Mowafy (2018) adds that 'it (ICTs) offers today's youth a portal for entertainment and communication and is becoming one of the main platforms for accessing information and news'. This is what Kuss & Griffiths (2011) call the individualist culture (ego centric sites) where the user is the focus of attention. In other words, users, or specifically, students get addicted to the fares of the internet. This is why scholars and commentators are debating the impact of the internet on social relationships in general and their academic performance in particular. This is because the internet-social media generates new patterns of communication, expression and motivation. This is why Tapscott (1998) described adolescents' 'lives as being characterized by media privatization in a multi-media environment. Technological determinism, according to Bimber (1994) is 'an independent force that drives social change. Vorderer (2016) says that 'aggressive adoption of social media among the younger generation could be attributed to their up to date knowledge of and comfort within the latest technology and convenient accessibility to these social media' tools. The younger generation can access social media from their smart phones or cell phones, any time any place. Obar & Wildman (2015) opine that this encourages them to use social media not only for receiving and retrieving information, but also for connecting with others online, and from being consumers and participants to 'prosumers' which means that they consume and produce media on the social media platforms. The social media phobia and craze (addiction) is becoming a trend among the University and post secondary institutions which are most vulnerable to this rapidly changing technology (Dumpit & Fernandez, 2017). This reminds one of Junco (2012) who had earlier stated that the reasons for this mass appeal of social media include social media use by university administrators, students' affairs units, and faculty members to use SMTs as means of communication between the universities and students. Selwyn (2009) had informed that most universities now have official web pages where students, professors and staff can share resources and interact. DeAndrea, Ellison, LaRose, Stanfield and Fiore (2012) support this assertion. DeAndrea *et al* (2012) say many universities have established their own social media networks in order to help students socialize and connect with faculty members, staff, and alumni primarily to establish a sense of connection and or belonging to the institution. This helps new students in facilitating the process of knowing about campus facilities, and ultimately adjusting to university life. Owusu-Acheaw and Larson (2015) reminisce and cite Boyd (2007) as saying that what started as a hobby to some computer literate people (students) has become a social norm and way of life for people all over the world. Boyd (2007) had opined that young adults have especially embraced the social media, especially SNSs, as a way to connect with their peers, share information, re invent their personalities, and showcase their social lives. The emergence of social media has given the young generation a new way to interact with one another and communicate with the world. Human communication



via social media has not only become a vogue, a way of life but has allegedly become increasingly addictive.

This study thus examines the effects of the excessive use of social media on the academic performance of students of the Faculty of the Social Sciences, Delta State University. Englander, Terregrossa, and Wang (2010) had found that social media (Internet) usage is negatively associated with academic performance. The issue arer: Do users especially the youth get addicted to the new media? What is internet or social media addiction? Hou, Xiang, Jiang, Song & Wang (2019) submit that the ubiquitous social media platforms and the easy access to the Internet bring about the potential for social media addiction. They add that social media addiction has been found to be associated with a host of emotional, relational, health, and (academic) performance problems. Talaue, Alsaad, AlRushaidan and AlHugail (2018) are of the view that when social media such as Facebook, YouTube, and Twitter, Fox Mozilla, Explorer, Google, and Wikis started, the world was divided into online and offline. Li (2010) avers that there is now a divide, which is “a generation gap between those who master and do not master digital technology. It is the assumption that children (undergraduate students) media technologies develop a wider and more substantial knowledge base on how to use them from their parents and grandparents (Aarsand, 2007).

Children may excessively use this digital and generational divide and probably become internet addicts. Starceviv (2013) says social media addiction can be viewed as one form of internet addiction where individuals exhibit a compulsion to use social media to excess. The inference is that individuals with social media addiction are often overly concerned about social media which drives their urge, uncontrollably, to log onto and use social media (Andreasen & Pallensen, 2014; Guedes, Nardi, Guimaraes, Machado,& King, 2015) corroborate this view by saying it is worth highlighting that a frequent complaint in psychiatric practices is one of the patients or even the parents worried about their children’s increase in social isolation, and worsening school performance. Li (2010) opines that supposedly, the egocentric construction of SNSs may facilitate the engagement in addictive behaviour that may thus serve as a factor that attracts people using it in a potential excessive way. Social media addiction, says About.com “is a phrase used to refer to someone spending too much time using Face book, Twitter and other social media so much so that it interferes with other aspects of daily life”. Addiction usually refers to compulsive behaviour that leads to negative effects. People feel compelled to do certain activities so often that these activities become harmful habits, which then interferes with other important activities, such as work or school.”Sakhieva, Sizova, Zakharova and Sergeeva (2017) aver that among the negative social and psychological consequences or impact the internet has had is the so called internet addiction which has been the subject of scientific debate for the past 20 years depending on the development of information technology and its availability. They argue that addictive behaviour is one of the forms of deviant behaviour, characterized by a constant desire for a pleasant subjective emotional state which is expressed in an active change in their mental state. The internet, as beneficial as it is to mankind, seems to have so much negativity that scholars have expressed misgivings about its effect on academic performance of students globally. Thus, the problem is: does the excessive use of the social media platforms have impact on academic performance of Nigerian Students? Are students of Faculty of Social Sciences of Delta State University, Abraka social media addicts?



Englander, Terregrossa, and Wang (2010) had found that social media (Internet) usage is negatively associated with academic performance. This study intends to find out or confirm if this is correct or not. Hussain (2012) says the trend of using social media among university students seems to be increasing day by day and a large number of them are relying on it for interaction and communication forgetting about their mental, physical and psychological health. The problem therefore is, are social media technologies addictive? Does the excessive use of social media have effects on the academic performance of students of the Faculty of the Social Sciences of Delta State University? Is there sufficient empirical evidence that excessive use of Social Media Technologies affect academic performance? In order to reduce the fuzziness and assumptions surrounding the use of SMTs this investigation was embarked upon. Does heavy usage of the Internet – social media impair academic performance of students of the Faculty of the Social Sciences, Delta State University, Abraka? However, the objectives of this study is to find out how and the extent to which students of the Faculty of the Social Sciences, Delta State University are addicted to social media technologies; to ascertain the core social media technologies/platforms most patronized by the students of the Faculty of the Social Sciences, Delta State University and the reasons for patronizing these platforms; and to examine the effects of the excessive use of social media platforms on the students' academic performance (class attendance, assignments and home works).

2. Literature Review

New Media or Social Media

According to Trottier and Fuchs (2015), a social theory approach of clarifying the notion of 'social media' can be advanced by identifying three social information processes that constitute three forms of sociality: cognition, communication and cooperation. According to Trottier and Fuchs (2015) view individuals have certain cognitive features that they use to interact with other so that shared spaces of interaction are created. In some cases, these spaces are used not just for communication but also for the coproduction of novel qualities of overall social systems and for community building. In their words: the three notions relate to different forms of sociality: the notion of cognition is related to Emile Durkheim's concept of social facts, the communication concept to Max Weber's notions of social actions and social relations, the cooperation concept to the notions of communities and collaborative work. According to this model, media and online platforms that primarily support cognition (such as the websites of newspapers) are social media, those that primarily support communication (such as e-mail) are social media, and those that primarily support community building and collaborative work (such as Wikipedia, Facebook) are social media. This means that social media is a complex term and that there are different types of social media.

Mesch (2010) says social media should be viewed as cultural artefact considering how the technology is incorporated in the everyday life of individuals and how it is used as a means of communication, expression, and content production within an offline social world". Croteau and Hoynes (2003), argue that the emergence of new, digital technologies signals a potentially radical shift of who is in control of information, experiences and resources. This is what Aarsand (2007) calls digital divide: a generation gap between those who master and do not master digital technology. This is why Neuman (1991) had earlier stated that whilst the new media have technical capabilities, to pull in one direction, economic and social forces pull back



in the opposite direction. Of importance, however, is that we are witnessing the evolution of a universal interconnected network of audio, video, and electronic and text communications that will blur the distinction between interpersonal and mass communication and between public and private communication". In other words, new media or social media provide the potential for a democratic post modern public sphere in which citizens can participate in well informed, non-hierarchical debate pertaining to their social structures.

Manovich (2003), in an introduction to the New Media Reader defines new Media using eight propositions, namely. New media versus cyber culture; new media as computer Technology as Distribution platform.; new media as Digital Data controlled by New media as the mix between existing cultural conventions and the conventions of software; new media as the Aesthetics that accompanies the early stage of every new modern media and communication technology; new media as faster execution of Algorithms previously executed manually or through other technologies; new media as the encoding of modernist Avante-Grade; new media as media; and, new media as parallel articulation of similar ideas in post WWW 11 Art and modern computing. Rice (1984) had defined new media as "communication technologies that enable or facilitate user-to-user interactivity and interactivity between user and information". This means social media integrates technology, social interaction and content creation to collaboratively connect online information. Through social media people can create, organize, edit, comment on, combine and share content. Social media, simply put, is a term used to collectively describe "a set of tools that foster interaction, discussion and community, allowing people to build relationships and information" (Digital.com). The ABC (2011) had produced a Technology Explained Website where definitions and explanations are provided for modern technical and online terms. It defines social media to encapsulate digital tools and activities that enable communication and sharing across the net. Social media is used prolifically by all areas of society, business politics, media, advertising, police, and emergency services. It adds that it has also become a key tool for provoking thought, dialogue and action around, particular social issues. Kaplan and Haenlin (2010) technically define social media as "a group of internet based applications that build on ideological and technological foundations of web 2.0 and that allow the creation and exchange of user generated content". Web 2.0 is described "as platform where by content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion". Suffice is to state that definitions of new media/ social media are legion. The import of this is that social media mean many things to different scholars. In essence, social media in this study are mainly the core SMTs, the interactive media used by students to interact, connect and exchange ideas, information, video and data.

Categorization of social media

Kaplan & Haenlin's (2010) categorizes social media thus: collaborative projects – this enables the joint and simultaneous creation of content by many users which allow users to add, remove, and change content; these also help the group based collection and rating of internet links or internet content. Blogs- the earliest form of social media which grew from personal web pages and display date-stamped entries in reverse chronological order. Content Communities - this refers to the sharing of media content between users, including texts, photographs, videos and power points presentations. This type of social media does not require the creation of a personal



profile page. Social network sites allow users to create personal information profile and the invitation of friends and colleagues to gain access to the profiles and to send emails and instant messages. Such profiles usually include photographs, videos, audio files, blogs and so on. Examples that readily come to mind are Face book and My Space. Virtual game worlds are platforms that replicate a three dimensional environment in which users appear in form of personalized avatars and interact according to the rules of the game. A good example is World of War craft, and, (f) Virtual social worlds that allow inhabitants to choose behaviour more freely and live in a virtual world similar to real life. An example is second life. Personal observation shows that students are involved in all the categories of Kaplan and Haenlin's (2010) categorization of social media.

In this study, social media technologies are confined to (i) Google Apps – such as Google documents (ii) Social Networking such as Facebook and Instagram (iii) Social News sites such as Reddit, Sahara Reporters (iv) Wikis such as Wikipedia and Wikimedia, and (v) Blogs such as word press and bloggers. These are some of the social media platforms Smith (2017) refers to as core categories and characteristics of social media technologies (SMTs) that undergraduates use in their school settings. The above categorization agrees with Herrington, Reeves and Oliver (2010) who described social media as emerging technologies and cognitive tools that allow the collaborative shared knowledge and development of participatory cultures. According to Fallows (2008), there are many ways a person can satisfy an information need, including visiting a library, calling someone on the phone, or searching digital resources. Fallows (2008) adds that Increasingly the Internet has become a key information source, and people find information online by browsing web pages, posting a question to a Q&A site, or using IM or email to contact someone directly. Search engine use is the most popular approach to online information seeking. Put differently, this study seeks to find out whether students of the Faculty of the Social Sciences of the Delta State University are addicted or otherwise to the categories or classification above, namely, collaborative projects, blogs, content communities and social networking sites. This is what Smith (2017) refers as the core categories and characteristics of the social media technologies (SMTs) that undergraduate students use in their campuses and or school environment. However, it is imperative to note that “the boundaries between the different types have become increasingly blurred”. For example, Shi, Rui and Whinston (2013) argue that Twitter, a combination of broadcasting service and social network, is better classified as a social broadcasting technology.

Characteristics of Social Media Technologies' Usage

Kangas, Toivonen and Back (2007) and Smith, Pattia and Ramon (2009) opine that user participation and or user generated content is the basic characteristics of the social media. Mayfield (2007) submits that open standards and the possibility to change platforms by using open source software is another feature. This simply means that coupled with openness, an imperative characteristic is the plurality and wide availability of any form of social media. Thus, characteristically, social media must not only be open to the public, they must be widely available. One other characteristic mentioned by communication scholars is that social media public must be heterogeneous and collectively gathered. This places social media in the corridors of the mass media. Still, social media is simply well suited for communication with and within a loosely defined peer group (Brussee & Hekman, 2009). They further add that



“since a desire to be part of a group is a fundamental characteristic of human beings and communication tends to strengthen the adherence to a group, the use of social media for creating and nourishing a community is common”. The above refers to conformity and belongingness that enhances community, collective gathering as a characteristic of social media. One other characteristics of social media is the creation of valuable user-generated content which Brussee and Hekman (2009) say is inherent even in a peer group, for, according to them, ‘even a small fraction is a large group compared to the relatively small group of professionals in a media supply chain where production is carefully restricted. A large enough group can produce a lot of content’. The elucidation of the characteristics of the social media usage cannot end without mentioning members of the virtual communities, especially those who get addicted, usually set to advertise themselves, their profiles and desire to belong to a group. It is appropriate to mention that apart from characteristics of social media being similar and dissimilar at the same time from traditional media, there are some notable distinctions between social media and industrial mass media. These distinctions include quality, reach, frequency, accessibility, usability, immediacy and performance. Most importantly, traditional media require significant/enormous resources to publish information, more so there are gate-keepers in media establishments. This is unlike social media that enable individuals to connect with one another without anyone editing or vetting the user generated content. Social media audiences are networked publics that support sociability, just as unmediated public-spaces do.

Relationship between use of Social Media and Academic Performance

According to www.csufresno.edu/honorsocieties/phi_kappa academic excellence is the demonstrated ability to perform, achieve, and/or excel in scholastic activities. Academic excellence has been identified with achieving high grades and superior performance. Academic excellence or achievement plays an important role in an individual placement, be it in the academic institutions or job placement. Due to this, many people are concerned with the ways they can enhance their academic achievement. This is in tandem with Tuckman (1975) who had earlier defined performance as the apparent demonstration of understanding, concepts, skills, ideas and knowledge of a person. Tuckman (1975) proposed that grades clearly depict the performance of a student. The emphasis on academic excellence which is also prevalent worldwide has encouraged many studies about the conditions promoting it. The role of academic achievement as one of the predictors of one’s life success and also in the aspect of academic placement in schools to higher institutions as well as the level of employability in one’s career is inevitable (Kyoshaba, 2009). Academic performance, which is measured by the examination results, is one of the major goals of a school.

Hoyle (1986) argue that schools are established with the aim of imparting knowledge and skills to those who go through them and behind all this is the idea of enhancing good academic performance. Hence, the academic performance of students must be efficiently managed bearing in mind that factors that can positively or negatively affect their academic performance include Social media use.

Osharive (2015) cites Annie, Howard and Mildred (1996) as saying academic performance or achievement is the outcome of education, the extent to which a student, teacher or institution has achieved their educational goals. Academic performance is commonly measured by examinations or continuous assessment but there is no general agreement on how it is best



tested or which aspects are most important, procedural knowledge such as skills or declarative knowledge such as fact.

Characteristics of Excessive Social Media Technology Usage

According to Young (1998), Scherer (1997), as Internet use has proliferated, so too have reports of Internet Addiction and Problematic Internet Use. Different terms are used to refer to serious dysfunctional patterns of excessive Internet use. Excessive Internet/social media use has been termed "Internet Addiction" or "Internet Dependency", defined as the "inability to control one's use of the Internet which leads to negative consequences in daily life". This definition emphasizes the ways in which signs and symptoms of Internet addiction are parallel to substance use disorders and pathological gambling disorder. Specifically, symptoms of Internet Addiction include: preoccupation with Internet activities; increasing tolerance; development of psychological dependency and withdrawal symptoms; inability to reduce Internet use; Internet use to cope with negative moods and reduce stress; and, replacing other activities and relationships with recurrent Internet use despite awareness of the deleterious consequences (Scherer, 1997). Other theorists conceptualize these symptoms differently. For these theorists, symptoms associated with Internet-related problems are labeled "Compulsive Internet Use." Compulsive Internet use is conceptualized as more similar to obsessive-compulsive disorder than addiction (Shapira, Goldsmith, Keck, Khosla, & McElroy, 2000). Still other theorists recognize a continuum of less severe Internet-related problems, often referred to collectively as "Pathological Internet Use" or "Problematic Internet Use." For these theorists, Problematic Internet Use is conceptualized as using cognitive and behavioral theories, and defined as a maladaptive coping mechanism for stress and psychological distress, resulting in adverse effects on psychosocial functioning (Davis, 2001)

Types of Excessive Social Media Technology Usage

Excessive usage of social media technologies usually refers to compulsive behaviour that leads to negative effects. Many excessive users feel compelled to do certain activities so often such that they become a habit which then interferes with other important activities such as work or school. According to Kuss and Griffiths (2011), a behavioural addiction such as excessive use of Social media may be seen from a psycho social perspective. They opine that just like substance related addictions, social media addiction incorporates the experience of the drug or substance addict symptoms, such as mood modification, a favourable change in emotional states, salience (behavioural, cognitive and emotional preoccupation with the Social media excessive usage. Kuss and Griffiths (2011) believe that the excessive use of social media, particularly SNSs leads to tolerance, withdrawal symptoms (i.e experiencing unpleasant physical and emotional symptoms when SNS use is restricted, or stopped). They conclude that excessive use of social media engenders conflict (i.e interpersonal and intra-psyche problems, and relapse (i.e addicts quickly revert back in their excessive usage after an abstinence period). This perspective is in tangent with this study because it is a human behaviour based investigation that involves the biological, psychological and sociological aspects of human beings in society.

"Moreover, scholars have suggested that a combination of biological, psychological and social factors contribute to the etymology of addiction (Shaffer, LaPlante., Labrie, Kidman, Donato, & Stanton 2004). Put differently, social media addiction commonly refers to an individual's



inability to control his/her use of the social media which eventually causes one's marked distress and functional impairment in daily life. (Shek & Yu, 2013). They found that: research findings have shown that excessive use of internet adversely affects one's physical health, family life, academic performance, one's physical health. Shek and Yu (2013) aver that excessive social media use increases persistence of sleep deprivation that may harm one's immune system thus increasing one's vulnerability to assorted diseases. They surmise that academic problems caused by internet addiction include decline in study habits, significant drop in grades, missing classes, increased risk of being placed on academic probation, and poor integration into extra-curricular activities.

However, Griffiths, Kuss, Lopez-Fernandez and Pontes (2017) argue that many issues are problems without being disorders. They had stated that this is because many problems behaviour are normative reactions to difficult situations. Even though they were talking about the need to err on the side of caution in including internet gambling in the International Classification of Disorders (ICD -11), this argument is apt in arguing that excessive use social media is a normative reaction to the difficult situation of the academic environment. In Mueller's (2012) words social media 'addiction is best understood as the dependency and habitual use of something that we eventually can't live without. An addiction is characterized by an uncontrollable and compulsive use of that thing which eventually has negative health and/or social consequences'. Addiction is a 'compulsive craving, seeking and using, no matter what'. Can the students of the Faculty of the Social Sciences not live without social media engagement? Does excessive use /engagement means not being able to live without SMTs/platforms?

Shek, Tang and Lo (2009) say" different terms have been used to describe internet addiction problems, such as problematic internet use(PIU),pathological computer use (PCU) and internet addiction disorder(IAD)".They further explain that the Centre for On-Line Addiction (1998) defined five specific types of internet addiction, namely: cyber sexual addiction-Addiction to cyber pornographic materials and interaction (such as adult chat rooms); cyber relationship addiction-Addiction to online friendship which replaces one's relationship with friends and family in real life; net compulsion-Obsessive online activities include online gaming, online auction and online trading; information overload-Obsessive web surfing or searching of data bases; and computer addiction-Excessive computer game playing or efforts paid to computer. Cabral (2011) says the first step to identifying social media (internet) addiction is to see "where the emotional and mental attachment lie. Researchers conclude that there are classic mass media motivations: surveillance, escape, companionship, identity and entertainment" (Gordon, Juang, & Syed, 2007).

In conclusion, it is apt to say that despite numerous studies on the effects of excessive use of social media on the academic performance of students, it is apt to remind scholars of what Al-Menayes (2015) says that Internet or social media excessive use is not yet considered a disorder because it is excluded from the Diagnostic and Statistical Manual of Mental Disorder (DSM-V) formalized by the American Psychiatric Association. This is in tandem with Al-Menayes (2015), Dahlstrom and Bichsel (2014) who had found that students like to keep their academic social lives separate. This also reminds one to be cautious in drawing conclusions about excessive use of social media because Jones, Blackey, Fitzgibbon and Chew (2010) had also



demonstrated in their study that students separate their academic and social spheres, especially concerning technologies. In other words, excessive use of social media does not confirm addiction because as Mezirow (1991) says our actions towards things are based on the meanings that the things have for us. Mezirow (1991) adds that these meanings are handled in and modified through the interpretative process that we use in dealing with the things we encounter. This reminds one of Postman (1992) who had said 'machines (Social Media Technologies) cannot feel and, just as important, cannot understand. It is meaning, not utterance that makes the mind unique. Postman (1992) argues that meanings include those things we call feelings, experiences, sensations, that do not have to be, and sometimes cannot be, put into symbols. This affirms the view of Smith (2017) that human meaning (use of SMTs) differs from the logical processes and computer language upon which our technologies are based. Smith (2017) postulates that human meaning making involves understanding, communication, interactions that relate to and represent feelings, emotions, experiences and values developed within ourselves and through interactions with other people. Smith (2017) concludes meaning makers may mediate and share these experiences through the use of technologies, such as social media, but to give meaning and bring understanding is an inherently human (rather than technological) process.

Theoretical Framework

For this study, two theories of mass communication were used as anchors. These are: Uses and Gratification theory, and Media Dependency theory. Uses and Gratifications: Mc Quail (2000) lists four major categories of need which the mass media serve to gratify such as: diversion, personal relationship; personal identity-Personal reference, reality exploration, value reinforcement, and surveillance-need for information in a complex world. The uses and gratification theory is in agreement with the primary process of analysing human motivation. According to Watson and Hill (2003), the uses and gratification theory 'explores life...to gain information, to keep an eye on the world and to clarify what we think about it'. The uses and gratification theory has two basic assumptions. These are: that media content choice is generally rational and directed towards certain specific goals and satisfaction (thus the audience is active, and those audience members are conscious of the media-related needs which arise in personal and social circumstances and can voice these in terms of motivations (Mc Quail, 2000). Alabi (2013) says uses and gratifications theory is concerned with what people (audience) do with the media. The theory posits that people are not passive users of (social) media messages but active influencers of the message effect. That is, the consumer of (social) media messages has the free will to decide how they will use the media and how it will affect them. As active influencers of the effect process, media audiences selectively choose, attend to, perceive and retain such messages. The locus is not on media production and transmission functions, but on media consumption functions. He adds that uses and gratifications theory indicates a positive relationship between social media and the level of gratification derived from such activity. Generally, users of social media are motivated by similar intrinsic and extrinsic factors. Nyland, Marvez and Beck (2007) listed five motives of using social media as these include meeting new people: entertainment, social events, maintaining relationship and media creation.

Riffe, Lacy and Varouhakis (2008) says the media dependency theory emerged from a 1976 article by Ball-Rokeach and Melvin Defleur that attempted to explain why media could have



very cognitive, affective and behavioural effects on different people. They add that it is a theoretical approach to studying how people interact with media. It covers a wider range of behaviours towards the media. The theory posits that the more a person depends on having needs met by the media, the more important the media's role will be in that person's life and thus more influential. In other words, the more students use social media platforms, the more addictive they will become. The assumptions of the media dependency theory is that it proposes an integral relationship among audiences, media and the other social media platforms. The theory predicts that you depend on media information to meet some certain needs and achieve some certain goals like uses and gratifications theory. Two factors influence the degree of social media dependence. First you will become more dependent on social media that meet a number of your needs than on social media that provide just a few. The second source of dependency is social stability. Put differently, students now depend on social media platforms as avenues for meeting new people, for entertainment, socializing, academic performance and maintaining relationships. This attitude has become so widely spread that it is appallingly scary.

3. Methodology

This study adopted the survey method of research which is a non experimental descriptive research method with which future comparisons can be made, to analyze trends across time. to describe what exists and in what amount. The population of study for this research effort was the entire registered students of the Faculty of the Social Sciences, Delta State University, Abraka. The sample size of the study is four hundred and eighty respondents selected purposively from the eight departments of the Faculty of the Social Sciences of the Delta State University, namely: Accounting, Business Administration, Economics, Geography and Regional Planning, Mass Communication, Political Science, Psychology, and Sociology. Sixty students who were surveyed from each of the eight departments were administered the questionnaire on a convenient basis. The questionnaire consisted of 12 close-ended questions in two sections. Section A contain questions on the (bio data) respondents' demographics such as age bracket, gender, department of study, level of study, and marital status of the respondents. Section B consisted of questions posed specifically to answer the research questions of the study. This was used to elicit specific information used to fulfil the objectives of the study. Thus, the appropriate data was collected, comparison made, amenably analysed and bias minimized.

4. Results

Simply put, simple percentages and frequency tables were used to present data gathered from the questionnaire. The research questions were answered using the explanation building technique. It is the descriptive analysis of the survey method that described what exists.

Table 1 below contains the gender, age bracket, department of study, marital status and level of study of the 451 respondents who returned copies of the research instrument (questionnaire).

Table 1 confirms what Vorderer (2016) says that 'aggressive adoption of social media among the younger generation could be attributed to their up to date knowledge of and comfort within the latest technology and convenient accessibility to these social media' tools. It also affirms what Revoir (2008) had opined that females are at greater risk than males for developing addiction to SMTs, especially SNSs.



Table 1: Biodata of Respondents

Variables	No. of Respondents	Percentage
<i>Gender</i>		
Male	119	26%
Female	332	74%
<i>Age Bracket</i>		
16-20years	144	32%
21-25years	128	28%
26-30years	116	26%
31years & above	63	14%
<i>Department of Study</i>		
Accounting	56	12%
Business Administration	55	12%
Economics	57	13%
Geography	57	13%
Mass Communication	59	13%
Political Science	55	12%
Psychology	57	13%
Sociology	56	12%
<i>Marital Status</i>		
Single	289	64%
Married	124	28%
Divorced	15	3%
Separated	23	5%
<i>Level of Study</i>		
100l	106	24%
200l	109	24%
300l	108	24%
400l	128	28%
Total	451	100

Source: Field work, 2019.

Table 2 Awareness and use of Social media platforms by Respondents

Response	No. of Respondents	Percentage
Yes	442	98%
No	76	1%
Do not Understand	3	1%
Total	451	100

Source: Field work, 2019.

Awareness and use of social media technologies (SMTs) is ubiquitous. This is why Tapscott (1998) described adolescents' 'lives as being characterized by media privatization in a multi-media environment. Apparently it will be difficult to find a student who does not know of SMTs or at least use Social media.



Table 3: Social media technologies used by students (Most Preferred by Respondents)

Categories of SMTs	No. of Respondents	Percentage
Google Apps	112	25%
Social Networking	107	24%
Social News sites	103	23%
Wikis	107	24%
Blogs	22	5%
Total	451	100

Source: Field work, 2019.

Table 3 shows that respondents use most of the social media platforms studied. This confirms what Dahlstrom and Bichsel (2014) found that students like to keep their academic and social lives separate.

Table 4 Perception of Effect of Social media technologies Use on Students Academic Performance

Perception	No. of Respondents	Percentage
Positive	318	71%
Negative	96	21%
Both	37	8%
Total	451	100

Source: Field work, 2019.

This finding indirectly indicates that students of FSS, DELSU are not addicted to SMTs even though they depend on SMTs a lot. This agrees with Mesch (2010) who had opined that social media should be viewed as cultural artefacts...considering how the technology is incorporated in the everyday life of individuals and how it is used as a means of communication, expression and content production within an offline social world.

Table 5 Respondents' uses of SMTs

Usage	No. of Respondents	Percentage
For social interaction	111	25%
To search for course related materials	113	25%
To exchange course relate materials	114	25%
To interact with the University	112	25%
Total	451	100%

Source: Field work, 2019.

The table above agrees with Mowafy (2018) who stated that ICTs (SMTs) offers today's youth a portal for entertainment and communication and is becoming one of the main platforms for accessing information and news. This confirms what Fallows (2008) had stated, that increasingly the Internet has become a key information source, and people find information online by browsing web pages, posting a question to a Q & A site, using IM or email to contact someone directly. Table 5 also confirms the description of social media as emerging technologies and cognitive tools that allow the collaborative shared knowledge and development of participatory cultures (Herrington, Reeves & Oliver 2010).



Table 6: Most used SMTs /Application(s)

Applications	No. of Respondents	Percentage
Blogs	33	7%
Wikis	98	22%
Social news sites	111	25%
Social networking	101	22%
Google Apps	108	24%
Total	451	100%

Source: Field work, 2019.

This finding corroborates Trottier and Fuchs' (2015) view that the social theory approach clarifies social media as identifying three social information processes that constitute three forms of sociality: cognition, communication and cooperation such that shared spaces are created not just for communication but also for the coproduction of novel qualities of overall social systems and community building. Vorderer (2016) had informed that the aggressive adoption of social media among the younger generation could be attributed to their up to date knowledge of and comfort within the latest technology and convenient accessibility to these social media tools.

Table 7 Relationship of Social media technology usage and Academic Performance

Response	No. of Respondents	Percentage
Yes	341	76%
No	96	21%
Sometimes	14	03%
Total	451	100

Source: Field work, 2019.

Interestingly, data tabulated in Table 7 confirms Madge, Meek, Wellens and Hooley's (2009) finding that the use of Social media enhances educational access and interaction. This finding tally with the opinion of Obar and Wildman (2015); that the use of social media technologies not only encourages students to receive and retrieve information but also enables them to connect with others online. Social media is a force that drives social change (Bimber, 1994).

Table 8: Relationship between Social media use and school work

Response	No. of Respondents	Percentage
Yes	247	55%
No	172	38%
Not Really	32	07%
Total	451	100

Source: Field work, 2019.

Table 8 confirms Dahlstrom and Bichsel's (2014) finding that students are discerning users of SMTs who are able to separate their academics from their social lives. This finding agrees with Hussain's (2005) finding that social media is promoting virtual learning communities and virtual learning environment. According to Hussain (2005) students share information and study experiences, research projects and job opportunities. Selwyn (2009) had informed that most



universities now have official web pages where students, professors and staff can share resources and interact.

Table 9: Happy and satisfied with life because of Social media use

Response	No. of Respondents	Percentage
Yes	361	80%
No	69	15%
Sometimes	21	05%
Total	451	100%

Source: Field work, 2019.

That majority of the respondents are happy and satisfied with life because of Social media use affirms what Armstrong And Franklin (2008) had found: that students use social media in different manners for enhancing and strengthening their learning through reflection and collaborative activities in virtual communities This is why Mesch (2010) says youths operating within an online community may be geographically dispersed, experiencing different hours of the day in different locales, but they share an identical interest, virtual space and rules, shared activities, and a sense of belonging. This is a confirmation of the view of Abbas et al (2019) that the acceptance, its ease of use, and its perceived benefits play a decisive role in students' decision to use SMTs excessively.

Table 10 Support of the view that Social media use causes delay in doing home works and assignments

Response	No. of Respondents	Percentage
Yes	174	39%
No	245	54%
Not Really	32	7%
Total	451	100%

Source: Field work, 2019.

This finding is quite interesting because the difference in the number of respondents who agreed that Social media use caused delay (174) (39%) and respondents who did not agree (245) (54%) that social media caused delay in doing school home works and assignments is much. This is in tandem with Hussain (2012) who found that the prevalence of social media and its use has revamped the scenario the world over. According to Hussain (2012), social media's innovative use has generated new opportunities of sharing of knowledge, experiences and research practices of the eminent scholars of the world.

This finding implies that students are attached to their SMTs. This agrees with Hussain (2012) who had opined that the present time is an information age, providing access to all, where the Net generation appears to be much inclined towards having information by using modern technologies. This corroborates what Smith (2017) says, that: meaning makers (social media users) mediate and share (their) experiences through the use of modern technologies. That to give meaning and bring understanding is an inherently a human (rather than technological) process.



Table 11: Response to the view that Respondents cannot spend a day without Social media

Response	No. of Respondents	Percentage
Yes	117	25%
No	313	69%
Cannot say	21	05%
Total	451	100

Source: Field work, 2019.

Data tabulated in Table 12 is a confirmation of Herrington, Reeves and Oliver (2010) view, that social media are emerging technologies and cognitive tools that allow the creation of collaborative shared knowledge and development of participatory cultures. This reminds one of Junco (2012) who had earlier stated that reasons for this mass appeal of social media include the use of SNSs by university administrators, students' affairs units, and faculty members as a means of communication between the universities and students. This study adds that social media use also affords opportunity to relate with relatives, friends and significant others.

Table 12 Source of Knowledge of Social media

Source of Knowledge	No. of Respondents	Percentage
Friends	105	23%
Relatives	79	18%
Course mates	123	25%
Parents	19	6%
Lecturers/Faculty staff	125	%
Total	451	100

Source: Field work, 2019.

The discussion of findings of this study is premised on using data analysed to provide answers to the research questions posed for the study. Therefore to find out how and the extent to which students of the Faculty of the Social Sciences, Delta State University are addicted to social media technologies. Students of the Faculty of the Social Sciences use and depend on SMTs a lot for their social and academic pursuits. Table 2 shows that 442(98%) respondents were aware and used SMTs. This finding is also an affirmation of Vorderer (2016) who adduced the 'aggressive adoption of social media among the younger generation' to 'their up to date knowledge of and comfort within the latest technology and convenient accessibility to these social tools. This is in line with the Media Dependency theory, one anchor of the study which posits that the more a person (students) depends on having needs met by the (social) media, the more important the media's role will be in that person's life. Table 3 corroborates this finding where the core categories of SMTs used by students of FSS, DELSU had almost equal options with the exception of Blogs. Table 4 had 318 (71%) respondents agreeing that SMTs had positive effects on their academic and social lives. Table 7 further confirms that students of the FSS, DELSU believed that there is a positive relationship between social media usage and academic performance, thus aligning with the uses and gratifications theory used as one of the theories of the study. In Table 8, two hundred and forty seven respondents (55%) submitted that there is a positive relationship between social media usage and school work. Data tabulated in Table 9 explains that 361 (80%) respondents were happy and satisfied with life because of social media use. This is what Armstrong and Franklin (2008) had found in their study, that



students use social media in different manners for enhancing and strengthening their learning through collaborative activities. This is apparent in Table 10 where 245 (54%) disagreed that excessive use of social media caused a delay in doing academic home works and assignments. In Table 11, three hundred and thirteen respondents (69%) (students) agreed that that they could not spend a day without their SMTs. These findings infer and prove that Hussain (2012) was right when he stated that 'the present time is an information age, providing access to all, where the Net generation appears to be much inclined towards having information by using modern technologies. This is what Smith (2017) stated that meaning makers (social media users) mediate and share their experiences through the use of technologies', adding that giving meaning and understanding to symbols is an inherently human process. Simply put, students of the FSS, DELSU, were excessive users of social media/SMTs but were at the same time able to separate their academic from their social lives, thus confirming what the studies of Dahlstrom and Bichsel (2014) had found. This is in line with Al-Menayes (2015), who had informed that internet or SMTs use is excluded from the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorder (DSM-V).

To ascertain the core social media technologies/ platforms most patronized by the students of the Faculty of the Social Sciences, Delta State University and the reasons for patronizing these platforms. The answer to this research question was provided by data analyzed in Tables 3, 5, 6 and 12. Data in Table 3 shows that all the respondents used the core categories of SMTs studied. This infers that students of FSS, DELSU were in complete control of their lives as they could separate their social interactions from their school work. This confirms what Dahlstrom and Bichsel (2014) had found in their study: that students like to keep their academic and social lives separate. Smith (2017) had also found that meaning makers (SMTs users) mediate and share experiences through their use of SMTs. This is in line with the Media Dependency theory because respondents consistently used social media and depended on SMTs a lot as the factors that influences media dependence were found in their use (Fieldwork, Table 4). First, the respondents became more dependent on the (social) media that met a number of their needs than social media that provided just a few. Secondly, the excessive use of social media provided social stability as students of FSS, DELSU extensively used SMTs for social interaction, searching for course related materials, social news sites, interacting with their Universities and even bloggers.'The social media phobia and craze has become a trend among students (of the FSS, DELSU) as predicted by Dumpit and Fernandez (2017). Table 5 corroborates this finding where all the SMTs studied had equal respondents in percentage terms. This confirms (Junco,2012; DeAndrea *et al*, 2015) findings, that reasons for this mass appeal of social media include social media use by university administrators, lecturers and staff who have established their own social media networks to help students socialize and connect with faculty members, for communication and a sense of belonging. SMTs encourage students of FSS of DELSU to use social media not only for receiving and retrieving information but also for connecting with others online (Obar & Wildman, 2015).

The aggressive adoption of social media among the younger generation could be attributed to their up to date knowledge of and comfort within the latest technology and convenient accessibility to these social media tools (Vorderer, 2016). Table 6 further affirms this finding which confirms what Madge, Meek and Hooley (2009) had found: that the use of social media



enhances educational process and interaction. This is a disclaimer of Englander, Terregrossa and Wang's (2010) finding which has it that internet usage is negatively associated with academic performance. On his part, Hussain (2005) had found that social media is promoting virtual learning communities and virtual learning environment. Table 12 shows that students of FSS, DELSU, Abraka learnt to use SMTs from parents, friends, course/school mates, lecturers and faculty staff thus confirming Herrington, Reeves and Oliver's (2010) finding that SMTs are emerging technologies and cognitive tools that allow the creation of collaborative shared knowledge and development of participatory cultures.

To examine the effects of the excessive use of social media platforms on the students' academic performance (class attendance, assignments and home works). The answer to this research question was provided by data analyzed in Tables 4, 5, 7, 8, 9 and 10. In Table 4, majority (71%) of the respondents perceived the effects of social media technologies, digital engagement as positive. This finding agrees with the uses and gratifications theory which posits that people (students) are not passive users of social media but intelligible persons and social meaning makers. Alabi (2003) had opined that the uses and gratifications theory indicate a positive relationship between (social) media and the level of satisfaction and gratification derived from digital engagement. Table 5 corroborates that students derived satisfaction from using the (social) media considering that students of the FSS, DELSU, Abraka were able to separate their academic from their social lives. as they used SMT for social interaction, search for course related materials, exchange course related materials, and to relate with the DELSU management. This is why Jones, Blackey, Fitzgibbon and Chew (2010) advise us to be cautious in drawing conclusions about excessive use of social media because they had demonstrated in their study that students separate their academic spheres from their private lives, especially concerning social media technologies' use. Table 7 shows that 341 (76%) respondents returned that there is a positive relationship between SMTs usage and academic performance. Table 8 further supports this finding where 247 (55%) respondents submitted that there was a positive relationship between social media and school work. Students of the FSS, DELSU, Abraka, shared information, study experiences, research projects and, later, job opportunities via social media. Fallows (2008) alluded to this when he stated that there are many ways a person can seek information need, including visiting a library, calling someone on the phone or searching digital resources. This reminds one of Tuckman (1975) who had defined performance as the apparent demonstration of understanding, concepts, skills, ideas and knowledge of a person in order to achieve what Kyoshaba (2009) called one of the predictors of one's life success as well as employability. Thus, students know that it is essential use SMTs to enhance their academic performance. Academic performance is a 'problem' without being a disorder 'because many problem behaviours are normative reactions to difficult situations' (Griffiths, Kuss, Lopez-Fernandez & Pontes, 2017). Table 9 shows that students of the FSS, DELSU, Abraka were satisfied with their lives because of their social media use, thus proving Armstrong and Franklin (2008) right: students use social media in different manners for enhancing and strengthening their learning through reflection and collaborative activities. Youths operating within an online community may be geographically dispersed, experiencing different hours of the day in different locales, but share an identical interest (improved academic performance), virtual space, rules and a sense of belonging (Mesch, 2010). Table 10 is a predictor of this positive relationship as 245 (54%) respondents submitted that SMTs, social media and digital media



engagement did not cause delay in doing academic home works and assignments, thus affirming Hussain's (2012) view that social media innovative use has generated new opportunities of sharing of knowledge, experiences and research practices of eminent scholars of the world.

5. Conclusions and Recommendations

The study concludes that the use of SMTs, digital technologies /social media does not, in all cases, lead to poor academic performance. This is why Jones, Blackey, Fitzgibbon and Chew (2010) admonish us to be cautious in drawing conclusions about excessive use of social media use because they were able to demonstrate in their study that students separate their academic and social spheres, especially concerning technologies. In other words, excessive use of social media does not confirm addiction, because, according to Mezirow (1991), our actions towards things are based on the meanings that the things have for us. Mezirow (1991) adds that these meanings are handled in and modified through the interpretive process that we use in dealing with the things we encounter. That is why Postman (1992) asserts that SMTs - machines cannot feel and, just as important, cannot understand. It is meaning, not utterance that makes the mind unique. Postman (1992) argues that meanings include things we call feelings, experiences, sensations, that do not have to be, and sometimes cannot be put into symbols. Karderfelt-Winther (2017) says to describe a student as addicted to digital technology has not been empirically proved because not all students who use digital technologies have clear functional impairment on multiple domains of life. Thege, Woodin, Hodgins and Williams (2015) had concluded in their study that excessive social media use 'tend to be fairly transient for most people'. Karderfelt-Winther (2017) avers that researchers have not yet been able to present convincing evidence that excessive engagement with SMTs/digital technology is followed by severe life impairment overtime. Griffiths *et al* (2016) also argue that at present no consensus exists on how to define this behaviour (excessive social media use or how to measure it). In addition, the American Psychiatric Association is yet to include excessive media in its Diagnostic and Statistical Manual of Mental Disorder (Al-Menayes, 2016). In conclusion, this study agrees with Abbas, Aman, Nurunabi and Bano (2019) that technology acceptance, its ease of use, and its perceived benefits play a decisive role in students' decision to use social media. That is why Karderfelt-Winther (2017) argues that it is unfortunate and inaccurate to compare excessive SMTs, digital engagement with other substance addiction. This study aligns with van Rooij, Ferguson, Colder Carras, Kardefelt-Winther et al (2018) and other researchers in Psychiatry, Psychiatric epidemiology, and the Social Sciences who propose that before excessive social media use or SMTs engagement can be classified as a clinical disorder, research efforts should rest on the foundations of rigorous, transparent and standardized methods. This is why Griffiths, Kuss, Lopez-Fernandez and Pontes (2017) had suggested that multiple stake holders should be involved in the process of formalizing excessive social media use as a potential disorder.

It is recommended that taking a wary and balanced approach can help students avoid the consequences of social media use. That is why education technology advocates say 'it aint what you got it's what you do with it' (Anderson, 2019). University administrators should develop policies that enhance innovative use of SMTs for academic purposes like data bases for collaborative research projects, discussions, and discussion groups. Seminars should be organized to educate students on proper time management in order to strike a balance between



using SMTs for academic purposes and social interaction. University administrators should strictly enforce and sanction defaulters of school policy that disallows the use of SMTs, smart phones during class learning sessions. The American Psychiatric Association (2017) has Internet Gaming Disorder in its Diagnostic and Statistical Manual of Mental Disorder (DSM-V). However, the conditions and criteria does not include general use of the Internet or social media. This is probably why Aarseth, Bean, Boonen et al (2016) had argued that formalization of internet gaming as a disorder in the International Classification of Diseases -11 has potentially problematic, medical, scientific, public health, societal and rights based repercussions that should be considered. This study recommends that excessive use of SMTs should not be included in ICDs or DSMs since it has not been empirically and clinically proved that excessive engagement with SMTs or social media has long-term harm or impairment.

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**KNITTING THE WEB OF GOVERNANCE: RETHINKING POLITICS-
ADMINISTRATION DICHOTOMY USING COMPLEMENTARY APPROACH**

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Abstract

The politics-administration dichotomy has been one of the most disputed theories of public administration. The dichotomy has been advocated on the grounds that the dichotomous division of labour and authority between elected and administrative officials increases the democratic accountability and planning ability of public administrators. The paper seeks to situate the inseparable nature of political and administrative practices in the web of governance. To achieve this objective, the paper relied on secondary data where scholarly expositions are correlated, synthesized and presented in logical sequence. The paper observed that, public bureaucrats are consciously or unconsciously charged with policy formulation and implementation which in practice, make roles-differentiations difficult. The paper submits that, to ensure efficient and effective service delivery, both political office holders and public bureaucrats should complement each other and interact in cooperative manner, to initiate and implement policies that would promote the well-being of the generality of the populace.

Keywords: Public Administration, Public Bureaucrats, Complementary, Policy & Politics

1. Introduction

The administration of a country entails governance issues dealing largely with the means by which governmental powers are exercised in the management of a country's affairs, generally. In governance parlance, policy creates and provides a sense of direction by which governmental affairs are run in the most desired directions. In the main, public administration is inherently an instrument of policy formulation and policy implementation is by extension, the doing part of government business. Accordingly, in all governmental systems, there are two primary or ultimate functions of government, viz. the expression of the will of the State and the execution of that will. These functions are, respectively, '*politics and administration*'.

Public bureaucrats possess the machinery, the repository of knowledge stored in files and in their memory, the institutional discipline and hierarchical command to formulate and tender advice on various options and alternatives of policy open to the government. Public bureaucrats outline the various options; examine each one for advantages and disadvantages in terms of cost, time factor and political acceptability; it is for the policy-maker to choose and decide (Adebayo, 2009).

Indeed, in spite of structural-functional differentiations in role performance, a great deal of coordinative and interfused relationships exists between the political actors and the public bureaucrats in the scheme of public affairs. For example, the bureaucrats, being professionals often provide intelligence services to political directorates, manage public information system,



perform law and order functions and so on. Strangely enough, Permanent Secretaries have been officially designated State functionaries, and given conflicting responsibilities and roles. The end result is that public bureaucrats are charged with policy formulation and execution as well as the custodian of public funds. These in effect, make bureaucrats to be the heart of the problem of modern government and their efficient services as ultimate in the web of governance.

More importantly, understanding the nature of these intertwined and complex relationships would help in promoting the very existence and survival of our societies on the one hand, and reconciling the tensions between them is yet another important area of concern to students of political science and administration, policy makers and the general public on the other (Idris, 2012). The significance of this paper, therefore, lies in the fact that students of public administration are gradually discerning due to the paradigm shift in the role of the state in the management of affairs.

This paper is anchored on Complementarity approach to governance as its theoretical guide. The nature of subject under discussion necessitates the use of secondary data where scholarly expositions are correlated, synthesized and presented in logical sequence. This enabled us to analyze descriptively, the contentious nature of politics and administration practices and relevance more lucidly. Structurally, the paper is divided into four sub-sections. Section one is the introductory, section two covers conceptual review and framework of analysis whilst section three deals discussion and the last section concludes the paper.

2. Literature Review

Conceptual and Empirical Issues

The politics-administration dichotomy, as traditionally interpreted, prescribes roles that are neither practical nor realistic in the operations of modern States. The public bureaucrats, as Waldo (1984) puts it, are to be politically neutral but the reality is otherwise. This is because bureaucrats are often engaged in policy formulation and administration as well as forming the spirit of the governmental system. The dichotomy model is traced to the politics-administration dichotomy, which grew out of the early administrative reform movement and its reaction against spoils system in the USA's period of 1887. The model presupposes that political interference in administration would erode the opportunity for administrative efficiency, that the policy-making activities of government ought to be wholly separated from the administrative functions, and that administrators had to have an explicit assignment of objectives before they could begin to develop an efficient administrative system (Shafritz and Hyde, 2012).

The politics-administration dichotomy is traditionally traced to these two sources: Wilson, "*The study of Administration*", in *Political Science Quarterly* (June 1887) and Goodnow, 1900 in his "*Politics and administration: A study in government.*" For Goodnow (1900), modern administration presented a number of dilemmas involving political and administrative functions that had now supplanted the traditional concern with the separation of powers among the various branches of government. Politics and administration could be distinguished, he argued, as "the expression of the will of the State and the execution of that will." Thus, the dichotomy plays a legitimizing role for public administration by maintaining the idea that public administration operates solely as a neutral body with no involvement in politics and policy (McSwite, 1997). Demir and Ronald (2008) wrote that as Wilson (1887) puts it long ago, "although politics sets



the task for administration, it should not be suffered to manipulate its offices.” Wilson (1887) expressed, “administration was removed from the hurry and strife of politics.” Wilson (1887) sought to make a functional distinction between political activity and administrative activity in public organizations. In his own view, public administration is only concerned with the implementation of public policies, which are politically decided. Wilson (1887) treated administration as the operation side of government and further argued on the need for a separate science of public administration when he said, “it is getting harder to run a constitution than to frame one.” Thus, Wilson’s essay laid the foundation for a systematic and separate study of public administration. In a nutshell, Wilsonian (1887) views largely set the tone for the early study of public administration.

Goodnow (1900) elaborates the Wilsonian (1887) theme of politics-administration dichotomy and argued that politics and administration are two distinct functions of a government. Clearly in Goodnow’s (1900) view, the locus of public administration is identified in government’s bureaucracy, whilst that of political activity is identified in the legislature. Corroborating this view, White (1955) accepted the earlier Wilsonian theory of politics-administration dichotomy. In another development, Willoughby cited in Adebayo (2009) went to the extreme of not merely separating administration from politics, but setting it up as the fourth arm of government along with the legislative, the executive, and the judicial. The central argument of the dichotomy model is that governments come and go, but the public service remains. Therefore, as instruments of governance, the public service needs to be characterized by professionalism.

The usefulness of the dichotomy model lies in its intentions- to protect public administration from interference by elected office holders and members of political parties in the day-to-day administrative activities. It also helps to protect public administration from political patronage, where party political connections become the over-riding criteria in public personnel functions such as recruitment, transfer, training and promotion. The primary argument of the proponents of this characterization of the relationship is that the public service needs to be neutral, professional and shielded from the world of politics. Pfiffner had also submitted that:

Let no apostle of political realism think that advocates of such a separation of powers are unaware of its doctrinaire pitfalls. They do not advocate that it be embalmed into constitutional breakwaters designed to stand for centuries, as was the classical threefold division into legislature, executive and judicial functions... There is no denial that in a considerable number of instances questions of policy will be closely intermingled with administration (Pfiffner, 1998).

As other scholars, Pfiffner (1998) recognized that “politics and administration cannot always be separated and isolated but that one should not encroach upon the other in a meddlesome manner.” The blurring side of the scene is that bureaucrats have assumed extensive role to setting policy- initiating proposals, exercising discretion, manipulating expertise, writing budgets, and determining the delivery of services and through implementation, they shape policy formulated by elected officials. Thus, there is a complete intermixture of roles in policy making by both elected officials and top bureaucrats. Interaction between elected officials and bureaucrats is common in policy, as administrators give advice and make recommendations to elected officials. As one would expect, administration is largely the domain of the bureaucracy. As aptly captured by Ali (2008) in Nigeria, policy questions have always concerned people and their management



of common affairs. Public policy formulation and administration provide the mechanisms through which societal norms (as law of the land) are set and enforced upon all who live within the boundaries of the State. This, in effect, is the fundamental preoccupation of public policy and administration in the modern state.

In Nigeria, at federal level, the practice of administrative system is designed in such a way that a Permanent Secretary for example, is seen as the embodiment of the instrument of policy who will be in constant touch with his Minister to seek approval or convey information on matters of policy (Adebayo, 2009). Equally, an Assistant Secretary to the Head of Civil Service is expected to assist in formulating policy and also in executing decided policy. His schedule of duties should therefore, be policy-oriented in content. A public bureaucrat should be able to analyse a given set of facts, figures, or situations and be able to deduce formal logical sequence of conclusions as a basis for the formulation of policy. So, at the higher levels of administration, public bureaucrats in Nigeria are directly involved in the formulation of policy and to take a large share in the shaping of policy implementation. How and why do top public bureaucrats have to be involved in policy? Adebayo (2009) provide reason thus, by taking decisions on every vital issue that comes before it, a government makes policies every day. This notwithstanding, the practice is almost the same in some of the other advanced nations. In France for example, political and administrative roles are more mixed and blurred than in Britain.

Further study by Demir (2008), *the Politics-administration dichotomy: An empirical search for correspondence between theory and practice* reveals that neither the theoretical logic nor the empirical foundation of the dichotomy has been clearly articulated or comprehensively tested. In other words, as a theory, the dichotomy remains vague. For instance, numerous studies used historical analyses, case studies, and interview data and so on to evaluate the dichotomy (Montjoy and Watson, 1995; Nalbandian, 1999) amongst others. However, prior research on the politics-administration relationship has largely focused on specific concepts and practices related to the dichotomy (the political activities of public administrators).

More importantly, scholars (Svara, 2001; Sapru, 2006; Ademolekun, 2006; Demir, 2008; Adebayo, 2009) have focused exclusively on whether public bureaucrats engage in politics, or elected officials interfere with public administration. Indeed, little attention has been devoted to the question of what happens when a dichotomous division of labour and authority between elected officials and public bureaucrats is not practiced as envisioned by the theory. For Demir (2008), public bureaucrats are powerful players in the policy process because they participate in critical decisions that virtually affect every aspect of citizens' life. Specifically, elected officials are responsible for framing and responding to value-laden questions and making policies, the public bureaucrats are charged with implementing those policies formulated by elected officials. The sole criterion that guides administrative decisions, according to the traditional model, is efficiency.

Demir (2009), undertook a theory-based empirical study of the politics-administration dichotomy and developed a theoretical model that is consistent with reality. The politics-administration dichotomy sought to minimize politics in public administration by prescribing expertise, neutrality, and hierarchy. Broadly stated, neutral competence refers to the ability to do



it according to explicit, objective standards rather than to personal or party or other obligations and loyalties. Thus, the dichotomy between politics and administration as a strict institutional separation cannot be realistically sustained. And, this is the situation in most of modern political systems.

As could be inferred from the foregoing scholarly submissions, the traditionalism of politics-administration dichotomy has been practically challenged. In the process, scholars concerned have created a new scientific and intellectual community premised on a completely new philosophical direction. Through this, they had jettisoned the hitherto (orthodox) existing belief which failed to properly recognize the moral values of the public bureaucrats and which instead treated and continue to treat them as mechanical robots. This new thinking has a lot of implications which on their own pose some challenges to the practice of public administration. This is particularly evident in the continuous recognition given to the notion of political neutrality in today's administrative processes in the affairs of the State despite its obvious negation by the impracticability of value-free interpretation and execution of governmental policy decisions by the public service bureaucrats. Dimock as cited in Adebayo (2009) further observed that the two processes of administration and politics or policy are 'co-ordinate rather than exclusive.' Friedrich (1940) concludes that the idea of a dichotomy between politics and administration is a 'misleading distinction' which had become 'a fetish, a stereotype in the minds of theorists and practitioners alike.' These challenge according to Akindele (1995), call for consensus on the paradigm of public administration as politics, are mostly identifiable in the area of practical application of the theoretical constructs on public administration. These challenges are practically obvious in the areas of the concepts of bureaucracy, representative bureaucracy, (quota system and federal character), political patronage and conflict of interest all of which demand impartiality on the part of the public bureaucrats.

Theoretical Framework

This paper is hinged on Complementarity model as its theoretical guide. Svava (2001), one of the proponents of the complementarities of politics and administration propagates that political office-bearers and administrators are joined together in the pursuit of sound governance. Complementarity stresses interdependence along with distinct roles; compliance along with independence; respect for political supremacy along with a commitment to shape and implement policy in ways that promote the public interest; deference to elected incumbents along with adherence to the law and support of fair electoral competition; and appreciation of politics along with support for professional standards. The issue is not whether public administrators are 'instrumental' as Heady (1984) puts it, the standard dichotomy versus non-dichotomy options but, how they are both instruments and contributors to the political process, that is, instrumental and contributive. Political office holders could, in theory, dominate administrative practice but, they are constrained by a respect for administrative competence and commitments. Complementarity as a conceptual framework acknowledges the different roles and responsibilities of these two (2) inseparable actors but sees the need for interaction and interdependence as an alternative to the dichotomy model.

The significance of this approach to this paper lies on the compelling force and the interplay of these two (2) actors in the web of governance. For example, the administrative component needs political and strategic direction from political heads, and the political heads need effective



administrative machinery for the translation of the political programmes into government policy. The challenge is not how to insulate the public/civil service from the political process, but how to properly locate the public bureaucrats within the broader political process and governance. Whilst it is critical for elected office holders and public bureaucrats to appreciate this separation of powers, in the real world the distinction between the two (2) is often blurred. The public bureaucrats cannot be separated from politics hence; it is difficult to draw a line of demarcation between the policy formulation process and the implementation process (Adebayo, 2009). Thus, the challenge appears to be the need to define and strengthen the relationship and the interplay between the two (2) actors rather than separating them. These two (2) actors are not incompatible or perform conflicting roles, but are rather reinforcing and complementing each other's role. As Svava (2001) puts it, "...there is continuity between the political and administrative spheres, not a separation of the two, except as it applies to insulating administrative staff from partisan political interference."

In the light of the above point of views, therefore, the notion of an independent and depoliticized public service is not a workable relationship and does not match reality. The public/civil service is expected to embrace the policy agenda of the governing party and this, by itself, draws the public service into politics. To effectively execute their professional mandates, public bureaucrats are expected to be appreciative of, and responsive to, the political context within which public administration takes place.

3. Results

In democratic governance, the involvement of public bureaucrats in policy formulation and administration amounted to a positive contribution in the political process. This implies a positive self-image for the core role performance of top bureaucrats in the policy formulation domain. Moreover, there is a general agreement amongst scholars (Dye, 1995; Adamolekun, 2006; Sapru, 2006) that the involvement of the public bureaucracies' top leadership in policy formulation is a political exercise that largely takes the form of advice and analysis. In fact, whilst the bureaucrats lay down the policy, the political actors, in most cases simply sign the dotted line and in rare cases, political actors lay down broad lines whilst the bureaucrats chalk out the details.

The bureaucrats as policy analysts have a near monopoly of policy talent, information and experience on which policy formulation is based. Thus, they involved ...specificity of expertise, higher qualification, self-education, ethical self-sustenance, fiduciary relation, colleague control and recognition. Through observance of professional and ethical values (quality, efficiency, integrity, honesty, respect, equity, fairness, *etc*), bureaucrats tend to uphold ideals of democratic and good governance (responsiveness, representativeness, rule of law, *etc*). This partly explains why in most cases, political executives depend on them for advice and development of policy proposals.

Nevertheless, the execution of policy requires tact, courage and skills which of course the bureaucrats possess in an ample measure. If they find a particular policy unworkable, they more often than not, point out flaws to the Chief Executive, Minister or Commissioner and suggest modifications in the policy contents. Therefore, the indispensable role occupied by higher bureaucrats in the realm of governance give them the necessary confidence required to make



inputs and execute policy. In fact, as planners and doers, they possess the psychological talent, regularity and predictability needed to look ahead from the stand point of present reality. These go along to provide them with a sense of mission. The involvement of public bureaucrats into the realm of politics however, is noted by Adamolekun (2006) as inevitable as they are called upon to perform political roles in a polity where there was/is no consensus on operational political norms. This not only solidified their role in policy formulation but made them more visible political actors. Tukur (1971) had earlier classified the functions of this top echelon of the civil servants into two, namely: advice on policy formulation and implementation; and housekeeping. Tukur, took a cue largely from Marx (1964) who stated the traditional functions of public bureaucrats as: to keep the machinery of the bureaucracy orderly for proper use by the executive; they operate the machinery of administration in order to translate the aims of the political leadership into action; and finally, advice the political leadership about the optimum means of utilizing the instruments of the bureaucracy to carry out its aims. In this traditional perspective, the public bureaucrats are a complete instrument of the political leadership. Its body and mind are deemed to be fashioned to serve the political order that sets the agenda and direct public affairs of the State.

Technically, bureaucrats are required to perform loyally the duties assigned to them by the government of the day, whatever its political persuasion. It is essential that Ministers/Commissioners and the members of the public should have confidence that the personal views of public bureaucrats do not influence the performance of their official “political” duties, given the role they play in serving successive governments formed by different political parties. Some common roles of public bureaucrats are generally in the following areas but not limited to: inform and advice elected office bearers, completely and on time; implement policy and ministerial decisions effectively and efficiently utilize, in the carrying out of these functions, all relevant sources of data and advice, especially within the machinery of government, so as to give their political heads the broadest basis for policy consideration and determination amongst others (Ali, 2008).

Weber, in Fry and Nigro (1996) reiterated that the role of the political office holders in a democracy is to give direction to policy and expression of common interest. The honour of political office holders, Weber argues, lies in their personal, ethical responsibility for their actions. To take a stand and to be passionate is the function of the political office holders. This role is opposed to that of the public/civil servants who are engaged only in the impartial administration of their offices. The honour of the public bureaucrats, Weber states, is vested in their ability to execute conscientiously the lawful orders of superior political authorities. In performing their duties, a sense of duty is more important than personal opinion. The function of bureaucrats is predominantly, impersonal and passionless application of the rules. For instance, in a democracy, it is expected that the political leadership initiate policy proposals, usually with the inputs of the top bureaucrats, whose specialized departments are expected to develop proposals that the Chief Executive (President, Governor or Local Government Chairman) could approve before being sent to the Federal/State Executive Councils or Local Government Councils, for (approval or) onward transmission to the National/State Assemblies for legislative endorsement or to the Ministry for Local Government (as in the case of local authorities). The real bureaucrats had to prepare details of policy proposals in accordance with the perceived



wishes of their political masters. This is consistent with the conclusions reached by (Akpan, 1982; Ayida, 1987; Gboyega & Abubakar, 1989; Udoji, 1999; Adebayo, 2001).

4. Conclusion and Recommendations

We have seen from the foregoing that, the complexities of modern times made the classic dichotomy between politics and administration fallen as the role of public bureaucrats in the policy process becomes apparently in the conduct of government business. Uncontrovertibly, in many political systems, however, there is no clear separation between policy formulation and administration either in terms of decision-making processes or the respective roles of administrators and politicians, which are often fused together. In Nigeria as in many other countries, public bureaucrats cannot avoid some policy-making responsibility at all levels of government and at all times. Therefore, administrators' responsibilities are being constantly thrown into the area of decision-making, and their decisions add up to major policies in the subsequent course of events.

Consequently, much of the policy-making responsibility on the part of the administrators takes place in the course of the application of administrative processes. Public bureaucrats are required to perform loyally the duties assigned to them by the government of the day, whatever its political persuasion. It is essential that ministers and the members of the public should have confidence that the personal views of civil servants do not influence the performance of their official "political" duties, given the role of the public service in serving successive governments formed by different political parties.

Being professionals, bureaucrats have to weigh and consider conflicting demands and interests and reconcile them. In the process, they make consultations and try to balance and synthesize the conflicting demands. However, in all democracies, the accepted practice is that responsibility for policy rest with the political Chief Executive who sets the broad lines of policy to be pursued or, as Self (1972) puts it, his role is that of climate-setting in deciding the way certain issues are to be approached. The bureaucrats, on the other hand, are the instruments through which the policy is carried out. This paper, therefore, submits that to ensure efficient and effective service delivery, both political office holders and public bureaucrats should complement each other and interact in cooperative manner, to initiate and implement policies that would promote the well-being of the generality of the populace.

One major limitation of this paper is relying on theoretical postulations with very limited practical aspects of governance to unleash the supposed dichotomy between politics and administration as one of the oldest issues in public administration hence this important aspect continues to hold great relevance in the discourse of public administration in the web of governance, the world over. Further studies are therefore called upon to practically demonstrate the inseparable nature of public bureaucrats in the context of policy formulation and policy implementation using case study analysis.

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MARKETING OF LAUNDRY AND DRY CLEANING SERVICES IN BENIN CITY

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Abstract

Adopting the survey research design, this study examined the marketing of Laundry and Dry cleaning services in Benin City, Edo State, Nigeria. The population of interest was all laundry firms and their customers in Benin City. The sample however comprised of 200 customers and the managers of 20 laundry and dry cleaning firms in Benin City. Data obtained was analyzed using descriptive statistics and content analysis. Result obtained showed that customers were fairly satisfied on all dimensions of service quality measured. Respondents perceived Laundry firms to have performed least on the reliability dimension. It was also observed that managers of Laundry and Dry cleaning firms had a shallow understanding of marketing strategies. This study therefore recommend that managers of firms in this sector, get professional marketing training so as to be better equipped to tackle the various challenges in their business environment, especially as it relates to strategizing to tackle issues associated with reliability.

Keywords: Dry Cleaning Services, Laundry Services, Service Quality, Servqual

1. Introduction

The service industry covers a wide range of sectors (Kotler & Keller, 2009; Isibor & Odia, 2014), including the laundry and dry cleaning service sector. Bitner (1990) observed that the number of households outsourcing their dirty laundry cleaning to professional companies specializing in such business is gaining attraction. This may not be unrelated to the fact that this form of service does not only save time on the part of busy professionals and home makers but it also delivers clean and treated laundry. Secondly, given the high level of unemployment in Nigeria, this form of business is increasing because it can be setup with little capital.

As with other forms of business organization (Jensen & Markland, 1996; Santos & Matthews, 2001), the issue of quality is essential for the survival of laundry and dry cleaning firms. This is because it is trite knowledge that quality is a major determinant of customer satisfaction (Evbayiro-Osagie, Isibor, & Ihemefor, 2017; Kennedy, 2011; Bedi, 2010; Parasuraman, Berry & Zeithaml, 1985) and thus a strategic weapon for gaining competitive advantage in the marketplace (Mokhlis, Abu Hasan & Yaakop, 2014). Laundry and dry cleaning firms however face a daunting task when it comes to determining what levels of quality is acceptable in cleaning as each customer perceives quality differently (Kyengo, 2007).

Although numerous studies have explored the issue of quality in diverse service settings (Agbonifoh, Isibor & Okere, 2016; Isibor & Odia, 2014; Evbayiro-Osagie, Isibor, & Ihemefor, 2017; Bedi, 2010; Parasuraman, Berry & Zeithaml, 1985), studies on the service quality construct continue to be relevant as they help in unearthing previously latent variables relevant to the concept (Isibor & Odia, 2014). Given the fact that the service industry is now the



backbone of most economies (Kotler & Keller, 2009; Agbonifoh, Ogwo, Nnolim, & Nkamebe, 2007) gaining a robust understanding into the quality construct across different service context is crucial for developing strategies that will enhance service performance.

This study contributes to enriching the literature on service quality by exploring the phenomenon in the laundry and dry cleaning service context. To achieve the objective of the study, a two-side approach was adopted. First, we ascertained the level of satisfaction among laundry customers and their perception of the quality of services offered. Secondly, we explored the strategies employed by these firms and the challenges they face in doing so.

2. Literature Review

Lovelock and Wirtz (2004) define services as acts or performance offered by one party to another. They opined that while the process may be tied to a physical product, performance is often transitory, intangible and does not result in the ownership of any factor of production. Given their nature, services have been described as abstract and elusive construct (Parasuraman, Zeithaml & Berry, 1988). There is however a general consensus that services are intangible, highly perishable, cannot be separated from their provider and heterogeneous (Kotler & Armstrong, 2010; Agbonifoh, Ogwo, Nnolim & Nkamnebe, 2007). In addition, to the above characteristics, time and 'the other people' factors play a crucial role in the rendering and evaluation of services (Odia & Isibor, 2014; Lovelock & Wirtz, 2004). Most organizations fall within the ambit of the service industry (Kotler & Keller, 2009), this is because to a large extent, the offering of most firms consist to a lesser or greater extent of service components (Levitt, 1972).

Laundry and dry cleaning firms offer cleaning services. Kyengo (2007) defines cleaning as a systematic process aimed at removing unwanted matter in the environment. Laundry and dry cleaning exhibits all characteristics of services. It is intangible, cannot be stored, and highly heterogeneous. The perception of relevant 'others' also plays a major role in determining whether a customer will be satisfied. Although laundry and dry cleaning are often used together or interchangeably, Himanshi (2017) notes that both words are not synonymous. He observed that while laundry and dry cleaning are done to remove dirt, both are different in terms of the process by which they do so. While dry cleaning involves the use of chemical (perchloroethylene) to remove stains, laundering on the other hand involves washing with water and soap or other detergents.

Quality may be defined as a customer's overall impression of the relative superiority or inferiority of an organization and its services (Fogli, 2006). In the long run, quality relative to one's competitors has been found to be the single most important variable that guarantees performance, customer loyalty, sustained market share growth and high profitability (Jung, Han, & Oh, 2017; Zeithaml & Bitner, 2003; Buzzell & Gale, 1987).

Huilaja (1998) observed that service quality in laundry and dry cleaning may be viewed from four dimensions namely; technical, functional, aesthetic and process quality. Technical quality in cleaning encompasses cleaning frequency, the applied technology, service organization, control system and follow up as well as the technical and professional skills of cleaning personnel. The functional dimension encompasses the service speed, flexibility and attitude of cleaning personnel. The aesthetic dimension describes how the service is supplied and care with



which the business environment is setup. Process quality measures flexibility in cleaning service provision, how the cleaning provider deals with disaster and emergencies, compliant handling and customer recovery. Bound (2002) therefore suggested that quality in laundry and dry cleaning is determined by such factors as price (cost), customer expectations and needs, reliability of provider, response to disaster and complaints, working efficiency and competitor analysis. As a service, quality in laundry and dry cleaning is also determined by perception of relevant others about a providers' offering.

Although Huilaja (1998) suggested four dimension along which cleaning service quality may be measured, this study adopts the Servqual scale in measuring customers' perception cleaning quality. This is because the Servqual scale encompasses Huilaja's four dimensions and more. The servqual scale was developed from the gap model service quality (Parasuraman, Zeithaml & Berry, 1985). The gap model suggests that there is often a gap between what customers expect and their perception of actual performance of a service provider. According to the model, this gap often arises because service providers do not know what customers expect; select the right service design and standards; deliver on service standards; and match performance with their promises.

Parasuraman *et al.* (1985) opined that customers can only be satisfied when performance exceeds expectation. In 1988, they developed the Servqual scale. The essence of the scale was to enable service providers strategize and measure how well they fared in meeting customer expectations of quality. While the Servqual scale may have been criticized on different grounds (Gilmore, 2003), Lovelock and Wirtz (2004) explained that these criticisms do not serve to undermine the Servqual scale rather they reflect the difficulty in measuring customers' perception of quality. The Servqual scale measures customer perception of quality on five dimensions namely; tangibles, reliability, responsiveness, assurance and empathy.

Parasuraman *et al* (1988) opined that customers irrespective of the service industry, ranked reliability as the most important quality criterion. Andaleeb and Conway (2006) however, observed that in the restaurant industry in the United States, responsiveness of frontline employee was the most important service criterion. In Nigeria, Isibor and Odia (2014) found reliability to be the most important quality dimension in the restaurant industry and responsiveness as the most important in the transportation service sector. Hence, contrary to the observation of Parasuraman *et al* (1988), the importance of each service quality dimension varies across service context depending on the nature of the core business in the sector (Isibor & Odia, 2014).

3. Methodology

The population for this study comprised of all laundry and dry cleaning firms and their customers in Benin City. It was observed that except for the very large ones, many of these firms operated informally and so, were not captured as registered businesses in the City. We therefore, on the basis of judgmental sampling, chose to work with a sample of 20 registered laundry and dry cleaning firms and 200 respondents. Judgmental sampling is best suited for studying a small subset of a large population in which many members of the subset are easily identified but the enumeration of all of them would be nearly impossible (Yomere & Agbonifoh, 1999). In a bid to ensure spread, sample elements were chosen on the basis of



convenience from the four local government areas that make up Benin City (Ikpoba Okha, Ovia North East, Oredo and Egor). Due to the nature of this study, survey involving the use of questionnaire and structured interview were adopted for this study. The questionnaire was adapted from SERVQUAL developed by Parasuraman *et al* (1988). Questionnaires were distributed in recreational and leisure centers to respondents who indicated they use laundry and dry cleaning services. Data obtained from questionnaire were analyzed using descriptive statistics while responses from interview were categorized using content analysis.

4. Results

Of the two hundred (200) questionnaire distributed, one hundred and eighty (90%) were found to be usable. Table 1 shows demographic distribution of respondents. Result indicates that majority of the respondents were male (78.9%), between the ages of 25 – 34 years (45.6%), had obtained a University Degree (78.2%) and earned income less than ₦10,000 (36.1%).

Table 1: Demographic Distribution of Respondents

Variable	Measurement	Frequency	Percentage (%)
Sex	Male	142	78.9
	Female	38	21.1
Age	18 – 24	59	32.8
	25 – 34	82	45.6
	35 – 44	21	11.7
	45 – 54	14	7.8
	55 and Above	4	2.2
Educational Level	Primary	-	-
	Secondary	15	8.33
	Tertiary	140	77.78
	Postgraduate	24	13.3
	Missing	1	0.56
Monthly income	₦10,000 and below	65	36.11
	₦ 10,000 -50,000	33	18.33
	₦ 50,001 -100,000	43	23.89
	₦ 100,001-150,000	10	5.56
	₦ 150,001- 200,000	16	8.89
	Above ₦ 200,000	13	7.22
Total		180	100

Source: Authors' Fieldwork.

Level of Satisfaction and Perception of Service Quality

Respondents' level of satisfaction with laundry services was determined by analyzing overall satisfaction index for the various Servqual dimensions. The satisfaction index was computed based on mean response of customers who had used laundry and dry cleaning services. As indicated by result obtained in Table 2, respondents were satisfied with the services received.



Table 2: Perceived level of satisfaction with laundry and dry cleaning services

Service Quality Dimensions	N	VD	D	U	S	VS	Index
1. The laundry premises (eg neatness and beauty)	180	1 0.6%	6 3.3%	6 3.3%	133 73.9%	34 18.9%	4.07
2. Facilities and equipment	180	2 1.1%	8 4.4%	13 7.2%	128 71.2%	29 16.1%	3.97
3. Employee Dressing	180	- -	28 15.6%	14 7.8%	119 66.1%	19 10.1%	3.72
<i>Tangibility</i>							3.92
4. Operating hours of the laundry and dry cleaning firm	180	- -	8 4.4%	15 8.3%	106 58.3%	51 28.3%	4.11
5. The way or manner you are attended to by employees of the laundry and dry cleaning firm	180	1 0.6%	5 2.8%	3 1.7%	127 70.6%	44 24.4%	4.16
6. The speed with which you are attended to	180	1 0.6%	18 10%	9 5%	112 62.2%	40 22.2%	3.96
7. Quality of service provided	180	- -	2 1.1%	7 3.9%	116 64.4%	55 30.6%	4.24
<i>Reliability</i>							4.12
8. The speed with your complaints are handled	180	- -	9 5%	23 12.8%	112 62.2%	36 20%	3.97
9. The willingness of employees to help customers	180	- -	6 3.3%	27 15%	107 59.4%	40 22.2%	4.01
10. The way customers' problems are handled	180	- -	8 4.4%	27 15%	105 58.3%	40 22.2%	3.98
<i>Responsiveness</i>							3.99
11. The security/safety at the laundry and dry cleaning firm	180	1 0.6%	7 3.9%	27 15%	104 57.8%	41 22.8%	3.98
12. The level of knowledge about their job that employees display	180	2 1.1%	7 3.9%	32 17.8%	111 61.7%	28 15.6%	3.87
13. Employee politeness towards customers	180	1 0.6%	5 2.8%	9 5%	127 70.6%	38 21.1%	4.09
14. Employee honesty with customers.	180	- -	10 5.6%	14 7.8%	119 66.1%	37 20.6%	4.02
<i>Assurance</i>							3.99
15. Efforts made by the laundry and dry cleaning firm to understand my needs	180	- -	6 3.3%	25 13.9%	123 68.3%	26 14.4%	3.94
16. Extent to which the laundry and dry cleaning firm works with your complaints/comments/suggestions	180	1 0.6%	12 6.7%	27 15%	115 63.9%	25 13.9%	3.84
17. The extent to which the laundry and dry cleaning firm seems to have your interest at heart	180	- -	4 2.2%	45 25%	93 51.7%	38 21.1%	3.92



Service Quality Dimensions	N	VD	D	U	S	VS	Index
<i>Empathy</i>							3.90
Your overall perception of service quality in the laundry and dry cleaning firm you have used in the last 6 months?	180	-	2 1.1%	8 4.4%	101 56.1%	96 38.3%	4.32

Note: VD=Very Dissatisfied, D=Dissatisfied, U=Unsure, S=Satisfied, and VS=Very Satisfied

This is because satisfaction index was greater than 3 which is the neutral level (Tangibility 3.92, Reliability 4.12, Responsiveness 3.99, Assurance 3.99 and Empathy 3.90). This is further corroborated by the fact that respondents' assessment of overall level of quality offered amounted to 4.32 on a five point Likert scale. This result supports Caruna (2002) observation that if a customer perceives service quality to be high, such a customer will also report a high level of satisfaction. In terms of perception of the quality of service rendered, customers rated the sector highest in terms of reliability (4.12), followed by responsiveness and assurance (3.99), tangibility (3.92) and perception score was least in terms of empathy (3.90). Hence, unlike in Isibor and Odia (2014) where respondents rated the restaurant and interstate transport sectors to have performed best in terms of reliability and tangibility, and least in terms of responsiveness, respondents rated the laundry and dry cleaning sector to have performed best in terms of reliability but least in terms of empathy.

Strategies employed and Challenges faced by Laundry and Dry cleaning firms

Ferrell and Hartline (2008) describe strategies as an organization's strengths and capability in meeting market needs. During the interview, managers of sampled laundry and dry cleaning firms were asked the marketing strategies they employed and what factors they considered in selecting such strategies. Tables 3 depict responses obtained.

Table 3: Strategies employed by Laundry and Dry cleaning firms

Strategy	Sample Statement	Frequency	Factor Considered
Packaging	"I ensure clothes are neatly packed and customer name tagged on them to avoid mix up"	20	Customer Preference
Home pickup and delivery service	"To ensure convenience, we are ready to pick up and deliver laundry items to our clients"	19	Ability of customer to pay extra charges
Advertising	"we advertise through handbills, posters and bill boards"	17	Cost involved
Price Discount	" I give price discount to my customers"	7	Number of clothes brought and frequency of patronage

Source: Authors' Fieldwork



Aside the strategies listed in Table 3, others mentioned by a few respondents include “*sending customers happy birthday wishes*”, “*ensuring my business environment is tidy, neat and beautiful*”, “*opening of branches for my business in easily accessible locations*” and “*training my staff to respect and render help to customers*”.

In terms of challenges, managers interviewed complained of high and multiple taxation, poor power supply, scarcity of chemicals for washing and unwillingness of financial institutions to give financial facilities (loans and overdraft).

5. Conclusion and Recommendations

Given the importance of quality, issues about service quality will continue to remain at the front burner for marketing practitioners and researchers alike. Although our result indicate that customers are fairly satisfied with the Laundry and Dry cleaning services rendered, firms in this sector scored least in the reliability dimension. There is therefore the need for managers of these firms to better strategize to tackle the challenges associated with reliability. A review of responses obtained from the interview shows that managers in the sector had poor knowledge of marketing strategies, there is the need for them to get professional marketing training so as to be better equipped to tackle the various challenges in their business environment. With the high level of unemployment in Nigeria, laundry and dry cleaning can become an attractive option for would be entrepreneurs. This can however, only happen, if government attends to the challenges identified in this study so that the sector becomes more attractive.

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ENTREPRENEURSHIP FACTS FOR SUSTAINABLE ECONOMIC DEVELOPMENT IN DEVELOPING COUNTRIES

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Abstract

The pursuit of economic development and dominance by countries of the world is common to both advanced and third world countries. Economic theories and facts propounded by Adams Smith in the 18th century and Ricardo in the 19th century among other scholars, have laid the cornerstone around which various economic strategies and approaches have been fashioned to reach this common goal. The result has been a wide gap that made some economies of the world to be known as “advanced, industrialized” and some others, “developing, third world” economies. While some past researches have attempted to pinpoint factors such as poor infrastructure, poor capital formation, weak institutional framework and so on as some factors responsible for back lagging of these “developing”, economies, recent emphases through empirical and academic researchers have shown that the much needed economic “miracle” for the third world countries is embedded in the factor of entrepreneurship. In fact, the unravelling of this factor has produced what is termed “emerging” economies such as Brazil, India, Indonesia, Mexico, etc. This paper therefore explores a mix of entrepreneurship theories and facts believed to underlie the rapid and sustainable economic growth and development of countries such as Argentina, Brazil, Thailand and Mexico with a view of framing a unique and an adaptable entrepreneurship fact for other developing economies like Nigeria. The resulting fact, being founded on the works of Schumpeter, is necessity driven; opportunity based; resources enabled; and result focused. Characteristically, the facts have five pillars: “window”, “network”, “corridor”, “product” and “outcome”. Though novel, the five pillar entrepreneurship facts is hoped to be proven useful in the academia and policy making parlance.

Keywords: Entrepreneurship, Economic Development, Developing Countries.

1. Introduction

It is a known fact that developing countries, pursue economic “prosperity”. This is particularly evident as governments of developing, non industrialized nations of the world have repeatedly declared their intentions to propel their national economies to the status of being “developed” and “industrialized” with the expectation to reap economic “fortune” (Goh, 2005). This common goal, though not peculiar to developing countries, have been variously pursued on the basis formulated national policies and strategies which are hoped to deliver calculated economic “ends” (Goh, 2005). The results, vis à vis input in terms of financial resources used to run diverse government programmes and policies, time, efforts and political commitment have consistently left majority of the developing countries behind the goal; thus, a shift of focus in economic development research and theory (Naude, 2013; Gupta, 2012).



Recent researches in the field of economic development now strongly focus on Schumpeter's old concept of "pioneering entrepreneur" who is regarded as key driver of economic development (Hagemann, 2013). The arguments of Cuervo, Ribeiro & Roig (2007), Dejardin (2000), Wennerkers & Thurik (1999), Holcombe (1998) and the United Nations Conference on Trade and Development (UNCTAD) (2005) all hinge the foundations of economic development of any sovereign economy within the 21st global context, on the individual "innovating" entrepreneur who, according to Schumpeter (1911), brings "new combinations" that include new processes, new products, sources of supply, new markets and new forms of organization. Hagemann (2013), Dejardin (2000) and Wennerkers & Thurik (1999) had in their works reinforced this fact. While Pereto (1999) argued that economic development results from technological advancement and knowledge accumulation; Schmitz (1989) had already facts that this economic development is founded on entrepreneurship citing "entrepreneurial activity" as a key determinant in the process. The UNCTAD (2005) therefore drew the following conclusion on the basis of Wennerkers and Thurik's facts (1999) that: Entrepreneurial activity hence expands and transforms productive potentials of the national economy by inducing higher productivity and an expansion of new niches and industries."

Here, "productive potentials" refers to the accumulation of both natural and human resources which are in abundant natural supply in most of developing countries. The developing world possesses great possibilities of economic development that is capable of dramatically changing global economic landscape. A condition that would accelerate this economic upturn is deliberate entrepreneurial efforts that would transform these potentials into indigenously made wealth creating products. Thus, developmental strategies of developing nations should, as advocated by the UNCTAD (2004), focus on boosting entrepreneurial capacity and broadening the base of individuals with entrepreneurial tendencies. Crafting an entrepreneurship fact that would both aim at enlarging the base of such "pioneering entrepreneurs" and concentrate on growth potentials and innovations in order to accelerate sustainable economic development therefore becomes the major objective of this paper.

2. Literature Review

Panoramic View of Economic Status of Some Selected Developing Countries

The economies of the world are categorized as developed, developing or least developed. The United Nations Development Programme (UNDP), the International Monetary Fund (IMF) and the World Bank independently do this categorization on the bases of Gross National Income per capita per year (GNI per capita); Human Assets Indices such as nutrition, health, education, and adult literacy; and Economic Indices such as production, exports of goods and services, the economic importance of non traditional activities (i.e. share of manufacturing and modern services in GDP), merchandise export concentration; and the size of the economy (Neilson, 2011). As the case always is, any economic development drive focuses on the "qualitative change and restructuring in a country's economy in connection with technological and social progress" with Gross National Income per capita as a main indicator. Successfully implemented economic development strategy should lead to higher economic output (measured in terms of Gross Domestic Product, GDP), decline in unemployment, increased industrialization, higher exports of value added products, better spread of wealth among citizenry, favorable balance of trade, amongst others.



In general, developing countries as defined by World Bank (2004), are countries with low or middle levels of GNI per capita characterized with low industrialization (see Tables 1a and 1b); low income status reflected by the average earning per day (as more than 50% citizens of most developing countries live on less than US\$ 1 per day and more than 60% live on less than US\$ 2 per day) (World Bank, 2008 & 2009); and high poverty rates (as more than 40% live below poverty line in some developing countries like Nigeria) (World Bank, 2013).

Tables 1 and 2 both exhibits the gross domestic products, gross national income per capita and Manufactures exports (% of merchandise exports), a pointer to industrialization level of the economy. While Table 2 shows these variables for sixteen developing countries from Asia (China, Indonesia, Malaysia and Thailand); Africa (Egypt, Nigeria, Kenya and South Africa); Europe (Turkey, Ukraine, Hungary and Bulgaria) and the Latin America (Cuba, Mexico, Brazil and Argentina); Table 1a shows the same sets of variables for seven of the most developed, industrialized countries which includes United States and Japan. From Table 1, it is evident that developed states are highly industrialized given the high rate of manufactures' contribution to their exports, ranging from 58.03 to 91.97. These products (some of which include motor vehicles, machinery, chemicals, computer and electronics) are by no means exogenous either in design or production, except for later shift of plants to countries with relatively cheap labor. This implies that both the product idea (innovation) and production (entrepreneurial activity) are indigenously mobilized, giving room for the countries' nationals to create and own wealth. Such wealth can be described as "real" because there would be no repatriation.

Table 2 however shows that most developing countries have relatively small economic size (except for China given the heavy shift of American firms to China, fast technology transfer and its trillion population); low industrial base (again, except for some developing countries like China, Mexico, Thailand, Turkey and Malaysia making a forward leap through entrepreneurial manufacturing) and weak economic wealth for their citizens. The case of Nigeria in particular paints a vivid picture of this. Though very rich in diverse solid minerals, fossil fuels and natural gas and agriculture, the country, like most developing countries can only boast of light manufacturing base. For instance, its manufacture based exports accounts for only 7% at its peak in 2010 and could be as low as 1% (see Table 3). So, more than 98% of export earnings and about 83% of federal government revenue would normally come from primary products, which could have been multiplied in two or three fold if these resources indigenously gained value addition by way of entrepreneurial innovations before they are exported. This makes most developing economies dependent on industrialized nations for not only industrial products to meet their slim industrial sector but also for consumer products. Over 90% of manufactured goods are said to be imported. The attendant consequences include: less resilience to global economic oscillations and inability to translate drivers of economic growth into qualitative change.

The United Nations Development Programme's Report (2013) nevertheless exuded the exceptionality of some developing countries like *China, India, Brazil* and the "Rise of the South" which include *Indonesia* (Southeast Asia), *Mexico* (South of North America), *South Africa* (Southernmost Africa), *Thailand* (Southeast Asia) and *Turkey* (Southeast Europe) in the area of fast paced industrialization process. According to the report, the various national



Table 1: Some Selected Developed Countries from Asia, Europe and North America with Some Key Economic Indicators

Country	GDP (US\$ billions)		GNI per capita (US\$)		Manufactures exports (% of merchandise exports)	
	2005	2012	2005	2012	2005	2012
	United States	12,564.30	15,684.80	44,670	50,120	79.89
Japan	4,571.88	5,959.72	39,140	47,870	91.97	89.56
Germany	2,766.25	3,399.59	34,780	44,010	86.06	82.49
United Kingdom	2,295.84	2,435.17	39,030	38,250	76.93	66.37
France	2,136.56	2,612.88	34,850	41,750	80.15	76.99
Italy	1,786.28	2,013.26	30,880	33,840	85.15	NA
Canada	1,133.76	1,821.42	33,110	50,970	58.03	47.32
Spain	1,130.80	1,349.35	25,450	30,110	76.6	67.79

Source: World Bank, 2013

Table 2: Some Selected Developing Countries from Asia, Europe, Africa and the Americas with Some Key Economic Indicators

Country	GDP (US\$ billions)		GNI per capita (US\$)		Manufactures exports (% of merchandise exports)	
	2005	2012	2005	2012	2005	2012
	China	2,256.90	8,358.36	1,740	5,680	91.88
Brazil	882.19	2,252.66	3,960	11,630	52.96	35.04
Mexico	848.95	1,177.96	7,520	9,600	77.15	74.3
Turkey	482.98	789.26	6,520	10,830	81.57	77.73
Indonesia	285.87	878.19	1,230	3,420	47.18	36.18
South Africa	247.05	384.31	4,850	7,610	56.66	45.38
Argentina	183.19	470.53	4,480	N/A	30.8	32.14
Thailand	176.35	365.97	2,600	5,210	76.8	73.77
Malaysia	143.53	303.53	5,240	9,800	74.66	61.78
Nigeria	112.25	262.61	630	1,430	NA	NA
Hungary	110.32	125.51	10,220	12,370	85.16	79.99
Egypt, Arab Rep.	89.69	257.29	1,290	3,000	23.65	45.49
Ukraine	86.14	176.31	1,540	3,500	69.43	60.7
Cuba	42.64	NA	3,950	NA	26.84	NA
Bulgaria	28.9	51.03	3,640	6,870	59.25	47.59
Kenya	18.74	37.34	520	850	31.91	NA

Source: World Bank, 2013

Table 3: Nigeria's Manufactures Exports (% of merchandise exports) between 2005 and 2012

Manufactures exports (% of merchandise exports)							
2005	2006	2007	2008	2009	2010	2011	2012
N/A	1	2	5	4	7	3	NA

Source: World Bank, 2013



economic programmes pursued by these countries being fact on the cornerstones of entrepreneurial creativity and innovation have consequently improved their economic development status, altogether lifting hundreds of millions out of poverty. The clue here is: developing countries have a high chance of realizing their economic dream if they facts their national strategic plan on entrepreneurship given the economic dynamics of this 21st century.

3. Providing an Entrepreneurship fact for Sustainable Economic Development

The prime objective of this paper is to provide adaptable entrepreneurship based economic development facts. The fact is founded on the Schumpeterian economic development theory which argues that the entrepreneur is a key driver of economic growth and development. Specifically, the facts are: necessity driven (i.e. necessity to improve income earning and wealth creating capacity of individuals, firms and the economy); opportunity based (opportunity to create globally marketable value added products); resources enabled (possession of ample natural resources that serve as basis for innovating entrepreneurship), and result oriented (targeted towards economic development of the nation).

Pillars of the “TICE” facts

The facts, which is entrepreneurship based, is expected to drive the overall thrust of economic development strategy of any developing country like Nigeria. The facts are also called “TICE” facts because of four major facilitating functions or role expected of the state machinery (this will be discussed shortly after now). Characteristically, the “TICE” facts features five key pillars which are: “window”, “network”, “corridor”, “product” and “outcome”.

The Window

This defines the spectrum of economic advantages and opportunities available to be exploited by any economy in order realize preset economic “ends” such as higher living standard, rapid industrialization process, etc. Just as in literal sense, economic window in this context also refers to the openings which require further and thorough investigations in order to be fully exploited. One of the key assumptions that underlie the “TICE” facts is that most developing countries are richly endowed with vast range of natural resources within which are embedded, economic opportunities largely untapped hitherto. While this fact considers natural resources as the bedrock of economic window, education and research, global dynamics and socio economic needs are other quadrants that complete the window.

Natural Resources Developing countries especially are so richly endowed with varied base of natural resources ranging from solid minerals, agriculture, and petroleum to even virile and largely enterprising teeming population. It is no doubt that over 70% of world’s richest mineral resources abound underneath the soil of developing countries. For instance, the proven reserve of oil as at end of 2012 indicates that over 80% are endowed in developing Asian and African countries (OPEC, 2012). These resources afford one vital opportunity to the countries that own them: **COST ADVANTAGE**. Assume that country A is a developed, industrialized country and that countries B, C, D, E, F and G are developing countries located in different regions of the globe. Furthermore, country A imports cocoa, rubber, iron ore and uranium from country B and C that are richly endowed with these natural resources at \$ US 1/ton respectively. Country A in turn will add value to these imported resources in their own country thereby creating job opportunities for their citizens, meet local demands, and create income generating and earning



avenues within the local economy and will in turn export the finished products as coffee, plastic products, automobiles, cooking or industrial gas to developing countries B, C, D, E, F and G at prices in multiples of US\$1. Thus developing countries remain underdeveloped. Entrepreneurship provides the impetus for rapid economic growth, propelled by strong industrial base. Recognizing the importance of this, Thailand disbursed almost 40% of the public funds to Research and Development expenditure in 2003, concentrating on adding value to its primary commodity (Doner, 2010).

Education and Research Former President, John F. Kennedy, once asserted: “Our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource.” This underscores the extreme importance of education in accelerating the development of any nation. One index that marks most developed states in high literacy rate and strong research base. The US Pennsylvania State University for instance, ran a budget in 2011 for research and expenditure alone that exceeded US\$ 794 million contrary to the total capital budgetary allocation in Nigerian education sector that amounted to only US\$ 230.3 million for 2011 (Pennsylvania State University, 2012; “ERC faults FG Budgetary Allocation to Education”, 2011). This fact recognizes E/R as a vital instrument for sustainable development. Given the over 50% population of developing nations as youth population, the second quadrant of the window identifies (E/R) as having the potential for developing indigenous technological know how if the orientation of E/R is tailored towards natural resources. This however, would require a strategic and functional education system that is truly based on excellence, openness, local opportunities and support systems. The outcome of E/R oriented towards exploring developing country’s own natural resources will be a stream of viable product ideas that would require further development and eventual commercialization. It was in recognition of this window that Thailand rapidly revolutionized its educational system at the close of the 20th century in order to encourage the development of core skills and learning requisite for successful entrepreneurial drive (Kantamara, Hallinger&Jatiket, 2006; “Higher Education: Policy and Issue”, n.d). This may have spurred its youth population to pursue learning and research activities that have led to the development of highly valued globally marketable products.

Global context allows for regional, continental and even sub regional integration apart from maintaining bilateral relations. Vast opportunities could be tapped from the synergy resulting from this integration and diplomatic ties. Organization of the Petroleum Exporting Countries (OPEC) for instance is a trading cartel that integrates countries like Venezuela, Saudi Arabia, Iran, Iraq, Kuwait, United Arab Emirates, Libya, Nigeria, Qatar, Algeria, Angola and Ecuador. While a country like Saudi Arabia has developed a productive capacity in the area of oil refinery that parallels the West, Nigeria is still lagging behind. OPEC should be platform for exploring productive capabilities for Nigeria since they share similar resources.

Socio economic Needs - Common with most developing nations’ population is the quest for survival as significant populace live below US\$ 2 per day; the drive for improved living standard; search for means of livelihood as unemployment rates could be as high as 25% in some of the developing countries (World Bank, 2013). The prevalent economic conditions in any country would normally induce certain socio economic factors/ needs. For instance, search for means of livelihood due to prevailing high rate of unemployment may lead a citizen to



critical thinking as to what enterprise to undertake. The truth is that; great entrepreneurs have been born this way. The Brazilian experience on EMPRETEC (the Spanish acronym for emprendedores i.e. entrepreneurs and tecnología i.e. technology) alludes to this (UNCTAD, 2005). Therefore, a thorough understanding of what makes up a developing country's socio economic needs can lead to formulating entrepreneurship driven national economic development plan. Schumpeter (1961) and McClelland (1961)' theories support the fact that most of the socio economic needs prevalent in developing country underlie what is known as "entrepreneurial spirit" (Cuervo, Ribeiro & Roig, 2007) or "entrepreneurial tendencies". This entrepreneurial spirit or tendencies in individuals and firms can be harnessed on a whole scale to engender innovation, productivity and economic development. According to Cuervo, Ribeiro & Roig (2007), opportunity for entrepreneurship within an economy on a substantially large scale is actually "economic opportunity" that needs to be exploited for economic growth and development.

Network

This is the second pillar of the "TICE" facts which suggests that realising sustainable economic development would depend so much on collaboration which must first be well established and coordinated and second, explored in order to harness the opportunities presented by the window.

The experience of Brazil, Indonesia, Malaysia and Thailand prove invaluable evidence that if government role is largely reduced to that of a "facilitator", there will be enabling environment for entrepreneurship to thrive – free enterprise setup that allows for pure competition. It is only then any economic development policy formulated on this fact would yield intended results.

Individual Entrepreneurs- Cuervo, Ribeiro & Roig (2007)'s statement – "The creation of a country's wealth and dynamism depends upon the competitiveness of its firms and this, in turn, relies fundamentally on the capabilities of its entrepreneurs..." – vividly captures the essence of integrating the individual entrepreneurs in the network. This essence was equally emphasized by the Wennerkers and Thurik (1999)'s facts when they asserted that entrepreneurial activity requires to grow and develop any economy is traceable to individuals – entrepreneurs. The economic development plan that be based on the facts therefore suggests that the plan must thoroughly focus on the individual entrepreneurs that pebble various sectors of the national economy.

Education/ Research- Well funded education and research sector that is strongly tailored towards harnessing the economic opportunities in the economy forms a key team player in the entrepreneurial network. Expectedly, the E/R will normally churn research outcomes in form of technological advance, discoveries and know how necessary to drive the industrial base of the economy. The funding of this sector should not be left in the hands of the government alone. Industries, firms and individuals must plug in. Pennsylvania State University for instance got more than 8% of its US\$ 230.3 million as research funding from industry in 2011 (Pennsylvania State University, 2012). This is a continuum in similar region.

Firms-The EMPRETEC facts (2004) which focused strongly on developing the entrepreneurial capabilities of individuals also took cognizance of the firms. The implementation of EMPRETEC programme is intended to strengthen SMEs in developing countries in order to further foster entrepreneurship for economic benefits. Existing firms at all levels – small,



medium and large – and in the various sectors are recognized as important drivers for promoting entrepreneurship in a coordinated manner since they organize productive resources. Furthermore, enforcement of free entry and exit barriers as advocated by Porter (1980)'s facts should also encourage the springing up of promising enterprises in the economy. Firms therefore become a key member of the entrepreneurial network.

Foreign Direct Investment- The "TICE facts views Foreign Direct Investment (FDI) as a vital in advancing a developing economy. The Argentine scenario proves this point clearly. It is claimed that the Argentine manufacturing subsector gets 36% share of FDI stock that is put at US\$ 8.7 billion in 2012. On the overall, 51% of Argentine FDI stock is said to be channeled to medium and high tech investment.

Corridor

The "TICE" facts are pillared on the concept of Value Chain first propounded by Porter (1985). From the microeconomic perspective, Value Chain refer to a set of interconnected value creating activities performed by an organization spanning from procurement of productive inputs up to the end products being marketed to the final consumers. From the macroeconomic viewpoint, the entire economy can be seen as a complex value adding system which must be well structured and coordinated in order to attain to the status of being a "producing economy". This means that various sectors of the economy (i.e. transport, manufacturing, energy, communications, banking, marketing, etc) must be work in a cohesive manner as facilitated by government policies and programmes. Contradictory policies at any level of governance or from regime to regime, as it is a common thing in developing countries will hamper the "corridor" pillar of the "TICE" facts.

Product

As earlier stated, if a well-funded education and research sector is strongly tailored towards exploring a developing country's vast natural resources, the expected outcome should be a mix of products that can developed and marketed to the rest of the world at competitive cost advantage. With the claim that 90% of its exports in 2000 came from the industrial, Mexico could only record this rapid growth, industrialization and economic development because of the competitive cost of manufacturing and design of its electronics which are mostly indigenous. It is said that the automobile industry produces technologically complex components and engages in some research and development activities. An example is that of the new Volkswagen Jetta facts with up to 70% of parts designed in Mexico (Gereffi & Martínez, 2004). In addition, Mexico produces and exports at competitive prices, high tech products such as aircraft, petrochemicals, cement, textiles, processed food and beverages and consumer durables. Most of these products were developed when education and research oriented toward exploring their rich natural resources.

Outcome

Generally, developing countries yearn to reap economic benefits from formulated policies and programmes. Some of the benefits, which represent the expectations of the populace include: improved living standard as a result of provision of employment opportunities, better infrastructural facilities to foster economic output, stable economy that guarantees increased wealth and income, etc. While these constitute "felt" outcome, in general, the outcome pillar of



the “TICE” facts presupposes that there will be: increased production of indigenously originated high tech goods and services to drive GDP growth; very large platform for wealth creation/ownership at the micro level thereby reducing poverty, increasing per capita income and ultimately improving general standard of living; resilient economy due to bulk “home sourcing” of products for local consumption and productive inputs; and well diversified economy with strong industrial base as in the case of Mexico, Argentina, Brazil, Thailand and Indonesia. However, continuous EVALUATION of framework, machineries, rules and regulation, policies, programmes, support systems and infrastructural upgrading is required ensure that any national economic development strategy formulated on the basis of the “TICE” facts would continually yield results consistent with these outcomes.

Prevalent Conditions Necessary for Implementing the “TICE” Facts

The adaptation of the “TICE” facts by any developing country cannot be without necessary pre conditions. These conditions, which cut across the political, social, economic and educational dimensions, are foundational to conceptualization and implementation of any national economic strategy. They include:

National economic framework that allows for truly free enterprise with strong legal structure and strong corporate governance. Availability of physical infrastructure (like power; communications; transport system) and “socio fracture” that guarantees security of human life and investment. Transparent tax system that supports entrepreneurial drive and industry.

Orientation towards private driven economy with government playing the role of “facilitator”.

Genuine promotion of indigenous technological know how through purposeful investment in E/R and joint partnerships to establish manufacturing plants rather than mere assembly plants.

Orientation towards functional educational system that would spur entrepreneurial development.

Stable polity characterized with “non profitability”, absence of “systemic” corruption and promotion of excellence, accountability, industry and ingenuity as national values.

Discussion on Practical Application of the “TICE” facts

Education and research sector forms the core of the “TICE” facts. As such, the education/research sector should be *tailored* towards exploiting natural resources within the economy. To achieve this, *first*, the education/research sector must be rigorously restructured into well planned frame that would impart entrepreneurial skills at all levels of education beginning from the very foundation so that graduates at each level of education are fully equipped to pioneer start ups capable of exploring indigenous product ideas, process technologies and adapted technologies in order to add manufacturing value to natural resources possessed in abundance by the country. This restructuring should however be based on “Parity” concept which means: Performance (the exact expected accomplishment from each institution and researcher in the sector); Accountability (justification of investment as input vis à vis economic contribution as output); and Reward (adequate remuneration juxtaposed between the prevalent national and global socio economic realities. This in essence should spur excellent intellectualism that would lead to ingenuity and innovation. Figure 4 below offers an example of education/research refactoring. *Second*, synergies resulting from the entrepreneurial network (i.e. research grants/funds; technical expertise, etc) should be *channelled* towards to developing



new products fit for local consumption and export as well as devote foreign direct investment to the establishment of firms that will grow the economy within the framework of entrepreneurship. *Three, integrate* the E/R sector into all other economic sectors of the country (i.e. manufacturing, governance, business, financial, etc) in order to maximally harness the intellectual insights into the country's abundant natural resources.

4. Conclusion and Recommendations

On the basis of the Schumpeterian economic development theory, entrepreneurship is seen as key driver of economic development. This paper proposes facts that could form the basis for formulating a workable national economic development strategy especially for developing countries. It is hoped that positive and progressive differences would be recorded like in the case of Argentina, Brazil, Mexico and Thailand if well-funded education and research activities are strongly *tailored* to develop natural resources based products; and the synergies gained through well *integrated* entrepreneurial network is together with ample entrepreneurial tendencies *channeled* to create value added goods and services, with recourse to continuous *evaluation*. For future research, it is hoped that if these facts proposed by this paper are applied as intended, it will be possible to measure the dramatic impact the facts could bear on the economic development as well as the entrepreneurship development of a developing country.

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**EFFECT OF AFFECTIVE, CONTINUANCE, AND NORMATIVE COMMITMENTS
ON JOB PERFORMANCE OF EMPLOYEES OF NATIONAL IDENTITY
MANAGEMENT COMMISSION, NORTHWEST ZONE, NIGERIA**

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Abstract

Employee performance is paramount to the existence and goal attainment of an organization in relation to increased productivity, service quality delivery, and profitability. Higher job performance leads to increased productivity, service quality delivery, and profitability of the organization. This study examines the effect of Affective Commitment, Continuance Commitment, and Normative Commitment on Job Performance of Employees of National Identity Management Commission (NIMC), Northwest Zone, Nigeria. The study adopts proportionate and convenient random sampling techniques method using 210 questionnaires. Regression analysis (SPSS Version 22) was used for data analysis. The results of the study revealed that affective commitment and continuance commitment have statistical significance effect on job performance of employees, while normative commitment has negative and insignificant effect on job performance of employees of NIMC in Northwest Zone, Nigeria. It is therefore recommended that the management of NIMC should concentrate more resources on affective and continuance commitment that were empirically found by the study to positively predict job performance of employees.

Keywords: Affective Commitment, Continuance Commitment, Normative Commitment, Job Performance, NIMC

1. Introduction

Organizations are established for the purpose to achieve a given goal; thus, the need for employees' job performance. The performance of employee's every levels accounts for the performance of the organization and its success. In other words, performance of employees constituted the performance of the organization at large (Jakada, 2019). Employee job performance (JP) is a necessary tool for achieving goals and objectives of an organization, whether public, private or charity organizations: hence a linchpin into the survival and wellbeing of organizations (Sonnentag, Volmer, & Sychala, 2008). One of the essential tasks undertaken by managers of organizations is to ensure that the employees of their entities attain higher level of performance (Armstrong, 2010). These opinions justify the fact that performance of an



organization is a reflection of the employee JP and that the better the employees perform their jobs the better the organization perform and vice versa (Jakada, 2019). JP of employees of National Identity Management Commission (NIMC) is fulcrum to the realization of the goals and objectives of the organization and at large the wellbeing of Nigeria. Because providing national identification number (NIN) to all Nigerians will help the government enhances security and develop good economic development plan that could positively impact on the lives of the citizenry.

JP of employees has become one of the important indicator in determining organizational performance and success (Wallet al., 2004) and is affected by a factors such as organizational commitment (Sims, 2002). JP of employees is about employees achieving the results, goals or standards expected by the organization. Therefore, if an organization is to conceive its employees as vital asset, it has to be aware about what it takes to motivate them to full performance potentials (Lawler, 2003). Organizational commitment (OC) is an important employee motivation because it is perceived to reduce detrimental behavior e.g. lateness, absenteeism and turnover which could have likely serious effect on the overall performance of the organization (Peace & Muhammad, 2014).

OC encompasses relationship with the organization where the individual is willing to offer something to the organization in order to assist the organization thrives and perform (Meryer & Allen, 1997). OC is the attachment and loyalty: associated with the feelings of individuals about their organization (Armstrong, 2014). Therefore, higher OC to work could result in painstaking and self-directed application to do the job, regular attendance, the need for less supervision and a high level of discretionary effort (Armstrong, 2014). OC is a believe which shows the strength of an employee attachment to an organization (Osa & Amos, 2014). Meyer and Herscovitch (2001) viewed OC as a force that bonds an individual to a course of action of relevance to one or more targets. Committed employees are the bedrock of an organization and it entails a serious effort to comprehend the factors that affect the level of commitment and involvement the most (Srivastava & Pathak, 2019). Thus, ensuring continuous employees OC through psychological attachment towards the job and organization is the nub of human resources management in an organization (Gautam, 2017) and NIMC is not an exception.

The importance of national identity (NI) to economic growth cannot be over emphasised: NI is an important tool for sustainable development (Solomon, 2018). NI helps governments to plan well towards efficient utilisation of the available resources at its disposal for economic development. NI helps to fast track development through efficient utilisation of resources, resources distribution, prioritisation, and provision of adequate security. However, despite the immense importance of providing NI to every Nigerian and the need for OC from the NIMC employees towards their job, the organization faces the problem of employee commitment through performance behaviours such as lateness and absenteeism. This could be as a result of the perception of the employees of NIMC that the management is not committed to their needs. For example, recently as much as 40% of the salaries of NIMS employees were deducted without any prior notice (James-Igbinador, 2018). Service Compact (SERVICOM), an organization empowered by the government to evaluate the performance of ministries, departments and agencies (MDAs) in Nigeria, questioned the morale and attitudes of NIMC employees towards their job (PMnews, 2018). SERVICOM observed that employees of



NIMC absent themselves from duty out of nonchalant attitudes towards their job leaving the customers unattended (PMnews, 2018). These issues raised concerns over the commitment of NIMC employees towards the job and commitment of NIMC towards the welfare of its employees. Commitment is argued to be reciprocal; thus employees could hardly be committed to the organization unless it exhibits that it is equally committed to their needs and recognizes their effort as part and parcel (Armstrong, 2014). Therefore, it is against these issues that this study examines the effect of affective commitment, continuance commitment, and normative commitment on job performance of employees' of National Identity Management Commission (NIMC). The specific objectives of the study are to examine the effect of affective commitment (AC) on the job performance of NIMC employees, to examine the effect of continuance commitment (CC) on the employee performance of NIMC employees, and to examine the effect of normative commitment (CN) on the job performance of NIMC employees.

Many studies were carried out on the effect of AC, CC, and NC on JP in different industries and countries. The studies arrived at different conclusions on the nature of the relationship. Some of the studies reported a significantly positive relationship between AC, CC, NC and JP, while others found no significant or positive relationship. For example, studies by Rustamadji and Che Omar (2019) in Indonesia, Krishnanathan and Mangaleswaran (2018) in Sri Lanka, Bonds (2017) in USA, and Folorunso, dewale, and Abodunde (2014) in Nigeria have all concluded that AC, CC, and NC have significant effect on JP. On the other hand, studies by Hazriyanto and Ibrahim (2019) in Indonesia, Srivastava and Pathak (2019) in India, and Oyeneyi, Adeyemi, and Olaoye (2017) in Nigeria concluded that AC, CC, and NC have no significant effect on JP. Similarly, studies by Metin and Asli (2018) in Turkey, and Dinc (2017) in Bosnia and Herzegovina reported that CC and NC do not influence JP. These inconsistencies in findings by these studies implied that further studies need to be conducted to explain more and better the nature of the relationship between AC, CC, NC and JP. This literature gap is identified by this study.

Another research gap this study identified is on suggestions for future research. Krishnanathan and Mangaleswaran (2018) suggested for future research on effect of OC dimensions on JP in different industry. Bonds (2017) suggested for future research to examine OC and employee's performance (turnover intention) across customer service industry. NIMC is a customer service organization mandated to provide, through its services NIN and National Identity Card to every Nigerian. Similarly, Hafiz (2017) suggested for future research on OC and employee's performance model on other industries and cultural settings.

Furthermore, most of the studies conducted in Nigeria on AC, CC, NC and JP for instance. Oyeneyi *et al.* (2017); Folorunso *et al.* (2014); Osa and Amos (2014) among other. were carried out in southern part of the country and none of the studies was conducted on NIMC being a national organization. Similarly, while a study by Folorunso *et al.* (2014) concluded that OC has significant effect on JP among academics in Nigeria, the study conducted by Oyeneyi *et al.* (2017) in the hospitality industry in Nigeria reported insignificant influence of OC on JP. This suggests for more studies on OC and JP effect-relationship across various industries in Nigeria. Therefore, this study, to the best knowledge of the researchers, is the first of its kind to be carried out across the entire north-west region of the country on NIMC employees. Therefore, three hypotheses were formulated for testing, such as commitment has no



significant effect on the job performance of NIMC employee, continuance commitment has no significant effect on the job performance of NIMC employee, and normative commitment has no significant effect on the job performance of NIMC employee.

2. Literature Review

Concept of Organizational Commitment

OC is the degree an individual in an organization accepts, internalizes, and views his or her role (Jans, 1989). Mowday, Steers, and Porter (1979) defines OC as the strength of an individual's identification with and involvement in a particular organization. Salancik (1977) argued that OC is as a result of an attachment to the individual's own chosen actions, a perceived obligation to maintain, and the perceived costs of enduring or not enduring the actions. However, OC is an encompassing concept. Many models were developed by different researchers in an effort to come up with a construct that can measure OC. For example, Porter, Steers, Mowday, and Boulian (1974) developed a model called "gold standard". The model is based on attitudinal commitment i.e. the way in employees' values align with the values of organization, and behavioral commitment i.e. the way an employee is bonded into an organization (Mowday *et al.*, 1982). However, Mayer and Schoorman (1998) described the model as a one-dimensional construct and argued that the model failed to explain how individual becomes committed to an organization fully. Hunt and Morgan (1994) postulated that measures of commitment should be multi-dimensional. A two dimensional OC model was subsequently developed by Angle and Perry (1981) based on value commitment i.e. an affective, positive link with the organization, and commitment to remain i.e. commitment based on the economic benefit between the employee and the organization.

Mowday *et al.* (1979) proposed that OC can be characterized in to three associated dimensions i.e. believe in and accepting the organization's goals and values; willingness to put forth sizeable effort for the organization; and desire to retain membership in the organisation. However, none of the previous earlier studies were able to obtain a complete picture of an individual's commitment to an organization (Boheman, 2006). An individual remains with an organization due to the organization's values, mission, and goals align with their own, or because leaving could impact on their prestige, benefits, or social networks, or because he/she feels a sense of obligation to remain with the organization (Boehman, 2006).

Meyer and Allen (1990) proposed that OC is a paired connection between attitudinal and behavioural commitment; thus proposed an OC framework model based on the premise that AC, CC, and NC are interrelated and can be witnessed and exhibit by individuals at the same time. Meyer and Allen (1991) argued that these different models of commitment should not be seen as types of commitment, but components (Mercurio, 2015) and as such the three commitment components are self-determining experienced at various points by all employees of an organization (Meyer & Allen, 1997). Therefore, Meyer and Allen (1990) conceptualized OC as a three-dimensional construct model through AC, CC, and NC that seems to be a viable alternative of OC construct (Boheman, 2006) and probably most renowned and long lasting multi-dimensional conceptualization of OC (Mercurio, 2015).



Affective commitment (AC)

Jaros, Jermier, Koehler and Sincich(1993) defined AC as the degree to which an employee is mentally attached to an organization via feelings such as loyalty, love, warmth, belongingness, fondness, pleasure, and so on. AC is individual's mental attachment, identification, and involvement in the organization. Kashefi, Adel, Abad, Aliklayeh, Moghaddam, and Nadimi (2013) viewed affective commitment as individual's emotional attachment with the organization, his sense of association with the organization, and participation in the organization. Mathew and Shepherd (2002) characterized affective commitment by three factors: belief in and acceptance of the organization's goals and values, a willingness to focus effort on helping the organization achieve its goals, and the desire to maintain organizational membership. Naser (2007) stated that affective commitment is the employee's identification with an organization and its objectives and maintain membership to assist the attainment of the objectives.

Meyer and Herscovitch (2001) perceived AC as employee's involvement and identification with the organization: thus employees become innately motivated or partake in a course of action that grows from an identification, association, and attachment with the organization's goals and values. Therefore, AC is measured by the employee's aspiration to remain with the organization and employee's positive feelings towards the organization. Meyer and Allen (1991, 1997) claimed that employees with higher AC stay with the organization because they wish to and thus very probable to discharge their responsibilities well. Thus, AC determines employee that want maintain relationship with the organization because he/she wish to. Many researches indicated that AC predicts behaviours like turnover, absenteeism, and organizational citizenship behaviours (Mercurio, 2015).

Continuance commitment (CC)

The next component of OC model by Allen and Meyer (1990) is CC. This commitment involves employees who joined an organization and committed to stay with the organization due to lack of alternative or knowledge of the cost related with leaving the organisation (Dixit & Bhatti, 2012). CC involves employee's believe with respect to the costs related to exiting the organisation (Nawab & Bhatti, 2011). CC is on the costs and benefits associated to stay or exit the organisation. CC involves rational calculation that exiting the organization could have exorbitant price on employee (Khashefi *et al.*, 2013). CC encompasses individual's assessment on whether the cost of quitting the organization is higher than the costs of remaining (Jaros, 2007). Therefore, employees who recognize the costs of quitting the organisation as higher than the costs of remaining usually stay (Quagraine, Adu, Ashie, & Opoku, 2019) because CC is based on the supposed cost i.e. both economic and social, of quitting the organisation (Jaros, 2007). CC is cost-based, and is grounded upon a value employee derives from the organisation in relation to the costs of quitting the organisation. With this form of commitment, employee remains to evade losing something of value (income, benefits, seniority). Individuals with higher CC remain due to feelings that they have little choice (Tolentino, 2013).

Normative commitment (NC)

NC is an individual's desire to retain organizational membership due to the believe that it is morally right to be loyal and stay (Wang, Indridasson, & Saunders, 2010). Employees with NC stay in the organization due to feelings that they should to do so for moral reasons (Meyer &



Allen, 1991). NC could be influenced by many factors e.g. relationship, religion, etc. hence when it comes to one's commitment to the organisation he/she feels a moral obligation to the organisation (Folorunso, Adewale, & Abodunde, 2014). Therefore, employees with high NC remain based on their opinion (Keshefi *et al.*, 2013). NC involves employees' perceived obligation to stay in and contribute towards attaining organisation's objectives due to affiliation. Employee reciprocates with higher degree of NC to an organization that is committed and supportive to its workforce (Nawab & Bhatti, 2011). NC is a commitment premised on perceived responsibility towards the organisation, usually entrenched in the norms of exchange (Jaros, 2007).

NC is a feeling of responsibility to persist working with the organization; thus is indicated by employees who stay in an organization due to the feelings that they suppose to (Meyer, Allen, & Smith, 1993). Rafiei, Amini, and Foroozandeh (2014) argued that individuals who have a higher NC felt the obligation to remain in their organization. NC is indicated by employees who stay in an organization because they feel that they ought to (Meyer *et al.*, 1993). Therefore, NC is obligation-based and is assessed by the employee's feeling that they need to remain in the organisation (Tolentino, 2013). Manion (2004) opined that NC rises from the individual's feelings of obligation to the organization; hence it determines how much an individual's values and beliefs concur with the organisation's core values.

Concept of Job Performance (JP)

JP is a behaviour that accomplishes results (Armstrong & Taylor, 2014). Performance is something a person does which is affected by motivation (Inayatullah & Jehangir, 2012). Gungor (2011) opined that JP is typically what an individual does or does not do and that performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness. Shaari, Yaakub, and Hashim (2002) viewed job performance as any behaviour; which is directed towards task or goal accomplishment. Therefore, organizations need individuals who can perform to the highest level towards achieving their ultimate goals. JP comprises behaviors engaged by employees at work that contributes to organizational goals and objectives (Campbell, 1990); hence higher JP leads to increase in organizations productivity (Spector, 2002).

JP comprises individuals' behaviour relevant to production of goods and services (Hughes, Ginnet & Curphy, 2008). Job performance is very important as it creates the overall organizational performance (Berberoglu & Secim, 2015). These performance results collectively from employees' ability and effort lead to achieving organization's targets (Musabah, Al Zefeiti, & Mohamad, 2017). JP includes all the activities that employees carried out to fulfill their obligations toward achieving organizational goals and objectives (Kocak, 2006). JP is a behaviour that is related to achieving organizations' goals and objectives (Campbell, 1990). Schermerhorn (2000) points out that job performance is the contribution of employees toward achieving organizations' goals; thus argues that when quality or productivity is high, the overall efficiency of organizational performance will also be improved. Therefore, all organizations whether they are, private, public, profitable or non-profitable have goals and objectives to achieve (Musabah *et al.*, 2017); thus requires employees JP to realize those goals and objectives.



Empirical Review

Many studies on effects-relationship between OC and job performance (JP) have been conducted in different parts of the world and industries. For example, a study by Hazriyanto *et al.* (2019) examines OC, satisfaction and performance of lecturer (Model Regression by Gender of Man) in Indonesia. The study is qualitative research and 53 lecturers participated in the study (all of them men). The study found that OC does not significantly influence performance. Rustamadji and Che Omar (2019) examined the effect of strategic management on work performance through organizational commitment, and the influence of strategic management and organizational commitment on employee performance, Muhammadiyah University, Indonesia. 386 participated in the study via cluster sampling and data were analyzed by regression equation model. The findings of this study concluded that OC affect the performance of employees.

Kelven, Nazaruddin, and Endang (2018) examined the effect of organizational commitment through AC, CC, and NC on the performance of Y generation employees in PTBank Sumut the moderating effect of transformational leadership. 40 employees participated in the study. Data was analyzed through multiple linear regression and variable moderation tests. The research results showed that affective commitment, continuance commitment, and normative commitment have positive and significant effect on the performance Y-generation employee. A study on empowering leadership: leading people to be present through affective OC in USA was conducted by Kim and Beehr (2018). 294 employees participated in the study and structural equation modeling was used for data analysis. The study found that affective commitment does not influenced followers' lateness.

Krishnanathan and Mangaleswaran (2018) examined OC and employee performance with special reference to administrative officers at the University of Jaffna, Sri Lanka. AC, CC, and NC were used as dimensions of OC. 40 Administrative staff participated in the study and data was analyzed through univariate and bivariate analyzes via SPSS 19.0. Findings of the study revealed that OC has significant impact on employee performance. Metin and Asli (2018) examined the relationship between OC and work performance: a case of Industrial Enterprises. The sample consists of 329 employees working in businesses operating in Konya Chamber of Commerce and Industry in Turkey. Regression analysis was used for data analysis and the study found that AC has significant effect on work performance while NC and CC had no significant effect on work performance. Torlak, Kuzey, and Ragom (2018) examined human resource management, commitment and performance links in Iran and Turkey. 440 employees participated in the study and data was analyzed through regression analysis. The study found that AC, CC, and NC influenced JP. Bonds (2017) examined employees OC and turnover intentions in USA. 81 employees participated in the study through purposive sampling technique and data was analyzed through regression analysis. The study found statistical significant relationship between AC, CC, NC and turnover intentions.

Dinc (2017) examined the OC components and JP: mediating role of job satisfaction in furniture manufacturing firms in Federation of Bosnia and Herzegovina. 437 employees participated in the study via random sampling and data was analyzed through regression analysis. The study found AC affects JP while no support for any relationship between the NC, CC and JP. Hafiz (2017) investigated the relationship between OC and employee's performance in banking



sector, Lahore Pakistan. 213 employees participated in the study through random sampling technique and the data was analyzed through regression analysis. The study found that AC, CC, and NC are positively related with employee's performance separately and jointly. Musabab *et al.* (2017) investigated the influence of organizational commitment on Omani public employees' work performance. AC, CC, and NC were used as dimensions of OC. Confirmatory factor analysis and structural equation modeling were used for data analysis. The empirical results indicate that all OC subscales (affective, normative, and continuance) have a significant impact on work performance dimensions, contextual and task performance.

Oyenevi *et al.* (2017) investigated the influence of organizational commitment on job performance among the employees in Nigerian hospitality industry. 75 respondents participated in the study and data was analyzed through Pearson Product Moment Correlation Coefficient (PPMCC) and Linear Regression. The study revealed that AC and CC have insignificant influence on JP while NC has both negative and insignificant influence on JP. Tutei, Geoffrey, and Jared (2017) studied continuance commitment and employee performance at University of Eastern Africa, Baraton Kenya. 106 employees participated in the study via stratified sampling and simple random sampling techniques. Inferential statistics were used for data analysis. The study established that there was a weak negative relationship between CC and employee performance. Bandula and Jayatilake (2016) studied the impact of employee commitment on job performance: based on leasing companies in Sri Lanka. Affective commitment, normative commitment, and continuance commitment developed were used as dimensions of OC. 115 employees participated in the study. Data was analyzed through correlation coefficient and regression analysis. The study found that AC, CC, and NC have statistical significance effect and positive relationship with JP of the employees.

Folorunso *et al.* (2014) investigated the effect of organizational commitment dimensions on employees' performance: empirical evidence from academic staff of Oyo state owned tertiary institutions, Nigeria. AC, CC, and NC were used as dimensions of OC. 197 employees participated in the study through purposive and random sampling technique and Pearson product moment correlation coefficients and multiple regression analysis were used for data analysis. The study found that AC, CC, and NC jointly and independently influence employees' performance. Rafiei *et al.* (2014) conducted a research on the impact of OC on JP in Iran. Affective, continuance and normative are the dimensions of OC. Structural equations modeling (SEM) was used as method of data analysis. The study found that AC, CC, and NC had a positive and significant effect on JP.

Affective Commitment, Continuance Commitment, Normative Commitment and Job Performance

AC, CC, and NC have been linked to performance (Meyer & Allen, 1997). However, despite the numerous studies that examined the relationship between AC, CC, NC and JP the results of the studies were mixed. Some of the studies reported a statistical significance positive relationship between AC, CC, and NC and job performance while reported the opposite. For example, studies by Rustamadji and Che Omar (2019), Krishnanathan and Mangaleswaran (2018) in Sri Lanka, Bonds (2017) in USA, and Folorunso *et al.* (2014) in Nigeria have all concluded that AC, CC, and NC have significant effect on JP. On the other hand, studies by Hazriyanto *et al.* (2019) in Indonesia, Srivastava and Pathak (2019) in India, and Oyenevi *et al.*



(2017) in Nigeria concluded that AC, CC, and NC have no significant effect on JP. These mixed conclusions implied that even though empirical the link between AC, CC, NC, and JP has been empirically established, the link is still subject to more empirical studies across different cultural settings and industry.

Conceptual Framework

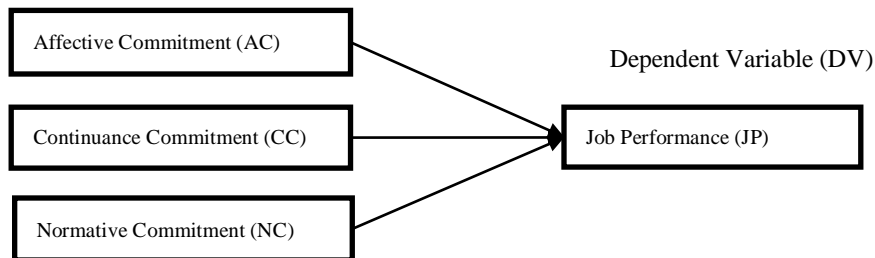
The model of the study is conceptualized based on direct relationship between the independent variable (IV) and dependent variable (DV). AC, CC, and NC are the independent variables. The study adopted the OC model developed by Meryer and Allen (1990). The model is multidimensional that assessed employee commitment based on three subscales. The first one is AC which measures employee's emotional feelings/attachment to the organization. The second one is CC which measures the cost associated with leaving the organization. The third one is NC which measures the employees' obligation to stay with the organization because of personal cost. Sanecka (2013) argued that Meryer and Allen (1990) OC model is one of the most popular theoretical models that determined organizational commitment. This study like many other previous studies adapts the AC, CC, and NC subscales/dimensions of OC as independent variables (IV) while JP was treated as one-dimensional variable and is the dependent variable (DV).

Theoretical Framework

Social exchange theory by Blau (1964) was used to underpin the relationship between OC and JP. The theory is based on the premise that individuals will reciprocate good behaviors they experienced. Social exchange theory is among the most important theories to understand workplace behaviour (Cropanzano & Mitchell, 2005) and it has been used to explain the

Figure 1.1 Conceptual Framework Model

Independent Variables (IVs)



relationship among employee attitudes such as OC and JP (Dinc, 2017). The reciprocity principle in social exchange theory suggests that employees feel indebted to respond kindly when they experienced good behaviours directed towards them (Dinc, 2017). The social exchange reciprocity increases employees' commitment to the organization (Andrews, Witt, & Kacmar, 2003), and their performance (Orpen, 1994). In other words, employees who feel obliged to organizations because of good behaviors experienced at workplace tend to reciprocate with beneficial employee attitudes like OC which could in turn increases their job performance (Dinc, 2017). Therefore, favourable exchange relationship between employees and



an organization results in increased organizational commitment (Ahmed, Khuwaja, Brohi, & Othman, 2018).

3. Methodology

This research work is quantitative and uses cross sectional survey research design. The population of the study consists of 460 male and female employees of NIMC, Northwest, Nigeria. The Northwest region consists of seven state offices namely Jigawa State, Kaduna State, Kano State, Katsina State, Kebbi State, Sokoto State and Zamfara State. The sample size for the study is 210 based on Krejcie and Morgan (1970) scientific approach table of determining sample size. The sample elements were proportioned based on the population size of each state office as shown in Table 1. However, because of the nature of work of public servants in Nigeria where you will find some employees are on leave, some went out for field work, some on maternity or sick leave among, the study adopts convenience sampling technique. In this case any employee found on his table and willing to participate in the study was given the questionnaire.

Table 1: Proportionate Sample Size of the Study

State	No. of Staff's (N)	Determined Sample (n)
Jigawa	57	26
Kaduna	92	42
Kano	121	55
Katsina	58	26
Kebbi	57	26
Sokoto	40	18
Zamfara	35	16
Total	460	210

Source: Staff Nominal Role

Data for this research work was collected using questionnaire. The questionnaire has 29 items which were divided into five sections. Section one contained four items on demographic information, section two contained seven items on employee performance, section three contained 6 items on AC, section four contained 6 items on CC, and section five contained six items on NC.

Cronbachalpa was used to determine the reliability of the instrument. A reliability of 0.829, 0.819, and 0.762, and 0.848 were recorded for JP, AC, CC, and NC respectively. These reliabilities are good because a reliability of between .80 to .95 is generally considered very goodwhile a reliability of between .70 to .80 is considered good (Zikmund, Barbibn, Carr & Griffin, 2010).

Table 2 Reliability Statistics

Variable	Cronbach's Alpha	N of Items
Job Performance	.829	7
Affective Commitment	.819	6
Continuance Commitment	.762	6
Normative Commitment	.848	6

Source: Field Survey, 2019



Measurement of Variables

A Questionnaire developed by Meyer and Allen (1997) was used to measure AC, NC, and CC. The instrument has become the dominant model for study of workplace commitment (Jaros, 2007). Simo, Enache, Sallan, and Fernandez (2014) argued that Meyer and Allen's three-component model of commitment is the dominant tool used by scholars to address organizational commitment. The instrument has 18-items (AC 6, NC 6, and CC 6) and was mostly recorded on 5-point Likert scale from strongly agree to strongly disagree by previous studies. The instrument received widespread usage (Jaros, 2007) and was adapted/adopted by many researchers e.g. Sung Oh (2019), Bonds (2017), Hafiz (2017), Folarunso *et al.* (2014) among others. The instrument was adapted from the work of Brown (2003)

A JP instrument developed by William and Anderson (1991) was used to measure JP. The instrument has seven items and scaled based on five point likert scale. The instrument has received wide recognition and was used by many researchers (e.g. Hafiz, 2017; Oyeniyi *et al.*, 2017; Folarunso *et al.*, 2014; Johari & Yahya, 2012; Poursafar, RaJobaepour, Seyadat, & Oreizi, 2014). Responses were recorded on five point likert scale from 1=strongly disagree to 5=strongly agree. The instrument was adapted from the work of Hafiz *et al.* (2017).

4. Results

Demographic Variables

Out of the 210 questionnaires distributed, 201 valid responses were received (96% valid response). 79% of the respondents are male and 21% are female, majority of the respondents (70%) are between the ages of 24-29, 30-35, and 36-41 and 23% are above 41 years. Similarly, 70% of the respondents have at least first degree and while 65% of them are married.

Regression Analysis

Multiple regression analysis was used for data analysis. However, before regression analysis is run the data should be subjected to certain basic assumptions of normality, linearity, homoscedasticity, multicollinearity, and independence of error term. The data of the study was subjected to these assumption tests and satisfied all the conditions. Anova Table and Coefficients Table were used to determine the statistical significance of the study and test the hypotheses. Anova Table determines whether the model is significantly better at predicting the outcome of the DV based on F-value and P-value (sig) (Hair Jr, Black, Babin, & Anderson, 2014). F-value determines whether more variability is explained or unexplained by the regression (Zikmund *et al.*, 2010).

Coefficient Table tests the hypotheses of the study and determines whether the null hypotheses will be accepted or rejected. Standardized beta (β) provides a better insight into the importance of a predictor (IV) in the model and the number of standard deviations that the outcome (DV) will change as a result of one standard deviation change in the predictor (IV). When the beta value is positive, the relationship is also positive, whereas a negative beta value means the relationship is negative. T-values, on the other hand, measures whether the predictor is making a significant contribution to the model based on type one error rate of $p < 0.05$ (Field, 2009).



Table 3 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1005.655	3	335.218	28.007	0.000 ^b
Residual	2357.897	197	11.969		
Total	3363.552	200			

Source: Field Survey, 2019; Note: a. Dependent Variable: JobPerformance; b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment

The result in table 3 shows that, the F-value is 28.007 at sig = 0.000 (p-value < .001) which is typically within the accepted limit of confidence value in social science (Hair *et al.*, 2014; Zikmund *et al.*, 2010). This indicates that, the model is statistically significant at predicting the variation in the DV (TP).

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	14.883	1.526		9.754	.000
Affective Commitment	.268	.069	.279	3.897	.000
Continuance Commitment	.307	.065	.342	4.739	.000
Normative Commitment	-.070	.045	-.095	-1.548	.123

Source: Field Survey, 2019; Note: a. Dependent Variable: Job Performance

Table 4 measures the contribution of each independent variable (AF, CC, and NV) in predicting the DV (JP). The table tests the hypotheses of the study as to whether to accept the hypotheses or reject them based on slope coefficient (t-test) and significant value (p<0.05). T-value tells whether the predictor is making a significant contribution to the model based on type 1 error i.e. p<0.05: the greater the t-value (with p<0.05) the better the contribution of predictor variable (Field, 2009). Standardized beta (β) tells more on variation in the DV accounted for by the independent variable (Field, 2009) and enable researchers to determine which independent variable particularly account for more variation in the DV (Zikmund *et al.*, 2010). Therefore, most researchers frequently explained regression result by referring to β (Zikmund *et al.*, 2010). When the β value is positive, the relationship is also positive and a negative β value represents negative relationship. T-value on the other hand, tells whether the predictor is making a significant contribution to the model based on type one error i.e. p<0.005 (Field, 2009).

Discussion of Findings

Hypothesis one which states that AC has no significant effect on the JP of employees of NIMC is rejected. The t-value is 3.897 at confidence level of .000 (p-value is .000) which indicates that the p-value is within the typically accepted level of .05 for social sciences (Hair *et al.*, 2014; Zikmund *et al.*, 2010). The results meant that AC has statistical significance effect on JP of employees of NIMC. Similarly, the standardized beta (β) value for AC is 0.279 which indicates that AC accounts for about 28% variation in JP of employees of NIMC. This finding concurred with the findings of the works by Rustamadji *et al.* (2019), Krishnanathan and Mangaleswaran (2018) in Sri Lanka, Bonds (2017) in USA, and Folorunso *et al.* (2014) in Nigeria.

Hypothesis two which states that CC has no significant effect on the JP of employee of NIMC is rejected. The t-value is 4.739 with a significance of .000 (p<0.05). These results showed that CC has statistical significant effect on JP of employees of NIMC. Furthermore, the standardized



beta (β) value for CC is 0.349 which indicates that CC accounts for about 35% variation in JP of employees of NIMC. This statistical significance could be due the fact that getting employment in Nigeria is very difficult. Therefore, those who were lucky to be employed always ponder over the cost of losing the job. This finding concurred with the findings of the works by Rustamadji *et al.* (2019), Krishnanathan and Mangaleswaran (2018) in Sri Lanka, Bonds (2017) in USA, and Folorunso *et al.* (2014) in Nigeria.

Hypothesis three which states that NC has no significant effect on the JP of employees of (NIMC) is accepted. The t-value of -1.548 is very low with a significance of .123 which is greater than the mostly used threshold value of .05 for social sciences. NC underpins the employees feeling of obligation to remain with the organization and perform higher towards the attainment of the organization's goals usually because of the organization's commitment to employees (reciprocity), family ties, ownership etc. However, NIMC is government own establishment and employees felt that their needs are not of much concern to the NIMC managementsuch that the management could reduce their pay without any prior consultation. This finding concurred with the findings of the studies by Metin and Asli (2018) in Turkey, Dinc (2017) in Bosnia and Herzegovina, and Tutei *et al.* (2017) in Kenya.

5. Conclusions and Recommendations

This study examined the effect of AC, CC, and NC on JP of employees of NIMC. The study concluded that AC and CC have statistical significance effect on JP of employees of NIMC while NC has no statistical significance effect on JP of employees of NIMC. The theoretical implications of this study included being the first of its kind conducted across the entire north-west region of the Nigeria on NIMC employees. In addition the study adds to the literatures that reported a statistical significance effect of AC and CC on JP and concluded that NC does not statistically affect JP.

The practical implication of the study is its ability to empirically establish the dimensions of OC (AC and CC) that could best be utilised by the management of the NIMC to get their employees perform higher. In addition, the empirical findings will help the management of the NIMC to know exactly where to concentrate their resources towards motivating employees to perform.

Job performance is fulcrum to the wellbeing of any organization; because performance of employees reflects on the performance of the organization at large. This emphasizes the need for the management of NIMC to ensure that their employees perform higher. We therefore recommended that the management of NIMC should concentrate more resources on AC and CC that were empirically found by the study to have higher statistical effect on JP of employees.

This study focuses on NIMC employees only, thus future studies can include other sectors. NM was found to have no statistical significance effect on JP of employees, thus a mediator variable can be introduced to ascertain whether the effect-relations between NC and JP hang on the third variable. The mixed conclusions on the effect-relationship between AC, CC, NC and JP highlight the needs for future studies to introduce a moderator variable. This study is cross-sectional therefore longitudinal study can be carried out using same model.



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DETERMINING THE INFLUENCES OF MIS ON CORPORATE DECISION MAKING

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Abstract

Decision making generally is a function of information available to the managers. Hence, organizations require effective information system to aid decision making. With effective information system in place, corporate decision becomes seamless and less erroneous. The kind of information system designed for an organisation would determine decision process and consequently the outcome. This paper focuses on the influences of management information systems (MIS) on effective decision making at First Bank of Nigeria, Samaru Business Office, Zaria. The target population was forty-five (45). The study did not require sampling since the population is marginal. Demographic data of the respondents were analysed by means of descriptive statistics, while multiple regression was the technique used in the test of the null hypotheses. Finding from the study indicates that access to required information influences decision making. More so, the study also shows that nature of data collection and presentation style determines the quality of decision making. The study therefore concludes that all the three (3) surrogates used in the research have significant positive influence on corporate decision making. It is, thus, recommended that FBN, Samaru should make concerted efforts to sustain and even strengthen their existing management information systems for further enhancement of the effectiveness of corporate decision making.

Keywords: Decision Making, Management Information System, Bank

1. Introduction

Management at all levels requires an information system that will provide sufficient and accurate information for their decision-making responsibilities. For decision making has always been integrated part of the management in any organization. It involves selecting the course of action among various alternatives. This creates the need for a Management Information System (MIS) that will provide both relevant information and the ability to make effective decision by the management. Hence, an effective Management Information System is critical to every business organization.

Effective and efficient decision making is considered as a factor that determines the survival of organisations. However, decision making overtime has been impeded by the non-availability of required information to exploit opportunities in the business environment. The challenge that has been attributed to the lack of effective information system that would provide the organization with adequate information in their decision-making activities at all management levels. Hence, management Information System (MIS) is needed to be put in place to mitigate lack of access, poor presentation and data volume and quality.



It is key to note that, managers hardly get all the necessary information that are needed for proper planning and decision-making without moving from one place to another, because of lack of competent and organized MIS. Therefore in such cases, most decisions have to be made on incomplete knowledge either because of non-availability of information or high cost of getting required information. There is nothing more treacherous than attempting to make precise decision on the basis of incomplete information.

This study therefore, assess the extent to which MIS influences effective decision-making on the basis of access to information, extent to which data collection influences corporate decision making, and as well to assess how presentation of information influences corporate decision making. Before now, Al habri&Sonawane (2016) in their survey of 45 industrial companies in India found that MIS has significant positive relationship with managerial decisions. Munirat, Sanni, and Kazeem (2014) using Z-test to determine the impact of MIS to the performance of business organisations in FCT-Nigeria, they reported positive significant relationship between the variables and recommended flexibility and deployment of appropriate computer software to support the growing need of MIS in the sampled organisations. Similarly, Omoyayo (2018) examined the impact of management information system to business organizations using chi square recommended the use of MIS in the areas of investment appraisal, prospective investor, valuation of business, company tax computation and employee evaluation. Olumoye (2013) in a survey responses from senior management staff of five selected insurance companies examined the relationship of information systems and decision-making. Chi-square indicated that information system expunges traditional, geographical and marketing limitations.

2. Literature Review

The concept of the MIS has evolved over a period of time comprising many different characteristics of the organizational function. MIS is a necessity of all organizations. Al-Mammary *et al.* (2014) sees MIS as one of the most important tools in any organization, which aims to provide reliable, complete, accessible, and understandable information in a timely manner to the users of the system. Management information systems assisted in automating tasks. Automation can save time, money, resources, reduce employee's staff, and enhance organizational workflow. Management Information Systems (MIS) are information systems, typically computer-based, that are used within an organization. WorldNet describes an information system as "a system consisting of the network of all communication channels used within an organization". A management information system may also be defined as "a system that collects and processes data (information) and provides it to managers at all levels who use it for decision making, planning, programme implementation, and control." An information system is comprised of all the components that collect, manipulate, and disseminate data or information. It usually includes hardware, software, people, communications systems such as telephone lines, and the data itself. The activities involved include inputting data, processing of data into information, storage of data and information, and the production of outputs such as management reports. In business, information systems support business processes and operations, decision-making, and competitive strategies (Awad, 1988; McLeod, 1998).

Yousef (2010) evaluate the role of MIS in administrative decision-making at the University of Jordan. The study aimed to explore the subject of management information system in general, and assess the role of the employed information systems in administrative decision making at



the University of Jordan. In addition, the study investigated the relationship between MIS and quality of information to administrative decision making. The study found that the relationship between MIS and quality of information contribute was positive. Which means that good quality management information system leads to good decision. A study by Alkhaffaf (2012) investigate the role of information systems in decision making: the case of Jordan Bank” identified the types of computer based information systems that is used in the Bank. The study used empirical study and a structured questionnaire. The study found a positive correlation between information systems and the process of decision-making. In addition, the result showed that the Jordan bank relies heavily on a number of technologies used by IS to implement their key activities. Another study by khresat (2015) on the effect of management information system on organizational performance. The study applied a sample of 100 employees from 10 branches of telecommunication companies randomly. Findings revealed that employees have positive attitudes towards management information system (MIS). In addition, the study result found that there is a statistical significant association between management information system and organizational performance in telecommunication companies in Egypt.

Asemi (2011) examined the role of management information system (MIS) and Decision Support System (DSS) for manager’s decision-making process. It was found that MIS is best suited to identify problems and help management to make suitable decisions. On the other hand, DSS were tailored to the specific need of individual and group managers. Therefore, result showed that DSS can extend its support to the same steps of decision-making process and has more roles in decision-making and problem solving than MIS. According to a study by Gil (2009), management information system has an influence on flexibility-based strategic performance and cost-based strategic performance, taking into account the decentralization of responsibilities, updating customer knowledge and customer participation in management, the cooperation with other units with the scope of increasing the firm budget, and actualization and use of management information. Furthermore, greater management information system capability leads to a higher degree of strategic performance. Slotegraaf and Pauwels (2008) studied how different team compositions interact with a management information system, directly influencing strategic performances, focused on flexibility and the reduction of costs. The results exhibit how the effect of management information system on strategic performance is supervised and governed by top management team diversity. The extent to which the management information system is providing information that relates to possible future events, efficiency, output rates, information on the effect of various events that also relate to the impact that the employees decision has on the performance of other departments.

Kirsch (1997) shows that there is a direct link between behaviour control, outcome control, clan control, self-control with firm performance, and with the moderating effect of the complexity risk. Kirsch (1997) tried to determine whether the user anticipated the development team to follow an intelligible written series of steps toward the attainment of project goals or if the user presumed the development team to follow explained written system development rules. Furthermore, based on the data obtained from previous research on management information systems projects, behaviour, outcome, and self-control are determined to be undoubtedly linked with the system performance of projects. However, complexity risk generates a mixed moderating effect on the relationship between control and performance. The research model tried to determine if, in the presence of a high complexity risk, the impact of behavior and self-



control on performance are low, whereas the effectiveness of outcome and clan control increases. Overall, there is an optimistic tone for control as an important causal driver for comprehensive performance. According to a study by Qrunfleh and Tarafdar (2014), a connection between supply chain (SC) strategy and supply chain information systems (IS) strategy was examined, and its impact on supply chain performance and firm performance. The results also support the proposition that an organization's ability to use supply chain strategy to support its core competencies is dependent on management information systems' functional capabilities.

Prior research by Maiga and Jacobs (2003) on the interface between management control and information technology is an underdeveloped research area with a knowledge gap concerning its implications for financial performance. The present research model analyzes the interaction effect of cost control systems and information technology integration on company financial performance. The conducted research showed that while information technology integration and cost control systems hold no significant influence on plant financial performance, they do associate to positively influence manufacturing plant financial performance. According to Ragu *et al.* (2004) their conceptual model emphasizes the link between top management support and information system performance, and top management support proved to be a significant factor in determining the efficiency of the information system function in an organization and the direct and indirect relations described in the model between top management support and IS performance were supported by the results Wernerfell (1998). The variables that had a moderating effect on this relationship comprehended the structure of the information system, integration of the information system, current and future portfolios of the information systems and the different modes of information system management controls. According to the research conducted by Lai *et al.* (2004) a link was established between sharing environmental management information with customers and suppliers and the overall comprehensive firm performance, which included environmental, cost and profit performance and the mediation effect of environmental munificence Slotegraaf and Pauwels (2008). The previous studies highlighted the importance of information exchange with supply chain partners for achieving performance gains. Environmental management information contributes more to the long-term than to the short-term influences on overall firm performance, enhancing the comprehensive operational effectiveness.

From the review of previous studies, the gaps identified are scope methodology and findings gap. The scope gaps are place, period and variables are not the same with this present study. Also, the sample frame and statistical tools for the analysis are different. This is because some studies used parametric statistics and some used nonparametric statistics in drawing conclusions. Therefore, this study is different. It intends to contribute to knowledge by investigating the relationship between three distinctive variables (information access, data collection and information presentation) and MIS effectiveness in corporate decision making process in First Bank Nigeria Samaru, Zaria.

3. Methodology

This study obtained primary data by using questionnaire to gather relevant information. The population of this study was the entire staff of First Bank Nigerian, Samaru Zaria branch, and the total number of staffs was 45 using Yaro Yamani's sample size formula. In presenting the



data, the descriptive and inferential statistical techniques were used. This study used both descriptive inferential statistical, and the multiple-regression is stated below

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 \dots \dots \dots 1$$

Where Y is the estimation of the needy variable, *a* (Alpha) is the consistent or catch; *b*₁ is the slope (Beta co-efficient) for *x*₁; *x*₁ First explanatory variable that is clarifying the fluctuation in Y; *b*₂ is the slope (Beta co-efficient) for *x*₂; *x*₂ Second explanatory variable that is clarifying the fluctuation in Y; *b*₃ is the slope (Beta co-efficient) for *x*₃; *x*₃ Third free factor that is clarifying the change in Y.

4. Result

Data collected through questionnaire were designed to be analyzed in this chapter in order that the questions raised in the research can be effectively answered. A total of 45 questionnaires were administered, 45 copies were returned by the respondents.

Table 1:

	Frequency	Percent
<i>Gender</i>		
Male	34	75.6
Female	11	24.4
<i>Age</i>		
20-40 years	40	88.9
41-60 years	5	11.1
<i>Education</i>		
National Diploma	18	40.0
NCE	15	33.3
First Degree	10	22.2
Masters Degree	2	4.4
<i>Nature of work</i>		
Operation	28	62.2
Marketing	17	37.8
<i>Years of working in FBN</i>		
1-5 years	19	42.2
5-10 years	20	44.4
Above 10 years	6	13.3
<i>level of Management</i>		
Top	3	6.7
Middle	24	53.3
Lower	18	40.0
Total	45	100

Source: Field Survey (2019).

Table 1 shows that 34 (75.6%) of the respondents are male, while 11 (24.4.1%) of the respondents are female. Making a total of (100%), that is majority of the respondents are male. For age it shows that 40 (88.9%) of the respondents fall within the age group of 20 to 40 years, while 5 (11.1%) of the respondents are within the age of 41 to 60 years. Making a total of (100%) that is majority of respondents fell within the age group of 20 to 40. For education it shows that 18 (40.0%) of the respondents fall under national diploma, 15 (33.3%) of the respondents fall under NCE, 10 (22.2%) of the respondents fall under first degree while 2



Table 2: Statistics Table

	N	Mean	Median	Std. Dev.	Minimum	Maximum
<i>Corporate decision making</i>						
Does your organization have a Management Information System?	45	2.7	3	0.50452	1	3
Do you participate in your organization's decision making process	45	2.8	3	0.34378	2	3
Does Management information System have an impact on your decision making?	45	2.7	3	0.50452	1	3
Under what circumstance do you make decisions in your organization	45	2.51	3	0.58861	1	3
<i>Accessibility to information</i>						
Decision making relies fully upon accessibility to information in your organization	45	2.8	3	0.34378	2	3
Your organization depends on computers to gain access to information.	45	2.7	3	0.50452	1	3
Effective decision making relies upon the quality of data accessible to your organization	45	2.7	3	0.50452	1	3
Information technology limits your ability to access information	45	2.89	3	0.27979	2	3
<i>Data collection</i>						
Decision making relies fully upon data collection in your organization	45	2.8	3	0.34378	2	3
Effective decision making relies upon the quality of data collected by your organization	45	2.7	3	0.50452	1	3
Your organization depends on computers to collect data	45	2.82	3	0.35604	2	3
Information technology limits your ability to collect data	45	2.73	3	0.45974	1	3
<i>Presentation of information</i>						
Your organization depends on computers to present information	45	2.89	3	0.27979	2	3
Decision making relies fully upon data collection in your organization	45	2.8	3	0.34378	2	3
Information technology limits your ability to collect data	45	2.81	3	0.45588	1	3
Your organization depends on computers to collect data	45	2.82	3	0.35604	2	3

Source: Field Survey (2019)

(4.4%) of the respondents fall under masters degree. Making a total of (100%) that is majority of respondents are national diploma holders. The nature of work shows that 28 (62.2%) of the respondents fall under operations while 17 (37.8%) of the respondents fall under marketing. Making a total of (100%) that is majority of respondents fall under operations. For number of years spent in FBN it shows that 19 (42.2%) of the respondents have been FBN for 1 to 5 years, 20 (44.4%) of the respondents have been with FBN for 5 to 10 years while 6 (13.3%) of the respondents have been with FBN above 10 years. Making a total of (100%) that is majority of



the respondents has been with FBN for 5 to 10 years. In level of management it shows that 3 (6.7%) of the respondents belong to top management, 24 (53.3%) of the respondents belong to middle level and 18 (40.0%) belong to lower level management. Making a total of (100%). i.e. Majority of respondents belong to middle level management.

Table 3: Statistics Table; Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
D_M	45	1.75	3.00	2.6778	.35001	-1.074	.354	.288	.695
A_T_I	45	2.00	3.00	2.7722	.32123	-1.157	.354	-.122	.695
D_C	45	1.88	3.00	2.7639	.35075	-1.301	.354	.357	.695
P_O_I	45	2.25	3.00	2.8306	.25722	-1.314	.354	.308	.695
Valid N (list wise)	45								

Source: Field Survey (2019)

From Table 3, descriptive statistic of both dependent variable (Decision Making) and the independent variables (Accessibility to Information, Data Collection and Presentation of Information) are explained. The minimum, maximum, mean, standard deviations, skewness, kurtosis of each variable were analyzed. The analysis indicates that, there is a significant relationship between Accessibility to information, Data collection and Presentation of information have the mean score of 2.7722, 2.7639 and 2.8306 respectively, with standard deviation of 0.32123, 0.35075 and 0.25722 respectively. The analysis shows that, the value of skewness 0.354 each are on normal distribution curve because, skewness range from -1.96 to 1.96 and the values of skewness fall within the range. Also the value of kurtosis representing 0.695 each are concentrated slightly above the centre which is not more than the standard value required (0.7).

Table 4: Correlation

		D_M	A_T_I	D_C	P_O_I
D_M	Pearson Correlation	1	.886**	.847**	.693**
	Sig. (2-tailed)		.000	.000	.000
	N	45	45	45	45
A_T_I	Pearson Correlation	.886**	1	.914**	.790**
	Sig. (2-tailed)	.000		.000	.000
	N	45	45	45	45
D_C	Pearson Correlation	.847**	.914**	1	.916**
	Sig. (2-tailed)	.000	.000		.000
	N	45	45	45	45
P_O_I	Pearson Correlation	.693**	.790**	.916**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	45	45	45	45

Source: Researcher's Survey (2019)



Table 4 indicates that there is positive correlation relationship between dependent variable (Decision Making) and independent variables (Accessibility to information, Data Collection and Presentation of information). The relationship between the co-efficient value of Decision Making and Accessibility to Information are significant at 1% (.000) and its coefficient value is 0.886 which shows a strong positive correlation. Likewise, the relationship between the co-efficient value of Decision Making and Data Collection are significant at 1% (.000) and its coefficient value is 0.887 which also indicates a strong positive correlation. Lastly, the relationship between the co-efficient value of Decision Making and Presentation of Information are significant at 1% (.000). The coefficient value of Time Deadline is 0.693 which means there is a strong positive correlation between the variables.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig.F Change	
1	.901 ^a	.811	.797	.15753	.811	58.738	3	41	.000	1.913

Source: Field Survey (2019); Note: a Predictors is (Constant), Presentation of information, Accessibility to information, Data collection, b is Dependent Variable: Decision Making.

From Table 5, the coefficient of correlation value (R) is given as 0.811. This figure explained that there is positive relationship up to 81% between the dependent variable (Decision Making) and independent variables (Accessibility to Information, Data Collection and Presentation of Information). The adjusted R-square for the number of independent variables and the number of cases was done through SPSS which is 0.797. The higher the R-Square the lower the standard error of estimation of the residual as it is shown in the table (0.15753). The R-square is given as 0.811. The value explained 81% of variance in Decision Making of First Bank Nigeria, Samaru Zaria, while the remaining 19% is explained by Accessibility to Information, Data Collection and Presentation of information.

Table 6: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.373	3	1.458	58.738	.000 ^b
	Residual	1.017	41	.025		
	Total	5.390	44			

Source: Field Survey (2019); Note: a is Dependent Variable: Decision Making; b is Predictors: (Constant), Presentation of information, Accessibility to information, Data Collection

Table 6 shows the mean square of regression score as 1.458 and the residual value as 0.025. It also depicts the significant level of the three independent variables i.e. (Accessibility to Information, Data collection and Presentation of Information) on the table which is less than 0.00 which means that the stated variables have positive significant impacts on Decision making of First Bank Nigeria, Samaru Zaria. Also, since F statistics is 58.738 Anova Table is significant.

From the multiple regressions equation, given the intercept value for decision making is 0.508. Also, a 1% increase in Accessibility to Information will increase FBN's effectiveness in Decision Making by 0.633, likewise a 1% increase in Data Collection effectiveness will also



Table 7: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.508	.332		1.529	.134					
1 A_T_I	.633	.191	.581	3.315	.002	.886	.460	.225	.150	6.675
D_C	.630	.268	.632	2.355	.023	.847	.345	.160	.064	15.622
P_O_I	-.469	.241	-.345	-1.945	.059	.693	-.291	-.132	.147	6.818

Source: Field Survey (2019); Note: Dependent Variable: Decision Making

increase FBN's effectiveness in Decision Making by 0.630 and lastly, a 1% increase in Information Presentation will not increase FBN's effectiveness in decision making. This indicates that if FBN puts Accessibility to Information and Data collection into consideration, it will definitely have a positive impact on their overall performance.

5. Conclusion and Recommendations

Management information system is an important management tool which business organizations must not fail to utilize. Information is indeed a vital means required for effective decision making, controlling, planning and appraising a company's operation. Business organization can gain competitive excellence if an effective management information system is put in place. In order to get accurate business information at the right time, MIS must be put in place to facilitate prompt management decision making. MIS is vital in this progressing world of technology. From the analyzed data, it was cleared that organizations use a computerized system of processing information due to its effectiveness. The computerized system also makes work easier and faster.

The importance of adequate, correct and timely information to any business organization cannot be overemphasized. Considering all the data analyzed, it is therefore concluded that MIS will go a long way in bringing effectiveness, and growth to business organizations and thus aiding the country in achieving its rapid economic growth and development.

Based on the findings of this study and conclusion reached, the following recommendations are made; First Bank Nigeria should improve their investment in information technology in order for them to be able to reap the maximum benefit of MIS. The management should setup a reliable MIS so as to have information as at when needed for decision making effectiveness; The management of FBN should prioritize it's efforts, that is, they should direct more efforts towards accessing information and collection of data rather than the actual presentation of the information; Management Information System requires timely development to improve its accuracy and effectiveness. The management should adhere to the development needs of the system.

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**THE MODERATING EFFECT OF TEACHERS' HIGH LEVEL THINKING SKILLS
TRAINING PROGRAMME (THLTP): CAN TEACHER DELIVER THEIR
EDUCATION SERVICES EFFECTIVELY?**

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Abstract

The Fourth Industrial Revolution (4th IR) paradigm introduces the changes to most school education system worldwide to revamp and inculcate Higher Level Thinking Skills (HLTS) amongst students. HLTS comprises of analysis, synthesis, and evaluation, an essential components to education pedagogy needed to fulfill future employers' expectations and foreffective performance. This study investigates the moderating effects of Teachers' HLTS Training Program (THLTP) on the relationship between teachers' self-efficacy and Teachers' Delivery Effectiveness (TDE). Data was collected by using a quantitative survey on 500 teachers teaching in national type secondary schools in four states; Perlis, Kedah, Penang, and Perak. Multiple regressions were applied to find out the relationship between the variables, and the findings revealed that teacher efficacy has direct significant relationship on TDE. Meanwhile, hierarchical regression analysis was used to predict the moderation effect of Teachers' HLTS training program (THLTP) to modify the relationship between the variables. The result revealed that THLTP moderate the relationship between teachers' self-efficacy and TDE. This study went further to make recommendations based on the findings of the study.

Keywords: Higher Level Thinking Skills (HLTS), Teachers' Delivery Effectiveness (TDE), Teachers' HOTS Training Programme (THTP), Education Services, Moderating Effect

1. Introduction

The Fourth Industrial Revolution (4thIR) technological capacity is shifting so fast that many countries around the world aspire to produce educated workforce with the right skills. This economic trend has transformed the nature of work where automation and digitalization affects many tasks; shaping future's career counselling, career choices, and career development (Hirschi, 2018).

The structural changes in the nature of work have the potential to speed up organisations and businesses to function more effectively increasing the firms' productions, improving productivity as well as human resource function. According to Gleason (2018), the impacts of 4th IR on the global society is that many jobs are now automatable and soon other skill sets need to adapt to the new 21st century working environment. Corfe (2018) added that contemporary career paths demand for new skills; digital and non-digital related for employees to remain employable.



Due to the technological disruptions that will extensively impact the labour market, education policy also needs strong reforms. The 4thIR, particularly from a public management point of view, brings new opportunities and challenges for the education systems. The massively knowledge-based economy needs employees with essential skill sets therefore the education systems must react quickly on its curriculum developments which ought to be upgraded allowing for lifelong learning (Lee, Yun, Pyka, Won, Kodama, Schiuma, Park, Jeon, Park, Jung, Yan, Lee, & Zhao, 2018).

In relation to the education system, the World Economic Forum (2016) states that 65 percent of children that enter primary school at present will end up with new, different types of jobs that do not yet exist. To prepare 4th IR future ready workforce, the ideal is to provide quality education opportunities for all students so that they will be equipped with Higher Level Thinking Skills (HLTS) among the other essential skills to face future challenges in life and work. HLTS is a high level cognitive thinking skills comprising of “analysis, synthesis, and evaluation” that most looked for by prospective employers (Sivapakkiam, Fadzilah, Habsah, Umi, & Rozita, 2016). To overcome the challenges, many countries including Malaysia have taken the efforts to revamp the education system by developing HLTS curriculum content and new learning activities aim to develop students’ emotional, physical, intellectual and spiritual well-being relevance to the present needs and future.

Higher Level Thinking Skills (HLTS) is an important element for job market in responding to the working skills requirements of the fourth industrial revolution where human development activities involve critical and innovative thinking. Having said that, many countries have taken the initiative to overhaul their education systems focusing on curriculum development based on HLTS concept (Benjamin, Klein, Steedle, Zahner, Elliot & Patterson, 2013). Teachers’ HLTS training programme (THLTP) is to equip teachers as classroom managers to embed HLTS set in their classroom lessons to deliver the school-based education services important for students’ future success (Arvind & Shahid, 2013).

According to Hirchi (2018), though machine learning, cloud computing and big data have beginning to change our lives and jobs, some existing tasks may not be possible to automate. For example high-skilled jobs like managers, technicians, and educators often involve complicated social interaction, creative thinking, and problem solving skills that is difficult to automate. These HLT skills are crucial for present-day of work however building HLTS among secondary students in Malaysia has not made much impact as most teachers are more familiar with delivering traditional rote-learning methods (Yee, Widad, Jailani, Tee, Razali & Mimi, 2011).

The general concept of Teachers’ HLTS Training Program (THLTP) is about advanced technical skills and knowledge acquisition on learning domains to improve trainees’ performance for better learning outcomes (Guskey, 2002). In particular, Suhail and Majdoleen (2011) contend that teachers appropriate HLTS training program can help to enhance teachers’ specific knowledge, skills, and teaching attitudes that improve student learning. Past literatures showed that there has been several studies on the moderating effects of training (Sarina & Noraini, 2015; Chan, Hyuneung, Jaeun & Jongsun Park, 2014; Ji, Huang, Liu, Zhu & Cai,



2012). So far there is limited studies conducted on THLTP. Therefore, the present study intends to fill the gap in the literature.

The main objective of the study is to empirically examine the moderation effect of Teachers' HLTS training program (THLTP) on the relationship between teachers' self-efficacy and Teachers' Delivery Effectiveness (TDE). Prior to test the main moderating variables, there is a need to conduct a descriptive study in order to supply some knowledge on the recent phenomena of THLTP that may have gone unnoticed. The specific objectives that need to be achieved are as follows: to ascertain the level of Teachers' HLTS training program (THLTP) received amongst teachers; to examine the relationship between teachers' efficacy and Teachers' Delivery Effectiveness (TDE); to examine the moderation effect of Teachers' HLTS training program (THLTP) on the relationship between teachers' self-efficacy and Teachers' Delivery Effectiveness (TDE).

2. Literature Review

Past literatures explained that the Fourth Industrial Revolution bring opportunities as well as challenges for organisations to be creative and resilient (Schiuma, 2014). This means effective education policies is vital to ensure teachers maintaining good quality public education services so that students are able to participate fully in the digital society. Many previous studies were conducted to examine the relationship between teachers' self-efficacy and teachers' delivery effectiveness in public classroom education services for many years (Aina, Olanipekun & Garuba, 2015; Oliveras, 2014; Noraini & KhairulAzmi, 2014; Pretorious, 2012). Theoretically, Teachers' delivery effectiveness can be defined as teacher's classroom behaviour to effectively manage his entire classroom process bringing good effects on students' desired learning outcomes (Teddie, Virgilio, & Oescher, 1991). Teachers' delivery effectiveness practice is considered as professional services, an ethical work practice of which the goal is to provide efficient educational services that caters for public interests. The path to effective delivery education services is when teachers continuously learn to adapt themselves to the process of change equip their students with HOT skills as these specific skills is important for their future employment, to accommodate high skilled jobs that is impossible to automate.

Researchers have identified many training programmes models namely; Noe training model (1999), four stage training model (Bratton & Gold, 1999), a systematic training and development model (Stone, 2005) and many other training models to improve the service delivery effectiveness of its employees. These training programme models describe, and analyse the training program as a cycle that comprises levels that begins from the simplest to the most complex. Past literatures witnessed that there has been an increase attention on teacher efficacy that contributes to teachers' effective teaching (Nyagah & Gathumbi, 2017, Alufohai & Ibhafidon 2015, Ko & Sammons, 2014; Nyet; 2013). For instance, teachers whom are highly efficacious are more committed to deliver their knowledge thus more effective in executing their teaching delivery tasks (Coladarci, 2010). Ahmet, Yumus and Ismail (2014) added that highly efficacious teachers experienced less burnout when compared to low efficacious teachers.

To addition, there is also an increased focus on the training programme received by teachers. Pretorious (2012) stated that the purpose of training is to enhance teachers' professionalism so



that they can perform their daily tasks more effectively. While professional identity develops over time to understand and shape teachers' beliefs; their response to work ethics, professionalism, and policy-related demands, this study extended the conceptual framework to include Teachers' HLTS Training Programme (THLTP) as a moderator that employs Guskey model, an expansion of Kirkpatrick training model, to ascertain the level of THLTP they received. Literature reviewed reflected that most researchers focused at different levels of training due to the complexities involved. The novelty of this present study is this training model uses the combination of Guskey and Kirkpatrick training model which measures five components in unison. The adopted and adapted training model comprises of reaction (R), learning (L), organizational support and change (OSC), knowledge and skills (KS), and student achievement (SA) is employed to examine the moderation effect of THTP, whether or not it can harness teachers' efficacy to effectively deliver better students' achievement in HLTS.

3. Methodology

The data were collected using a quantitative approach from teachers working in regular secondary schools in the Northern region comprising four states; Penang, Perlis, Kedah, and Perak. First, though, Malaysia's national type secondary schools consists of more than eighty percent (80 %), relatively very few studies have been conducted among teachers in relation to Teachers' HLTS training program (THLTP). Thus testing the hypothesis amongst teachers in the secondary school was important as teachers' today face many challenges in relation to education service delivery issues in today's complex social development. For example, student achievement in HLTS based on PISA 2018 results is more serious when compared to countries like China, Singapore, Macao, Hong Kong, and Taiwan (OECD, 2019). Therefore, conducting this study could provide some useful information that can assist teachers to deliver more effective HOTS education services to enhance students' creative and innovative thinking to meet up with their future work demands transformed by current disruptive technologies.

The sample populations comprised of 500 secondary school teachers selected based on their role as classroom managers. Since the northern region's total population of secondary school teachers consist of 43, 600 therefore convenience sampling technique were chosen in the sampling process where secondary schools were randomly selected throughout each states. The sampling process is followed by drawing a portion using a proportionate sampling technique from each states' total numbers of secondary school teachers. Using Sekaran (2016) quotes from Roscoe (1975) as a Rule of Thumb on estimating sample size, 500 is sufficient for most studies on population sample with an acceptable level of confidence.

Measures

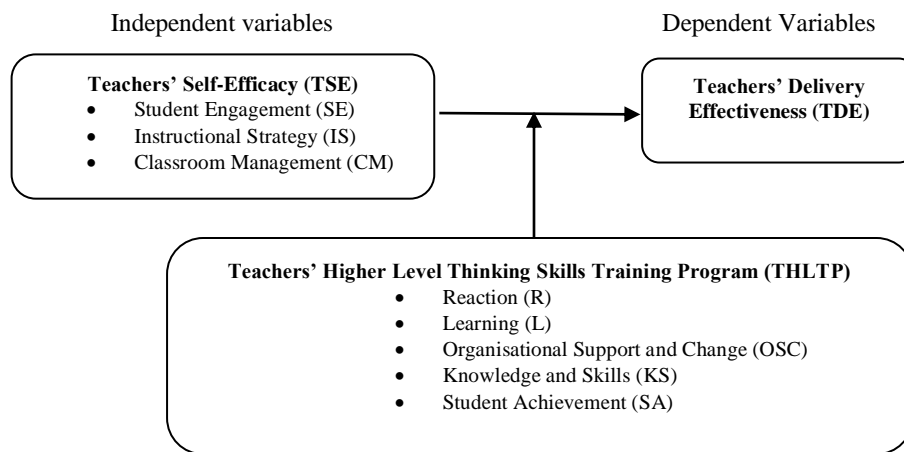
Dependent variables: Teacher's delivery effectiveness (TDE) was measured by an instrument adapted from Virgilio Teacher Behaviour Instrument (1987) by Teddie, Virgilio and Oesher (1990) designed to measure specific teacher behaviours. Other items were included from recent sources like journals locally and abroad (Ko *et. al.*, 2014; Dympna, Declan, & Deirdre, 2013). The TDE instrument were used to test teachers' behaviour on classroom management, classroom management strategy, student attention, student review and practice, questioning skill, student needs progress, teaching method, classroom climate, self-concept learners, and classroom environment. Based on the pilot study scores, the instrument was found to have a



good reliability, a Croanbach’s alpha of 0.982, which is above Hair’s (2010) rule of thumb on acceptable level that is higher than 0.70.

Independent variables: Teacher efficacy instrument was adapted from past researchers (Beck, 2014; Dellinger *et.al.*, 2008) to measure teachers’ ability to execute specific tasks namely student engagement (SE), instructional strategies (IS), and classroom management (CM) in relation to HLTS to suit the study. The measurement items of teacher efficacy sub-dimensions were generated based on the current education policy reports and journals from localand abroad (for example, MEB, 2013; Gullistan, Saido, Abu Bakar&Omad, 2015; Cheah, 2015). The teacher efficacy instrument were used to test the ability of teachers in SE, IS, and CM. Based on pre-test study scores, teacher efficacy instrument was found to have a good reliability with a Croanbach’s alpha value of 0.831 that is higher than 0.70, that is on acceptable level.

Moderating variables: The training programme was developed by Kirkpatrick (1959), and advanced by Guskey (2000) which was later adapted and modified to suit the context of the present study which focused on HOTS. The measurement items were reviewed from past literatures (for examples: Guskey, 2002; Barohny & Heining-Boyton, 2007; Mohd, Yahya, Muhamad & Nabilah, 2015; Mohd Yusoff, Azlin, Mansor, Johari, & Norlizah, 2016). Teachers’ HOTS Training Program (THTP) has five dimensions, and the uniqueness of this study is that the training program is treated as uni-dimensional construct to add parsimony. Unlike previous studies, training program were measured separately, at different levels (Sahin, 2006; Muhammad &Sharan, 2010; Muhammad, Muhammad, Usman, & Chaudry, 2011; Muhammad, Iqbal, Maharvi, & Muhammad, 2011; Paslawski, Kearney, & White, 2014, Dhliwayo & Kerubo, 2014). A pre-test study were conducted and found that the Cronbach’s Alpha value is 0.982 which confirmed there is high reliability and high quality data. Below is the conceptual framework of the study.





4. Results

Table 1 shows the Pearson correlations coefficient for all the variables tested in this study. Table 1 clearly showed that Teachers’ Delivery Effectiveness (TDE) is significantly associated with teacher efficacy. Meanwhile, TDE showed significant relationship with all the three dimensions in teacher efficacy namely efficacy in student engagement (SE), efficacy in instructional strategy (IS), and efficacy in classroom management (CM). Also, TDE indicates the significant relationship with HOTS Training Program used in this study. Overall, TDE is significantly associated with all the variables used in this study.

Table 1: Correlation analysis of TDE, Teachers’ Self-Efficacy, and Teachers’ Higher Level Thinking Skills Training Program (THLTP)

	TDE	Teacher’s Self-Efficacy	SE	IS	CM	HLTS
TDE	1					
Teacher Efficacy	0.775**	1				
SE	0.619**	0.888**	1			
IS	0.733**	0.913**	0.726**	1		
CM	0.714**	0.860**	0.630**	0.685**	1	
HLTS	0.701**	0.565**	0.447**	0.586**	0.464**	1

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

Table 2 presents the descriptive analysis results using seven Likert type scales on the level of Teachers’ HLTS Training Program (THLTP), which revealed that THLTP dimensions namely; reaction, learning, organizational support and change, knowledge and skills, and student achievement is at good level with high mean score. This suggests that the level of THLTP received among teachers in the secondary schools in the northern region in the states of Penang, Kedah, Perlis, and Perak is overall high.

Table 2: Descriptive Statistics on Overall Teachers’ HLTS Training Program (THLTP) mean scores and standard deviations

Moderating Variables	Mean	Standard Deviation	Level
Teachers’ HLTS Training Program (THLTP)			
Teachers’ HLTS Training Program (THLTP) dimensions	5.57	0.54	High
Reaction (R)	5.37	0.76	High
Learning (L)	5.48	0.89	High
Organizational support and change (OSC)	5.82	0.82	High
Knowledge and skills (KS)	5.64	0.76	High
Student achievement (SA)	5.68	0.79	High

Meanwhile, Table 3 presents the Multiple Regression Analysis results to test the relationship between teachers’ self-efficacy and Teachers’ Delivery Effectiveness (TDE). The results indicated that the predictor variables Teachers’ Self-Efficacy explained 61.7 percent of TDE



(F=656.854, $p < 0.01$). Therefore it is assumed that Teacher Efficacy significantly predicted TDE.

Table 3: The relationship between Teachers' Self- Efficacy (TSE) and TDE

	B	T	Sig.
TSE	0.785	25.629	.000
R ²	0.617		
F	656.854		
Sig.	0.000		

Notes: ** $p < 0.01$, * $p < 0.05$

Table 4 presents the overall scanning of the interacting effects between Teachers' Higher Level Thinking Skills Training program (THLTP) on the relationship between the Teachers' Self-Efficacy and Teachers Delivery Effectiveness (TDE). The result showed that Teachers' Self-Efficacy variable were entered in step 1 and explained 61.7 percent of the variance. This is followed by step 2 of which THLTP was entered and the total variance of the model was at 71.4 percent. Finally, in step 3, the result of the insertion of the interaction terms showed an additional variance at 71.9 percent. A slight increase of r^2 (.005) was found and the sig. F change from step 1 to 2, and from step 2 to 3 was significant at the 1% level. Next upon the detailed scanning of the beta co-efficient for the individual interaction terms between THLTP × Teachers' Self-Efficacy ($\beta = -0.078$, $t = -2.756$, $p = 0.006$) was significant at $\alpha = 0.001$ level. The interactions suggested strong support for the moderating effects of THLTP on the relationship between Teachers' Self-Efficacy namely: student engagement (SE), instructional strategy (IS), and classroom management (CM).

Table 4: Hierarchical Regression Results: the Moderating Effect of Teachers' High Level Thinking Skills Training Program (THLTP) on the Relationship between Teachers' Self-Efficacy (TSE) and Teachers' Delivery Effectiveness (TDE)

Variables	Standardized Beta		
	Step1	Step 2 Without interaction	Step3 With interaction
TSE	0.785***	0.572***	0.539***
THLTP			0.384***
TSE x THLTP	0.617	0.377***	-0.078***
R ²		0.714	0.719
Adjusted R ²	0.616	0.712	0.717
R ² Change	0.617	0.097	0.005***
F Change	656.854	507.776	346.538
Sig. F Change	0.000***	0.000***	0.000***

Sig. level ***.001 ** $p < 0.01$ * $p < 0.05$

Discussions of Findings

Referring to the first research objective concerning HLTS training programme received among teachers using descriptive analysis, it is found that the secondary school teachers received high level of HLTS training program in all four states namely Perlis, Kedah, Perak and Penang. They



agreed the high level of training received affected their learning, reaction, knowledge and skills, perceptions on students' learning outcomes, and organizational support and change. The result suggest that teachers' high level of HLTS training helped to fulfil their schools' organizational goals, updated new knowledge that assisted them to deliver their secondary level education services more effectively.

The results is consistent with other studies (Bikos, Tsigilis, & Grammatikopoulus, 2011; Asfaw, Argaw, & Bayissa; 2015). They found that individuals who received adequate training program help to harness their self-efficacy beliefs (Bikos et.al., 2011); increase their potentials by updating their new-learned skills (Asfaw *et.al.*, 2015) to carry out their tasks more efficiently. On the other hand, several studies found that insufficient training received can affect teachers' motivation (Yazan, Semreen, & Muhammad, 2011), classroom management skills (Asaf, Asad, & Muhammad, 2011; Fatemeh & Abdorreza, 2015). For instance, insufficient training program resulted in poor classroom management skills like lower level thinking questioning techniques (Nyet, 2013), poor instructional strategies (Fakeye & Adeye, 2013) and teacher-centered learnings (Pezhman & Moormala, 2015).

Meanwhile, the result of the second objective concerning the relationship between teachers' self-efficacy (TSE) and Teachers' Delivery Effectiveness (TDE) showed that it is significant. Majority of the studies found that teachers' self-efficacy can bring significant influence on teacher effectiveness in delivering their teaching and learning, and students' achievements (Ahmad & Mazieh, 2012; Ereno & Nunez, 2014). The study contributes to Bandura's (1977) Socio Cognitive Theory particularly in the area of Public Management on teacher efficacy variables, the three dimensions which focus on secondary school teachers, on the ability of managing their classrooms to deliver effective HLTS classroom services.

Lastly, the result of the third objective on the moderating effects of Teachers' High Level Thinking Skills Training Program (THLTP) on the relationship between teachers' self-efficacy and Teachers' Delivery Effectiveness (TDE) showed that it is significant. The results indicated that THLTP can strengthen Teachers' self-efficacy and Teachers' Delivery Effectiveness (TDE).

The results are same with several past studies which showed that there is significant moderation effects of training (Dunst *et.al.*, 2012; Lee *et. al.*, 2014). An example is a research conducted by Li Ji *et.al* (2012) who found employees' training has positive effect on organisations' performance in a sustainable development.

5. Conclusion and Recommendation

As Malaysia embraces the rise of the Fourth Industrial Revolution (4IR), the Ministry of Education (MoE) continue to revamp the country's education system by embedding HLT skills set in the schools' curriculum development. Educational systems and teachers are also facing challenging tasks resulting from this constantly advancing technology. This study provide an additional information to the body of knowledge by examining on the relationship between the two variables; Teachers' self-efficacy as independent variable and Teachers' Delivery Effectiveness (TDE), an independent variable. In addition, this study contributes theoretically by measuring the components of Teachers' High Level Thinking Skills Training Program (THLTP) in one dimension to add parsimony of which all components fit with TDE. Of course,



this study has its own limitations of which data collection process involved only secondary schools in four out of thirteen states of Malaysia, and relied on self-report questionnaires from selected group of teachers. Nevertheless the results of this study indicates that the Malaysian teachers received high level of HLTS training program meaning that teachers received sufficient training and mentally prepared to manage present challenging tasks in preparing their students for 21st century classrooms. Most importantly, the result established that Teachers' High Level Thinking Skills Training Program (THLTP) played a critical role to harness teachers' HLTS abilities in maintaining a high teaching standard to ensure effective education services delivered at their respective schools.

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RUGA SETTLEMENTS: A STRATEGY FOR SOCIO-ECONOMIC ACTIVITIES AND
CONFLICT RESOLUTION AMONG FARMERS/HERDERS IN NIGERIA

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Abstract

The neglect of Grazing Reserves Law of 1965 by the succeeding governments after the First Republic in Nigeria has led to farmers and herders clashes/conflicts due to struggle over limited scarce resources such as lands, water, crops and grasses. The clashes/conflicts made the incumbent President Muhammadu Buhari to approve the introduction of Ruga settlements plan in Nigeria. The Niger State government has already taken a lead through the rehabilitation of about 30, 000 hectares of the Bobi Grazing Reserve in Mariga Local Government Area and intends to increase the game reserve to 35,000/45,000 hectares. The objective of this study is to investigate the feelings of the residence concerning socio-economic importance and conflict resolution strategy using Ruga settlements plan in Bobi Grazing Reserve in Mariga Local Government Area of Niger State. The sample size of study was 100 respondents who are residents of the five villages (Oro, kamfanin-bobi, Durgu, Ukuru and Tashan-Bala) around Bobi Grazing Reserve. The major findings of this study are that 58% of the residence are aware of the Ruga settlement plan; 52% of the respondents are of the opinion that Ruga settlement plan will not reduce farmer-herders clashes and 71% of the people observe that Ruga settlement plan will create job opportunities for most unemployed youths in the area. In addition, 53% of the residence say that Ruga settlements plan will improve the quality of meat/milk production; 51% of the respondents indicate that Ruga settlement plan will increase income generation to people of the area and 90% of the respondents see Ruga settlements plan as a way to provide formal education to the children of farmers/herders in villages around the Bobi Grazing Reserve in Mariga Local Government Area of Niger State. The study concludes that Ruga settlement plan around Bobi Grazing Reserve will reduce conflicts problem between farmers and herders but it will not eliminate it completely as the problem is an age long issue. However, the scheme will improve socio-economic activities of the people residence in the area as business activities will improve. The research recommends that Niger State government should do more of enlightenment campaign to sensitize the people living around Bobi Grazing Reserve as they do not believe that the Ruga settlement plan by government will eliminate the problem of farmers/herders clashes in Nigeria.

Keywords: Clashes/Crisis, Farmers/Herdsman, Niger State, Ruga settlements, Rural Residents.

1. Introduction

Ruga settlements or Fulani settlements plan in Nigeria known as cattle ranching is not new, it is an old wine in a new bottle. This is because the idea of Ruga settlements is traceable to First Republic immediately after the independence in 1960 by the Former Premier of the Northern Nigeria, Sir Ahamdu Bello (the Sadauna of Sokoto) (Waheed, Abiola, Nzor & Nda-Isaiah, 2019). To be precise, Northern Region of Nigeria passed Grazing Reserves Law in 1965. The



law stipulates that minimum of 10% of the country's land area to be legally acquired and constituted into grazing reserves for lease allocation to grazers (Premiumnewsnigeria, 2019). *Ruga* settlements means allowing herdsmen to settle down permanently in a particular area to prevent open grazing or roaming about with cattle that may cause farmers/herdsmen clashes. The reasons for *Ruga* settlements initiatives among others are to address the issue of insecurity; provide quality of meat and milk production for healthier nourishment; provide former education to children of nomads; provide employment opportunities to citizens; attract investments opportunities to the country and generate revenue for the nation (Uche, 2019). It is important to note that 90% of Nigeria cattle and by-products comes from pastoralists (herdsmen) and contributes between 6% and 7% to GDP. Agriculture overall contributes up to 23% to the national GDP (Mohammed, 2016).

Historically and up till the first Republic era of 1965 in Nigeria, farmers (agriculturalists) and herders (pastoralists) enjoyed a fairly symbiotic relationship. Farmers provide grain and other farm products for herders' livestock. Herders' livestock provided farmers with manure to fertilize their farm lands. This is because farmers engage in crops farming and herders engage in animal husbandry with little or no clashes. At those periods, the population of Nigeria was small and number of people that were involved in the farming activities for consumption and business purposes were also small. The small number of farmers couple with few population and a lot of uncultivated lands allow herdsmen to wander about with their cattle freely. As the population of Nigeria increases over time and more lands cultivated, the herders' routes of open crazing were taken over by the farmers causing herders/farmers clashes. The clashes resulted in the loss of lives and properties due to neglect of the grazing reserves law by subsequent governments in Nigeria after the First Republic (Premiumnewsnigeria, 2019). Therefore, clashes/conflicts emanate in pursuing limited scarce resources (farmlands, grasslands and water spots for animals) by both the farmers and herdsmen (Ofem & Inyang, 2014).

The major causes of farmers-herders clashes in Nigeria among others include lack of inadequate grazing areas and conflict of interest over land resources among others.; cattle theft and attack; increase in human and livestock population; increase in agricultural practices; destruction of crop among others (Ofuoku & Isife, 2010; Adogi, 2013; Nformi, 2014). The adverse effects of farmers/herders' clashes include loss of human and animal lives; destruction of crops; reprisal attack which affects innocent souls; displacement of persons and animals; and distrust between herdsmen and farmers (Oli, Ibekwe & Nwankwo, 2018).

As the clashes between herders and farmers deepen, the idea of *Ruga* settlements was re-echo during the Fourth Republic in Nigeria when the Former President Goodluck Jonathan budgeted about N10 billion for the scheme and the money could not be found for its implementation (Waheed, Abiola, Nzor & Nda-Isaiah, 2019). Nowadays, herdsmen are seen doing open crazing in schools, stadium surroundings and road sides as their crazing roots were taken over by the farmers because of the increase in number of. people that engage in faming activities.

In order to ameliorate the problem and stop the roaming of cattle about, Federal Government of Nigeria (FGN) under the leadership of President Muhammadu Buhari approved the re-introduction of *Ruga* settlements in the six Geo-Political Zones of the country on 17th January, 2019 (Shehu, 2019). The scheme shall be implemented in seven pilot states which are prone to



farmer-herder clashes in the country. Such states are Adamawa, Benue, Kaduna, Plateau, Nasarawa, Taraba and Zamfara (Shehu, 2019). The re-introduction of the scheme by FGN follow the initiatives of the National Economic Council (NEC) presentation under the National Livestock Transformation Plan (2018-2027). It is conceptualized to permanently stop the age-long herders-farmers crises and to massively develop the livestock industry (Shehu, 2019). The scheme was formerly pronounced to Nigerians by formal Minister of Agriculture and Rural Development, Chief Audu Ogbeh on 12th May, 2019 that the President had approved the *Ruga* settlement implementation and the scheme will start immediately due to crises (Uche, 2019).

After the official pronouncement of the implementation plan of the *Ruga* settlement initiative, there were series of condemnations from some Nigerian in both Northern and Southern part of the country especially the Yorubas and Igbos from South as well as few Northern Christian faithful. The condemnations were followed with a lot of protests by some citizens in some states like Benue and Taraba states. The citizens of these states think that the FGN is planning to take over the lands and no part of their lands will be ceded to the government. The protests made the FGN to suspend the idea of *Ruga* settlements initiatives plan on 3rd July, 2019 and made it voluntary as forcing the scheme on states may cause more clashes between herdsmen and farmers (Nnamdi, 2019).

In 2019, the FGN made the issue of *Ruga* settlements plan voluntary to states, and some states like Gombe, Kano and Niger States have showed interest in the scheme due to its economic importance (Matane, 2019; Olasupo, 2019; Umoren, 2019), what will be the response of Nigeria, concerning the issue of *Ruga* settlements plan?

Nigeria has over 40 million hectares of grazing lands, but just about 3 million hectares are specifically tagged as grazing reserves established under the Northern Region Grazing Reserves Law of 1965. Also, out of 417 grazing reserves, only about 113 grazing reserves have been gazetted. The need to permanently rehabilitate herders is of paramount important (Premiumnewsnigeria, 2019). It is essential to note that Niger State Government has already taken a lead through the rehabilitation of about 30, 000 hectares of the Bobi Grazing Reserve in Mariga Local Government Area and intends to increase the game reserve to 35,000/45,000 hectares (Shittu, 2018; Matane, 2019) because of the anticipated socio-economic importance.

At this juncture, the empirical evidences about the feelings of the residence concerning socio-economic importance and conflict resolution strategy using *Ruga* settlement plan in Bobi Grazing Reserve is not available to the best of my knowledge. This made the research new and different from other past studies. However, empirical studies concerning farmers/herders clashes and conflict are available in few numbers such as research by Ofuoku and Isife (2010); Bello (2013); Mwamfupe (2015); Baba & Abeyasinghe (2017); Chinwokwu (2017) and Oli *et al.* (2018).

The above identified gaps make the researcher to investigate the feelings of the residence around the Bobi Grazing Reserve concerning the issue of *Ruga* settlements plan in the Niger State. This study will be beneficial to potential academic researchers, area of contribution to knowledge and citizens of the Federal Government of Nigeria.



2. Literature Review

Conceptual Review

Ruga settlements which herdsmen are allowed to settle down permanently in a particular area to prevent roaming about with their cattle that may cause farmers/herdsmen clashes is long overdue. Just for two years (2016 and 2017), the farmers/herders clashes have caused wanton destruction of lives and properties as shown in Table 1.

Table 1: Farmers-Herdsmen Clashes/Conflicts in Nigeria (January 2016 and May 2017)

S/N	Place	Date	Immediate cause(s)	Death toll/Casualties/Degree of Destruction
A. Incidences of 2016				
1.	UdeniRuwa, Nasarawa state	January 6, 2016	Destruction of farm crops	Between 12 and 38 people were killed and many wounded.
2.	Gareji village in Taraba State	January 17, 2016		3 people were killed
3.	Demsare, Wunamokoh, Dikajam and Taboungo of Adamawa State	January 23		Between 30 and 60 people including a police DPO were killed and properties destroyed.
4.	Agatu, Benue State	February 2, 2016	Reprisal attack	7 people were killed and the community was thrown into mourning.
5.	Tom-Anyiin and Tom-Ataan communities, Tombu in Buruku LGA, Benue State	February 7, 2016	Clash between Fulani herdsmen and farmers	10 persons were killed and the community was raided.
6.	Abbi, Enugu State	February 11, 2016		2 persons were killed and some were declared missing
7.	Agatu, Benue State	February 24 & 28	Reprisal attack against the alleged killing of a prominent Fulani man by the people of Agatu in 2013	Between 300 and 500 persons were killed and wounded. Others were displaced.
8.	Ossissa, Ndokwa, Delta State	March 2, 2016		Some people were wounded and residents were forced to flee their homes as houses were destroyed.
9.	Mbaya-Tombo, Benue state	March 13 & 17, 2016	Dispute and destruction of farm crops	Over 35 persons died and properties were destroyed.
10.	Ugwunesi in Awgu LGA, Enugu State	March 26, 2016	It was a reprisal attack by the 2 Soldiers, 18 others were Fulani herdsmen after armed farmers killed a Fulani traditional ruler- Kardorko- AlhajiHabibu Domo, and four others	Thousands were displaced and more than 1000 homesteads of were destroyed.
11.	Ohali-Elu, Rivers State	April 3-7, 2016	Clash with communities	About 7 to 16 people were killed.



S/N	Place	Date	Immediate cause(s)	Death toll/Casualties/Degree of Destruction
12.	Ilado, Ondo State	April 9, 2016	Hon. OluFalae, former SGF, was attacked by herdsmen and they killed his security guard	Herdsmen attacked and killed the security guard of Chief. Falae.
13.	Angai, Dashole, Dori and Mesuwa villages of Taraba State	April 10, 2016	Farm land dispute	Between 15 and 44 people were killed.
14.	Agatu, Benue State	April 20, 2016	Policemen attacked	Some persons were injured and a policeman was declared missing.
15.	NdiaguAttakwu, Nkanu-West LGA, Enugu State	April 25, 2016	Herdsmen were alleged to have entered the heart of the community that afternoon and a woman sounded a gong, after which the cows scattered: the herdsmen gathered the herds and left, only to return in the night and raided the village.	Many were murdered, including a catholic church seminarian and a pregnant woman whose stomach was cut open. Also, houses were destroyed,
16.	Nimbo Community of Uzo-Uwani LGA, Enugu state	April 25, 2016	Herdsmen were said to have earlier disagreed with the villagers over the use of farmlands as grazing fields.	46 people were killed and 10 houses were burnt, including Christ Holy Church International during the invasion.
17.	Dungun Mu'azu, Sabuwa LGA, Katsina State	November 25, 2016	Reprisal attack	8 people were massacred (7 men and 1 woman)
B. Incidences of 2017				
18.	Abraka and Obiaruku, both in Ethiopie East and Ukwuani LGAs, Delta State	January 9, 2017		No fewer than 5 persons were killed.
19.	Zango-Kataf Local Kaduna State	January 17, 2017,	Herdsmen opened fire in SamaruKataf market	3 persons were killed and five injured.
20.	Ipiga village in Ohimini LGA, Benue State	January 24, 2017	Grazed cattle and destroyed farmlands	15 persons were killed. A bloody fight that took the lives of two of the herdsmen and about 13 of the villagers.
21.	Jema'a LGA, Kaduna State	January 24, 2017	Commercial car taking students to school from Kafanchan was waylaid by alleged herdsmen	5 students of the College of Education, GidanWayawere shot dead.
22.	RukumawaTsafe LGA, Zamfara State	February 10, 2017	Clash between community members and suspected herdsmen	8 people were confirmed dead.
23.	Southern Kaduna, Kaduna State	February 21, 2017	Fulani herdsmen launched attacks on four communities	About 21 people were killed.
24.	Mbahimin community, Gwer East LGA, Benue	March 2, 2017	Renewed hostilities between herdsmen and farmers in	No fewer than 10 persons were killed.



S/N	Place	Date	Immediate cause(s)	Death toll/Casualties/Degree of Destruction
	State		Mbahimin community	
25.	Omumu community, South LGA, Delta State.	Ika March 6, 2017	Clash between suspected herdsmen and residents of Omumu community	6 persons died.
26.	Tiv community, Mkgovur village in Buruku LGA, Benue State	March 11, 2017		7 people were killed.
27.	Umuobasikwu, Ozuitem community in Bende LGA, Abia State	March 14, 2017	Clash between herdsmen and the people of Umuobasikwu	1 person was killed and several others injured.
28.	Adam Village, Kwande LGA, Benue State	March 27, 2017	Herdsmen farm attack	1 killed, 1 injured, women raped in their farms.
29.	Emuhu community in Ika South LGA, Delta State	March 28, 2017	Attack by suspected herdsmen	3 persons were killed while six others sustained injuries.
	ObioUsiere in Eniong Abatim, Odukpani LGA, Cross River State	April 1, 2017	Raid a community	killed no fewer than 10 persons
30.	Tse-Akaa village, Ugondo Mbamar District of Logo LGA, Benue State	May 8, 2017	Clash with herdsmen	3 persons were killed.
31.	Ossissa community in Ndokwa East LGA, Delta State	May 12, 2017	Farmers who worked with Ugo Farm were ambushed on their way home	Suspected herdsmen beheaded a commercial motorcycle rider and six farmers.
32.	AfamUku, Oyigbo LGA, Rivers State	May 18, 2017	Herdsmen attack	2 persons lost their lives.
33.	Ewu community, Esan LGA, Edo State	May 22, 2017	Herdsmen entered farmland raped two women and strangled them to death	2 people were killed and 1 was wounded. Crops were destroyed and lots of persons sacked from their farmlands.

Source: (Umoru, 2017; Kalu, 2017; Oli et al, 2018)

Table 1 is a clear evidence of unjustified killings, mayhems and destruction of properties by farmers and herdsmen. The Federal Government of Nigeria is on the right path to come up with the idea of *Ruga* settlement as it has constitutional right to protect lives and properties.

Empirical Review

Exact empirical studies concerning the issue of *Ruga* settlements initiatives were not available. However, related empirical studies include the work of Ofuoku and Isife (2010); Bello (2013); Mwamfufe (2015); Baba & Abeysinghe (2017); Chinwokwu (2017) and Oli et al. (2018). Ofuoku and Isife (2010) empirically assessed the causes, effects and resolution of farmers and nomadic cattle herders conflict in Delta State, Nigeria. Study randomly sampled 80 farmers and 20 nomadic cattle herders from randomly selected communities. Data were collected using structured interview schedule. The result of structured interview revealed that the causes of farmers and nomadic cattle herders conflicts are destruction of crops, contamination of streams



by cattle, zero grazing of land, disregard for local traditional authorities, female harassment, harassment of nomads by host communities youths, indiscriminate bush burning, defecation of cattle on roads, cattle theft, and straying of cattle. The socio-economic effects of the conflicts result to reduction in crop yield and income of farmers/nomads displacement of farmers, loss of lives and properties and loss of products in the storage. The result of T-test statistic shows differences in the responses of farmers and nomads in the respect to the causes of the conflicts. The research suggested that the mechanism of local development plans should be established to reduce such conflicts. However, the study used interview method which is qualitative in nature and non-parametric T-test statistic.

Bello (2013) examined herdsman and farmers conflicts in Yobe State -Nigeria in North-Eastern Nigeria. Four-stage cluster random sampling procedure was used to select respondents for the research. Out of the 17 local government areas (LGAs) in the state, 14 LGAs are mostly associated with farmer-herdsman conflict. Out of these 14 LGAs, ten were randomly selected. In each of the 14 LGAs, five farming communities were randomly selected making a total of 50 villages. Ten arable crop farmers were randomly selected from each village, thus giving a total of 500 farmers. In each of 14 LGA, 250 cattle herdsman were also randomly selected for data collection. This was done by randomly selecting five herdsman from ten transit camps in each LGA. In all, 750 respondents were selected for the quantitative data collection. Descriptive statistic (frequencies and percentages) was used to present and analyse the data collected. The study indicates that the necessity to provide food crops and animal as well as raw materials for industry and export in order to meet ever-growing demands has led to extensive use of land. Also, the study reveals that conflicts have demonstrated high potential to exacerbate the insecurity and food crisis particularly in rural communities where most of the conflicts are situated with repercussions nationwide. The study concluded by stating that the periodical struggle for scarce ecosystem resources is what had degenerated into violent conflicts in Yobe State between Fulani herdsman and farmers. But the research is conducted in Yoba State and not Niger State of Nigeria.

Mwamfupe (2015) examined the persistent crises between farmers and herders in Tanzania. The study used interview method to collect information (2012-2014) from respondents who are farmers, herders, and district level officials in Kilombero, Kiteto, Rufiji and Kilosa districts. Focus group discussions were conducted to collect information on conflict resolution mechanisms and the persistence of the conflicts in their areas. The study found that the major factors for the persistence of conflicts between farmers and herders include policy deficiencies and contradictions; insecurity of land tenure; inadequacy of capacity of the local institutions; corrupt practices; poor coordination in resettling the migrants; inadequate capacity in village land use planning; and the heavy-handed approaches used to resolve the conflicts. The study concludes that the root cause of the conflicts is the lack of security of land tenure to smallholder farmers and herders who hold and use unsurveyed land that is liable for alienation through acquisition and encroachment. Unless the government reviews its land policy to ensure security of land tenure land grabbing and corrupt practices will escalate and lead to further conflicts. However, the study utilized interview method that requires the researcher to be present for interviewing.



Baba and Abeysinghe (2017) studied the effective strategies for resolution and management of farmers-herdsmen conflict in the North Central Region of Nigeria. Closed ended questionnaire was administered on 60 respondents systematically selected from the six states in the North Central Region of Nigeria. Each state is represented by 10 respondents chosen from one of its local government area. Among every 10 respondents chosen, there were 4 farmers, 4 herdsmen and 2 Local Government Officials. The respondents were selected from the local government areas which have recorded more and frequent conflict between Farmers and Herdsmen in their respective state. Data collected through the questionnaire are analyzed using descriptive statistic (frequencies and percentages) and correlation statistic. The study shows that strategies of conflicts resolutions are building religious harmony and tolerance between Farmers and Herdsmen in the region since it is one the causes of conflicts. Another strategy is the establishment of effective mechanism for settling disputes between Farmers and Herdsmen will serve as an effective strategy for resolution and management of conflict between the two agricultural land users in the North Central Region of Nigeria. But the study administered the questionnaire to only 60 respondents from the six states in the North Central Region of Nigeria which is grossly inadequate. Chinwokwu (2017) studied glamorization of Fulani herdsmen's criminality and its implications on national security in Nigeria. The study revealed that government inaction to caution, arrest, prosecute or punish the criminal activities of the Fulani herdsmen is evidence that government is behind their activities. It also viewed government silence as shrouded in inert motive that is not far from expansionist ideology. Therefore, the study suggested that efforts of government must ensure that the activities of Fulani herdsmen are checked to ensure peace and security across the country. However, the study is term paper analysis and not empirical in nature.

Oli *et al.* (2018) examined the herdsmen and farmers conflict in Nigeria using historical documents. The study found that some of the factors that usually led to clashes are limited or unavailability of grazing fields and farm lands; grazing on crops; long-standing disagreements; lack of access to farm or grazing fields; and scarcity of fresh water. Consequently, loss of human and animal lives; destruction of crops and properties; displacement of persons and animals; distrust between herdsmen and farmers; rising anti-Fulani sentiment; and breakdown of peaceful relationship with many communities in some parts of the country. The study concludes that until this issue is amicably resolved and absolute cooperation among the conflicting parties enhanced; food and national security would continue to be threatened. Therefore, the study recommended amongst others that government should establish cattle grazing fields in the six geo-political zones of the country and out-law open grazing of cattle. But the study is based on term paper analysis and the ongoing study is empirical

From the review of the previous studies, there is no exact study on Ruga settlements. This is a research gap that this study intends to fill to contribute to the frontier of knowledge by investigating the feelings of the residence concerning socio-economic importance and conflict resolution strategy using Ruga settlements plan in Bobi Grazing Reserve in Mariga Local Government Area of Niger State.

Conflict Theory

The proposed study shall anchor on conflict theory. This is because conflict occurs among two opposing groups or classes (farmers and herdsmen) who struggle over scarce resources (land,



crops/grasses and water) (Idowu, 2017). The conflict theory postulates that two opposing groups in the society always struggle over limited or scarce resources. Each group struggles to attain or acquire more resources as they are scarce. Every group tries to protect its own interest, hence, blocking the progress of another in accessing the resources (Idowu, 2017;Oli *et al.*, 2018).

3. Methodology

This is a survey research design in which primary data are collected through questionnaire instrument. For the reason that questionnaire is the best instrument for this kind of study (Cavana, Dalahaye&Sekaran, 2001). The research study is conducted in five villages (Oro, kamfaninbobi, Durgu, Ukuru and TashanBala) around the Bobi Grazing Reserve in Mariga Local Government Area of Niger State. The Bobi Grazing Reserve covers about 30,000 hectares of land (Shittu, 2018). It was established 50 years ago by the Federal Government of Nigeria (FGN) and handed over to the Niger State government in year 2006 (Shittu, 2018).

The sample size of the study consists of 100 respondents who are residents of the five villages around Bobi Grazing Reserve in Mariga Local Government Area of Niger State (see the map of the study area in Figure 1 and 2). Bobi Grazing Reserve in Mariga Local Government Area is selected among 25 local government area of Niger State because the state government is interested in the project. The 25 local government areas of Niger State are Agaie, Agwara, Bida, Borgu, Bosso, Chanchaga, Edati, Gbako, Gurara, Katcha, Kontagora, Lapai, Lavun, Magama, Mariga, Mashagu, Mokwa, Munya, Paikoro, Rafi, Rijau, Shiroro, Suleja, Tafa and Wushishi

Figure 1: Map of Nigeria showing Niger State



Figure 2: Map of Niger State



The study randomly sampled 100 residence who are people living in the five villages around Bobi Grazing Reserve. Questionnaire instrument is used to collect primary source of data from the residence who are farmers and herders living in the five villages. The questionnaire is divided into two sections in close-ended form. Section A is demographic information of the



respondents and Section B is questions relating to the subject matter. The questionnaire is subjected to both validity and reliability tests. The validity test of the questionnaire instrument is done through an expert in the field of management science discipline. Also, the validity and reliability tests were done through the pilot tests of the questionnaire to see whether the instrument is capable of sourcing required information.

Twenty (20) copies of questionnaires each were administered to the people of Oro, kamfaninbobi, Durgu, Ukuru and TashanBala by the research assistant who is an indigene of the Mariga Local Government Area of Niger state. The 100 copies of questionnaires (20 questionnaires multiply by 5 villages) was completed correctly and returned. The returned questionnaires was used for data analysis.

In addition, Statistic Package for Social Science (SPSS version 23) is the statistical software package for data screening and analysis. Since this research is studying a phenomenon known as *Ruga* settlement initiative, descriptive statistic (frequency and percentage) is utilized to present data collected and subsequently analysed.

4. Data Presentation and Analyses

This section presents frequency distributions of the data collected in percentages and analysed to draw conclusions.

Table 1: Gender of the Respondents

Response options	Frequency	Percent
Female	15	15%
Male	85	85%
Total	100	100%

Source: Field Survey, 2019

Table 1 indicates that 85 respondents representing 100% are male while 15 respondents representing 15% are female. This means majority of respondents are male that fill copies of the questionnaire concerning the issue of socio-economic importance and conflict resolution strategy using *Ruga* settlement plan around Bobi Grazing Reserve in Mariga Local Government Area of Niger State.

Table 2: Marital Status of the Respondents

Response Options	Frequency	Percent
Single	38	38%
Married	62	62%
Total	100	100%

Source: Field Survey, 2019.

Table 2 shows that 38 of the respondents representing 38% are single while 62 of the respondent representing 62% are female residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This discloses that majority of the respondents are married people.



Table 3: Age Distribution of the Respondents

Age of respondents	Frequency	Percent
< 18 years	02	02%
18 – 30 years	35	35%
31 – 40 years	30	30%
41 – 50 years	20	20%
>50 years	13	13%
Total	100	100%

Source: Field Survey, 2019.

Table 3 indicates that 35 respondents representing 35% aged from 18 to 30 years. Thirty (30) respondents representing 30% aged from 31 to 40 years. Twenty (20) respondents representing 20% aged from 41 to 50 years. Thirteen (13) respondents representing 13% aged above 50 years. However, 02 respondents representing 2% aged below 18 years residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This means that majority of respondents are youths aged from 18 to 30 years.

Table 4: Type of Education acquired by the Respondents

Response Options	Frequency	Percent
Former education (Western Education)	14	16%
Informal education (Arabic/Quranic Education)	86	84%
Total	100	100%

Source: Field Survey, 2019.

Table 4 shows that 86 respondents representing 86% have no formal education while 14 respondents representing 14% have formal education in primary/secondary schools around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This implies that majority of the respondents acquired informal education in Arabic/Quranic studies.

Table 5: Respondents Occupation

Response Options	Frequency	Percent
Farming	27	27%
Cattle/Sheep/Goat herding	73	73%
Total	100	100%

Source: Field Survey, 2019.

Table 5 indicates that 73 respondents representing 73% do occupation farming. But 27 respondents representing 27% do occupation of herding cattle/sheep/goat residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This discloses that few respondents are farmers and majority are herders.



Table 6: Are you aware of the *Ruga* settlement plan around Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	91	91%
No	09	09%
Total	100	100%

Source: Field Survey, 2019.

Table 6 shows that 58 respondents representing 58% say “Yes” that they are aware of the *Ruga* settlement plan. However, 09 respondents representing 42% say “No” that they are not aware of the *Ruga* settlement plan. This discloses that majority of the residence are aware of the *Ruga* settlement plan around Bobi Grazing Reserve in Mariga Local Government Area of Niger State.

Table 7: Do you think *Ruga* settlement plan will reduce farmer-herders clashes among the people residence around Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	48	48%
No	52	52%
Total	100	100%

Source: Field Survey, 2019.

Table 7 indicates that 52 respondents representing 52% say “No” that *Ruga* settlement plan will not reduce farmer-herders clashes. However, 48 respondents representing 48% say “Yes” that *Ruga* settlement plan will reduce farmer-herders clashes around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This means majority of the residence say that *Ruga* settlement plan around Bobi Grazing Reserve will not reduce farmer-herders clashes.

Table 8: Do you think that *Ruga* settlement plan will create job opportunities for most unemployed youths residence around the Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	71	71%
No	29	29%
Total	100	100%

Source: Field Survey, 2019.

Table 8 indicates that 71 respondents representing 71% say “Yes” that *Ruga* settlement plan will create job opportunities for most unemployed youths in the area. Nevertheless, 29 respondents representing 29% say “No” that *Ruga* settlement plan will not create job opportunities for most unemployed youths residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This implies majority of the residence say that *Ruga* settlement plan around Bobi Grazing Reserve will create job opportunities for most unemployed youths in the area.



Table 9: Do you think *Ruga* settlement plan will improve the quality of meat/milk production among residence around the Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	53	53%
No	47	47%
Total	100	100%

Source: Field Survey, 2019.

Table 9 indicates that 53 respondents representing 53% say “Yes” that *Ruga* settlements plan will improve the quality of meat/milk production among residence around the Bobi Grazing Reserve. However, 47 respondents representing 47% say “No” that *Ruga* settlement plan will not improve the quality of meat/milk production among residence around the Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This means majority of the residence say that *Ruga* settlement plan around Bobi Grazing Reserve will improve the quality of meat/milk production.

Table 10: Do you think *Ruga* settlement plan will increase income generation to the residence around Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	51	51%
No	49	49%
Total	100	100%

Source: Field Survey, 2019.

Table 10 shows that 51 respondents representing 51% say “Yes” that *Ruga* settlement plan will increase income generation to the residence around Bobi Grazing Reserve. But 49 respondents representing 49% say “No” that *Ruga* settlement plan will not increase income generation to the residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This means majority of the residence say that *Ruga* settlement plan around Bobi Grazing Reserve will increase income generation to the people of the area.

Table 11: Do you think *Ruga* settlement plan will provide formal education to the children of farmers/herders residence around Bobi Grazing Reserve?

Response Options	Frequency	Percent
Yes	90	90%
No	10	10%
Total	100	100%

Source: Field Survey, 2019.

Table 11 shows that 90 respondents representing 90% say “Yes” that *Ruga* settlements plan will provide formal education to the children of farmers/herders residence around Bobi Grazing Reserve. Nevertheless, 10 respondents representing 10% say “No” that *Ruga* settlements plan will not provide formal education to the children of farmers/herders residence around Bobi Grazing Reserve in Mariga Local Government Area of Niger State. This implies majority of the residence say that *Ruga* settlement plan around Bobi Grazing Reserve will provide formal education to the children of farmers/herders in the area.



Discussion of the Major Findings

The major findings of this study in relation to the demographic information is that majority of the respondents are male, married, youths, acquired informal education in Arabic/Quranic studies and herders. These respondents live in five villages (Oro, kamfaninbobi, Durgu, Ukuru and TashanBala) around Bobi Grazing Reserve in Mariga Local Government Area of Niger State.

In addition, the major findings in relation to the research questions are that 58% of the residence are aware of the *Ruga* settlement plan. Second, 52% of the respondents are of the opinion that *Ruga* settlement plan will not reduce farmer-herders clashes. The result is similar to the findings of Bello (2013) that observed the periodical struggle for scarce ecosystem resources is what had degenerated into violent conflicts. Mwamfupe (2015) found that the major factors for the persistence of conflicts between farmers and herders include policy deficiencies and contradictions; insecurity of land tenure; inadequacy of capacity of the local institutions; corrupt practices; poor coordination in resettling the migrants; inadequate capacity in village land use planning; and the heavy-handed approaches used to resolve the conflicts. Third, 71% of the people observe that *Ruga* settlement plan will create job opportunities for most unemployed youths in the area. Fourth, 53% of the residence say that *Ruga* settlements plan will improve the quality of meat/milk production. Fifth, 51% of the respondents indicate that *Ruga* settlement plan will increase income generation to people of the area. This is different from the findings of Ofuoku and Isife (2010) that found the socio-economic effects of the conflicts result to reduction in crop yield and income of farmers/nomads displacement of farmers, loss of lives and properties and loss of products in the storage. Also, Baba & Abeyisinghe (2017) indicated that strategies of conflicts resolutions are building religious harmony and effective strategy for resolution and management. Lastly, 90% of the respondents see *Ruga* settlements plan as a way to provide formal education to the children of farmers/herders in villages around the Bobi Grazing Reserve in Mariga Local Government Area Niger State. Therefore, majority of the respondent observe that *Ruga* settlement plan around Bobi Grazing Reserve will reduce conflicts problem between farmers and herders but it will not eliminate it.

5. Conclusion and Recommendation

From the beginning of the Nigeria independence in 1960, farmers/herders conflicts have been minimum compare to wanton killings and mayhems in different parts of Nigeria in recent years from 2015 to 2019 in Nige state, Benue state, Taraba state and so on. This is because Grazing Reserves Law of 1965 was neglected by succeeding governments after the first republic government that promulgated the law. The study findings among others are that *Ruga* settlement plan around Bobi Grazing Reserve in Mariga Local Government Area of Niger State will not eliminate conflicts problem between farmers and herders. However, the *Ruga* settlement plan will improve socio-economic activities of the people residence in the area as business activities will improve. The prior expectation of the research result is that majority of the residence will welcome and accept the proposed *Ruga* settlement plan by the Niger State and Federal Government of Nigeria because of its socio-economic importance. The study concludes that *Ruga* settlement plan around Bobi Grazing Reserve will reduce conflicts problem between farmers and herders but it will not eliminate it completely as the problem is an age long issue. However, the scheme will improve socio-economic activities of the people residence in the area



as the business activities will improve. The research recommends that Niger State government should do more of enlightenment campaign to sensitize the people living around Bobi Grazing Reserve as they do not believe that the *Ruga* settlement plan by government will eliminate the problem of farmers/herders clashes in Nigeria.

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SERVICE DELIVERY IN ELECTRICITY SUBSECTOR OF NIGERIA ECONOMY

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Abstract

The challenges of service delivery in the electricity sector grow speedily. consumers and customers of this sector are in constant out-cry of the poor quality of electricity supply delivered. The electricity sector is undeniably one of the major sectors in the world, and in Nigeria, it contributes largely to the nations GDP. It can never be overemphasized that quality delivery of constant electricity supply is the pinnacle of any developed or developing nation. One of the major criteria that draws investors to a nation, is quality service delivery of electricity supply. The problem remains that while Nigeria has undergone quite a number of reforms to improve the quality of electricity supply and over dependability on one source of supply, it seems that this poor epileptic delivery of electricity supply is yet to be tackled and Nigeria's economy still dwindles. Many consumers still suffer the brunt, as most business depend on this electricity supply to thrive. More so the high tariff cannot be compared to the poor service delivery. Could this problem stem from the distributing companies or the government? This theoretical paper while analysing previous theories on services delivery, is an overview on how service delivery in the electricity sector can be further improved, as it equally evaluates the challenges and opportunities that lies ahead in the electricity sector towards economic development. In conclusion, this paper reveals how the government and distribution companies can work unanimously to tackle the perils of the service delivery in the electricity sector for economic development.

Keywords: Electricity Supply, Service Delivery, Economic Development

1. Introduction

Epileptic electricity supply has continued to forestall economic development of Nigeria. The power sector is one of the major sectors in the world, that contributes largely to the nations GDP, The quality of electricity supply is the pinnacle of any developed or developing nation. One of the major criteria that draw investors to a nation is quality of service delivery especially in electricity supply. Past reforms in Nigeria has looked into this poor delivery of electricity supply, and they provided a solution by privatizing the electricity sector, but yet these companies have failed in delivering quality electricity supply.

In the world of today, where imitation is inevitable, particularly amongst service businesses, organizations have come to realize that quality service is a critical and essential strategy to corporate success. Service quality is the overall assessment of a service by the customer (Eshighi, Roy & Ganguli, 2008). Organizations over the years have also regarded perceived service quality as a strategic tool for positioning as well as means of achieving operational efficiency and improving business performance (Mehta, Laiwan & Han 2004). No doubt,



satisfied customers are more willing to pay for the benefits they receive and may tolerate increase in price.

Previous studies have looked at service delivery in different organisations, but little has been done on service delivery in the electricity industries. This paper therefore provides an overview of existing and new research relating to service, service delivery in relation to how it can be used to improve power supply and in turn provide economic development .

2. Literature Review

Service amongst many definitions could be seen economic activities that create value and provide benefits for customers at specific times and places, as a result of bringing about a desired change in or on behalf of the recipient of the service. It is also an activity that is intangible, it is not stored and does not result in ownership. It is one of the two key components of marketing. Service should be approached from the customer's perspective because it is the customer's total perception of the outcome which is generated through a process (Edvardsson 1998). A poor service or a service failure will result in dissatisfaction and this in turn will prompt a variety of responses which may include complaining, negative word-of-mouth and decisions not to repurchase. If it is impossible to avoid service failures and dissatisfaction, then it becomes increasingly important for organisations to understand how to manage such occurrences and minimise their adverse effects. (Christine Ennew & Klaus Schoefer, 2003). There is increasing evidence to suggest that effective service recovery will generate a range of positive customer responses with complaint handling being seen as a key element in service recovery. Responding effectively to consumer complaints can have a significant impact on satisfaction, repurchase intentions and the spread of word-of-mouth. On the other hand, Service quality is a dynamic state associated with products, services, people, processes and environments that meets or exceeds expectations and help produce superior value (Goetsch & Davies, 2010). It is a degree of excellence. It is important to note that perception of quality is not static and may change with customer's experiences and view of the world.

However service quality is the overall assessment of a service by the customer (Eshighii, Roy & Ganguli, 2008). Intangible elements of service include inseparability, heterogeneity and perishability which are critical determinants influencing service quality perceived by a customer (Douglas & Connor, 2003). Companies should be able to define what service quality means to them in order to deliver services with higher quality level, in order to increase customer satisfaction. Many researchers have also showed that service quality perceived by customers will directly influence customer satisfaction as well as their trust in the service firm. (Parasuraman *et al.*, 1988; Aydin & Ozer, 2005; Ismail *et al.*, 2006). Service quality is not only involved in the final product and service, but also involved in the production and delivery process (Kumra, 2008). Service delivery is concerned with where, "when, and how the service product is delivered to the customer. Having a service company is synonymous with delivering excellent service.

The success of a product support strategy depends on how effectively these services are delivered, and in designing the service delivery system, companies should focus on what creates value to them and how to engage frontline employees to deliver the customer experience. It cannot be overemphasized that in the service delivery system, it is the people that make the



difference. Service from one person to another would vary even with the same product features, therefore there is a need for an integrated service marketing approach that will seek to provide uniform service, as well as creating the convenient environment for customers to do business. There are many approaches to delivering service quality, but they all start with understanding what the key elements are. five dimensions of service quality

Table 1: Five dimensions of service quality

Service Quality Dimensions	Meaning
Tangibles	The physicality of the service, appearance of the physical environment, equipment, personnel and communication materials
Responsiveness	Willingness to help customers and to do so in a timely manner
Reliability	The ability to perform the promised service dependably and accurately
Assurance	Knowledge and courtesy of staff and their ability to convey trust and confidence
Empathy	Provision of personalized service and a caring attitude

Source: Zeithamal, Parasuraman & Berry (2009)

In achieving a quality service delivery, these five dimensions of service delivery and more must be looked into and balanced properly to create customer satisfaction.

3. Quality Service Delivery in the Electricity Sector and Economic Development

Economic development is the process by which the economic well being and quality of life of a nation, region or local community are improved. Economic development is the process by which emerging economies become advanced economies. Economic development goes beyond growing the nations GDP and drawing investors, it also looks at the general well being of the citizens of the nation.

It is also necessary to look at the part the government have to play to ensure that electricity supply is greatly improved to achieve economic development. As necessary as it is to create reforms, it is also very important to execute these reforms to the latter. having established thee fact, it is also important to note that the government has a major role to play in achieving standard and quality electricity supply in the economy. These role may include the following.

Providing or generating enough mega watts for the distribution companies to distribute. It is the duty of the government to provide all necessary equipments and technology to provide enough megawatts for the country. making necessary repairs and improvement where necessary. Monitor and regulate the power distribution companies. It's not enough to just sign over the distribution power to an organisation, they must be monitored and regulated when necessary to ensure that quality service is provided. Time to time analysis of job well done and reforms when necessary can boost the power supply sector. excellence being the watchword for each organization involved directly or indirectly in the power supply sector.



Economic development can be fast achieved if both government and private organizations in charge of electricity supply work together to achieve synergy. It can never be overemphasized that quality delivery of constant power supply is the pinnacle of any developed or developing nation. and it still remains one of the major criteria that draws investors to a nation. With the fast growth in technology, no nation can develop economically without constant power supply as technology and power supply go hand in hand. Moreover many small medium enterprises depend on constant power supply to thrive, this poor and irregular power supply frustrates the efforts of many citizens who are trying to make an honest living, this in turn creates room for poverty, hunger and insecurity in the economy, thus pushing the nation's economy to a downward slope

4. Conclusion and Recommendation

This work examined the challenges of service delivery in the electricity sector towards economic development .The electricity sector still remains one of the rocks behind a developing economy, albeit the nations past reforms, it seems that power supply still dwindles and poor service delivery on the part of the distribution company is alarming. This work using past and present models and theories on service quality analysed the reasons why there seems to be a forestall in the government's effort to deliver quality power supply. Making reference to the five dimensions of service quality model by (Parasuraman *et al.*, 1998), different ways to improve service quality was highlighted. and the need for quality service delivery in the electricity sector towards achieving economic development was enumerated.

Having examined this work extensively, it was further recommended that both government and private distribution companies should both work together to achieve synergy in delivering quality service in the electricity sector. Government should fight corruption and use professional and capable hands in generating and distributing quality electricity supply. That distribution companies should be more practical in their application of service quality, as their customers are there topmost priority. The economic development of every nation is not a trivial issue, it must be handled appropriately .any nation that ignores its electricity sector, has planned to fail. Therefore government and private distribution companies should work hard to achieving quality service delivery in the electricity sector.

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**IMPACT OF MICRO CREDIT FACILITY ON PRODUCTIVITY OF RICE FARMERS'
IN KATCHA LOCAL COMMUNITIES OF NIGER STATE**

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Abstract

This study examined how micro credit influences rice farmers productivity in Katcha local communities of Niger State. A simple random sample was used to obtain a sample data of 389 rice farmers across the rural communities through the use of structural questionnaire. This study used multiple regressions to analyze rice farmers' credit access in relation to their productivity. Finding shows that having access to credit enhanced farmers' productivity especially when the farmers are fully supported. Therefore, this study recommends a more easy access to credit facilities for the farmers by creating local financial agents so as to facilitate credit access.

Keywords: Micro credit, Farmers, Rice, Productivity,

1. Introduction

Nigeria is among one of the countries where formal financial institutions play an elementary role in its verge for economic development. Financial institutions like the micro finance banks emerged as a result of the overriding objectives of making credit available to those in the rural areas with limited access to credit. Majority of farmers and business people in rural areas always operate in a small scale, these areas practice subsistence agriculture, qualifying them as small scale farmers. Microfinance offers them small amount of credit without collateral through the aid of financial services like cooperatives (Molenaar, 2009). This facilities anchored by rural banks aid farmers' agricultural productivity and welfare (Adeoye & Ugalahi, 2017; Akwaasekyi, 2013). The adoption of microfinance policy in the early 1990s has assisted many countries in poverty reduction especially the rural people (Ihugba, Bankong & Ebomuche, 2013). Evidence shows that over 80% of the rural populace in Nigeria are small scale farmers, with about 30% being fully employed in the sector (Aikhionbare, 2016; Mellor, 1999).

Despite the achievement of microfinance banks in transforming the rural areas, they have been met with stiff difficulties like installment repayment problem (Saad, Waraich & Ijas, 2014). However, government had formulated and embarked on several policies to tackle problems hindering peasant agricultural growth and improve its main source of finance, i.e. the microfinance banks. Policies, activities and projects such as developing rural infrastructure, supply of fertilizers, seeds and other inputs and provision of credits aimed at encouraging small scale agriculture. A sustained small scale agriculture cannot be achieved without putting in place well focused programmes to reduce the problem militating small scale farmers by increasing their access to factors of production especially credit (Soludo, 2006). Some of these programmes were the rural banking programmes, Agriculture Credit Guarantee Scheme (ACGS), Anchor Borrowers Scheme among others.



Most of these programmes embarked upon are faced with mismanagement and inefficient allocation of resources. Diverse views have been put down by different scholars to address the issues. Abel, Ali and Johanna (2015) analyzed the impact of savings and credit cooperative societies in combating poverty. Adeoye and Ugalahi (2017) examined the socio-economic characteristics of participating and non-participating small holder food crop farmers in Bank of Agriculture (BOA) loans and determined factors that influenced the probability of participation in BOA loans. Nmadu, Eze and Jirgi (2012) described the socio-economic characteristics of the farming households and determined the relationship between risk status and socio-economic characteristics and the food security status. Zahid (2017) focus on the impact of microfinance in the profitability of small crop farmers. However, despite numerous studies, only few empirical studies are study-specific with a small sample size (Bashir & Mehmood, 2010; Akinbode, 2013). Hence, this study seeks to determine the impact of micro credit facility on rural rice farmers. This will provide the basis for knowing the extent to which the activities of microfinance banks are effective to rural rice farmers especially in the aspect of their productivity.

2. Literature Review

Microfinance is a way to help alleviate poverty in rural communities (Dhakal & Nepal, 2016). Zahid (2017) assessed empirically the impact of microfinance on the profitability of small agriculture farmers in Pakistan. The results from 150 observations show that microfinance is functional in generating profit for small agriculture farmers. Akwa-seky (2013) investigated the impact of micro credit on farming activities but specifically to determine the impact of micro credit on labour employed, working capital, output and income of farmers and other forms of support rural banks give to farmers. Although the study failed to look at how micro credit intervention has been use in combating poverty among farmers. Emelesi and Yusuf (2014) accessed the impact of micro credit on poverty alleviation among farmers in Kirfi Local Government area of Bauchi state, which indicates 45% of the results, identified purchase of farm implements as the main impact of microcredit on their agriculture enterprise. Saad *et al.* (2014) examined the socio-economic effect of loans on farmers' daily life and to identify the social and cultural gaps that expel farmers to debts. Similar studies were carried out by Girabi and Mwakaje (2013), they investigated the impact of microfinance on agricultural productivity by smallholder farmers in Tanzania, and their findings showed that, credit beneficiaries realized high agricultural productivity. In the same vein, Lawin, Tamini and Bocoum (2018) identified the casual effects of micro credits, and found some significant impact of microcredit on the adoption of innovations, investments, farm incomes and profits.

However, some studies found negative or insignificant effect of micro credit on farmers. Ibrahim and Bauer (2013) assessed the access to credit problem that persists in dry land of Sudan, and their results shows that credit has limited effect on farm profits. Adeoye and Ugalahi (2017) analyzed small holders' food crop farmer participation in Bank of Agriculture loan (BOA) scheme in Ogun State, Data were analyzed for 224 smallholder food crop farmers and the probit regression result shows that membership of farmers association had negative and no significant effect on loan participation. Study by Bashir and Mehmood (2010) emphasize on how institutional credit affects rice crop productivity in Pakistan, the result from the 120 respondents shows that credit positively impacted on the productivity of rice. Also, Akinbode



(2013) examined how access to credit influence rice production in Nigeria, and the result from 208 rice farmers shows very limited access to credit. In analyzing the utilization of land on different land typology, Zahri, Adriani, Wildayana, Sabaruddin and Harun, (2018) found farmers who participate in the land with better irrigation/drainage systems to have increase the land area acquired by buying more land. Paresys, Saito, Dogliotti, Malézieux, Huat, Kropff, and Rossing (2018) found on average, one hectare contributed twice as much to Beninese rice production. But Sapkal, Kamble, Kumar, Kar and Jha (2019) found small size of land to be a major constraint when increasing the productivity of paddy rice in North- Eastern IndoGangetic Plains of Bihar in India. Si, Xie, Ma and Wu (2018) assessed the main effects and interactive effects of rice straw biochar fertilizer on rice growth and found a significant increase on rice yield. A more elaborate study by Tiwasing, Dawson and Garrod (2018) examines the impact of micronutrient intake on the labour productivity of rice-producing households in Thailand in 2011, their result entails that labour, farm size and fertiliser use have a positive effects on farm output. Similarly, Paul and Githinji (2018) explore the relationship between yield, farm size and fragmentation in Ethiopia found that small farms do apply more labor per unit of land, and thus have higher yields. Also Nakano, Tsusaka, Aida and Pede (2018) investigated technological dissemination pathways among smallholder rice producers in Tanzania, and found increase in rice yield for those farmers that adopt technology dissemination than the yields of ordinary farmers.

3. Methodology

In determining how micro credit influences farmers productivity in rice farming, primary data were employed through the use of structured questionnaires which were issued to rice farmers in Katcha Local Government of Niger State. Niger State in particular has continued to remain one of the major contributors of rice production, with Katcha having the highest rice field base in the state (Meren *et al.*, 2017). This necessitates the establishment of National Cereal Research Institute Badegi in 1975. With a minimum of 14,000 farmer’s beneficiaries of Anchor Borrowers on various crops production value chain initiated by Central Bank of Nigeria (Ebbo, 2017); a sample of 389 was randomly selected from the population using Krejcie and Morgan (1970). In line with the studies of Akinbode (2013); Akwa-seky (2013); Bashir and Mehmood (2010); Emefesi and Yusuf (2014); Girabi and Mwakaje (2013); and Lawin *et al.* (2018) this study used variables such rice productivity measured by quantity of rice harvested (RP), a dummy variable for credit facilities (CF) with one as access and zero otherwise, land size (LS) measured in hectares, fertilizer (FZ) measured by number of kilograms used, labour (HL) measured by expenditure on hired labour, seeds (SP) denotes quantity of its planted in kilogram and technology (TC) measured amount of cost incurred on tractor usage. The study also measured farmers characteristics with age as number of years a farmer attain, gender being male as one and zero otherwise, education measured by number of years schooling, occupation with a value of one as full time farmers and zero otherwise.

Following the study of Bashir and Mehmood (2010) and Akinbode (2013), this study employed a regression model with farmers productivity as dependent variable. The model is express as

$$RP_i = \beta_0 + \beta_1 CF_i + \beta_2 LS_i + \beta_3 FZ_i + \beta_4 HL_i + \beta_5 SP_i + \beta_6 TC_i + \mu \dots\dots\dots 1$$



Where RP is rice productivity, CF denotes credit facilities, LS indicates the land size, FZ is level of fertilizer applied, HL shows the hired labour, SP represents the seeds planted and TC means technological level used. Also the model for farmers’ characteristics is shown as

$$RP_i = \beta_0 + \beta_1AG_i + \beta_2GN_i + \beta_3ED_i + \beta_4OC_i + \mu \dots\dots\dots 2$$

Where AG is farmers age, GN indicates farmers gender, ED represents farmers educational level, and OC entails farmers occupation. However, farmers education where interacted with equation one to see the level of relationship with farmers productivity. The model is expressed as

$$RP_i = \beta_0 + (\beta_1CF_i + \beta_2LS_i + \beta_3FZ_i + \beta_4HL_i + \beta_5SP_i + \beta_6TC_i) * ED + \mu \dots\dots\dots 3$$

4. Results

The result in Table 1 shows the descriptive statistics of all the variables used in this study. The characteristics of the farmers’ show the average age to be 37.76, gender and education to be 0.75 and 2.48 respectively. With their predominance in agriculture, majority of them are within the active age with male counter parts dominating the occupation. Also, majority of them have acquired elementary education, despite their occupation are unskilled. Being predominant in rice production with average production of 35.92 signifies majority of them are into commercial production. Despite their commercial participation in the production of rice, majority are yet to access micro credit, due to it stiff conditions and accessibility. Microfinance banks are one in a thousand located in most rural areas. Farmers’ productivity increases given the nature of land size with mean of 1.99 hectares per person, other input includes fertilizer with average application of 10.89 per bag, average of 6.61 labourers used for the farming activities. In seed planting, the average kilogram used is 22.30 with majority of the farmers using farm machinery in form of tractor for tilling the land before planting. Requiring a nearly normal data for every analysis, the Skewness and Kurtosis were used to achieve an unbiased result. Skewness measures the nature of distribution in respect to its mean, and the value should be less than 2,

Table 1: Descriptive Statistics

Variable	Mean	Std Dev.	Skewness	Kurtosis
Age	37.76	13.29	-0.13	1.89
Gender	0.75	0.43	-1.17	2.38
Education	2.48	0.84	-0.52	2.61
Occupation	0.49	0.50	0.02	1.00
Rice productivity	35.92	44.76	-0.27	2.75
Access to Credit	0.34	0.48	0.65	1.43
Land Size	1.99	1.53	1.47	6.58
Fertilizer	10.89	4.06	0.64	3.09
Labour	6.61	3.40	0.56	2.96
Seed	22.30	27.17	-0.21	3.22
Technology Cost	0.78	0.42	-1.34	2.81

Source: Field Survey 2019.

while Kurtosis measures the peakedness in terms of probability distribution and value should be less than 7 (West *et al.*, 1995; Curan *et al.*, 1996; Kline, 2016; Rindskopf & Shiyko, 2010). The



result of the Skewness and Kurtosis in the dataset is normal because they fell within acceptable threshold.

Table 2 shows the regression result by explaining how micro credit influences farmers productivity in rice farming. The analysis captures the three specified model in the methodology. The result in the first model shows that all the variables are positive and significant at 1% level of significance, except fertilizer application which is not significant. An increase in access to credit increases rice production by 0.46, despite various obstacles in accessing micro credits by farmers and its inability to locate some of their outlets in many rural areas, it has still influenced the productivity of the few opportune among them, which is in consistence with the study of Girabi and Mwakaje (2013). Land size contributes 0.16, indicating the more hectares of land, the more rice harvested as obtained in the study Paresys *et al* (2018). The allotments of land in most communities are traditionally inclined with high level of supremacy. The small scale farmers find it difficult to acquire more land due to high cost of renting and some few available have some element of communal clashes. Fertilizer application is positive but has no significant relationship with rice productivity which is contrary to the study of Tiwasing *et al* (2018). Most fertilizer with high subsidization are political distributed which doesn't get to the hands of real farmers, while the few opportune; do received it lately in

Table 2: Regression Results

Variable	Model 1	Model 2	Model 3	Robust
Age		1.0432*** (0.1574)		0.3438*** (0.0886)
Gender		0.8489*** (0.1389)		0.1757** (0.0829)
Education		0.1138 (0.0736)		0.0233 (0.0411)
Occupation		-0.4226*** (0.1105)		-0.0626 (0.0621)
Access to Credit	0.4699*** (0.0718)		0.1889*** (0.0359)	0.4674*** (0.0725)
Land Size	0.1683*** (0.0278)		0.0837*** (0.0157)	0.1483*** (0.0260)
Fertilizer	0.0086 (0.0078)		-0.0216*** (0.0035)	0.0091 (0.0075)
Labour	0.0621*** (0.0108)		0.0111* (0.0059)	0.06187*** (0.0106)
Seed	0.4614*** (0.0466)		0.0642*** (0.0230)	0.4305*** (0.0443)
Technology Cost	0.8576*** (0.0859)		0.2562*** (0.0509)	0.7795*** (0.0841)

Notes: Robust standard errors are in parentheses, P values: significance *10%; **5%; ***1%

Source: Field Survey 2019

some cases during the peak of harvest. At this period applying the fertilizer might not be necessary to the plantation, because they have passed the stage of nutrient management. Labour



service is highly significant and it influence productivity by 0.06, indicating it relevance to the process as obtained by Akwa-seky (2013). Many farmers particularly those with small hectares of land employ more service of labourer due to their persistence use of crude implements in rice farming. The presence of research institute in the vicinity has contributed to the use of improved rice seeds. This contribute 0.46 to rice productivity and significant at 1% level of significance. The use of cost incurred in technology application in rice farming process is positive and significant at 1%, with influence value of 0.86. Costs are mostly incurred by those farmers that are into large scale production especially in land clearing and water management.

The second model was regressed on farmers' characteristics, and the result shows age and gender to be positive and significant, that an increase in farmers' age increases rice productivity by 1.04, this may be attributed to the fact that more experience is gained in the production of rice as the year passes by and being a male rice farmer increase rice production by 0.85, indicating that higher productivity can be influenced by the gender of the farmer, given the strength and ample time dedication mostly attributed to male rice farmers compare to their counterpart. Majority of farmers that engage in large scale production are aged with experience of acquiring some land through inheritance, with few of them being female farmers. Education is positive but not significant to rice productivity, indicating that most of them have acquired some level of elementary education, which has contributed to their some level of literacy in rice production. Occupation on the other hand is negative and significant at 1% level, suggesting that being a skilled worker makes one not to be full engaged in rice farming. A lot of skilled workers do have little commitment in agricultural farming, because majority of them are usually busy with their primary assignment. However, the result in model 3 shows the interaction of education on independent variables in relation to rice productivity. Given the level of education from the result, access to credit will increase rice productivity by 0.19. With certain obtainable level of education, many farmers within the category prefer not to access the credit due to some conditionality attached to the credit facilities. Land size being one of the important factors in rice production has a little increase of 0.08 on productivity when farmers level of educational is considered. Majority of farmers with high qualification are associated with the farming because of the culture and norms of the area, where most of them farm on inherited land. Fertilizer value is negative and significant with a decrease value of -0.02, evidence shows that most of the farmers hardly utilize the fertilizer for it purpose. Most of the farmers obtain it at subsidize from government and decide to resale to make profit rather than using it in the farm. Apart from that some farmers do not believe in increasing their productivity with the use of fertilizers, as it is seen as reducing the quality of their rice, instead they stick to the crude way of improving their lands i.e. bush fallowing and the use of local manure. Labour, seed and technology cost are positive and significant when farmers' education is considered. The cost of this inputs are subject to farmers' financial capability, which enable them to curtail unnecessary financial expenditure. In other to validate the regression analysis, a robust analysis was carried to confirm the earlier result in model 1, 2, and 3. The result shows age and gender to be significant as earlier obtained in model 2. Education is not significant as seen in model 2, but occupation is negative and not significant which differs from the previous result in model 2. The robust result for access to credit, land size labour, seed and technological cost remain positive and significant, when compared to model 1 and 3. But in the case of fertilizer, robust result differs with model 3 and the same with model 1.



5. Conclusion and Recommendation

In determining how micro credit with other inputs influences farmers productivity in rice production, this study concludes that credit access enhance farmers productivity especially when the farmers are granted the amount they requested from micro banks. Although a lot of farmers are faced with the problem of accessibility because most microfinance banks are located in Local Government headquarters, others sees collateral used in mortgaging some of these loans as an obstacle, while many microfinance banks are comfortable in dealing with farmers in a cooperative manner to avoid remittance problem. This made it difficult for many of them to access loans in isolation, whereas other inputs such as land size, labour, seeds and cost on technology also influence rice productivity if they are effectively utilized. However, the presence of NCRI Baddegi has led to the used of improved seeds by the farmers with adequate extension services. Fertilizer doesn't count because every farmer do have access to it as it doesn't matter whether a farmer has small or large farm size. Most farmers obtained it with subsidy and resell at any amount.

This study therefore recommends a more friendly and acceptable mode of credit access with ease. Farmers can equally be given support not necessary in financial terms but in support through further inputs, so as to enhance farmers productivity. Easy access has to be created by the banks by engaging financial agents in order to curb the distance between them and farmers. The distribution of fertilizers and improved seeds should be base on size of the land owned by each farmer, in order to avoid concentration of more of it in the hands of those with small lands.

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FOREIGN AID AND POVERTY REDUCTION IN NIGERIA: AN EMPIRICAL ANALYSIS

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Abstract

Foreign aid argument domestic resources required for economic development and growth in less developed countries (LDCs). Foreign aids have assisted a number of economic recuperation, reconstruction efforts and structural adjustment programs organized to pull the Africa economy out of poverty trap. Discussions of foreign aid have concentrated on Africa since it has gotten the best measure of help on per capita premise than some other area; yet poverty and economic performance has been the weakest. In spite of its abundant oil assets Nigeria's economic performance has been frightening poor, per capita income has endured significant erosion since the crest in the mid-1980s that happened when oil prices were at verifiable abnormal states. Again being the biggest developing economy in Sub Saharan African region, the nation still stays among the most unfortunate of the sub Saharan African nations with the least human development index (HDI). Given that foreign aid may advance economic improvement and poverty reduction, it is appropriate to ask whether or not and to what degree should Nigeria keep on depending on foreign aid to accomplish economic growth and reduce poverty, given its negative impacts and the potential for intense cut back in foreign aid. The objective of the paper is to examine empirically the connection between foreign aid and poverty reduction in Nigeria. The paper utilizes time series secondary data from World Development Indicators (WDI) covering over Nigeria for the period from 1986 to 2017 which data were accessible. The methodology employed includes descriptive statistics and the Ordinary Least Square (OLS). The results reveal that there is a positive relationship between foreign aid and poverty reduction. The paper submits that the use of foreign aid should be encouraged since it promotes poverty reduction. Consequently, the international community should step up their aid assistance to developing countries by meeting their promises to increase aid flow as agreed.

Keywords: Foreign Aid, Poverty Reduction, OLS

1. Introduction

A definitive goal of economic development is to wipe out poverty and raise the equilibrium position in the stationary states (LDCs) by addressing the other problems relating to human development such as education, per capita income, life expectancy, income inequality and underdevelopment. Notwithstanding the fact that severable hypotheses of economic growth for example, the Solow Growth model and the Harro-Dormar development model have been propounded in the literature, these models as significant and enlightening as they have neglected to convert into progress in the standard of life of the general population. Poverty still remains the most basic issue defying the present reality on account of its prevalence in both developed and developing nations. Figures on poverty from the World Development Indicators Report (2015)



reveal that more than 1 billion individuals live on under US\$1 every day at purchasing power parity (PPP) while over 2.6 billion individuals live on under US\$2 every day at PPP.

One reason why poverty remains a pervasiveness issue is its self-supporting nature as proved by the vicious circle of poverty in which low income means low saving, low investment, low capital accumulation, low productivity and back to low income. With the goal for nations to develop, they should break free from this endless loop. Another test with poverty is that it is showed in a few socio-economic issues, for example, poor education, scoundrel hope, low per capita income, high income imbalance and high joblessness.

Foreign aid supplement internal assets required for investment, economic growth and development and advancement in less developed nations (LDCs). Since the most recent two decades, of the 21st century foreign aid inflows have upheld a number of economic recuperation, reproduction efforts and basic structural adjustment programs organized to pull the African economy out of a lofty decrease (Adam, 2008). The aid syndrome introduces a significant test to policy makers in light of the fact that foreign aid may likewise present or create unfortunate impacts which are usually known as Dutch Disease (a term which comprehensively alludes to the destructive results of huge inflows of foreign currency into a nation) in macroeconomics literature.

Dialogs of foreign aid have concentrated on Africa since it has gotten the best measure of help on per capita premise than some other regions; yet economic progress and poverty has been the weakest (Iyoha, 2004). The poor progress in economic performance has been related with terrible administration, official defilement and macroeconomic instability in the region. In spite of its abundant oil assets Nigeria's economic performance has been startlingly poor. Per capita income has endured significant disintegration since the crest in the mid-1980s that happened when oil prices were at chronicled abnormal rates (Adam and Obansa, 2010).

The objective of this paper is to analyze the connection between foreign aid and poverty reduction in Nigeria. The paper utilizes time series secondary data covering a period of 1986 to 2017 from the world development indicators of the World Bank and the National Bureau of Statistics. The paper is structured into five segments. The first segment is the introduction to the study, which introduces a general review of the paper. The second segment is the theoretical framework and Empirical review; the third segment is the methodology and model specification. The fourth segment is the data and interpretation of results and last segment concludes the paper, presents recommendations.

2. Literature Review

Theoretical Framework

The Harrod-Domar model which is regarded as a theoretical workhorse of the popular gap theories, assumed that poor countries fail to climb the economic ladder because of extensive gaps in savings-investments rates (S-I), hence foreign-capital or aid is indispensable (Bowen, 1998). The popularity of this model heightened due to success of the Marshall Plan. The two gap model built on the works of Domar (1939), Harrod (1946, 1947), and Chenery and Strout (1966) is a relevant theory for this study. Two-gap model is premised on the fact that foreign aid fills the gap that arises when investment is small to stimulate economic growth. Most literature



consulted for this study recognizes the fact that foreign aid inflow influence development through their effect on investment (Gomanee et al, 2002). As indicated by Bulio and Lane (2002), poor nations need adequate assets to fund development and imports capital products just as innovation.

The Gap Model advanced by Chenery and Strout (1966) a very long time back is still being used in anticipating the macroeconomic effect of foreign aid. This model has two parts consequently it is likewise regularly alluded to as the Two-Gap Model. The principal segment is the relationship between investment and development, wherein the dimension of development is thought to be subject to the level of investment. The second segment is the relationship between savings, which is expected as a basic factor for investment development, and growth.

With this model, experts can decide the fundamental dimension of investment to accomplish an ideal level of economic development. Gaps occur if the investment is below the ideal dimension and these gaps can be attributed as either a saving gap or as a foreign trade (or exchange) gap. In the event that a nation is unfit to fill this gap through imports, exports or production, foreign aid inflows are required with the goal that it can develop more quickly than its domestic assets would some way or another permit. Henceforth an inflow of foreign aid should move a nation's economy upwards.

Empirical Review

Here, we review studies that focus on this subject and their potential results. In a panel study, Ekanayake and Chatrna (2010) analyzed the effects of foreign aid on economic growth of 85 developing countries covering Asia, Africa, Latin America, and the Caribbean. Results showed that foreign aid tend to have adverse effect on economic growth in Asia, Latin America, and Caribbean while it has a positive impact on developing countries in Africa. Margaret (2008) found out that foreign aid disbursed to government with sound reform will likely contribute toward the fight against corruption thereby stimulating economic growth.

Adam(2010) in his study the relationship that exist between foreign aid and selected macroeconomic variables in Nigeria, the study submits that the use of foreign aid should be encouraged since it promotes investment which leads to economic growth and poverty reduction and it is not inflationary. As a result, international community should set up their aid assistance to developing countries by meeting their pledges to increase aid flow. Elizabeth (2014) examined the impact of foreign aid in education on economic growth in 38 Sub-Saharan countries over the periods 1990 to 2004. Findings revealed that aid in primary education has a positive and significant effect on growth while aid in secondary education has negative effect on economic growth in these countries.

On the other hand, Fasanya and Onakoya (2012), using error correction model for the period 1970 to 2010 established a positive and significant relationship between foreign aid and economic growth in Nigeria. Similarly, Zeshan (2014) examined the relative effectiveness of foreign aid on economic growth in Pakistan using ordinary regression model and cointegration technique. The result shows that there is a positive long run relationship between foreign aid and economic growth in Pakistan but there exist no relationship in the short run. The effectiveness of aid in 34 sub-Saharan African countries for the period 1990 to 2010 was studied by Douzounet and Yogo (2013). Their result suggested that aid have a positive effect on growth



when governance is incorporated in the model but if governance is not incorporated, aid has a negative impact on growth. In similar vein, Arvind (2015) use an instrumental variable approach established a strong positive relationship between aid percapita and economic growth in developing countries both in the short run and long run. Specifically, an additional per capita aid causes growth rate in recipient country to increase by 8% over four years and 5% over a decade.

The long-run influence of foreign aid (ODA) on key macroeconomic in 36 sub-Saharan African countries was of interest to Katarina, Niels and Finn(2012) who applied the cointegrated VAR model. Their finding was generally positive same as Yakama's (2013) use of panel cointegration estimation technique established a long run relationship between aid and growth in West Africa. Specifically, there is a significant and positive effect on investment or real gross domestic product in 27 countries out of the 36 Sub Saharan Africa countries sampled in the study. In seven of the remaining countries, the effect of aid is positive but insignificant while there is significantly negative effect on only two countries – Comoros and Ghana. Ramesh, Norman and David (2010) assessed the effectiveness of aid at the micro- and macro-level in selected developing countries using an augmented Fishcher-Easterly model. Their result supports the reoccurring view of a positive relationship between aid and growth provides the macroeconomic policy environment is stable which corroborate the findings of Easterly (2003) who established a positive nexus between aid and economic growth in economy with consistent macroeconomic policy and political stability.

Neutral impact was reported by Bashir (2013) who analyzed the influence of ODA and foreign direct investment on real growth in Nigeria using error correction model for the periods 1980 to 2011. Similar result was reported among the low-income countries by Ayadi and Ayadi (2008) who used the Arellano-Bond dynamic panel estimation to analyze the impact of Aid on economic growth in 34 low-income Sub-Saharan Africa countries over the period of 15 years (1990 to 2004). Amakom *et al* (2010) considered the role of improved economic governance in determining the effectiveness of foreign aid for generating economic growth in Nigeria. Employing the coefficient of determination, the paper tested the degree of effectiveness of ODA to the variables (economic governance indicators) and found mixed results. While ODA was effective for some variables like exchange rate and interest, it was less effective for boosting economic growth and making poverty a history in Nigeria because of its volume. Bakare (2011) examined the macroeconomic impact of foreign aid in Sub-Sahara Africa using Nigeria as a case study. He employed Vector Autoregressive Model, (VAR) to determine the sources of shock to growth in Nigeria and treated foreign aid as an endogenous variable. The study found a negative relationship between foreign aid and output growth, which imply that foreign aid tend to worsen output growth in Nigeria rather than improving it. Distorted results may arise because such studies failed to account for policy space and political stability in the country of study. Also, aid may not be geared towards growth at least in the short run thus necessitating a robust study of the effect of aid. Also, using static model to estimate the relationship may distort the findings of the study especially when the economy is vulnerable to external shock. These possible failings, a robust estimation technique may be needed. Before discussing the estimation methodology, it is appropriate to present the theoretical underpinning of the research. This is presented in the next section.



3. Methodology

The study relies on annual data sourced from World Development Indicators (WDI) and Central Bank of Nigeria (CBN) Statistical Bulletin mulling over Nigeria for the period from 1986 to 2017 which data were accessible. The empirical model for the study is based on the neo classical growth model, which expresses a relationship between growth (Y) as depending on capital (K) and Labour (L). For the purpose of this study, an adapted version is specified as:

$$PHC = f (For Aid, Gdp, Inf, Gce) \dots \dots \dots 1$$

Where Phc is the ratio of the percentage of the population living on the less than \$1.9 per day at PPP (purchasing Power parity); Inf denotes the rate of price change in the economy; Gce is the annual percentage growth rate of the general government final consumption expenditure. For Aid is concessional loans in the form of aid commonly referred to as official development assistance (ODA) which captures total foreign aid received by Nigeria. GDP is per capita growth which is measured as the percentage growth of per capita income from one year to another.

The model seeks to investigate the impact of foreign assistance on the poverty reduction rate of the economy. Specifically, the model seeks to find out if external aids have sufficiently influenced growth suggestive of its adequacy in filling the huge financing gap in the period of study.

Restating the model in an econometric form equation (4) is expressed as:

$$\Delta PHC_t = \beta_0 + \beta_1 ForAid_t + \beta_2 Gdp_t + \beta_3 Inf_t + \beta_4 Gce_t + \varepsilon_t \dots \dots \dots 2$$

Where ε_t represents the error term.

4. Result

Unit Root Test

Time series data normally exhibit non-stationary behaviour in their level if not purged of their unit root propensities will generally presents a potential threat for any econometric examination consequently prompting fake results. The significance of this is driven from the fact that estimation within the presence of non-stationarity in variables normally leads to conflicting inference of the standard error of the coefficients and this could prompt deceiving deduction if

Table 1: Unit Root Test Result

Series	10% Critical Value	ADF at First Difference (Prob.)	Equation Specification	Order of Integration
GDP	-2.62	-6.56 (0.00)	Intercept	I(1)
ForeignAid	-2.62	-5.20 (0.00)	Intercept	I(1)
Poverty Head count	-2.62	-6.60 (0.00)	Intercept	I(1)
Inflation	-2.62	-2.90(0.06)	Intercept	I(1)
Gross Con Exp	-2.62	-6.35 (0.00)	Intercept	I(1)

Source: Authors computation using E-Views 8.1 (2019)

proper procedure isn't used to conquer the issue. The unit root tests are carried out using the Augmented Dickey-Fuller (ADF). The results of the unit root tests are displayed in table 1.



The results in Table 1 show that all the variables are stationary at first difference since their respective absolute test statistic values are greater than the critical values at 10% significance level.

Table 2: Estimates of Test Results

Regressor	Coefficient	t- value
Constant	90.01510	4.978642
GCF	0.821391	2.884395
PHC	1.435755	-3.118639
INF	0.267222	0.350392
GCE	0.122929	0.179374
<i>Summary Statistics</i>		
R ²	0.570856	
Adj R ²	0.427808	
Dw statistics	0.939454	
F-Statistics	0.010269	

Source: Authors' computation

The outcome above demonstrates a high value for the constant at 90.02 when the various variables are equivalent to zero. A one per cent change in gross capital formation prompts a 0.82 percent change in real gross domestic product in the same direction. A one per cent change in foreign aid ration prompts a 1.44 per cent change in foreign aid in the opposite direction. A one per cent change in gross national product leads a to 3.13 per cent change in poverty head count in the same direction. A one per cent change in GDP per capita growth leads to a 2.19 per cent change in poverty head count in the same direction. A one per cent change in inflation rate leads to a 0.27 per cent change in foreign aid in the same direction while a 1 per cent change in growth in government expenditure leads to a 0.12 per cent change in foreign aid.

The R-square is 0.57, which implies 57 per cent of the poverty can be explained by gross capital formation, foreign aid, gross national product, GDP per capita growth, inflation rate and growth of government expenditure. The Durbin Watson statistic of 0.939 shows the presence of high positive autocorrelation. This autocorrelation may be as a result of the inclusion of economic growth in the model or the omission of some variables such as unemployment rate which is a common motivational factor for poverty reduction rate. Among all the variables, only gross capital formation and foreign aid are statistically significant in determining poverty reduction in Nigeria.

5. Conclusion and Recommendation

The study has brought to the fore certain issues which are significant and require important strategy activity in the battle against poverty. To begin with, it is significant for the legislature to take part in successful steady key economic development so as to accomplish poverty reduction. This means the legislature should utilize short, medium and long run economic development strategies designs so as to battle poverty. The short and medium terms programs ought to be very much enunciated to keep them in accordance with the long run plan. The programs must be compelling in that they ought to be explicit, have quantifiable advancement



and be opportune, all together words; it ought to have the option to meet explicit focus inside a given timeframe.

Second, gross capita formation and poverty headcount moves in a similar way and this implies an expansion in gross capital formation would prompts an expansion in poverty headcount proportion. This, however, should not demoralize the government from taking part in gross capital formation. Rather, it demonstrates that past efforts at capital formation have been misled; that is, they generally affect the rich which exacerbated the issue of income disparity and intensifies as opposed to improve the issue of poverty. Along these lines, the government needs to search for better approaches to channel its capital towards the poor by building infrastructure in rural areas to create employment and by concentrating all the more seriously on advancement of human capital through progress in education and wellbeing, particularly in rural areas.

Gross domestic product per capita growth is slanted against poverty headcount proportion and some of the time intensifies the poverty circumstance in view of income disparity. As GDP per capita is expanding, it doesn't get too the poor masses, however remains in the hands of the rich and may in the end be lost due to capital flight which is normal in the nation, yet greater part of the general population suffers from wretched poverty. The government needs to address the issue of income disparity to guarantee that GDP per capita growth streams down to the majority. It can do this by suitably changing the size and functional distributions of income.

Inflation is a noteworthy issue confronting poverty individuals who are for the most part fixed breadwinners and low salary workers as it disintegrates their purchasing power and makes them increasingly unfit to live easily. The most significant inflationary weights influencing the poverty individuals are nourishment and energy on the grounds that those are fundamental necessities of life for everyone. The government needs to control inflation in its offer to eliminate poverty.

Government expenditure additionally exacerbates the poverty circumstance. This can be ascribes to the way that government expenditure has been inadequate in tending to poverty. The government is spending more on the military and on security to the impairment of the general population. What's more, because of the issue of corruption which is widespread, reserves which have been diverted into development don't get the chance to contact the general population for which they were expected. There is a need, in this manner, for government to concentrate more on spending to improve the living states of the majority since this would go far in controlling interior emergencies. The government should likewise battle corruption and guarantee that cash spent is all around represented and that economic improvement is accomplished and poverty is diminished.

In conclusion, the government desperately needs to overhaul plans on gross capital formation, population growth, GDP per capita growth, inflation and government expenditure growth plans and correct them appropriately in order to reduce to the barest minimum the high rate of poverty in the country.

The examination has demonstrated that foreign aid is positively related to economic development and poverty reduction. This implies foreign aid promotes economic development and poverty elimination. The government has a major task to carry out in the battle against



poverty and its efforts at predictable strategic economic development are significant in poverty reduction by spending the aid money for direct production programs. The government which is main recipient of aid should also implement policies that will offset the tendency of foreign aid to generate employment opportunities.

It is profoundly significant for further research to be done on this field since literature on the empirical relationship between foreign aid and growth with unique spotlight on poverty reduction is sparse. This investigation confronted a noteworthy test in absence of sufficient information particularly on poverty and on imbalance and joblessness. Therefore, those two factors couldn't be incorporated into the examination. Besides, the investigation would be better completed by utilizing a general harmony model which would consolidate more variables and give a progressively point by point examination with regards with the relationships of anticipating the different sectors of the economy and poverty decrease.

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UNDERSTANDING SOCIAL SCIENCE RESEARCH: AN OVERVIEW

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Abstract

Social science research is a method to uncover social happenings in human societies. Through social research, new knowledge is derived to help societies progress and adapt to change. Today, the concept of social science research has become important to researchers especially for those in the social sciences. Through social research, the social world is better understood as ongoing, emerging, re-merging and newly emerging social problems are known. More so, solutions are derived through social research. This paper discusses the concept of social science research. It explains the origins of social science research and its benefits. The paper gives insight on the nature of social science research showing the two major approaches (quantitative and qualitative) of social science research. The paper discusses the forms of analysis employed by quantitative social science researchers and qualitative researchers in doing social science research. The similarities and dissimilarities between both approaches are explained. The paper provides a social science research process and programme intervention framework. The framework shows core attributes and elements of social science research used to address diverse social issues in society. In conclusion, social science research remains a vital process to address societal challenges and to proffer solutions on social issues based on globally accepted scientific processes.

Keywords: Social Science Research, Quantitative, Qualitative, Nigeria.

1. Introduction

Social science research is a process of enquiry into social issues and social problems in the society. Using social science research new knowledge is being derived and new information is obtained through a systematic and scientific procedure. Social science research is the step-by-step manner of deriving new data on any social subject that affects man in society. Social research gives insight into social occurrence(s) making researchers understand why, when, where, what and how social life is being constructed and reconstructed daily. Through social science research the complex nature of society is being understood because social science research provides insight for the sustenance or displacement of preconceived realities. Social science research is a strategic process employed by researchers to challenge existing knowledge, based on new findings that supersede prior knowledge on social reality. This paper examines social science research as a concept and the origin. The paper explores the nature of the quantitative and qualitative approaches to social science research and the different methods associated with each approach. The paper also presents a social science research process and programme intervention framework to explain how social science research is linked with all types of social programmes implemented to improve society.



Social Science Research Today

Social science research today can be either a pure or applied type of research that helps provide insights on social issues or social happenings within a given society. Social research focuses on the social aspects of human existence and the varied nature of social reality. Social research is the combination of “social” and “research”. Therefore, “social research” is simply research on social issues and social life. According to Firebaugh (2008), the principles for good (social science) research can be summarised into seven rules.

Table 1: Principles of good social science research

Rule	Principles
Rule 1	“Rule 1 intends to warn that you don't want to be blinded by preconceived ideas so that you fail to look for contrary evidence, or you fail to recognize contrary evidence when you do encounter it, or you recognize contrary evidence but suppress it and refuse to accept your findings for what they appear to say”.
Rule 2	"look for differences that make a difference" (Rule 2)
Rule 3	"build in reality checks" (Rule 3)
Rule 4	Rule 4 advises researchers to replicate, that is, "to see if identical analyses yield similar results for different samples of people" (p. 90).
Rule 5	Researchers are urged to "compare like with like" (Rule 5)
Rule 6	To "study change" (Rule 6) Both rule 5 and 6 are especially important when researchers want to estimate the effect of one variable on another (e.g. how much does having a university education guarantee success in career and life?).
Rule 7	Finally, rule 7 states, "Let method be the servant, not the master," researchers are reminded that methods are the means, not the end, of social research; it is critical from the outset to fit the research design to the research issue, rather than the other way around.

Source: Firebaugh (2008).

Social science research uncovers both the latent and manifest aspects of social reality through a systematic process of social enquiry. Social science research enables the researcher to learn new things, relearn what is assumed to have been known and unlearn things he/she assumes to be correct but have now been refuted with the discovery of new knowledge. Social research therefore is simply the application of quantitative or qualitative methods triangulated or separated to understand social issues in society. Social science research is also the use of scientific techniques in the explanation of social happenings within society. It is using science theories and methodologies to explain and interpret social realities.

Among social science researchers/sociologists, social research aims at creating and validating social theories through the collection of data and its analysis. More so, the goals of social science research are aimed at *exploration, description, explanation, and prediction* of social phenomenon. Hagin (1994) define social (science) research as the process which involves the interaction between ideas and evidence (outcome). That is, ideas enable social researchers make sense of evidence, and researchers use established evidence to extend, revise and test ideas.



Hagin's book titled *Constructing Social Research* has contributed immensely to the teaching of social (science) research. In Nigeria, many scholars such as Mabogunje, 1968; Okafor, 1984; Okafor, 1990; Isiugo-Abanihe, 1994a, 1994b, 1998, 2003, 2005; Alliyu, 2004; Olutayo, 2005; Edewor, 2006; Adedimeji, Omololu, and Odutolu, 2007; Aderinto, Erinosh, Nwokocho, and Adesanmi, 2009; Obono, 2010; Osamor and Owumi, 2010; Fayehun and Omololu, 2009, 2011; Erinosh, 2014; Lawal, 2014; Lawal, Ugobo, Ndep, Amanambo, Okon, and Bepeh, 2016; Lawal, Akindemowo, Onyenanu, and Okunlola, 2018; Lawal, Barry and Omololu, 2018 have made use of social research methods to provide an understanding of different aspects of social life.

Today social research is taught globally and across Nigerian Universities (federal, state and private) and has grown into a profitable enterprise for sociologists and social scientists. This is because social research focuses on discovering social patterns that are regular in their occurrence within social groups in societies. According to Aborisade (1997) "research, therefore, can be defined as a systematic thinking strategy which involves a planned and formalised collection, analysis and interpretation of data for problem solving". Therefore, (social) research in Nigeria has tremendously impacted on social life and public policy, such that government and private institutions rely on social researchers to provide difficult answers to social situations and occurrences within the country. Social research remains relevant in the advancement of scholarship in Nigeria and globally because it has assumed a multi-disciplinary status. That is, social research based on both the quantitative and qualitative schools of thought as discussed in this chapter is a fundamental endeavour used to explain social life either from a macro or micro perspective.

More so, social research allows the researcher to explain 'collective behaviour' and "to understand other forms of social life, inaccessible to our direct experience" (Bauman, 2001 in Giddens, 2001). Furthermore, through social science research founded on the quantitative and qualitative schools of thought, sociologists can understand human history and people's biography explaining the relationship between the two in society (Mills, 1959). Also, they can make a distinction between 'personal troubles' and 'public issues' which American Sociologist Charles Wright Mills described as "*The Sociological Imagination*". This enables its possessor to comprehend internal working of society drawn from history and the externalities of social life that guides individuals (Mills, 1959).

2. Literature Review

Origin of Social Research: A Global Perspective

As written in their work titled, *The History of Social Research Methods* (2010), Crothers and Platt state that the origin of social research dates to the early prehistoric 1820s period when 'gentleman scientists' as members of scientific societies remarked on social information. Through the various phases they highlighted, statisticians and academic sociologists during the development phase (1890-1930s) became involved in the first-hand study of people and social context. Scholars during these period documented events as they occurred in society with some formal development of methodologies. For some scholars especially historians, the development of the modern world paved the way for scholars to begin researching on aspects of human society and documenting them in different forms. As early as the 14th century Arab Scholar Ibn



Khaldun (1332-1406) committed himself to the study of society relying on scientific method, empirical analysis and research to explain the cause and effect of social phenomena (Ritzer, 2008). His work highlighted some form of social research as he was devoted to studying social institutions and their interrelationships using case studies. Although this method was not as developed as it is today but Khaldun engaged in doing social research by comparing primitive and modern societies back in the 13th century.

More recently as sociology began to develop as a scientific discipline, scholars have since aligned with either the quantitative or qualitative schools of social. Among the proponents of social research within sociology was Max Weber who authored *The Methodology of the Social Sciences*¹. This work was geared towards the development of rich concepts to enable him to perform “a causal analysis of historical phenomena” (Ritzer, 2008). Weber emphasised “..., historically given causes through the study of precise empirical data which have been selected from specific points of view” (1903-1917/1949:69). While Emile Durkheim in his *The Division of Labour in Society* (1893/1964)², he explained that “modern society is not held together by the similarities between people who do basically similar things. Instead, it is the division of labour itself that pulls people together by forcing them to be dependent on each other” (Ritzer, 2008).

Besides European scholars, sociologists from the East have been involved with the use of quantitative or qualitative methodologies to explain social life and issues within their societies. Studies which transformed sociological research in Asia were conducted as far back as the 1940s. These include Eitarô Suzuki whom in 1940, published *Nihon NôsonShakaigakuGenri* (*Principle of Japanese Rural Sociology*) (Sonoda, 2010). This became a classical work in Japanese sociological development. He worked on understanding the similarities and differences of rural social groups in Japanese and Korean villages. Suzuki’s work also includes “*ChôsenNôsonShakaiBekkenki* (A Note on the Glance at Korean Rural Society, 1943)”, “*ChôsenNôsonShakaiChôsaki* (Fieldnotes on Korean Rural Society, 1944), and “*Chôsen no Sonraku* (Villages in Korea, 1944)” (Sonoda, 2010). These works were drawn from his research which he completed during his two year stay in Korea.

In China, Tadashi Fukutake began his sociological studies in 1940 around the period when Eitarô Suzuki published his famous work *Genri*. Fukutake debut work came in 1946 titled “*ChûgokuNôsonShakai no Kôzô* (*The Structure of Rural Society in China*). This work was later abbreviated as *Kôzô* to describe the distinct features of villages in China. His work drew from his engagement in East China and from second-hand data in *HokushiKankôShiryôChôsa* (*Data Archive of Researches on Customs and Institutions in Northern China*) (Sonoda, 2010). In Russia, the first Department of Sociology was headed by Maksim Kovalevsky and E.V. De Roberti. The department was founded in 1907 at the Psychoneurological Institute (Osipov, 2009). Other notable Russian sociologists of that period included Nikolay Danilevsky, Nikolay Mikhaylovsky, Mikhail Tugan-Baranovsky and S.N. Yuzhakov (Osipov, 2009). As such notable works by Pitirim Sorokin, K.M. Takhtarev and Nikolai Bukharin thrived using both the

¹ Max Weber. (1903-1917/1949). *The methodology of the social sciences*. Edward Schils and Henry Finch (Eds). New York: Free Press

² Emile Durkheim. (1893/1964). *The division of labour in society*. New York: Free Press. In this work, he traced the development of the modern relationship that exists between individuals and society.



quantitative and qualitative forms of social science research to understand the nature of the Russian society after the revolution.

As social science research continued to develop from the Far East to the West as a central type of research approach, various forms of social research methods were being developed. However, these forms of social research developed along the lines of both the quantitative and qualitative schools of research. Alastalo (2008) on "*The History of Social Research Methods*" gave insights on the wide-ranging and incoherent histories of both quantitative and qualitative research methods, although in the Anglo-American traditions. Although, the use of social research cuts across different disciplines, sociology whose disciplinary relevance is not in doubt, "given its increasingly rigorous and verifiable procedures for establishing and evaluating the credibility of its assertions" (Abdulrahman, 2014), tends to lay claim to social research as a sub-field of the discipline itself. No wonder Labinjoh argues that "sociology is the first humanistic intellectual endeavour to ground its roots in scientific outlook"³, as it provides a holistic approach based on several explanations such as through the methods of positivism, to capture the everyday realities of man and his social environment. The use of social research remains essential to adequately *observe, understand, interpret and predict/speculate* on social happenings within society.

Benefits and Usefulness of Social Research

James S. Coleman's (1926-1995) 1992 presidential address titled "*The Rational Reconstruction of Society*"⁴ to the American Sociological Association highlighted "that modern societies are amid a transformation of their very basis of organization" (Coleman, 1993). The centrality of his address benefitted from his extensive engagement in social science research to understand organisational life in America. In his address, Coleman discussed on the nature and structure of organisations within the American society where "organization was based on corporate actors that are characteristically detached from persons. These corporate actors, best exemplified by the modern corporation and captured in social theory under the rubric of formal organizations, have positions rather than persons as elements of their structures- persons merely occupy positions" (Coleman, 1993). Such is seen presently across the formal organisations and bureaucratic structures of governance within the Nigerian society. However, his work with other scholars titled "*Equality of Educational Opportunity*"⁵, remains notable as one of the early studies in American history that accounted for a large sample size of 650,000 respondents. This study led to the popular "*The Coleman Report*" (1966), the report from this social science research was documented in 700 pages.

In the sub-field of Sociology of Education, Coleman's work has been widely cited. Sociology of Education was his core area of research interest. However, during his career as a sociologist in the University of Chicago. He wrote many other books as seen in Table 1.

³ Justin Labinjoh (1998). "Two conceptions of sociological science as the limits of wisdom". *The Nigerian Journal of Sociology and Anthropology*, Vol. 1/2, October, 1998; Vol 7, 1-13.

⁴ James S. Coleman (1991). *The Rational Reconstruction of Society*. 1992 Presidential Address, American Sociological Association Annual Meeting. Published in *American Sociological Review*, 58(1), 1-15, 1993.

⁵ James S. Coleman (1966). *Equality of Educational Opportunity*. Commissioned by the US Department of Education.



Furthermore, social science research enables the researcher to provide answers which can lead to the development of social programmes and public policies to improve welfare, political participation, uphold human rights, reduce inequality, and ensure social justice. However, social

Table 2: James Coleman’s publication using social science research ideologies

S/N	Famous Books
1	Community Conflict (1955)
2	The Adolescent Society (1961)
3	Introduction to Mathematical Sociology (1964)
4	Models of Change and Response Uncertainty (1964)
5	Macrosociology: Research and Theory (1970)
6	Resources for Social Change: Race in the United States (1971)
7	Youth: Transition to Adulthood (1973)
8	High School Achievement (1982)
9	The Asymmetrical Society (1982)
10	Individual Interests and Collective Action (1986)
11	Foundations of Social Theory (1990)
	Famous Articles
12	<i>Social Theory, Social Research, and a Theory of Action</i> , published in American Journal of Sociology 91: 1309–35 (1986)
13	<i>Social Capital in the Creation of Human Capital</i> , also published The American Journal of Sociology, Vol. 94, Supplement: <i>Organizations and Institutions</i>
14	<i>Sociological and Economic Approaches to the Analysis of Social Structure</i> , pp. S95–120 (1988)

Note: All of Coleman’s work is based on the influence of both the quantitative and qualitative schools of social research.

science research outcomes in society contribute to the sustainability of society such that social science research remains central to the continued improvement required by man in his social environment. Therefore, there is a need for the continued development, practice and promotion of social science research in Nigeria. As highlighted by Kelly (2011) in Table 3, social science

Table 3: Benefits of social science research

S/N	Benefits
1	Insights into the practical implications of debates over the philosophy of social science for the conduct of social research.
2	Knowledge of how the choice of research strategy, e.g. quantitative or qualitative research, reflects the research question addressed and constrains the possible outcomes of social research.
3	Knowledge of the technical requirements or ‘best practices’ that govern and inform contemporary social research and the criteria used by professional audiences to evaluate social research.
4	The ability to be systematic in the design and conduct of your own research and in the description and evaluation of others’ research.
5	The ability to deploy an informed scepticism when making judgments about your own and others’ social research.
6	The ability to place research projects, including your own, within a specific social context. This includes an ethical context, a political context and an academic context as well as the immediate context of data collection that may influence or may have influenced the construction of the data collected (pp. 3-4).

Source: Kelly (2011:304).



research has many uses across the wide array of sub-disciplines in Sociology, the wider social sciences and beyond because it offers different types of knowledge to learners. More so, gaining access to the body of knowledge on social science research methods will allow researchers to acquire significant skills (Kelly, 2011).

Social Research in Nigeria

With the establishment of faculties of the social sciences in institutions of higher learning across Nigeria, social research has developed from the West to the East and North of the country. Scholars began to engage in research activities aimed at explaining social issues and to address the challenges facing the country from a social perspective. Doing social research in Nigeria tremendously grew in the 1960s with the establishment of Sociology departments in Nigerian universities. For sociologists, society became their laboratory as they scientifically engaged in the interpretation of complex social realities within the Nigerian society in the wake of independence. Although no single social scientist or group of researchers can be attributed as major proponents of social research in the country, many social scientists in their early works reported on the changing dynamics in Nigeria based on their training and background in doing social research. A foremost Nigerian sociologist, demographer and social researcher, Uche C. Isiugo-Abanihe in a work co-authored with fellow social researcher, S.K Alonge titled, “*Theory and Research: the dynamic duo*” (2002) stated that social research “seeks to generate new information or knowledge that, in turn, can be applied to solve problems, improve the quality of life, and provide a better understanding of conditions in a field”. Hence doing social research in Nigeria over the years has significantly contributed to social knowledge, proffered useful solutions to address social problems and advanced social research practice among researchers.

In 1960, the establishment of the Nigerian Institute for Economic and Social Research (NISER) in Ibadan and the Nigerian Anthropological and Sociological Association in 1971 further contributed to the development, practice and promotion of social research in Nigeria. Scholars such as Ayorinde and Erinsho (1976), conducted a pioneering study on mental health (preventive psychiatry) “to promote mental education; to encourage the utilisation of a newly established psychiatric facility; and to develop a community oriented care for the mentally ill”, using social research methods. For many early Nigerian sociologists, their training abroad, mainly in America and Europe formed their methodological orientation which influenced the way they carried out social research (Ogundipe & Edewor, 2012). Till date, social research is taught across sociology departments of Nigerian universities as a compulsory course (Ogundipe & Edewor, 2012). As such many Nigerian sociologists across the existing sub-specialties of the discipline adopt either a quantitative or a qualitative approach when conducting their field work. Their choice of the type of methodological approach is derived from the two prominent schools of thought in doing social research as will be discussed in the subsequent sections.

3. Methods

Quantitative Approaches and Methods of Social Research

As the quantitative school of social research developed, it devised and refined its way of data collection and analysis. The quantitative approach remains advantageous because large social surveys are being derived through this approach. Some forms of social research emanating from this approach are social surveys, longitudinal studies and cohort studies. Early in the 20th



century, the term social survey has been used. Wells (1936) stated that the term “can be applied to any kind of work dealing with society in any of its aspects, it is usually given a conventional meaning, and applied to studies making reference to some particular contemporary society or localized group”⁶.

Today, social survey is simply “a survey used to collect data on demographic characteristics and attitudes of residents of the area” (Ali, 2007). The major advantage is that data collected from a large group of people on a given social issue can guide the development of national policies. Surveys remain vital as they have become major parts of national and country-wide modes of data gathering. Surveys are done to understand and explain social situations. Surveys are simply structured quantitative (numerical) data sets in the form of a variable-by-case grid. Each grid consists of rows, representing cases, columns representing variables and cells that contain information about a case's attribute on the specific variable (de Vaus, 2006). Surveys are of various kinds such as longitudinal surveys.

Longitudinal (studies) surveys involve the gathering of data on a particular group of people or person over a period of time. Information is gathered at the outset of the study and subsequent developments are traced in an attempt to isolate those social factors that affect persons' life chances or to monitor change in their behaviour (Trueman, 2015). Longitudinal surveys are done maybe from three to seven years as the issue under study may warrant. Longitudinal studies are quite popular in developed countries compared to developing countries because of the ease of following up on respondents over a long period of time. Longitudinal studies on health (Lee, Dobson, Brown, Bryson, Byles, Warner-Smith & Young, 2005; Swallen, Reither, Haas & Meier, 2005), crime and deviance (Green, Doherty, Zebrak, & Ensminger, 2011), family (Carmichael & McGue, 1994; Robins, Fraley, Roberts, & Trzesniewski, 2001) amongst other issues have been widely conducted in developed countries. The use of longitudinal studies emanated from the quantitative tradition as a form of reporting social reality over a long period of time, by observing the changes and influencing determinants on the social issue being studied.

Cohort studies (prospective or retrospective) also have grown to become a prominent form of quantitative social research. Several cohort studies on different issues that affect people have been conducted. Among these are (Huxley, Barzi & Woodward, 1996; Hemingway & Marmot, 1999; Pearce, Salotti, Little, McHugh, Lee, Kim, Howe, Ronckers, Rajaraman, Craft & Parker, 2012; Chan & Boliver, 2013). Another type of quantitative social research is a randomised control trial (RCT). The use of this type of quantitative social research is not very popular in Sociology but RCTs have been developed as a major type of social research method from the quantitative school. A number of RCT studies have been done that focus on issues that range from social capital (Kawachi, Kennedy & Glass, 1999; Andersen, Poulsen, Sundstrup, Brandt, Jay, Clausen, Borg, Persson, & Jakobsen, 2015), crime (Sherman and Weisburd, 1995; Braga & Bond, 2008; Vigne & Lowry, 2011), income inequality (Haighton, Moffatt, Howel, McColl, Milne, Deverill, Rubin, Aspray & White, 2012; Burde & Liden, 2012) and socio-demographic factors as determinants of health (Ansah, Narh-Bana, Asiamah, Dzordzordzi, Biantey, et al,

⁶ Wells, A.F. (1936). Social Surveys and Sociology. *The Sociological Review*, a28 (3), 274-294.



2009) amongst others. RCTs are a well-established form of social research with opportunities for sociologists to compare group behaviour.

Quantitative Forms of Data Analysis

The quantitative school of social research data has its own mode of data analysis. These include the use of statistical software such as Statistical Packages for the Social Sciences (SPSS), STATA, Epi data, Epi Info, R, Salstat, SOFA statistics, Openstat, Daps, Develve, and SAS University Edition amongst many other types of statistical software. However, many social scientist and sociologist are more conversant with the use of SPSS and STATA. With the use of statistical software, univariate, bivariate and multivariate forms of analysis can be done easily. Furthermore, any of this software can be used to produce descriptive statistics which include “the mean, standard deviation, range of scores, skewness and kurtosis” (Pallant, 2005). More so, such software can be used to do a t-test which is used to compare between and among groups of respondents. According to Pallant (2005), “an independent-samples t-test is used when you want to compare the mean score, on some *continuous* variable, for *two* different groups of subjects”. While a “paired-samples t-test (also referred to as repeated measures) is used when you have only one group of people (or companies, or machines etc.) and you collect data from them on two different occasions, or under two different conditions” (Pallant, 2005).

Statistical software such as SPSS among others can be used for a Chi-square analysis which explains the relationship between variables. But, when the social researcher is concerned with comparing the mean scores of more than two groups of people, he/she would use analysis of variance (ANOVA). To “explore the relationship between one continuous dependent variable and a number of independent variables or predictors (usually continuous)” (Pallant, 2005), a multiple regression is used. A multiple regression “can also be used to address a variety of research questions posed by the social researcher of the quantitative school”. While a “logistic regression allows you (quantitative social researcher) to test models to predict categorical outcomes with two or more categories. Your predictor (independent) variables can be either categorical or continuous, or a mix of both in the one model” (Pallant, 2005).

In addition, a quantitative social researcher that is interested in describing “the strength and direction of the linear relationship between two variables” (Pallant, 2005) will use a correlation analysis. At an even more advanced level of analysing quantitative data is the application of Structural Equation Modelling (SEM). SEM “is arguably the most broadly applicable statistical procedure currently available and it has a number of unique and flexible capabilities” (Tomarken & Waller, 2005). For example, Colder, Campbell, Ruel, Richardson, and Flay (2002) did a SEM analysis, to understand the growth trajectories of adolescent alcohol use. In the study, Elkordy (2013) explains “*Transformational Leadership and Organizational Culture as Predictors of Employees Attitudinal Outcomes*” did a SEM analysis. Many studies today, adopt SEM as a form of advanced analysis to explain different social issues of interest to social researchers, especially psychologists. Therefore, the quantitative school of social research remains highly relevant till date.

Qualitative Approaches and Methods of Social Research

Qualitative (social) research “provides some of the most insightful data available on social relationship” (Cockerham, 2011). That is, data that covers different aspects of social



relationships that people engage in within the family, at work, at school and in everyday spheres of social life. Qualitative social research as a school of thought and research endeavour has continued to develop. This has led to the development of its own methods, instruments and mode of data analysis. Among these are in-depth interviews which are “discussions, usually one-on-one between an interviewer and an individual, meant to gather information on a specific set of topics. Interviews can be conducted in person or over the phone” (Harrell & Bradley, 2009) between the interviewer and interviewee. Also, the use of focus group discussion is synonymous with the qualitative school of social research. FGDs may be defined as an in-depth exchange of opinions, in which a small number of people, typically six to twelve, under the direction of a moderator, talk about issues that are of importance to the investigator (Isiugo-Abanihe, 1995). Key Informant Interviews are interviews with people who have first-hand knowledge or information about a community or social group. Key informant interviews can be conducted with a wide range of people such as community leaders, residents, or professionals about what is going on within a community or social group. These three methods (IDI, FGD and KII) constitute the main procedure for collecting qualitative data. However, other types of qualitative methods will include Case Studies or a Case Study which is an existing published report on a given subject matter about a person, group, or situation that has been studied over time. While Life histories are focused on depicting a holistic picture of an informant or interviewee’s life. “The purpose of the interview is to be able to describe what it is like to be this particular person, that is, the one being interviewed”⁷.

In addition, are ethnographic research studies which is “the observation of groups of people or a culture in the field or, in other words, in a natural setting”. According to Larkan, Lawal and Cuffe (2017) stated that “ethnography is a field of study that explores social phenomena from the perspective of the subject of the study”. Beyond ethnography, another type of qualitative data collection procedure is observation. Observations are of two types namely Participant observation (Obtrusive) and Non-participant observation (Unobtrusive). Participant observation is a method of qualitative social research in which the observer (researcher) joins the group being studied and participates in their activities (Trueman, 2015) during the period of the study. Examples of participant observation studies include James Patrick’s (1973) study titled, *A Glasgow Gang Observed*⁸ and Laud Humphreys’ (1970) study on *Tearoom Trade*. Non-participant observation (Unobtrusive) involves a social researcher observing participants without actively participating in the observed event or situation. The qualitative school of social research has equally devised its own forms of data analysis which include the use of the grounded theory approach. This is done in phases from an open coding phase through to the axial coding phase, then unto a selective coding phase. The grounded theory approach when applied in the analysis of qualitative data helps “in providing useful data in original and rich research findings and theory because of its close ties to the data and the rigour in the method” (Lawrence & Tar, 2013).

⁷ [www.wikipedia.com/life_history_\(sociology\)](http://www.wikipedia.com/life_history_(sociology))

⁸ It was based on research he had done in 1966, when he was aged 23. The book attracted some attention in Scotland when it was published in 1973. James Patrick is a Scottish sociologist.



Qualitative Forms of Data Analysis

Data analysis in qualitative social research is with content analysis (CA) which is “a method of analysing written, verbal or visual communication messages” (Cole, 1988). Content analysis is also referred to as Qualitative content analysis (QCA) or Thematic content analysis (TCA). Although the TCA or QCA is similar to the grounded theory approach, this form of analysis is not aimed at generating a theory unlike the former. However, the use of TCA/QCA in the analysis of health data shows the process in which themes are derived from the raw data (Lawal, 2014) and analysed until the actual information from the raw data is arrived at. The final sub-themes and data can be further subjected to more analysis but no theory is derived from the process. One main advantage of content analysis according to Elo and Kyngäs (2008) is “that a large volume of textual data and different textual sources can be dealt with...”

Table 4: Dissimilarities in Quantitative and Qualitative Social Research

	Quantitative	Qualitative
Main Focus	Social Structures/Institutions	Social Actors/Behaviour
Perspective	Mainly Macro	Mainly Micro
Level of Analysis	Objective	Subjective
Focus on Human Behaviour	Depicts Ideal Behaviour	Depicts Real/Actual Behaviour
Replicability	Easy	Difficult
Validity	Standardised	Non-standardised
Population/Sample Size	Large	Small
Philosophical Tradition	Empiricism	Rationalism
Level of Reality	Mainly Deductive	Mainly Inductive
Research Instrument	More Rigid (closed-ended)	More Flexible (open-ended)
Some Method of Data Collection	Surveys	IDI, KII and FDG
Outcome of Data Analysis	Numeric/Countable Form/Statistics	Words/Character Form/Themes

Presently, qualitative social research data can be analysed using computer application software in form of Nvivo or Atlas. Both software used for analysing qualitative data are very popular and have been used to produce outstanding data which have informed public policy. Nvivo is “a qualitative data analysis (QDA) computer software package produced by QSR International. It has been designed for qualitative researchers working with very rich text-based and/or multimedia information, where deep levels of analysis on small or large volumes of data are required”⁹. *ATLAS.ti* is a computer *programme* for qualitative research or qualitative data analysis. These two are the common and widely available types amongst others that have been modified over the years with new features for better analytical outcomes. As the qualitative school of social research continues to advance into the 21st century, in order to remain relevant, it must begin collaboration with computer scientists and inventors. This collaboration will enable qualitative social researchers working with inventors to devise new tools for voice

⁹ www.wikipedia.com/Nvivo



recording/imaging devices that can be used and automatically transferred unto Windows/Mac enabled computers without losing the non-verbal cues recorded in the field. In addition, new ways of improving upon the existing forms of data collection and analysis are required because of the complexities of social reality. For many researchers who prefer this school of social research, their ability to remain open to change and forge new techniques to strengthen the existing forms of qualitative social research is crucial for the sustenance of this school of social research's philosophical and methodological tradition.

Table 5: Similarities in Quantitative and Qualitative Social Research

Source	Primary
Knowledge	To derive new information/data or validate existing ones
Justification of findings	Researcher's bias
Phenomenon	Can be used simultaneously to study the same event (i.e. both approaches can analyse similar information and investigate the same question)
Limitations	Are limited by variables being studied
Research procedure	Scientific in nature

4. Result

Relevance of Social Research

The contributions of both the quantitative and qualitative schools of social research will guide the practice and promotion of social research in the coming years of the 21st century. As societies continue to change and experience different forms of transformations, social researchers from both schools will need to continue to conduct research activities that will sustain human society. Therefore, both the quantitative and qualitative schools will need to develop innovative, creative and timely solutions to address existing challenges and social problems as they arise. Such social problems when addressed must yield a positive impact for the continued sustainability of society. More so, solutions that are globally relevant must be derived when both schools of social research actively engage in all forms of social research practice. That is, the use of standardised research instruments that can be modified to suit the local context must be encouraged for use by social researchers. More so, social researchers from both schools must be encouraged to actively engage in various interdisciplinary studies, which offer the opportunity for them to exercise their skills in doing social research for the benefit of societies whether in the global south or the global north.

Furthermore, doing social research in the 21st century will depend on the nature of social complexities that arise which will require the contributions of both schools of social research to work together (triangulate) using their distinct research methods to address them. Also, researchers from both schools will need to strengthen their engagement in research partnerships hinged on good *leadership*, clear *resolution* strategies in the face of conflict, sound *communication*, and mutual *benefit* to all researchers/parties, that promotes *equity* based on shared *values* with its own distinct research *focus* (Larkan, Uduma, Lawal and van Bavel, 2015). All these elements must be considered by researchers from both schools to succeed and remain relevant in the 21st century. Finally, the quantitative and qualitative school of social



research in the coming years will need to seek out new methodological tools and refine the existing ones to remain useful in capturing the changing nature of social reality. Therefore, both schools of social research will require strong *relational* and *operational* capabilities (Larkan *et al*, 2015) to achieve their desired goals and research outcomes as the 21st century unfolds.

The Social Research Process and Programme Intervention Framework

Social research as a sub-field of sociology has extended beyond the discipline into other disciplines within the social sciences and beyond. Today, non-social scientific disciplines are now actively engaged in various forms of social research. However, for sociologists, social research remains a unique sociological endeavour for the promotion of the sociological enterprise by applying the sociological imagination to decompose social situations. With the use of social research, sociologists continue to contribute to scientific knowledge on social life, proffer solutions to existing global social problems and expand the frontiers of sociological explanations. Social research therefore is constantly evolving with the global world system, from the phase of conception all through to the phase of execution unto completion in any given social research process. This process, as it connects to programmes or public policy can be described as “*the social research process and programme intervention framework*”. The framework shows core attributes and elements of social research used to address diverse social issues in society. The social research-programme intervention model as seen in figure 1 and 2 below shows the social research process linked to programme intervention which when evaluated may lead to another type of social research on a similar subject matter or otherwise.

Figure 1: The social research process showing core elements

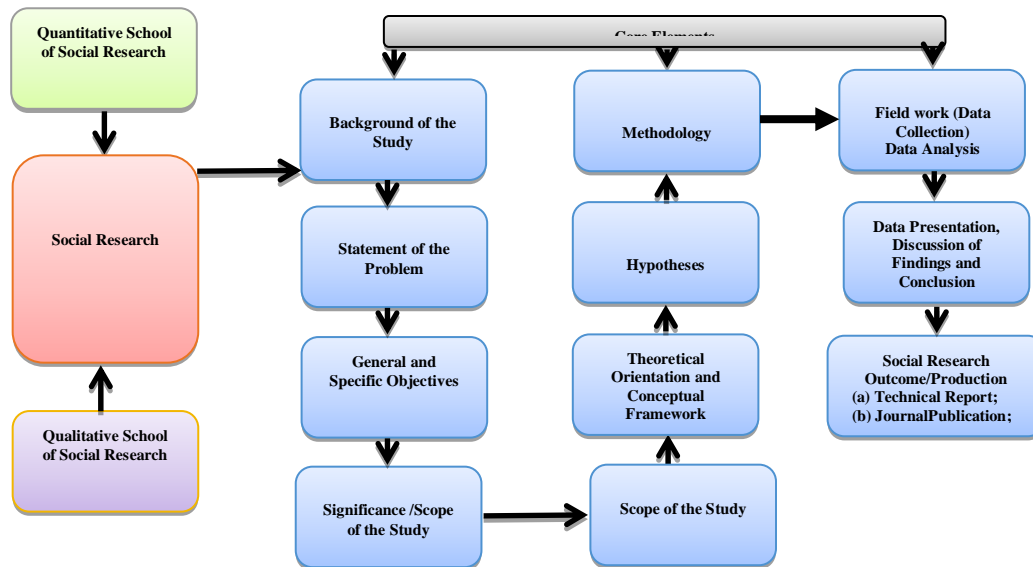




Figure 1 explains the social research process emanating from both the quantitative and qualitative schools of social research. A good understanding of the fractal nature of the research process is fundamental for social researchers. The social research process from inception to completion in any given *time* and *space* is dependent on the environment, social actors (respondents), and the researcher/research team. This model offers clear insights on the step-by-step procedure in the research process. From the background of the study, social researchers must have a good knowledge of the social issue they intend to research. Next the researcher in clear language must present the statement of the problem. According to Obono (2000) “the brevity with which the research problem is stated is important”. That is a statement of problem must be straight to the point and free of ambiguous explanations. Afterwards as seen in the model above, the general and specific objectives which are both drawn from the statement of the problem, gives a reader a clear picture of what the social research study is all about.

Furthermore, other aspects of the research process which includes the significance of the study, scope of the study, theoretical orientation, conceptual framework, hypothesis, methodology, data analysis, data interpretation and research outcome/production all form core elements of any social research study. From the onset of an applied form of social research, the goal is towards programme intervention or public policy formation for the improvement of human society.

Figure 2: The social research process and programme intervention framework showing core attributes

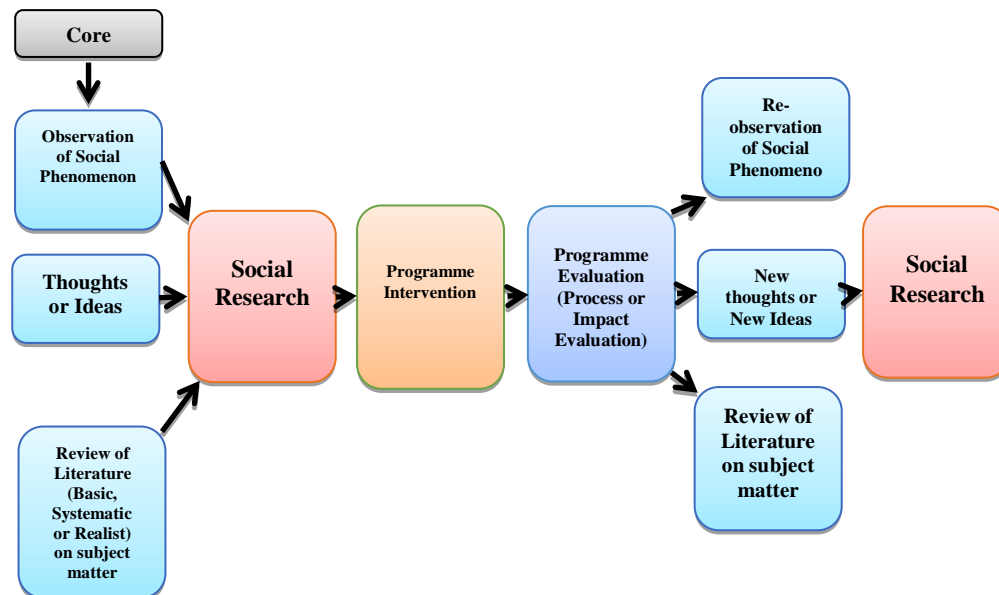


Figure 2 shows the core attributes (observation of social phenomenon, ideas/thoughts, literature review) that influence the social researcher to conduct a social research, whether quantitative or qualitative in nature. These attributes are an essential aspect of the research process because



they guide each researcher to better understand the social issue or problem of interest to them. They also offer social researchers a platform to reflect upon what they intend to research upon. This process shows how social research is linked with programme intervention within the society, such that when programmes are implemented to improve social life or address a social problem, such programmes must be evaluated (process or impact). Outcomes from such programme evaluation will cause the researcher to re-observe the initial phenomenon, derive new thoughts or ideas and sometimes require researchers to revisit the literature. The social research process-programme intervention model is cyclical in nature such that the social phenomenon is studied, explained and understood through a scientific process aimed at making society a better place.

5. Conclusion

Social science research remains an important sub-field for social scientists and researchers in other fields of study. A good knowledge of social research is a prerequisite for building and sustaining a successful career as a researcher and global scholar. This paper examines the concept of social science research with insights on the origins of social research from a global perspective. The paper explores the benefits of social research and its many uses across different disciplines. The paper discusses the nature of social research in Nigeria and its relevance to understanding social life. Both the quantitative and qualitative approaches to social research and the relevance of social science research in the 21st century are examined. The social research process and programme intervention framework explains the step-by-step process of conducting social research and how its outcome is connected to programme interventions to improve society. Social science research remains a vital process to address, and answer questions raised by researchers in order to proffer solutions on social issues based on globally accepted scientific processes.

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**GOOD GOVERNANCE AND ECONOMIC DEVELOPMENT IN NIGERIA 2010 –
2015: A CRITICAL REVIEW**

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Abstract

The study examines good governance and economic development in Nigeria between 2010 and 2015. Findings revealed that good governance brings development and good life while bad governance brings underdevelopment, poor standard of living and poverty that breeds crimes. Further findings revealed that in Nigeria where the state resources are not managed in a manner that is open, transparent, accountable and equitable, where civil society and government institutions are weak and the state is often repressible, good governance cannot thrive. The study relied on secondary sources of data as its veritable tool of analysis. The main objective of this study is to ensure good governance in both public and private sectors so as to have all round development that will meet the felt needs, yearnings and aspirations of citizens. The framework of analysis upon which this study is anchored is the system theory. The study concludes that governance can be promoted by entrenching the rule of law, improve efficiency and accountability in public sector, tackling corruption, creating enabling environment for investment and implementing sound policies that are people and development oriented. The study recommends that for development to take place in Nigeria there should be a visionary leader who will make good governance top priority and with ability to interact with his environment and harness both human and natural resources that will meet our socio-economic needs.

Keywords: Good Governance, Economic Development, Transformation, Nigeria

1. Introduction

Governance embraces all methods well or bad that societies use to distribute power, manage public resources and resolve contradictions that will pave the way for development to take place. UNDP (1997) posits that good governance is the effective management of a country's social and economic resources in a manner that is open, transparent, accountable and equitable. In the Nigeria experience however, good governance is difficult because the civil society is weak and the state is often repressive. However, to achieve sustainable economic development good governance is a must (Feldman, 2003). United Nations (1998) submits that good governance is the exercise of political, economic and administrative authority to manage the nation's affairs. The challenge for all societies is how to ensure its practice that will inevitably promotes, sustains and support holistic and integrated human and economic development. The role of government here is to mobilize, creates an enabling environment and provides welfare for its citizens regardless of creed, political ideology, class and social origin by taking certain decisions which will be in their best interest that will enable them live decent, happy, clean and autonomous lifestyles.



Good governance is a worthy goal not only in and of itself, but also a means through which a variety of other outcomes particularly economic growth and development are realized. In poorly governed countries, corrupt bureaucrat and politicians hinder development efforts by stealing public funds or misdirecting them into unproductive activities. Equally true is the fact that government with inefficient bureaucracy and weak institutions are unable to formulate and implement people and development oriented policies. However, former United Nations Secretary-General Koffi Annan noted that “good governance is perhaps the single most important factor in eradicating poverty and providing development anywhere in the world” (Hammer, 2009). According to Schumpeter (1961), economic development entails a fundamental transformation of an economy which includes altering the industrial structure, the educational and occupational characteristics of the population and indeed the entire social an institutional fabric while growth is measured by putting more people to work within an existing economic framework. Economic development therefore aimed at changing that frame work so that people work more productively and the economic moves towards higher value activity. Putting it succinctly, economic development is measured by sustained increase in prosperity and quality of life through innovation, lowered transaction costs, and the utilization of capabilities towards responsible production and diffusion of goods and services. It requires effective operation founded in norms of openness, tolerance for risk, appreciation for diversity and confidence in the realization of mutual gains for public and private sectors. The nexus or interface between governance and economic development is that the former is an essential precondition for the rapid development and transformation of the latter (Schumpeter, 1961)

Fayissa and Nsiah (2013) study the impact of governance on economic growth in Africa using fixed and random effects models found out that good governance or the lack of it contributes to differences in growth of Africa countries. Further findings revealed that without the establishment and maintenance of good governance, achieving the goals of new Partnership for African Development (NEPAD), eradicating poverty, promoting sustainable growth and development, integrating Africa into the world’s economy and accelerating women empowerment will be hampered. As noted by Fayissa and Nsiah (2013), Sub-Sharan African countries have had a mixed governance record in comparison with other regions of the world bogged down with manifestations of bad governance like corruption, nepotism, abuse of the rule of law, government in effectiveness and inability to meet the felt needs, yearnings, aspirations of citizenry Nigeria inclusive hence there is a clarion call on Nigerian government to entrench the culture of good governance in both public and private sectors as well as in all sections of government such as the executive, legislature and the judiciary, the media, trade union, corporate sector and even NGOs. In all of this, public accountability and transparency are critical elements as it is when all sections of society and organs of government conduct their affairs in a socially responsible manner towards achieving common goal that good governance and sustainable economic development can be achieved. This study therefore looks at the relationship between governance, living standard of Nigerian citizens and economic development in contextual manner.



2. Literature Review

Theoretical Framework:

The framework of analysis upon which the study is anchored is the systems theory. The view of organizations as open social systems that must interact with their environments in order to survive is known as systems theory. Organizations depend on their environments for several essential resources such as customers who purchase the products or services, suppliers who provide materials, employee who provide labour, management or shareholders who invest and government that regulates. This made Katz (2006) to state that public relations most essential role is to help organizations adjust and adapt to changes in their environment.

Theoretically, system can be considered either open or closed. Open organizations exchange information, energy or resources with their environments whereas closed system do not. In reality, because no social systems can be complete closely closed or open, they are usually referred to as relatively closed or open. The distinction between closed and open systems is determined by their level of sensitivity to the external environment. Closed systems are insensitive to environmental deviations whereas open systems are responsive to changes in an environment. The systems approach is an external standard that measures effectiveness based on long term growth or sustainability. Effective systems are characterized by a steady state that system theorists called homeostasis. An organization is able to maintain homeostasis which includes not just survival but also growth only then can such an organization be regarded as effective.

Rationale for Adopting this Theory:

Applying this theory to Nigerian situation at this time is important due to the clamour for restructuring that is going on presently in the country, general insecurity, low standard of living of citizens, poverty, unemployment, uneven distribution of state resources and bad governance. All these are evident because the system is not interacting well with its environment. However, good governance can be ensured if demands from environment by citizens which represent their needs are met and only a visionary leader can ensure this.

Conceptual Issues

The word "governance" came from Latin verb "gubernare" which means to steer. Based on its etymology, governance refers to the manner of steering, governing, directing and controlling a group or state. It is a complex process whereby some sectors of society wield power, act and promulgate public policies which directly affect human and institutional interactions as well as economic and social development (Lynn, 1987). Governance can also be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise the legal rights, meet their obligations and mediate their differences (Lynn, 1987). Governance is a structure and process that is designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment and broad-based participation, it is about the culture and institutional environment in which citizens and stakeholders interact among themselves and participate in public affairs (Arrow, K (ed) 1962). Good governance on the other hand refers to the government that is committed to creating a system founded on peace and justice that protect the



individual human rights and civil liberties. It is measured by the following factors; popular participation, rule of law, transparency, responsiveness, consensus orientation, equity, inclusiveness, effectiveness, efficiency and accountability. It is a subjective term that describes how public institutions conduct public affairs and manage public resources in the preferred and best possible way that is responsive to the people needs.

Governance is the cooperation between politics, state civil society the government and non-governmental organizations, public and private institutions which can be mandatory or voluntary cooperation. It is mainly characterized by contracting rather than supervision, decentralization rather than centralization, administration is by the state rather than redistribution by the state, management based on market principles rather than management based on administrative departments, cooperation between the state and government sectors rather than being guided by the state therefore, governance is broader than government thus, from modern cooperation to colleges and basic level communities, all can function without government by the state but not without governance (Gboyega, 1986)

It is basic that power runs in different directions in management processes. For government by the state, power runs top-down as it exercises political authority, manages social and political affairs by issuing orders, making and executing policies. As an administrative process of interaction between the upper and lower levels, governance manages public affairs through cooperation, negotiation, partnership, establishment of identity and common goals. Its administrative mechanism does not rely entirely on the authority of collective network; its power is multi-dimensional ways rather than one-dimensional and top-down (Dalen and Zeigler According to Adebayo (1992) governance is the management of resources and organization of individuals and groups into formal and informal bodies, institutions and businesses through social, political and administrative and economic mechanisms while good governance implies the presence of the rule of law, safeguard of human rights and existence of honest, responsible and efficient government, accountability, transparency, predictability and openness, a competent management of country's resources and affairs in a manner that is open, equitable and responsive to people's needs as well as decentralization of political and economic powers.

Good governance refers to the exercise of power in a variety of institutions the objectives of which is to direct, regulate and control activities in the interest of people as citizens, voters and workers. It fosters human development through popular participation, social and economic equalities and its ultimate objectives are to create a civil society. Kukah (1998) clearly stated that good governance is meant governance that is responsible, accountable and transparent in policy formulation and implementation and as a policy framework, it presents demands to policy makers in their exercise of power. It encompasses an effective state that has enabling political environment for effective distribution of resources to improve the living condition of ordinary people. It is a mechanism through which citizens articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. It is therefore a state of meeting expectations and the achievement of social well-being by mandated authority. According to Oyoubaire (1987), good governance is the use of power and authority to effect human conditions this enables the society to sustain and improve the quality of life and transforms the physical environment. It involves justice, equity, protection of lives and property, enhanced participation, preservation of the rule of law and improved living standard of the



populace. Good governance is all about performance capacity of government or leadership capability.

Development is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components. The purpose of development is a rise in the level and quality of lives of the people and the creation or expansion of local and regional income and employment opportunity without damaging the resources of the environment. Development is visible and useful, its result is not necessarily immediate and it includes an aspect of quality change and the creation of condition for the continuation of that change (Easterly, 2001). Development can be defined as the process of economic and social advancement in terms of quality of human life. It can be measured in terms of culture, wealth, education, health care, opportunities and can be commonly classified by life expectancy, literacy level, standard of living, gross domestic products, value of goods and services divided by the number of people in a country. Development has been traditionally classified into first, second and third world countries or the global North and South (Kelley, 2003). Economic development refers to a nation's improvement in economic and political sectors as well as the social well-being of its people. It is the process whereby simple low income national economies are transformed into modern industrial economies. It is employed to describe a change in a country's economy involving qualitative and quantitative improvement.

National development refers to a country's ability to improve the social welfare of people by providing social amenities like quality education, power, and housing, pipe born water, roads, industry and employment. Its components are: economic development, socio-cultural empowerment and how they impact on human development. Economic development expressed in gross national product (GNP) can aid human development through expenditure from families, governments and institutions and according to Lewis,(1985) development must be redefined as an attack on the clear evils of our present world such as malnutrition, disease, illiteracy, poverty, unemployment and misery (Lewis, 1985).

Effects of Good Governance on Economic Development

Good governance is crucial to sustainable development and poverty alleviation especially in developing countries. International Monetary Fund (IMF) states that promoting good governance in all facets including ensuring the rule of law, improving efficiency and accountability in the public sector and tackling corruption can make economy prosper (IMF, 1997) Good governance leads to investment by creating sound business environment, it enhances sound policy implementation and minimizes persistence of bad policy. Eradication of poverty, job creation, high standard of living, availability of social amenities and meeting the socio-economic needs of citizens is basically a function of good governance made available by a visionary leader (World Bank & IMF, 1997).

The presence of good governance in politics and economic policy contribute to quality of life and sustains economic growth. In a paper presented to the 5th Economic Panel Meeting at Harvard University in April 2002, with the title "Growth Without Governance". World Bank economist Daniel Kaufmann and Aartkraary argued that high quality of governance has very strong positive impact on the capital income across countries. Using a set of worldwide governance indicators, these economists found that good governance certainly load to economic



growth but economic growth does not necessarily lead to quality governance in society (Kaufmann and Kraay, 2002).

Fayissah and Nsiah (2010) found that in African countries (Nigeria inclusive) the gap in economic growth between the rich and the poor countries have been mainly due to differences in the quality of governance in the respective countries. Thus, the general consensus among economists is therefore that good governance is a precondition for sustain economic growth as well as improve the quality of life of people while bad governance is the anti-thesis and reduces the welfare of nations.

The fundamental objective of good governance is that citizens should get proper standard of living and this could be facilitated by government organizations that are better placed to use the sovereign power of state to extract resources from society while economic development entails the use of this scarce resources gotten from society. Good governance is imperative here because it gives confidence to investors that the money they invest are safe from improper expropriation which is a necessary condition for ensuring sustained economy that will meet the social and economic needs of citizens (Todaro, 2000)

3. Methodology

The study made use of secondary sources of data to analyze the concept of good governance and economic development in Nigeria from 2010 – 2015. Data for the study were collected from textbooks, internet, encyclopedia, journals, periodicals, seminar papers, newspapers, magazines and quoted speeches, The essence of this methodology is to avail readers the privilege of assessing the views of authorities cited in the literature review because it outlines the step-by-step details of the procedures followed in carrying out the study.

4. Good Governance and Societal Transformation

World Bank defines good governance as the capacity of management and institutional reform conducted by state policy that improves coordination and delivery of effective public service, accountability of political actor and individual citizen in driving development policies. Good governance therefore connects political institutions and practices to use in socio-political and economic development. Econometric studies by Kaufmann *et al.* (2005) revealed that there is a nexus between good governance and economic growth but this is not possible in the face of weak institutions. Koffi Annan cited in Adejumbi (2014) “without good governance, rule of law, predictable administration, legitimate power and responsive regulation, no amount of funding, no amount of charity will set man on the path of prosperity.”

Rolland (2004) posits that to achieve good governance that will transform a society, proper democratic and electoral activities need be practiced. Indeed, the major challenge facing third world societies including those in Africa today is the creation of a political system without legitimacy in the eye of the majority and the actualization of true development. Without legitimacy in government born out of true democratic electoral process there can be no authority, stability and consequently no social and economic progress. The stereotype constructed is that Africa (Nigeria inclusive) is a region that works through a reverse logic of political disorder and irrationality, where politics is about barefaced stealing and a game of the belly, the law of the jungle replaces the dictates of the constitution. Good governance stands a far cry in such a



region wherein Nigeria stands a perfect fit. It should therefore be clearly understood that mere existence of democracy does not automatically translates into good governance.

According to Ajene (2003) good governance implies the promotion of the best wishes of the majority represented in the actual policies and programs of constituted authority which best serves and promotes their wishes. The accommodation and tolerance of the yearnings and aspirations of the minority and discordant groups. The principle of consultation whereby the wishes of the majority are not simply assumed but a policy strategy which involves consultation with the widest spectrum of society for the purpose of obtaining consensus over policy at all times is pursued. The strict adherence to the rule of law at all levels of society; the adherence to the practice of accountability and transparency by leadership and others in political authority.

It should be noted that it is not just a mode of policy or a procedural arrangement but a holistic and consequential variables that is measurable in terms of real effects in the lives of the people. It is not about the form of governance but the result of governance. It is not the process or course of political rule but its effects; it is about effective and productive governance. At macrolevel, good governance denotes organizational effectiveness. At microlevel, it is about engendering public welfare and promoting the greatest happiness of the greatest number of people. (Burkey, 2016)

What a society needs is not democratic government, but good government i.e. a government that will promote economic well -being, political stability, social order, communal harmony and efficient and honest administration (Huntington, 1969).

The Problem of Good of Governance in Nigeria

Nigerian state is corrupt and is managed by corrupt leaders who made it an instrument of capital accumulation leading to stagnation, poverty, instability and underdevelopment and abuse of democracy that makes good governance an illusion and bad governance becomes the never wanted alternative because where the desirable is not obtainable, the obtainable becomes the desirable. This made Julius Nyerere (1972) to state that “where the vote is human right and bread is privilege of the few, democracy is a mockery; it can never be an instrument of harmony because it is not an instrument of justice.” In Nigeria bad governance is responsible for unemployment, low standard of living, absence of infrastructure, malnutrition, poverty and crimes such as Boko Haram, child and drug trafficking, prostitution, banditry, Nigeria Delta Militancy and Kidnapping because maladministration and mismanagement or resources naturally leads to poverty, hunger, violence, malnutrition and low standard of living. In a country where leaders are not transparent, accountable to their subjects honest, flexible, sensible and formulate policies that are people and development oriented, citizens felt needs, yearnings and aspiration will forever elude them (Ake, 1985).

5. Conclusion and Recommendations

Findings reveals that the way Nigeria is governed despite their human and natural endowment is the reason for her present economic stagnation, lack, poverty, unemployment, hunger, low standard of living and general underdevelopment. Further findings revealed that Nigeria had had a robust economy and governance was people and development focused in the past but now, the reverse is the case. .Analysis has shown that efforts by our leaders to diversify our economy from an oil dependent type have not yielded much result in the lives of the citizenry. The study



concludes that the wealth of the country still flows into the hand of few privilege Nigerians which has direct consequences for the overall development of the country.

Based on the findings of this study, the discussions involved and conclusion thereafter drawn, the recommendations are government should ensure that only men and women of proven integrity are given positions of responsibility in Nigeria. Ethical values of transparency and accountability should be upheld by all public office holders in Nigeria. No public office holder should be exempted from facing the full wroth of the law whenever it is discovered that such has embezzled public funds meant for the development of the entire country. Immunity clause should be removed so that public office holders can be punished for their misdeeds before leaving office. To overcome poverty, lack, hunger, economic stagnation, low standard of living, unemployment and general underdevelopment, Nigeria should be well governed. All government policies should be people and development oriented and for economic diversification to make sense and have positive impact in the lives of Nigeria citizens, good governance and visionary leadership should be encouraged. Public funds and revenues should be strictly monitored and suspicious amount of money properly investigated by government institutions responsible for it.

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**THE IMPACT OF MONETARY POLICY ON BALANCE OF PAYMENTS IN
NIGERIA (1983-2018)**

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Abstract

This study investigates the impact of monetary policy on balance of payments in Nigeria from 1983 to 2018. It employs the Autoregressive Distributed Lag (ARDL) model, using data such as exchange rate, interest rate, money supply, inflation and balance of payments. The findings of the study reveals that the major reason for the negative disequilibrium in the Nigeria's balance of payments is that it absorbs more than it produces as such, domestic expenditure is greater than the national output. The result shows that exchange rate and interest rate have negative and significant impact on balance of payments in both the long run and short run; money supply is also revealed to be negative in both the long run and short run but only significant in the long run; inflation on the other hand is positive and not significant in the long run and negative and significant in the short run. It therefore concludes that balance of payments is indeed a monetary phenomenon and that the depreciation of currency does not favours the Nigerian balance of payments and recommends export promotion strategies to increase export and maintain the value of the country's currency.

Keywords: Monetary, Policy, Balance of Payment, Exchange Rate, Nigeria

1. Introduction

Nations seek to attain macroeconomic objectives for rapid economic growth, price stability, reduced unemployment and balance of payment equilibrium. Government and monetary authorities employ the use of both fiscal and monetary policies. Since its inception in 1959, the role of Central Bank of Nigeria has been the achievement of macroeconomic objectives of rapid economic growth, price stability, unemployment reduction and balance of payment equilibrium (Fasanya, Onakoya, & Agboluaje, 2014).

The balance of payments is a systematic record of all transactions in an economy with the outside world in a year. Negative balance of payments implies that more money is flowing out of the country and since it is used as an indicator of economic growth and stability, the economy is not performing well, which is why concern have been provoked by the persistent instability of Nigeria's balance of payments (Udude, 2015). The deficit is due to the fact that Nigeria import more than it exports, which is in line with the absorption theory of Alexandra (1952) that when a country has a deficit in its balance of payments, it means that the people are absorbing more than they produce. The persistent deficits can be attributed to the shift of focus from agriculture to the oil since the oil boom of 1970s and the fact that the Nigerian international trade is characterized by the export of primary products and import of finished goods, putting the economy in the position where it absorbs more than it produces since its agricultural and industrial sectors have been left underdeveloped.



Nevertheless, different monetary policy measures have been employed by the CBN to correct balance of payments deficits in Nigeria. In the 1980s, when unrealistic exchange rate aggravated the economic situation and put pressure on current account balances, the government embarked on massive devaluation of the currency through auctioning in the open market and others aimed at reducing the role of the government in the economy in favour of free economy and this was the motivation of the Structural Adjustment Programme in 1986 (Danmola & Olateju, 2013). However, the high dependence on import and the appreciation of the degree of openness during the Structural Adjustment Programme (SAP) of 1986 made the economy more vulnerable to international trade shocks and further widening of the balance of payments disequilibrium (Nwanosike, Uzoechina, Ebenyi & Ishiwu, 2015).

In 2000, due to the deficits recorded in 1996, 1998, and 1999, external sector policy was adopted to aid Nigeria's external reserves. As a result, Nigeria's balance of payments recorded a surplus in 2000 and 2001 (Imoisi, Lekan & Bosco, 2013). However, in recent years the deficits in Nigeria's BOP have remained persistent and the global financial crisis of 2004 and the meltdown of 2008 coupled with the fall in international oil market did not help matters. Following the collapse of the oil prices in 2014 and fall in foreign exchange receipts, controls were tightened which however proved counterproductive as it became clear that a policy frame work that relied on direct control could not manage the economy (Nwanosike, Uzoechina, Ebenyi & Ishiwu, 2015). According to the CBN, in the third quarter of 2018, the balance of payment in Nigeria deteriorated to a deficit of \$4.5 billion from \$503 million surplus in the second quarter of 2018, showing quite a turnaround from the surplus of \$2,787 billion recorded in 2017 (Babajide, 2018). This poses the question that; despite all the efforts to eliminate the problem of balance of payments deficits in Nigeria, why does it persist?

A balance of payments deficit is a menace to the development of an economy, which is why the International Monetary Fund and World Bank have directed a great deal of attention towards stable balance of payments in countries as it is the ideal situation. Imoughale and Ismail (2015) posits that countries employ stabilization policy to maintain a healthy balance of payments position in order to safeguard the external value of their currency. In the mid 1980s, between 1985 and 1990, the balance of payments deficits in Nigeria increased from ₦339.60 millions to ₦4.91 billion, which was attributed to the rise in the importation of food, textiles, automobiles, equipments and machinery (Dayo & Akindela, 2017). The economy have exhibited imbalances in the current account and external debt obligations, which grew from \$170,000 million in 1970 to \$94,614 million in 1990 and rose to \$2,695,072 million in 2005 before it was reduced to \$421,461 million in 2006, only for the country to continue borrowing externally (Igbinoba, 2007).

In the first half of 1994, there was persistent deficit of ₦42,623.3 million, compared to a surplus of ₦13,615.9 million in 1993. This deficit was financed through a reschedule of debt service estimated at ₦24,906.4 million in the period. Ubong (2015) postulated that the balance of payments mirrors the relative strength of an economy. Therefore, with the persistent deficits recorded in the balance of payments of Nigeria, the economy is not performing well compared to others, despite several policy initiatives by the government and CBN to restore equilibrium of the balance of payments.



A well structured policy is required to stabilize balance of payments as well as economic growth and development in Nigeria. However, despite the policy measures adopted by the government and Central Bank to correct the balance of payments deficits in Nigeria and improve the overall performance of the economy, it still persists. This persistent fluctuation in the balance of payments despite the monetary policies employed over the years is the major motivation for this study. This study seeks to evaluate the impact of monetary policy on balance of payments in Nigeria as well as analyse the relationship that exists between monetary policy variables and balance of payments in Nigeria.

This study is categorized into five sections, section one comprises of introduction, statement of the problems and aims and objectives of the study, section two covers conceptualization, review of empirical studies, and theoretical framework. The third section comprises of the research methodology employed, section four deals with data presentation, analysis and implications, while the section five presents the conclusion and recommendations.

2. Literature Review

Conceptualization

The Central Bank of Nigeria (2006) describes monetary policy as the actions specifically undertaken by the CBN to regulate the supply, value and cost of money in the economy with the view of achieving the macroeconomic objectives of the government. As a policy strategy, monetary policy is employed by the Central Bank of Nigeria to control the supply of money stock as a means of achieving general macroeconomic goals such as balance of payments disequilibrium (Onuchuku, Chukwueggu, Nenbee & Wosu, 2018).

Balance of payments is the record that shows all the transactions of a country with other countries of the world within a year. Jhinghan (1998) explains balance of payments as the systematic record of all the economic transactions of a country with the outside world in a given year. The balance of payments mirrors the relative strength of an economy and shows the trading partners of the country (Ubong, 2015).

Review of Empirical Studies

Series of studies have been conducted to determine the impact of monetary policy on balance of payments in Nigeria as it is a contemporary issue that continues to hamper economic development. For instance, Onuchukwu, Chukueggu, Nnebee and Wosu (2018) conducted a study employing the Dynamic Ordinary Least Square (DOLS) to investigate the effects of monetary policy on balance of payments (BOP) in Nigeria. Based on the findings of the study, which revealed that monetary policy variables are key determinants of balance of payments in Nigeria, they suggested the use of monetary policy to reduce capital flight, over reliance on imported goods, expenditure and stimulate economic growth and development. Nwanekezie and Onyiro (2018) probed the impacts of the volatility of exchange rates on balance of payments in Nigeria using data from 1981 to 2016, using the Error Correction Model (ECM) to analyze data on nominal exchange rate, inflation, interest rate, government expenditure and balance of payments (BOP). The outcome of the study revealed that exchange rate volatility and BOP have a negative relationship.

In Iran, Hossein and Bahram (2015) studied the impact of monetary and fiscal policy on balance of payments in order to fulfill the fifth development plan objectives. Time series data from 1979



to 2012 were analyzed using the Vector Error Correction Model (VECM). Based on the outcome of the study, both fiscal and monetary policies were found to have negative effects on the BOP of the country in the long run and concludes that increase in liquidity also translates into increase in import due to leakages, which translates into BOP deficits. Adopting the Autoregressive Distributed Lag (ARDL) approach to co integration, to examine time series data from 1980 to 2015, Dayo and Akindele (2017) and found that exchange rate had negative impact on BOP. In contrast, in his own appraisal, using the Error Correction Mechanism, Udude (2015), found exchange rate to having a positive impact on BOP alongside money supply.

Imoisi, Lekan and Bosco (2013) and Onwe (2014), in their studies conducted to determine the impact of monetary policy on Balance of Payments adjustment found that money supply and interest rate were significant in BOP adjustment while exchange rate was not significant. Mukolu, Illughemi and Otalù (2017), conducted a study on monetary policy and its implications for balance of payments in Nigeria and recommends consistency of the domestic money stock with the macroeconomic objectives, since the variables money supply, interest rate, net export, exchange rates, inflation and bank credit were significant to BOP.

Theoretical Framework

The absorption theory propounded by Sydney Alexandra in 1952, which dwells on the Keynesian National income hypothesis, explains that balance of payments deficits in a country is a result of the people absorbing (consuming) more than they produce, as such, the national income is less than the domestic expenditure on consumption and income.

According to Alexandra, absorption is the sum of all domestically produced goods and all imports, which is equal to the National income [$Y = C + I + G + (X - M)$]. Absorption (A) is the total aggregate of domestic demand, which is the total amount of goods and services consumed from the domestic market

$A = C + I + G$ 1

Where C is Consumption spending of households, I is domestic investment and G is Autonomous government expenditures.

The Balance of payments (B) is $X - M$, Where X represents exports and M is imports

Thus, $Y = A + B$ and $B = Y - A$ 2

Therefore, the balance of payments can be improved by either increasing domestic income (Y) or reducing the absorption (A), for which he advocated devaluation since it acts in both ways. As it increases exports and decreases imports, thereby increasing the National income. The additional generated income further increases the level of income via the multiplier effect which leads to rise in domestic consumption. The effect is

$\Delta B = \Delta Y - \Delta A$ 3

The total absorption (ΔA) depends on the marginal propensity to absorb when there is devaluation and is expressed as "a". Thus, the devaluation affects the level of absorption directly through the changes in income. Thus

$\Delta A = a\Delta Y + \Delta D$ 4



Substituting eqn 4 in 3, $\Delta B = \Delta Y - a\Delta Y - \Delta D$ or $\Delta B = (1-a) \Delta D$ 5

The equation reveals that since ‘a’ is the marginal propensity to absorb, (1-a) is the propensity to either hoard or save, which are in turn influenced by the existence of unemployed and full employed resources in the country.

In underdeveloped countries, where there are underemployed resources, when the country’s currency depreciates, then it can expand its production in the short run, which leads to the expansionary process of increase in exports and rise in National income via multiplier process. Monetary policy measures of adjustment of interest rate, money supply, exchange rate and stability of prices can be used to increase domestic income and reduce absorption to improve balance of payments.

3. Research Methodology

Model Specification

The model developed for the study is based on the absorption approach to balance of payment developed by Alexandra in 1952, which posits reducing the level of absorption in the economy and increase in the level of national income which can be done through direct monetary policy as well as devaluation of currency to correct BOP disequilibrium in the country. The model is thus specified as thus:

$$BOP_t = \beta_0 + \beta_1 EXCR_t + \beta_2 ITR_t + \beta_3 MONS_t + \beta_4 INFL_t + \mu_t \dots\dots\dots 7$$

Balance of payments (BOP) is measured as a percentage of GDP, EXCR is Exchange rate in natural logarithm, Interest rate (ITR) is the lending rate, Money supply (MONS) is also in natural logarithm and Inflation (INFL) is the price level in percentage. μ_t is the error term, β_0 is the parameter constant and $\beta_1, \beta_2, \beta_3, \beta_4$ are parameter estimates or coefficients

Unit Root

The stationarity of the data employed for the analysis is determined using the Augmented Dickey-Fuller (ADF) test and is carried out on the following regression;

Case 1: Constant without trend $\Delta Y_t = \alpha + \gamma Y_{t-1} + \sum_{i=1}^k \beta_i \Delta Y_{t-i} + \varepsilon_t$ 8

Case 2: With constant and trend $\Delta Y_t = \alpha + \lambda t + \gamma Y_{t-1} + \sum_{i=1}^k \beta_i \Delta Y_{t-i} + \varepsilon_t$ 9

Case 3: no constant, no trend $\Delta Y_t = \gamma Y_{t-1} + \sum_{i=1}^k \beta_i \Delta Y_{t-i} + \varepsilon_t$ 10

The Autoregressive Distributed Lag (ARDL) model

The ARDL models used in analyzing econometrics model gained popularity in recent years despite been used for decades due to the work of Pesaran and Shine (1998) and Pesaran, Shin and Smith (2001) as a technique of analyzing the co integrating relationships among variable. The ARDL model is preferably used when the variables adopted for a study/research have mixed stationary that is I(0) or I(1). The ARDL co integration method is used to examine long



run and short run relationships among variables with different order of integration (Pesaran & Shin, 1998 & Pesaran, 2001).

The ARDL (p,q₁,q₂,.....q_k) specification of model is given as;

$$\Phi(L,p)y_t = \sum_{i=1}^k \beta_i(L q_i) x_{it} + \delta wt + ut \dots\dots\dots 11$$

Where (L,p) = 1- Φ₁L - Φ₂L²-.....-Φ_pL^p

$\beta(L,q) = 1 - \beta_1 EXCR - \beta_2 ITR^2 - \beta_3 MONS^q - \beta_4 INFL$, for $i=1,2,3,4$, $ut \sim iid(0; \delta^2)$. L is a lag operator such that $L0yt = Xt$, $L1yt = yt-1$, and wt is a $s \times 1$ vector of deterministic variables such as the intercept term, time trends, seasonal dummies, or exogenous variables with the fixed lags. $P=0,1,2,3,4,m$, $q=0,1,2,3,4,m$, $i=1,2,3,4,k$: namely a total of $(m+1)^{k+1}$ different ARDL models.

The diagnostic tests are run to check for other econometrics criteria. They include the R², Adjusted R², T-statistics, F-statistics, Durbin Watson, using eview 10. In addition, the CUSUM test is also employed to determine the model stability.

A priori Expectation

This research expects exchange rate (EXCR) to have a positive relationship with balance of payments ($\beta_1 > 0$). Interest rate (ITR) is expected to have a negative coefficient ($\beta_2 < 0$). Money supply (MONS) is expected to have a positive relationship with balance of payments ($\beta_3 > 0$) and the coefficient of inflation is expected to be negative ($\beta_4 < 0$).

Sources of data

The data employed for analysis in this study are secondary data, obtained from the Central Bank of Nigeria annual statistical bulletin and World Development Indicator (WDI).

4. Results

Unit Root Test

The result of the unit root test of statistical stationarity is presented in the table below

Table 1: ADF unit root test result

Variable	Constant		Constant and linear trend	
	Level	1 st difference	Level	1 st difference
BOP	-3.905336***	-6.005155***	-3.953076**	-5.906963***
EXCR	-2.590859	-4.603168***	-2.339596	-4.753714***
ITR	-2.634767*	-3.733287***	-4.094172**	-3.454705*
MONS	-1.279357	-3.593819**	0.037693	-3.778829**
INFL	-2.740557*	-4.449048***	-3.944435**	-2.874381

Note: ***, **, * denotes 1%, 5% and 10% level of significance respectively. The lag length was automatically determined by the Schwarz information criteria.

Following the table, the variables under study have mixed stationarity at both level and first difference and suggest the use of the ARDL model as the most appropriate for further empirical analysis.



ARDL Bound test for Co-integration

The null hypothesis of the absence of co integrating relationship among the variables is ascertained through the value of the F-statistics of the Bounds test.

Table 2: Result of ARDL bounds test

Optimal lag structure		F(EXCR,ITR,MONS,INF)	
20.85303		ARDL(1, 1, 4, 4, 3)	
f-statistics	Level of significance	Critical value 1(0)	Critical value 1(1)
20.85303	10%	2.2	3.09
	5%	2.56	3.49
	2.5%	2.88	3.87
	1%	3.29	4.37

Note: 1(0) and 1(1) denotes the critical value of the lower and upper bounds respectively

The value of the F-test is 20.85303 and greater than the 1% critical value of the lower and upper bounds of the ARDL Bounds test for co integration. This evidence portrays the existence of co integrating relationship among the regressed variables in the model. It therefore depicts that the monetary policy variables have influence on Balance of payments in Nigeria in the long run.

ARDL Long-run and Short-run Relationship Analysis

From the presence of long run relationship among the variables in the model, the ARDL long run formand Error Correction Regressionshows the nature of the relationship that exists between the variables in the modelin both the long and short run.

Table 3: ARDL long run Test result

Dependent variable (BOP)				
EC = BOP - (-23.0532*EXCR -0.8997*ITR -1.6034*MON + 0.0389*INFL +144.0090)				
Variable	Coefficient	standard error	t-statistic	(p-value)
EXCR	-23.05317	3.474964	-6.634075	(0.0000)***
ITR	-0.899735	0.262562	-3.426755	(0.0041)***
MONS	-1.603383	0.481279	-3.331502	(0.0049)***
INFL	0.038925	0.090970	0.427888	(0.6752)
C	144.0090	19.29336	7.464174	(0.0000)***

*Note: ***, **, * represents 1%, 5% and 10% levels of significance respectively*

The Table 3 and 4 above displays the long and short run test result. In both the long run and short run, Exchange rate (EXCR) is negative and significant at 1%. This explains that the continuous depreciation of the domestic currency against foreign currencies causes harm to the



Table 4: ARDL Error Correction Result

ARDL ERROR CORRECTION ANALYSIS				
Variable	Coefficient	Standard error	t-statistics	p-value
$\Delta(\text{EXCR})$	-6.364603	1.453253	-4.379557	0.0006***
$\Delta(\text{ITR})$	-0.808831	0.213979	-3.779957	0.0020***
$\Delta(\text{MONS})$	-9.689245	4.689216	-2.066283	0.0578
$\Delta(\text{INFL})$	-0.302073	0.043123	-7.004907	0.0000***
CoIntEq(-1)*	-1.077498	0.082688	-13.03086	0.0000***

Note: ***, **, * denotes 1%, 5% and 10% levels of significance of the probability value of the T-statistics of the variables under study.

balance of payments in Nigeria. This is consistent with the findings of Nwanekezie and Onyiro (2018) who investigated the effect of exchange rate volatility on BOP in Nigeria, using the ECM models. Interest rate (ITR) is negative and significant at 1% in the long run and short run which implies that increase in the interest rate will lead to decrease in the BOP by 0.8%. This result summates that increase in interest rate discourages borrowing, which reduces the rate of investment in the Nigerian economy and stimulates increase in importation to meet domestic demand which worsens the BOP. This is in line with the findings of Onuchukwu, Chukueggu, Nnebee and Wosu (2018). Money supply (MONS) is negative in the long run and short run but only significant in the long run. This demonstrates that increase in money supply, decreases the BOP and attributes to the low level of domestic investment in Nigeria, causing the rise in the supply of money in the economy to lead to increase in the demand for foreign commodities due to the low level of domestic output and a 1.6% decrease in BOP. This proves the theory of the Monetary Approach to Balance of Payments (MABP), which posits that increase in money supply in an open economy leads to deficit BOP and fall in external reserves since the excess money leaks out of the economy through international trade due to the low level of production in the economy, evidencing that Nigeria absorbs more than it produces. Inflation (INFL) is positive and not significant in the long run but negative and significant in the short run at 1% level of significance. This depicts that as the prices of domestic goods and services increases in the country in the short run, the BOP position is worsened because the rise in prices will discourage export and encourage import. This conforms to the findings of Dayo and Akindele (2017).

Diagnostics Test

The diagnostic testing is use to test the explanatory power of the ARDL model through its R^2 , Adjusted R^2 and F-statistics. It also checks for the stability of the parameters, serial correlation, Durbin Watson, Heteroskedasticity of the model.

Table 5: Diagnostics Test

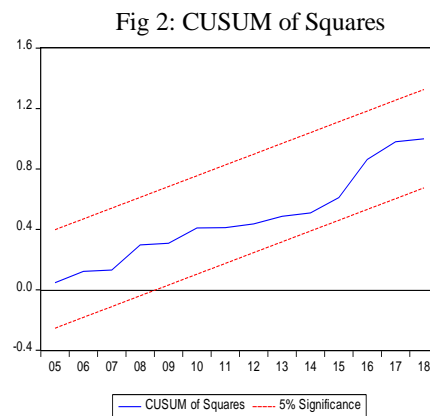
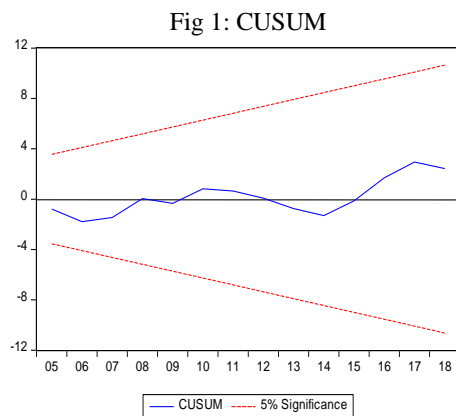
Diagnostics Result			
R-squared	0.9328	Heteroskedasticity Test	0.8979(0.5888)
Adjusted R-squared	0.8904	Serial correlation Test	0.2126 (0.8114)
F-statistics	9.2828(0.000065)***	Durbin Watson	1.9607



From the result above, the R^2 (93%) and F-statistics empirically reveals monetary policy to having significant impact on balance of payments in Nigeria. It further revealed that the model is free from heteroskedasticity and autocorrelation.

Stability Test

The stability test is carried out to check for the stability of the model, using the CUSUM and CUSSUM of Squares test.



The result from Figure 1 and 2 above indicates that the model is stable since the blue line lies within the boundary of 5% significance.

5. Conclusion and Recommendation

The purpose of this study is to determine the impact of monetary policy on balance of payments in Nigeria with the aim of determining the impact of exchange rate, interest rate, money supply and inflation on BOP in Nigeria. Based on the outcome of the empirical analysis, the monetary policy variables in the model are significant in correcting the balance of payments position of Nigeria. The following recommendations are therefore made to promote better utilization of monetary policy variables to tackle the balance of payments crises in Nigeria.

The government should develop export promotion strategies aimed at increasing export and maintaining the value of the domestic currency to prevent further worsening of balance of payments as the depreciation of the Nigerian currency have proven to be ineffective in maintaining balance of payments equilibrium. Increase in domestic income can be used to reduce balance of payments deficits. This can be done by increasing the level of domestic production through lower interest rates to stimulate investment and increase productivity, thereby making the production in the economy to overshadow its absorption and increase export.

The CBN should put adequate mechanism in place to ensure the stability of the prices of goods and services, so that the rate of inflation in the country does not diverge too far from normal. The Central bank of Nigeria should intensify their monitoring of the deposits in other financial



institutions to ensure strict compliance with its guidelines. In addition, institutions that do not comply with the CBN directives should be heavily sanctioned. Reliance on just the use of monetary policies may prove inefficient due to its long transmission mechanism. Therefore, the government and CBN should align the objectives of both monetary and fiscal policies to increase their level of efficiency in the elimination balance of payments deficits and promotion of general economic growth and developments in Nigeria.

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RELATIONSHIP BETWEEN INSTITUTIONAL SHAREHOLDING AND DIVIDEND PAYOUT OF LISTED DIVERSIFIED CONGLOMERATE FIRMS IN NIGERIA

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Abstract

One of the early theoretical predictions in respect of dividends was that dividends payments are irrelevant, and they have no influence on the share price. If there is no influence, a firm can essentially avoid distributing cash (or at least defer payouts for a very long time). However, the practices in Nigerian firms are different as some of the companies distribute entire earnings while some retain the entirety. This study therefore examined the relationship between ownership structure (institutional shareholding) and dividend payout of listed diversified conglomerates in Nigeria. Secondary data of six firms for a period of 10 years (2005-2014) was employed and correlation research design using panel regression technique of data analysis was adopted. The study found that institutional ownership has significant relationship with dividend payout during the period reviewed. The study concludes that ownership structure (institutional shareholding) has significant positive relationship with the dividend payout of the listed diversified conglomerates in Nigeria. The study recommends that the regulators and investors should encourage institutional ownership in the listed diversified conglomerates in Nigeria as this could improve the efficiency and control over the managers by reducing the agency problem.

Keywords: Corporate; Firms; Ownership; Structure.

1. Introduction

Retained profits are among the cheapest source of corporate finance and this makes dividend pay-out decision a critical aspect of modern financial management. Finance literature regarded the retained earnings and the dividends paid the two slices of the same pizza. That is, high payout means a low retention ratio, while low payout means a high retention ratio. As such, while some firms seeking new capital from the capital market, distribute earnings largely, other firms rely on retain earnings largely. Dividend payout decision therefore has been a challenge faced by finance managers because of the conflicting interest among the corporate stakeholders. For example, shareholders usually desire dividend, but managers usually pay or increase dividends to attract investors. That is, dividends are paid because shareholders expect continued dividend growth. Managers believe that dividend payments are necessary to maintain share price and to attract new investors.

Indeed, dividend policy is one of the most complex aspects in finance, and as such corporate dividend policy has attracted attention of management scholars and economists resulting into theoretical modeling and empirical examination (Kapoor, 2009). For instance, firms generally adopt dividend policies that suit the stage of their life cycle; high- growth firms with larger cash flows and fewer projects tend to pay more of their earnings out as dividends. Consequently,



dividend policy of a firm has implication for investors, managers, lenders and other stakeholders (Kapoor, 2009).

For investors, dividends-whether declared today or accumulated and provided at a later date are not only a means of regular income, but also an important input in valuation of a firm. Similarly, managers' flexibility to invest in projects is also dependent on the amount of dividend that they can offer to shareholders as more dividends may mean fewer funds available for investment. Lenders may also have interest in the amount of dividend a firm declares, as more the dividend paid less would be the amount available for servicing and redemption of their claims. The dividend payments present an example of the classic agency situation as its impact is borne by various claimholders. Accordingly dividend policy can be used as a mechanism to reduce agency costs. Moreover, the payment of dividends reduces the discretionary funds available to managers for perquisite consumption and investment opportunities and require managers to seek financing in capital markets. This monitoring by the external capital markets may encourage the managers to be more disciplined and act in owners' best interest (Afza & Mirza, 2010; Nyor & Adejuwon, 2013).

One of the early theoretical predictions in respect of dividends was that dividends payments are irrelevant, and they have no influence on the share price (Miller & Modigliani, 1961). Therefore, if there is no influence, a firm can essentially avoid distributing cash (or at least defer payouts for a very long time). However, the practices in Nigerian firms are different as some of the companies distribute entire earnings while some retain the entirety. Listed companies in Nigeria have no constant dividend payments, the firms use dividend as a signaling device and maintain the market. This prompted a research questions of whether the structure of ownership influence the dividend payments or not.

The main purpose of dividends is giving the incentives to the finance provider (shareholders) of a firm in the fiction as without paying any dividend the shares of the firms would not have any value. In this research, the study examine whether differences in the ownership structure and the identity of the owners, across diversified conglomerate firms in Nigeria explain their dividends payout differences. This is because of the standing research problem that extant studies argue that ownership structure (particularly institutional investors) help to resolve agency problems by monitoring management. Hence, ownership structure may have a positive effect on agency costs, and consequently on dividend policy. Similarly, this study is justified on the fact that dividend policy can be different for different countries because of different tax policies, rules, regulations and different institutions and capital markets.

The major research gap identified by this study is the dearth of empirical studies on the impact of ownership structure on the dividend payout policy in Nigeria. Most of the previous empirical studies in this area have focused mainly on developed economies (mostly foreign based). These studies include Al-Malkawi (2005), Trojanowski (2005), Douglas, Cook, and Jeon (2006), Kumar (2006), Naceur *et al.* (2006), Khan (2006), Mancineelli and Ozkan, (2006), Wallgern (2006), Douglas and Jin (2006), Harjito (2009), Ahmed and Attiya (2009), Obema *et al.*, (2008), Kouki and Guizani (2009), Ramli (2010), Afza (2010), Harada and Nguyen (2011), Afza and Mirza (2011), Hommel (2011), Warrad, Abed, Khriasat and Al-Sheikh (2012), Merzaei (2012), Lina *et al* (2012), Abdullah, Ahmad and Roslan (2012), Gunathilaka (2012), Rim and Aymen



(2013), Al-Nawaiseh (2013), Al-Gharaibeh, Zurigat and Al-Harabsheh (2013), Safdar (2014), Jain (2014), Al-Najjar (2014), Aziz, Richard, Hanen (2015), and Kulathunga and Azeez (2015). Thus, the question raised in this study is ‘what impact does institutional shareholding have on the dividend payout of listed diversified conglomerate firms in Nigeria?’

The main objective of the study is to examine the impact of ownership structure on Dividend payout policy of listed diversified conglomerate firms in Nigeria. However, specific objective is to determine the influence of institutional shareholding on dividend payout of listed diversified conglomerate firms in Nigeria.

2. Literature Review

Dividends payments push corporations to enter the external capital markets for supplementary funding and thus increase the capital market monitoring (Rozeff, 1982; Easterbrook, 1984). However, Demsetz and Lehn (1985), and Shleifer and Vishny (1986) argue that institutional block holders, such as pension funds, insurance companies, investment and unit trusts, and banks, might act as a monitoring mechanism on the firm’s management, consequently reducing in general the need for high dividend payouts.

Zeckhauser and Pound (1990) argue that institutional shareholders are not likely to involve with direct monitoring, due to their arm’s length investment perspective. In fact, institutions generally prefer to encourage firms to pay higher dividends, and so they have to approach the external capital market for future financial requirements. Farinha (2003) suggest that institutions might force companies to pay higher dividends to augment better monitoring by capital markets, especially when they think that their own direct monitoring exercises are inefficient or too costly. In this case, a positive relationship between institutional ownership and dividend payout ratio is expected. Kouki and Guizani (2009) reported that Tunisian firms paid out lower dividends when they had higher institutional ownership, consistent with the effective monitoring role of institutional investors. Contrarily, Abdelsalam *et al.* (2008) documented a positive association between institutional ownership and dividend policy decisions of Egyptian companies. Similarly, Manos (2002) found the impact of institutional ownership on the payout ratios of Indian firms was positive, which is inconsistent with the argument that the ability of institutions in terms of more effective monitoring reduces the need for the dividend-induced mechanism. Indeed, this was consistent with the dividend-induced monitoring preferences of institutions in India, reflecting that greater agency conflicts in the emerging Indian market, hence the level of direct institutional monitoring was inefficient.

Mehrani, Moradi and Eskandar (2011) state dividend policy can use to make a signal on the firm’s future profitability. Short, Zhang and Keasey (2002) identified the institutional shareholder and the dividends as signaling devices. Zeckhauser and Pound (1990) by assuming the institutional shareholder as a credible signal than dividends suggested the negative relationship between dividends and the institutional shareholders. Based on these the signaling theory hypothesizes negative relationship between institutional shareholders and dividend policy (Mehrani, *et al.*, 2011; Ullah, Fida, & Khan, 2012).

Moreover, the free cash flow available in the firm, the manager of the company can have opportunistic behavior by utilizing the cash flows to uneconomical projects. This can be controlled by the dividends (Ullah, *et al.*, 2012). It explains that if there is a negative



relationship between managerial ownership and the dividend, increase in managerial ownership will reduce the dividend and with a positive relationship with institutional ownership will increase the dividend. Through that it is possible to reduce the managerial opportunistic behavior. Eckbo and Verma mentioned that having institutional investors in the company leads to distribute the free cash flow as dividends (Mehrani, *et al.*, 2011). Many studies disclosed the institutional investors' actions would lead to reduce the agency problems. Depending on above mentioned information the agency theory hypothesizes a positive relationship between institutional ownership and dividend payouts by reducing the availability of free cash flow in a company (Ullah, *et al.*, 2012).

Theoretical Framework

The study adopted Dividend Signaling Information Theory as its theoretical base. This theory holds that dividends help to reduce conflicts between management and shareholders and also help to mitigate information asymmetry. According to DeAngelo *et al* (2002), signalling is not a first order determinant of corporate dividend policy. It suggests that the dividend payments express private facts related to future firm profitability when a firm on regular basis pays the dividends (John & Williams, 1985; Miller & Rock 1985). Hence, dividends contain private information and therefore, can be used as a signalling device to influence share price (Bhattacharya, 1979). Existing empirical literature such as Grullon *et al.*, (2005), Grullon, Michealy and Swaminathan (2002) assure that dividend information signalling does not convey the future change in organizational profitability. As such, there are two questions in this regard: if information signalling theory is not able to deliver the future information then why management hesitates to cut the dividends and if organizations cannot sustain increase in future profit then why they pay more dividends? (Lintner, 1956; Adjaoud, 1986; Baker *et al.*, 2006).

However, the dividend signaling propositions is supported by major early empirical works of Lintner (1956), Adjaoud, (1984), Asquith and Mullins (1983) and Healy and Palepu (1988). Nissim and Ziv (2001) for instance reported a positive relationship between changes in current dividends and earnings and the future profitability. In the same vein, a study by Amihud and Li (2006) presented that after 1970s, a response to change in dividends with the change in magnitude of the prices of stocks has declined, which makes firms unwilling to receive costs related to dividend signalling. Their research was coherent with the vanishing dividend phenomenon found by Fama and French (2001) and hence should be taken as a support for theories related to dividend signalling.

According to Shleifer (1986), when there are large shareholders, it creates incentives for them to monitor the firm's management. According to Trojanowski, (2005), the presence of strong block holders or block holder coalitions weakens the relationship between the corporate earnings and the payout dynamics. Kimie and Harada, (2006) states that, firms with high ownership concentration tend to pay lower dividends both in proportion of operating earnings and in proportion of book value of equity. Grinstein and Michaely (2005) found that the preference of institutional investors is for low dividend paying companies; institutions prefer dividend-paying firms to non-dividend-paying firms, but within dividend paying firms, they prefer lower rather than higher. Jayesh and Kumar (2005) concluded that the corporate ownership does not influence the dividend uniformly.



Empirical Review

Obema *et al.*, (2008) examine the effect of ownership structure on corporate dividend policies of a sample of top Egyptian listed companies. Ownership structure was measured by four variables namely; managerial ownership ratio, block-holder ownership ratio, institutional ownership ratio and free float ratio. The results show that only institutional ownership has a significant relationship with dividend policy. One explanation could be that the institutional blockholders voted for higher payout ratios to enhance managerial monitoring by external capital markets.

The study by Kouki and Guizani (2009) analyzed the influence of shareholder ownership identity on dividend policy. This study uses dividend per share as a dependent variable and ownership classes as an independent variables. The results indicate that there is a significantly negative correlation between institutional ownership with the level of dividend distributed to shareholders. This is due to most of cases, institutional investors are banks, and they are either shareholders or debt holders. They prefer paying interests to themselves than distribute dividend to all shareholders. Further, the results also show that the higher ownership of the five largest shareholders leads to the higher of dividend payment. They conclude that dividend rates are higher when there are multiple large shareholders suggesting that these large shareholders dampen expropriation. This evidence strengthens the argument of the positive role of multiple large shareholders in corporate control.

Ramli (2010) investigated the effect of large shareholders and dividend policy of Malaysian companies using panel data from 2002 to 2006. Ownership structure in Malaysia is concentrated; therefore, the relevant agency conflicts to analyze are the one that arises from the relationship between large shareholders and minority shareholders. The result shows that companies make higher dividend payout as the shareholding of the largest shareholder increase. The magnitude of dividend payout is also larger when there is a presence of the substantial second largest shareholder in the company.

Odia and Ogiedu (2010) study payout policy agency conflict and corporate governance in Nigeria. They used dividend payout as a dependent variable, while Firm size, Directors shareholding, Directors salaries and compensation, Leverage, Research and development, Cash flow investment opportunity, Institutional ownership and CEO ownership were used as independent variables. Using the ordinary least square (OLS) model, the study found that Investment opportunity and leverage have significant effect on the dividend payout. Similarly, the investment opportunities and leverage has positive and significant association with the dividend payout. The insider's ownership and institutional ownership have positive and non-significant association with the dividend payout. The cash flow and growth of firm's sales has negative and non-significant association with the dividend payout.

3. Methodology

This study adopted correlation research design to assess the extent of the impact of corporate ownership structure on the dividend policy of listed diversified firms in Nigeria. The choice of this design is based on the fact that it is widely considered in testing relationships among theoretically related variables.



The population of the study comprises of all the six (6) diversified firms listed on the floor of Nigerian Stock Exchange (NSE) Market as at 31st December, 2015, and are operating during the period of the study (2006-2015). The census sampling technique in which all the population members participate in the experiment was applied; hence, the sample size of the study is six (6). The study make use of secondary sources of data through the income statement, the statements of financial position and non-financial information of all the sampled diversified firms, for the period of ten years (2006 – 2015). The choice of secondary data is informed by the quantitative research methodology adopted for the study.

The study employed correlation technique of data analysis for the study. This technique is considered because of its effectiveness in estimating the relationships between two or among more variables, thus, it is consistent with the objective of this study, assessing the impact of corporate ownership structure on the dividend policy of listed diversified firms in Nigeria.

Variable Measurement

Table 1: Measurements of Variable

Variables	Definition/Measurements
Dividend Payout Ratio	Defined and measured as the ratio of total cash share dividend paid to shareholders to total annual profit declared.
Institutional Shareholding	Defined as the total equity ownership by corporate entities and organizations (non-individuals equity ownership). Measured as the ratio of non-individual equity ownership to total equity share capital outstanding.
Performance	Defined and measured as the earnings before interests, taxes and extraordinary items, scaled by total assets.
Growth Opportunities	Defined and measured as the changes in revenue (revenue in year t minus revenue in year t-1) scaled by total assets.
Firm Size	Defined and measured as the natural log of total assets.

Source: Author's Computation, 2015

4. Results

Descriptive Statistics

The descriptive statistics of the data collected for the study is presented and discussed in this section, the summary of the descriptive statistics in Table 2.

The descriptive results in Table 2 show that our measure of dividend payout policy, dividend payout ratio (DVPOR) has an average value of 0.2594 with standard deviation of 0.3149 and

Table 2: Summary of Descriptive Statistics

Variables	Mean	SD	Min	Max	Skew	Kur	N
DVPOR	0.2594	0.3149	-0.8824	0.9714	-0.3398	4.5009	60
INSSH	0.5439	0.2839	0.0923	0.8795	-0.2901	1.6494	60
PERF	0.0426	0.0703	-0.1425	0.2868	0.4322	5.5229	60
GRWOP	0.0464	0.2527	-0.9923	0.5619	-1.0408	7.0095	60
FSIZE	23.7273	1.2083	21.6335	26.0359	0.3212	2.0847	60

Source: Author's Computation, 2015



minimum value of -0.8824 and 0.9714 as maximum value. The mean value indicate that the diversified conglomerate firms' dividend payout ratio is 25.94% (74.06 retention policy), and the standard deviation of 0.3149 signifies that the ratio deviate from the mean value from both sides by 31.49%, implying that there is a wide dispersion of the data from the mean because the standard deviation is large compared to the mean value. The minimum and maximum dividend payout ratios of the firms are loss of -88.24% and 97.14% respectively. This indicates a 100% (0% retention) payment policy during the period covered by the study. The coefficient of skewness of -0.3398 suggested that the data is negatively skewed (did not follow the normal distribution), while the kurtosis coefficient (4.5009) also implies a high peakedness of the data in the distribution.

The results from Table 2 also indicate that on average corporate institutions (INSSH) hold about 54.39% of the equity shares of listed diversified firms in Nigeria, from the mean value of 0.5439 with standard deviation of 0.2839, and minimum value of 0.0923 (9.23%) and 0.8795 (87.95%) as the maximum value. The standard deviation suggests that the data deviate from the mean by 28.39%. The skewness coefficient -0.2901 suggested that the data is negatively skewed (did not follow the normal distribution), the kurtosis coefficient (1.6494) also implies that the distribution of the data is not normal.

Table 2 shows that the average firm performance (PERF) in the listed diversified firms in Nigeria is 4.26%, from the mean value of 0.0426 with standard deviation of 0.0703, and minimum value of -0.1425 (loss of 14.25%) and 0.2868 (28.68%) as the maximum performance during the period. The standard deviation suggests that the performance deviate from the mean value by 7.03%. The skewness coefficient of 0.4322 suggested that the data is positively skewed (did not follow the normal distribution), the kurtosis coefficient (5.5229) also implies that the data is not normally distributed. Similarly, Table 2 indicates that the average growth opportunity (GRWOP) in the listed diversified firms in Nigeria is 0.0464 with standard deviation of 0.2527, and minimum value of -0.9923 and 0.5619 as the maximum growth during the period. This suggests that the average growth opportunity of listed diversified firms in Nigeria during the period of the study is 4.64% and the deviation from the mean 25.27%, while the minimum and maximum growths are -99.23% and 56.19% respectively. The value of skewness -1.0408 suggested that the data is negatively skewed (did not follow the normal distribution), and the kurtosis coefficient (7.0095) also implies that the data is not normally distributed. Lastly, Table 2 shows that the firm size (logarithm of total assets) has an average of 23.727 with standard deviation of 1.2083 and minimum and maximum values of 21.6335 and 26.0359 respectively. The coefficients of skewness (0.3212) and kurtosis (2.0847) imply that the variable did not follow the normal distribution. In view of this, the study applied Shapiro-wilk to test the normal distribution of the data.

Correlation Results

The summary of the Pearson correlation Coefficients of the variables of the study are presented in Table 3 as follows:



Table 3: Correlation Matrix

Variable	DPOR	INSH	PERF	GROP	FSIZ
DPOR	1.0000				
INSH	0.2573 (0.0472)	1.0000			
PERF	0.0696 (0.5973)	0.0952 (0.4694)	1.0000		
GROP	-0.2490 (0.0551)	-0.1704 (0.1931)	0.1261 (0.3368)	1.0000	
FSIZ	-0.3066 (0.0172)	0.0906 (0.4913)	0.0134 (0.9192)	-0.0035 (0.9788)	1.0000

P-Values in Parentheses

Source: Author's Computation, (2015)

Table 3 presents the Pearson correlation coefficients of the variables of ownership structure (institutional shareholding, together with the control variables) and dividend policy (dividend payout ratio) of the listed diversified firms in Nigeria. The table indicates a significant statistical positive association between dividend policy (DVPOR) and institutional shareholding (INSSH) from the correlation coefficient of 0.2573 which is statistically significant at 5% level of significance (from the p-value of 0.0472). This result implies that as equity ownership of corporate institutions increases, the increasing dividend payout policy is used by the listed diversified firms during the period under review.

Moreover, Table 3 indicates a positive association between dividend payout policy (DVPOR) and firm performance (PERF) from the correlation coefficient of 0.0696 which is not statistically significant (from the p-value of 0.5973). This result implies a direct relationship between dividend policy and firm performance during the period, although not statistically significant. The table also indicates a negative relationship between dividend payout policy (DVPOR) and growth opportunities (GRWOP) from the correlation coefficient of -0.2490 which is not statistically significant at 5% level of significance (from the p-value of 0.0551). This result implies that as growth opportunities increases, increasing dividend policy is used by the listed diversified firms. Lastly, Table 3 indicates a significant negative association between dividend payout policy (DVPOR) and firm size (FSIZE) from the correlation coefficient of -0.3066 which is statistically significant at 5% level of significance (from the p-value of 0.0172). This suggests size of the firm is significantly related to dividend payout policy of diversified firms in Nigeria.

Discussion of Findings

Specifically, the study found after controlling for firm size, firm performance and growth opportunities, a significant positive relationship between dividend payout policy and institutional ownership during the period under review. This finding is consistent with Al-Malkawi (2005), Trojanowski (2005), Douglas, Cook, and Jeon (2006), Khan (2006), Mancineelli and Ozkan (2006), Douglas and Jin (2006), Harjito (2009) and Ahmed and Attiya (2009). The findings contradict the findings of Obema et al., (2008), Kouki and Guizani (2009), Ramli (2010), Odia and Ogiedu (2010), Afza and Mirza (2011) and Hommel (2011).



5. Conclusion and Recommendations

The study concludes that institutional shareholding have significant positive relationship with the dividend payout policy of listed diversified conglomerate firms in Nigeria. That is, diversified firms in Nigeria pay dividends to attract foreign and institutional investors. The study recommends that the regulators and investors should encourage institutional ownership and foreign ownership in the listed diversified firms in Nigeria. This could improve the efficiency and control over the managers, by reducing the agency problem.

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**ENTREPRENEURIAL MOTIVATIONS AND MICRO-SMALL BUSINESSES
GROWTH: OPPORTUNITY-DRIVEN AND NECESSITY-DRIVEN
ENTREPRENEURSHIP PERSPECTIVES**

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Abstract

The productive sector in many economies depends on micro, small and medium businesses through self-employment. The decision to become entrepreneurial relies on the national entrepreneurial framework and the individual entrepreneurial motivation among others. This paper explores the impact of entrepreneurship motivation on micro and small firms' growth in a developing economy. This study is based on Porter's Development theory which focuses on factor-driven, efficiency-driven or innovation-driven economies which foster the form of entrepreneurial behaviour demonstrated by the citizens. Two forms of motivations were identified: necessity-driven entrepreneurship and opportunity-driven. Two research questions were raised at $P < 0.05$ level of significance. The study employed quantitative research approach using descriptive survey method with a structured questionnaire to obtain data from 200 self-employed owners of registered micro and small firms in Minna metropolis, Nigeria. Descriptive statistics and Pearson-Moment Correlation were used for the analysis. The finding shows that more people are motivated into entrepreneurship by necessity than opportunity. It also established that there was significant positive relationship between both the necessity-driven and opportunity-driven entrepreneurship and business growth, the positive relationship is at a minimal level. Thus, this suggests that, at least in developing countries, the role of necessity-driven and opportunity-driven entrepreneurship cannot be overlooked. It therefore recommended that effort should be made by government of Nigeria to provide an enabling environment such as social infrastructure, good government policies, aids and grants to foster entrepreneurship in Nigeria.

Keywords: Entrepreneurship, Factor-Driven Economy, Improvement-driven, Necessity-Driven Entrepreneurship, Opportunity-Driven Entrepreneurship.

1. Introduction

The productive sector in many economies depends on micro, small and medium enterprises (SMEs) mainly through self-employment. This why many researchers, governments and policy makers are interested and gave attention to studies on self-employment and SMEs (Parker, 2018). Precisely, they are the back bone of most economy especially during the global economic recessions with its accompanied crunches that motivated people to consider



entrepreneurship as the next option. Entrepreneurship has been perceived as agent of job creation, wealth generation and economic growth (Carree & Thurik, 2003; Acs, 2006; Audretsch, 2012; Doran, McCarthy & O'Connor, 2018), thus individuals being improvement-driven got involved in entrepreneurial endeavour to improve whatever be their present status. An individual's decision to embark on the entrepreneurial journey, in turn, depends on the national entrepreneurial framework and the individual entrepreneurial motivation among others (GEM, 2012; Reynolds *et al.*, 2002). The entrepreneurial framework of a country is very paramount to the extent an individual could achieve entrepreneurially. This study is based on the Development theory focus on the expansion of an economy and structural-transformation procedures (Acs & Virgill, 2009) because the world economy is evident by sweeping structural-change (OECD, 2003). A national framework according to Porter's (1990) development theory, argue that a nation could be factor-driven, efficiency-driven or innovation-driven to foster the form of entrepreneurial behaviour demonstrated by the citizens. Thus individual's environment in pursuit of improvement in life can be motivated of necessity to become self-employed by starting a business to exit unemployment/under-employment and sometimes employ one or more individuals, occasionally still awaiting a government employment. This is referred to as necessity-driven entrepreneurship. While on the other hand, an opportunity may be discovered, proving better than the juicy paid job that is restrictive in demonstrating entrepreneurial acumen often referred to as opportunity-driven entrepreneurship. These two forms of motivations for entrepreneurship seems to have different impact on the growth of the established firms. The context of this study is considered through the lens of development theory (structural change) not the macro level but the stages of economic growth that could drive entrepreneurship in developing countries over a developmental period.

Previous studies have examined the effects of necessity and opportunity-driven entrepreneurs on business growth; on education, gender and occupation; as an agent of economic reconstruction in developing countries (Zali, Faghih, Ghotbi & Rajaie, 2013; Elifneh, 2015; Varghese & George, 2015; Nasiri & Hamelin, 2018; Zheng & Musteen, 2018; Waseem, 2018). However, there seemed not to be a deliberate inquiry into the motivations for entrepreneurship and its impact on micro firms' activities in developing economies context which constituted an existing wide gap. Hence this study investigates the impact of entrepreneurship motivations on micro-small businesses' growth in Minna. In doing this, the basic questions of this study were what is the motivating factor for being self-employed? and to what extent has the motivating factors impacted the micro firms' growth in Minna metropolis in Niger State, Nigeria.

The findings of this study will contribute to the body of knowledge on entrepreneurship motivations in developing economies by identifying the prevailing motivations which will in turn guide the form of empowerment needed by the micro firms' owners to enhance their growth. The remaining part of this study is structured as follows. Section two and three are the literature review and research methodology, section four presents the result of the findings and discussion. Finally, conclusion was drawn and recommendations.



2. Literature Review

Concept of Entrepreneurship

There is no one-hat-fits definition of entrepreneurship till date. Entrepreneurship is a vital tool in achieving economic prosperity (Doran et al., 2018) and a desirable quality that has the capacity to eliminate various forms of evils associated to economic growth, social discrepancies and unemployment (Saeed *et al.*, 2014). It therefore becomes a focal point in many countries vigorously seeking methods and means of promoting entrepreneurship especially through self-employment. In a nutshell, entrepreneurship can be perceived as the introduction of a new business activities into the economy in order to improve the lives of the people and earn an entrepreneurial profit (Adeyeye, 2018). This perception emphasized on 'newness' that is attributed to innovation by ways of introducing new or improved product, process, opening of new market, new source of raw materials or new ways of organisation (Schumpeter, 1934) in distinguishing entrepreneurial activities from non-entrepreneurial businesses. However, Global Entrepreneurship Monitor described it as "any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business (Bosma, Wennkers & Amorós, 2012). Bosma's *et al.* (2012) description explicitly stated the various means by which individual's involvement such as through self-employment and others in the new business activities, hence this study will adopt this submission as the working definition.

Development Theory

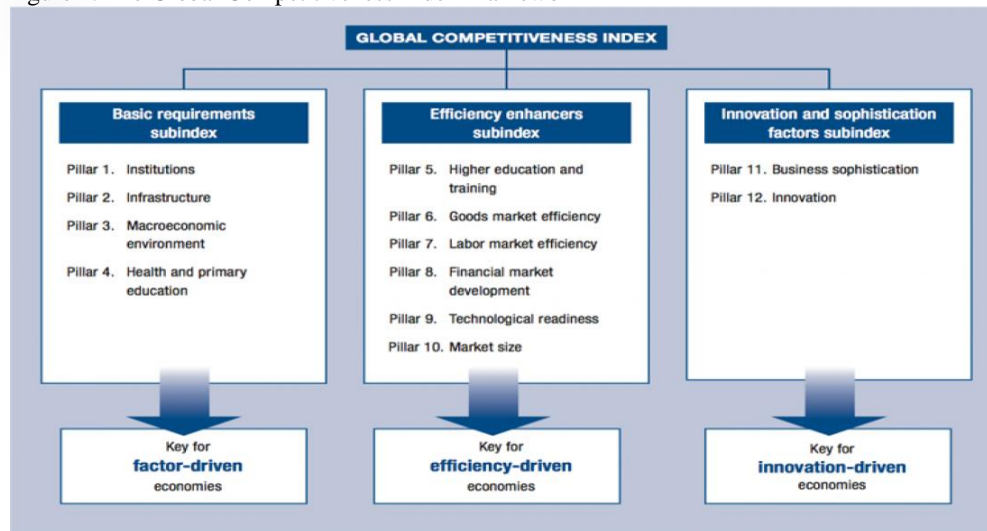
Earlier studies established certain patterns of development as stylized proofs charted by most countries. Prominently, Fisher (1939), Rostow (1959) and Todaro and Smith (2006) argued that at the early stages of economic development, the primary sector (subsistence agriculture and mining) dominate national employment and output, later shifts to the secondary (industrial) sector and finally to the tertiary (general and specialized services) sector as the largest source. By 1990, Porter had a departure from the earlier approach with a modern realities of similar three stages of economic development and countries competitiveness to commence from factor-driven to efficiency-driven and lastly to innovation-driven where transition from one stage to another is obvious.

The factor-driven economies are the least developed, dependent on unskilled labour, subsistence agriculture, endowed with natural resources, sells basic products and low productivity and low wages. The efficiency-driven economies have more efficient products and services while the innovation-driven economies are always producing new or improved products/services predominantly by the Knowledge-Intensive Businesses and service sector. The Global Competitive Report (GCI) (2019) on the twelve pillars of countries competitiveness index (see Figure 1).

A country stage of development affects the motivations for entrepreneurship. The 2019 Report reveals that almost all African countries fell into the factor-driven economy stage. Nigeria ranked 116th out of 141st in 2019 (GHI, 2019). Hence the need to examine the impact of the factor-driven stage of development on Nigeria's entrepreneurial motivations.



Figure 1: The Global Competitiveness Index Framework



Source: *Global Competitiveness Report (2019)*

Entrepreneurship Motivations

Motivation for entrepreneurship is habitually complex and multifaceted. Success and fruition partly depends on individual's decision making, entrepreneurial conditions and motivations (Elifneh, 2015). In view of this, different forms of entrepreneurship may have diverse and important implications for socio-economic development. The Global Entrepreneurship Monitor [GEM] (2017) however, as usual classified the motivations for individual's involvement in entrepreneurship into two: Opportunity-driven and Necessity-driven. Opportunity-driven entrepreneurship is the involvement of certain individuals in entrepreneurial activities because of the opportunities perceived beyond the comfort zone of their present occupation while the necessity-driven entrepreneurship is the situation where an individual is compelled to become entrepreneurial due to triggered or experienced negative events. Nevertheless, whether entrepreneurship by necessity or by opportunity, everything is improvement-driven and could be demonstrated through self-employment.

Similarly, Gelderen and Jansen (2006), and Varghese and George (2015) equally identified two sources of motivation to entrepreneurship from the view point of autonomy. They called it "autonomy motives involving: a proximal motive associated with task characteristics of being self-employed (i.e. decisional freedom), and 'distal motives' for which autonomy is instrumental to avoid a boss or restrictions; to act in a self-endorsed and self-congruent manner; and to be in charge." However, Gelderen and Jansen (2006) submission still points to necessity and opportunity-driven motivations, hence this study is posited on the GEM classification based on Porter's economic development stage theory.

The difference between these two components appears in the studies dealing with the decisional factors of new venture creation and there has been a semantic shift towards the terms necessity



entrepreneurship (push) and opportunity entrepreneurship [pull] (Giacomin *et al.*, 2011). Williams (2007) opined that the classification of entrepreneurial behavior motivations implicitly results from the push-pull concepts which is not necessarily the technology-push or market-pull. The two general profiles of entrepreneurs, necessity and opportunity dichotomy view some entrepreneurs as pushed due to structural factors and others as pulled out of choice (Elifneh, 2015).

Reasons for Differentiating between Entrepreneurial Behaviors Motivations

Four major reasons have been highlighted for distinguishing between opportunity and necessity entrepreneurship (Verheul *et al.*, 2010). First, socio-economic characteristics like age, relevant experience, level of education and so on differ normally between necessity and opportunity entrepreneurs' and has implication for micro-firms growth. Second, the motives for start-up may be consequential to the way a business is managed and for business growth. Third, an interplay exists between the business and entrepreneurship cycles start-up motives as the impact of necessity-driven entrepreneurship was found one third/fourth smaller in magnitude compared to opportunity-driven entrepreneurship (Koellinger & Thurik, 2009). Finally, differential impact exist at different levels and stages, for instance, at the macro level, the impact vary on economic growth and job creation whilst at the micro level, outcomes point to the direction of an inferior performance of necessity entrepreneurs which has significant implication for policy making as with the countries' developmental stages. This is in congruence with Olomi (2009) findings that necessity entrepreneurs have lower ambition when it comes to an orientation towards firm growth. Based on the following argument, this study attempts to differentiate between the necessity and opportunity-driven entrepreneurship.

Necessity-Driven Entrepreneurship

This is the form of entrepreneurship in which an individual undertakes entrepreneurial activities and become self-employed due to immense needs, poverty, unemployment, under-employment, pressure from families and friends, or other marginal or social disasters, when all other options are absent or unsatisfactory (GEM, 2017). These people often lack the connections needed to secure job irrespective of their brilliance and where they are innovative they lack sponsorship or adequate capital for implementation. Adeyeye (2018) described it as "man-must-live" or "last resort" entrepreneurship. Sometimes they lack the skills, interest and knowledge for the particular entrepreneurial project but has to be done out of necessity. Consequently, there is little or no intrinsic motivations than do or die, bound in self-pity when the salary earning colleagues hover around them.

Necessity-driven entrepreneurship is prominent across the globe, many individuals pursue a business activity as an alternative to limited or non-existent wage work, hence, the option to engage in self-employment enable them to take care of their basic family needs. They might be able to set aside some money to ensure their children are properly educated. Zali *et al.*, (2013) and Calderon, Lacovone, and Juarez (2016) asserted that necessity ventures have a lower survival rate, dies early, less profitable and grow slowly than opportunity businesses. This 'face' of entrepreneurship is more dominant in developing countries, the factor-driven economies (Brewer and Gibson, 2014). For instance, a typical case in Nigeria where a University graduate of Electrical Engineering was employed to teach mathematics in a private secondary school from 7.30a.m to 3.30p.m for the sum of ₦15,000 (less than \$42) per month. This is



underemployment, seeking an improvement and no better choices for work, such individual may consider the option of embarking on any form of self-employment and to introduce any form of innovation.

Moreover, necessity-driven entrepreneurship through the establishment of a new firm or self-employment is not always the result of intentional and deliberate act that culminate a rational process of decision making, at times, it begins with the shattering of previous life pattern. That is, “role deterioration” (Collins & Moore, 1964) and “triggering events” (Shapiro, 1971). For instance, being in dangerous and insecure situation, an individual start to play with productive ideas which landed into creation of business for self. This is very common in war like countries and countries like Nigeria where the challenge of insecurity such as activities boko haram militants, banditry, kidnapping, herders/farmers clashes and others that have rendered men and women of calibre to lose their homes and fortunes hence residing in the refugees’ or internally displaced people’s (IDP) camps provided by Non-Governmental Organisations or Government. Essentially, entrepreneurship becomes the next option to cater for their needs than being beggarly, however, not necessarily the preferred occupation (Elifneh, 2015). The necessity-driven entrepreneurship prevalence in factor-driven economies, bottom-of-the pyramid countries like Nigeria in comparison to the opportunity-driven entrepreneurship (Brewer & Gibson, 2014).

Opportunity-Driven Entrepreneurship

Opportunity entrepreneurship depicts start-up efforts to take advantage or exploit an identified business opportunity (Verheul *et al.*, 2010). It is a situation when an individual goes into entrepreneurship because of his traits, skills, interest, and knowledge or identified opportunity. Such individual may abandon the juicy and well-paid employment to set up a new venture or be self-employed to exploit a perceived business opportunity (Adeyeye, 2018). The exploitations for opportunities sometimes commence while still in the paid job (Elifneh, 2015). Furthermore, the inflationary trend of the country makes government work unattractive as it tied the employee down to a ‘peanut’ at the end of the month to a salary that cannot meet the personal and family demands. The risk tendency involved and the personal motivation makes such individual to take a risk to start an enterprise. They are usually well-excited and intrinsically motivated but not always extrinsically motivated except where there are precedence. Opportunity-driven entrepreneurship distinguished the individual’s choice by a desire for self-realization and an attraction to set up an entrepreneurial endeavour to exploit certain business opportunities (Williams & Round, 2009) unidentified or not properly addressed by others in the market. Opportunity-driven entrepreneurs chooses to be entrepreneurial perhaps because of the passion about a project than the paid job. It may be in a quest for autonomy, needs for achievement, innovativeness, proactiveness, liberty to fail, learn and excel, freedom from bureaucracy and employment politicking and/or a locus of control that is suppressed in the paid job. These firms tend to grow faster as they have networks of relationships that can give support for the needed resources for the business to establish and flourish. This form of entrepreneurship is more prevalent in the developed countries with the efficiency-driven or innovation-driven economies where the architecture is set by the government to support entrepreneurship for economic growth but equally not missing in the factor-driven economies of the developing nations.



Relationship between Entrepreneurship Motivations and Micro-Small Firms' Growth in Minna Metropolis

Necessity-driven entrepreneurship is like the opposite of opportunity-driven entrepreneurship and both could begin on the platform of self-employment. Previous studies shows that necessity entrepreneurship have no or little marginal effect on economic development, it generally have fewer employees and lower growth ambition (Poschke 2010). GEM (2017) reported that necessity- driven entrepreneurship are more in low-income countries while Opportunity-driven are more dominant in high-income countries. Developing economies that are factor-driven are notable for meeting the basic economic development requirements with high level of poverty, unemployment and underemployment. For instance, the world poverty clock blog in 2018 and United Nations (2019) declared Nigeria as one of the poorest country with over 90.8million of the population (About 50%) living in abject poverty. Moreover, 55.4% of the youth population of 15-34years old are unemployed/underemployed (Bureau the Statistics Report, 2019). These are indications that Nigeria economy is far from efficiency or innovation but factor-driven thence most entrepreneurs are likely to be necessity-driven. Acs *et al.*, (2005) found the relationship between economic development and necessity-entrepreneurship as being negative in low income countries. However, similarly, Urbano and Aparicio (2016) reported that individuals who are engaged in enterprise due to bad work conditions like unemployment tend to possess fewer endowments, most notably human capital and entrepreneurial capability. These authors found, nevertheless, that necessity entrepreneurship is negatively related to economic growth, given its impact on employment.

Moreover, even though the self-employed contribute to the flexibility and productivity of the overall economy, some could possibly be more productive by working as an employee. An adage says, necessity is the mother of invention, some necessity-driven entrepreneurs hit-the jackpot and have a giant breakthrough that will affect the national economy significantly. As the economy improves, the necessity-driven entrepreneurship gives way to opportunity-driven entrepreneurial activities known as the "U-curve" hypothesis (Wennekers, Van Stel, Thurik & Reynolds, 2005).

3. Methodology

The study employed quantitative research approach using descriptive survey method to obtain data from registered micro and small enterprises in manufacturing, trade and service industry in Minna metropolis. Minna is the State capital of Niger State sharing boundary, culture, language and economy with Abuja the Federal Capital Territory. It has people working in Abuja hence there are many formal and informal institutions. The population of the study is 450 registered firms in Minna. The sample includes 200 owners of micro and small firms. The instrument for data collection was a structured questionnaire on the necessity and opportunity driven entrepreneurship based on GEM survey and Schumpeter theory of innovation. The questionnaire was divided into three sections with indicators: The entrepreneur's demographic profile, the motives for starting personal business and business growth. Growth was measured with Innovation (innovativeness, number of employees and number of new branches within three years (2016, 2017 & 2018). The data were analyzed using descriptive statistic and correlation. The psychometric properties were carried out to establish the validity and reliability



of the instrument which Pearson Moment Co-efficient was 78.4%. Data Collection was done by a team of four within four researchers to six weeks in 2018.

4. Results

The micro and small firms that participated in this survey reflected substantial diversities in bio data that reflects the general features of the respondents in Table 1.

Table 1: Bio data of respondents

Variables	Description	Frequency	Percentage (%)
Gender	Male	137	68
	Female	63	32
Age	Less than 21	14	7
	21-30	52	26
	31-40	73	36.5
	41-50	46	23
	51-60	13	6.5
	60above	2	1
Mean age	36years		
Educational status	No school attended	5	2.5
	Primary school cert.	14	7
	WAEC/NECO	52	26
	NCE/ND	44	22
	HND/BSc	73	36.5
	PGD/MSc/PhD	12	6
Employment status	Self-employed/Personal business	160	80
	Working for private & have my personal business	14	7
	Working for government & have my personal business	26	13

Source: Author, Field Study (2019).

Table 1 presents the gender, age, educational and employment status distribution of the respondents. It revealed that about one-third of the respondents are female, reason may not be far from the indigenous culture that men are breadwinners. However, the female involved are dynamic which is consistent with Nasiri and Hamelin (2018) report that female entrepreneurs, though smaller in population, discover and exploit entrepreneurial opportunities the same way as the male counterparts. Furthermore, about 38% of the respondents are non-graduate with little or no education while the remaining 62% are NCE holders minimally. This suggests that majority were unemployed and thus decided to become self-employed. This finding is in line with Williams and Round (2009) and Verheul *et al.*, (2010) argument that when other options for work are absent or unsatisfactory many people opted for entrepreneurship. The mean age of respondents is 36years which depict that majority are of the working age with young families. They are saddled with economic and social responsibilities that called for the need to be



gainfully engaged in any form of productive work while the nearest option is self-employment. In addition, about 20% of the respondents who are also highly educated are either working in government or private institutions, have equally set up a business endeavour in order to exploit perceived opportunities and improve their status.

Table 2: Personal Business Data

Variables	Description	Frequency	Percentage (%)
Type of business	Service	86	43
	Trade	100	50
	Manufacturing	14	7
Source of starting capital	Personal savings	157	78.5
	Borrowing/donation from friends and families	27	13.5
	Loan	12	6
	Cooperative society	4	2
International financiers	Yes	6	3
	No	194	97
Business startup age	Less than 21	90	45
	21-30	61	30.5
	31-40	41	20.5
	41-50	8	4
	51-60		
	60above		
Experience	Less than 6	72	36
	6-10	59	29.5
	11-15	41	20.5
	16 above	28	14
Shop/building ownership	I rent shop	162	81
	I lease shop	12	6
	I own the shop/building	26	13

Source: Author, Field Study (2019).

Table 2 revealed that majority of the respondent (78.5%) got their starting capital from personal savings while about 14% of the business owners got their starting capital from borrowing/donation from friends and families. This result indicated that personal saving and donation/borrowing from friends and families forms the major source of starting capital for entrepreneurial endeavour in Minna. This is consistent with Nichter and Goldmark, (2009) and Hernandez-Trillo et al., (2005) who found that business owners mostly used their own recourses and savings or those of their family and friend to launch their businesses. The findings also revealed that 97% of the respondents did not receive any form of fund/grant/assistance from international financiers. This shows that majority of the enterprise in the research context in



Nigeria did not receive any form of assistance from international bodies and agencies who facilitates entrepreneurial activities.

Furthermore, the analysis of the result disclosed that the motivation for individual engagement in entrepreneurial activities was partly influenced by individual experience and age. 75% of the respondents have started their business at an age below 31 years. 64% of the respondents have gathered enough business experience (with at least 6 years experience) pertinent to successful growing of their business. This finding is line with Parker's study 1995 that entrepreneurs with at least 7 years of work experience grows their firm more rapidly than those without such experience. Meanwhile, the finding also shows that 29% of the respondents were still looking for alternative government job, signifying a form of dissatisfaction with their enterprise. This implied that they found themselves pushed by necessity into self-employment thus, they did not satisfaction in their enterprise. Also, 52% of the respondents were quite comfortable and satisfied with their self-employed businesses and are not looking for government or wage-paid job. These respondents demonstrated a high level of skills to constantly grow their business and majority of them were motivated into entrepreneurial activities by the gap found in the market which they perceived they have solutions.

Furthermore, the findings reveal that 47% of the respondents went into self-employment because of the need for independence, autonomy, exploitation of business opportunities with their skills and experience and therefore can be classified as opportunity-driven entrepreneurship. This revealed that other factors apart from exploiting market opportunities exist for opportunity driven entrepreneurship, this is contrary to Thurik's (2008) which stressed that opportunity entrepreneurs are only driven by economic factors or market opportunities. Whilst 53% of the respondents chosed other reasons such as unemployment, under-employment and to earn a living, which can be classified as necessity-driven entrepreneurship. There is an insignificant gap between both the necessity driven entrepreneurship and opportunity-driven entrepreneurship.

Three-quarter of the total respondents' businesses operate conventionally and were not innovative. Whereas, One-quarter of the respondents' businesses are highly creative and innovative, doing something productive and different from what other similar businesses are doing or adding values to their product and services. The findings show that four-fifth of the total respondents' businesses are micro-business over the period of three years, and four-fifth owned only one branch over the three years. Moreover, the finding shows that firms that are considered to be necessity-driven contributes less to employment creation as majority of this firms operate on a micro level with one or two numbers of employees and one branch. Unlike those respondents that are opportunity-driven that one-sixth of them have grown there businesses having more than six employees and at least two branches, the finding shows that necessity-driven entrepreneurship have little effect on business growth. This is in consonance with Zali *et al.* (2013) and Calderon *et al.*, (2016) assertion that necessity ventures have a lower survival rate, grow slowly, dies early and are less profitable.

About 15% of the 47% the respondents classified as opportunity entrepreneurs are slightly innovative. European Commission Report (2019) considered entrepreneurship as key to ensuring economic growth and innovation, however, in Nigeria, the macro-economic climate of



the nation and its developmental stage of being factor-driven makes it difficult for entrepreneurship to impact business growth. Thus the impact of both opportunity and necessity –driven entrepreneurship on the business growth is very minimal.

Pearson –Correlation analysis was conducted to establish the strength of relationship between the variables. It also confirmed there is no multicollinearity in the indicators used for the measurement.

Table 3: Pearson-Moment Correlation Coefficient Result

S/N	Variables	1	2	3
1	Business Growth	1		
2	Opportunity-driven	.434**	1	
3	Necessity-driven	.247*	.000	1

Note: **0.01,* 0.05 (2-tailed) level of significance

Source: Authors' Field Study (2019).

Table 3 showed that significant and positive correlation exists between the opportunity-driven entrepreneurship at 0.434 significant at $P < 0.01$, and necessity-driven motive at 0.247 at $P < 0.05$. Thus, a strong positive correlation between opportunity driven motives and micro firms' growth. This argument corroborated Waseem (2018) findings that gross national income per capita, social progress and human development are positively related to opportunity-driven entrepreneurship. Although a weak significant relationship exists between necessity-driven motives and micro-small firms' growth. This suggest that the role of necessity-driven entrepreneurship cannot be overlooked, it provides employment for the owner and reducing unemployment by one or two in Nigeria and consequently, there will be growth (Adeyeye, 2018)

5. Conclusion and Recommendations

This study established that a significant relationship exists between the entrepreneurial motivations and business growth. The developmental stage of the country's economy, whether factor-driven, efficiency driven or innovation-driven has influences the decision to become an entrepreneur even when GCI revealed that most developing countries are factor-driven including Nigeria. Entrepreneurial motivations can be Opportunity-driven or necessity-driven entrepreneurship with consequential impact on small business growth. Conclusively, the study found that majority of the respondents are motivated of necessity to become self-employed. Also, the impact of both opportunity and necessity –driven entrepreneurship on the business growth is very minimal but the opportunity-driven entrepreneurship has more, but with greater tendencies if given the enabling environment. Also, the necessity-entrepreneurship can become opportunity –driven if given the necessary support.

In view of the findings, the following recommendations are made: Effort should be made by the federal Government of Nigeria to provide an enabling environment such as social infrastructure, good government policies, aids and grants to foster entrepreneurship in Nigeria. There should be a monitoring, evaluation and learning unit in the ministries and agencies that are affiliated to micro-small businesses should support the necessity-entrepreneurship to become impactful on



the economy. The State Government should provide motivations for innovation in terms of funding, and free Research and Development (R&D) facilities for opportunity-driven entrepreneurship to maximize their ambitions for business and economic growth. The nation has stayed so long at the factor-driven stage, thus there is need to deliberately put all architecture in other for another level to enhance entrepreneurial motivations in Nigeria.

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APPENDIXES

1. Entrepreneurship Motivations

Variables	Description	Frequency	Percentage (%)
Opportunity driven Entrepreneurship	• I need independence	26	13
	• I lack satisfaction at paid job	11	5.5
	• I love to work for myself	12	6
	• I have skills and experience to exploit perceived business opportunities	43	22.5
Necessity driven entrepreneurship	• I could not get government job/unemployment.	52	26
	• I have to make a living	38	19
	• My salary is not enough	6	3
	• Pressure from families and friends to start one.	10	5
	• Retirement from work		



Variables	Description	Frequency	Percentage (%)
Seeking for job	• Retrenchment from work		
	• Yes	58	29
	• No	104	52
	• Not sure	38	19

Source: Author, Field Study (2019).

2. Business Growth

Variables	Description	Frequency	Percentage (%)		
Innovativeness	• Yes	47	23.5		
	• No	153	76.5		
Number of employees	• 2016	• 0-1	122	61	
		• 2-9	52	26	
		• 10-100	26	13	
	• 2017	• 0-1	113	56.5	
		• 2-9	61	30.5	
		• 10-100	26	13	
	• 2018	• 0-1	109	54.5	
		• 2-9	63	31.5	
		• 10-100	28	14	
	Number of branches	• 2016	• 0-1	169	84.5
			• 2-9	29	14.5
			• 10-100	2	1
• 2017		• 0-1	165	82.5	
		• 2-9	33	16.5	
		• 10-99	2	1	
• 2018		• 1	155	77.5	
		• 2-10	43	21.5	
		• 11-99	2	1	

Source: Author, Field Study (2019).



3. Bio data of respondents

Variables	Description	Frequency	Percentage (%)
Gender	• Male	137	68
	• Female	63	32
Age	• Less than 21	14	7
	• 21-30	52	26
	• 31-40	73	36.5
	• 41-50	46	23
	• 51-60	13	6.5
	• 60above	2	1
Mean age	• 36years		
Educational status	• No school attended	5	2.5
	• Primary school cert.	14	7
	• WAEC/NECO	52	26
	• NCE/ND	44	22
	• HND/BSc	73	36.5
	• PGD/MSc/PhD	12	6
Employment status	• Self-employed/Personal business	160	80
	• Working for private & have my personal business	14	7
	• Working for government & have my personal business	26	13

Source: Author, Field Study (2019).

4. Personal Business Data

Variables	Description	Frequency	Percentage (%)
Type of business	• Service	86	43
	• Trade	100	50
	• Manufacturing	14	7
Source of starting capital	• Personal savings	157	78.5
	• Borrowing/donation from friends and families	27	13.5
	• Loan	12	6
	• Cooperative society	4	2
International financiers	• Yes	6	3
	• No	194	97



Variables	Description	Frequency	Percentage (%)
Business startup age	• Less than 21	90	45
	• 21-30	61	30.5
	• 31-40	41	20.5
	• 41-50	8	4
	• 51-60		
	• 60above		
Experience	• Less than 6	72	36
	• 6-10	59	29.5
	• 11-15	41	20.5
	• 16 above	28	14
Shop/building ownership	• I rent shop	162	81
	• I lease shop	12	6
	• I own the shop/building	26	13

Source: Author, Field Study (2019).

5. Pearson-Moment Correlation Coefficient Result

		Growth	What is the reason for starting your business?	What is the reason for starting your business?
Growth	Pearson Correlation	1	.234**	-.147*
	Sig. (2-tailed)		.001	.037
	N	200	200	200
What is the reason for starting your business?	Pearson Correlation	.234**	1	-.653**
	Sig. (2-tailed)	.001		.000
	N	200	200	200
What is the reason for starting your business?	Pearson Correlation	-.147*	-.653**	1
	Sig. (2-tailed)	.037	.000	
	N	200	200	200

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

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

Source: Author, Field Study (2019).



ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8837.900	2	4418.950	5.701	.004 ^a
	Residual	152685.680	197	775.054		
	Total	161523.580	199			

a. Predictors: (Constant), What is the reason for starting your business?, What is the reason for starting your business?

b. Dependent Variable: Growth

Source: Author, Field Study (2019).



ASSESSING THE DYNAMIC INTERPLAY BETWEEN CONSUMPTION EXPENDITURE, REAL EXCHANGE RATE AND OUTPUT IN NIGERIA: EVIDENCE FROM SHORT RUN AND LONG RUN VECTORS

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Abstract

One of the major determinants of consumption expenditure is per capita income which hitherto depends on price level and exchange rate thereby influencing the level of demand and welfare in an economy. The aim of this study is to assess the interplay between consumption expenditure, real exchange rate and output in Nigeria. Utilizing time series data from 1988 to 2019, the result of ARDL bounds test for co-integration suggests that only when the log of consumption expenditure (LCONSEXP) is a dependent variable that co-movement exist among variables. While, the result of short run estimate shows that real exchange rate, GDP and consumption expenditure are statistically insignificant. However, in the long run, REXCH is statistically significant but negatively related to LCONSEXP whereas GDP is positively related to LCONSEXP but statistically insignificant. Hence, the paper concludes that real exchange rate is a significant determinant of consumption expenditure than the national output thereby recommending for the policies that will ensure stability in the volume of money supply, exchange rate and price level necessary for improved productivity in Nigeria.

Keywords: Consumption expenditure, Exchange rate, Output, Nigeria

1. Introduction

Most of the developing and emerging economies are battling with some macroeconomic challenges ranging from low aggregate demand, dwindling aggregate consumption expenditure, exchange rate volatility with attendant consequences on the level of investments, national output growth and per capita income. Consumption and exchange rate are critical components of economic analysis in emerging economies. The decisions as to the pattern of consumption expenditure and aggregate demand may not be unconnected with the influence of real exchange rate on per capita income and price level in an economy.

Basically, Consumption expenditure is a function of consumer income and price level. Hence, real income and interest rates serve as fundamental determinants of consumption (Bahmani-Oskooee *et al.*, 2015).

Meanwhile, exchange rate is one of the determinants of the purchasing power of a country's currency in relation to another country which also accounts for the domestic currency value and price level in a given economy. However, fluctuation in the real exchange rate affects the strength of purchase in the domestic economy which by extension determines not only consumption expenditure and consumer welfare but also increases the cost of living and the cost of productivity and as well distorts the level of investment and the level of economic growth.



Hence, exchange rates serve as a prominent determinant of consumption in relation to the openness in the economic level of countries (Iyke and Ho, 2017).

The main objective of this paper is to assess the dynamic interplay between consumption expenditure, real exchange rate and national output in Nigeria. The study is motivated by the need to bridge the gap on existing limited literature in this aspect of research. Thus, this paper will be beneficial for policy making inferences, academia, scholars, and businesses alike for both microeconomic and macroeconomic policies decisions.

2. Literature Review

Theoretical Framework

There are several debates on the determinants of consumption pattern and per capita income in an economy. Theoretically, there are many arguments put forward by economists on the determinants of consumption expenditure with respect to other macroeconomic variables. Prominent among the arguments involve the general theory of John Maynard Keynes (1936) which serve as a theoretical guide for this paper.

The Keynesian theoretical construct identify income as a key determinant of consumption and macroeconomic relationship. As stated by Keynes's macroeconomic model, aggregate consumption expenditure is determined primarily by changes in the current disposable income. Hence, real consumption is a function of real disposable income and that as income increases, consumption also tends to increase though not necessarily at proportional rate. In the same vein, the neo-classical consider consumption as the final purpose of economic activity and as well a central measure of an economy's productive success (Ezeji and Ajudua, 2015).

Similarly, Duesenberry (1949) in his relative income hypothesis, maintains that individuals level of consumption and savings is relatively determined more by their incomes rather than their standard of living and that the percentage of income consumed by an individual depends on the level of income distribution thereby suggesting that present consumption is not only influenced by present levels of absolute and relative income but also by levels of consumption attained in preceding periods. Thus, consumption and fixed investment play significant role in influencing economic growth through stimulating the aggregate expenditure as determined by the rate of exchange in an economy.

Empirical Review

A number of studies have investigated the relationship between consumption expenditure and economic growth and as well as other macroeconomic variables in developing economies. Some of these studies include the work of Abdulkarim *et al.*, (2012) that examined the dynamic linkages between economic growth, fixed investment, and household consumption in Malaysia using a Structural Vector Error Correction Model (SVECM) approach. The study revealed that household consumption and fixed investment are significant in influencing the output growth in the short run. While in the long run, there is no significant effect of fixed investment and household consumption on growth with a permanent effect of economic growth on household consumption and investment. Also, Afolabi, Belford, Yemisi and Ehinomen (2016) studied the nexus between exchange rates and economic growth in Nigeria for the period covering 1978 to 2014. Using Ordinary Least Square (OLS) method, the study found that exchange rates



positively and significantly influence economic growth and vice versa, while cointegration test shows a long-run equilibrium among the series. The short-run directional relations exist between the exchange rates and economic growth in the country via Pairwise granger causality tests.

Aslam (2017) investigated how consumption expenditure induce the economic growth from empirical evidence in Sri Lank using time series data from 1975 to 2014 and found that the consumption expenditure positively impacted on the economic growth in the long run which implies that consumption expenditure in Sri Lanka induces economic growth.

Bonsu and Muzindutsi (2017) used a multivariate cointegration approach to examine the macroeconomic determinants of household consumption expenditure in Ghana covering annual time series from 1961 to 2013. Employing vector autoregressive model and Johansen cointegration approach, the study found a significant long-run relationship between real household consumption and selected macroeconomic variables with a marginal propensity to consume of 0.7971, while in the short run, household consumption was only affected by changes in price levels, with a significant effect on the real exchange rate and real economic growth. More so, Ho and Iyke (2017) assessed the effects of exchange rate uncertainty on real consumption in selected Asian countries. Using a flexible dynamic panel data technique, the result shows that exchange rate uncertainty impedes consumption and also have permanent effect than temporal in the long run with immaterial effects in the short run.

Manasseh *et al.*, (2018) employed a modified consumer spending model and data spanning from 1981–2011 to examine the effects of interest and inflation rates on consumer spending thereby investigating the causal relationship between consumer spending, interest and inflation rates. The findings suggest that all explanatory variables account for approximately 93.38% variation in consumer spending, indicating interest and inflation rates and other control variables such as per capita income, indirect tax and savings as important determinants of private consumption expenditure (PCE) in Nigeria.

Otokini *et al.* (2018) evaluated the effect of exchange rate deregulation on manufacturing output performance in Nigeria from 1980 to 2016 and the result shows that exchange rate has a non-significant positive long-run effect on manufacturing industry output while a unidirectional causality runs from exchange rate to manufacturing output using the pairwise Granger causality test.

3. Methodology

This paper used Autoregressive Distributive Lag (ARDL) approach to analyze time series data covering the period from 1988 to 2018. The data were sourced from World Bank Development Indicators (WDI, 2018) with the goal for assessing the dynamic relationship between consumption expenditure, real exchange rate and output in Nigeria,

Model Specification

Adopting the model of Dey and Tareque (2018) in Bangladesh, this paper introduced different variables to assess the relationships among consumption expenditure, real exchange rate and output in Nigeria with the targeted log- linear form specified as follows:

$$LCONSEXP = f(EXCHR, LGDP) \dots\dots\dots 1$$



Where;
 LCONSEXP = log of consumption expenditure
 REXCH = Real exchange rate.
 LGDP = log of GDP (economic growth)

Unit Root Test

This paper used two forms of unit root tests involving the Augmented Dickey Fuller (ADF) and the Phillips-Perron (PP) approaches to identify the stationarity of the variables. The general forms of these tests are expressed as follows:

$$\Delta Y_t = \alpha_0 + \alpha_1 t + \delta_{t-1} + \alpha_i \sum_{i=1}^p \Delta y_{t-1} + v_t \dots\dots\dots 2$$

$$y_t = \alpha_0 + \alpha_1 t + \alpha_1 y_{t-1} + \delta_t \dots\dots\dots 3$$

In this respect, the α represent the parameters of the model, v_t and δ_t are assumed to a white noise, Δy_t implies lag differences of the variable under consideration with p lag. The following hypothesis is used to test the stationarity of the variables.

For ADF $H_0 : \delta_1$ (Null hypothesis), [where $\delta_1 = \rho - 1 = 0$]

$H_a : \delta_1 < 0$ (Alternative hypothesis)

For PP $H_0 : \delta_2 = 0$ (Null hypothesis)

$H_a : \delta_2 < 0$ (Alternative hypothesis)

ARDL Approach to Co-integration Technique

The study adopts ARDL approach for co integration developed by Pesaran *et al.* (2001) to establish the long run relationship among consumption expenditure, real exchange rate and economic growth. The investigation of the unit roots properties using the ARDL techniques is therefore paramount to ensure that none of the variables is integrated of order two. Recent empirical studies have indicated that the ARDL approach to cointegration is more preferable to other conventional cointegration approaches such as Engle and Granger (1987) and Johansen and Juselius (1990).

The ARDL methods test the long run relationship between the variables of interest by computing the F-statistics to identify the significance of the lagged levels of the variables in the error correction form of the underlying ARDL model (Pesaran and Pesaran, 1996).

ARDL Bounds Test model for Co- integration

In carrying out bounds test, the paper used three variables of interest in the model given the null hypothesis that the coefficient of the long run equation is all equal to zero which denotes no cointegration as such, the model will specify only the ARDL short run model. But if the variables are cointegrated then the model is to run or specify the error correction model (ECM) or Vector error correction model (VECM). Hence, the outcome of bounds test determines whether to specify VECM, ECM or ARDL models. Specifying the bounds test co-integration implies carrying out cointegration test on the variables specified in the model taking each as a



dependent variable one after the other to determine which equation is cointegrated so as to estimate VECM or ECM and which equation has no cointegration and then estimate only short run ARDL model.

The coefficient of the ECM is required to have a negative sign necessary to identify the speed of adjustment to the equilibrium in the long run model showing how slowly or quickly the previous disequilibrium is corrected at present. Hence, Bannerjee, Dolado and Mestre (1998) hold that a highly significant error correction term is further proof of the existence of a stable long-term relationship.

The generalized ARDL framework takes the following form:

$$\Delta Y_t = Y_0 + \sum_{i=0}^N \delta_i Y_{t-i} + \sum_{i=0}^N \beta_i X_{t-i} + \varepsilon_{it} \dots\dots\dots 4$$

Where Y_t is a vector and the variables in $(X_t)'$ are purely I (0) or I (1) or co-integrated; δ and β are coefficients, Y is the constant; $i = 0 \dots N$ are the optimal lag orders, ε_{it} is the vector of error terms – is the unobservable zero mean white noise vector process otherwise, called serially independent or uncorrelated.

In simple form, the ARDL modelling approach involves estimating the following conditional error correction models:

$$\Delta \ln Y_t = \beta_0 + \beta_1 \ln Y_{t-1} + \beta_2 \ln I_{t-1} + \beta_3 \ln O_{t-1} + \beta_4 \ln N_{t-1} + \beta_5 \ln E_{t-1} + \beta_6 \Delta \ln Y_{t-1} + \beta_7 \Delta \ln I_{t-1} + \beta_8 \Delta \ln O_{t-1} + \beta_9 \Delta \ln N_{t-1} + \beta_{10} \Delta \ln E_{t-1} + U_t \dots\dots\dots 5$$

The structural lag of the model is determined using the Schwarz Bayesian Criterion. If co-integration is found based on the bound test, the error correction model (ECM) can be estimated. The ECM is a re-parametrization of the ARDL (Asteriou & Hall, 2007). The error correction models (ECM) of co-integration can be specified as follows:

$$\Delta Y_t = \alpha_0 + \alpha_2 t + \sum \Delta Y_{t-k} + \sum \Delta X_{t-k} + \pi e_{t-1} + e_t \dots\dots\dots 6$$

Where; Δ denotes the difference operator, e_t is serially independent random error with zero mean, and π is the error correction term (also known as the adjustment coefficient) derived from the long-run co-integration model. In fact, π tells us how much of the equilibrium error is corrected each period and it is expected to be negative and statistically significant. If $\pi=0$, then there is no adjustment and therefore there is no long run relationship (Pesaran *et al.*, 2001).

4. Results

The modelling on this paper starts with investigation of time series properties using the unit root testing approaches of both Augmented Dickey Fuller (ADF) and Philip Peron (PP) to determine the stationarity of the data either at levels i.e. I (0) or at first difference e.g. I(1).

The result in Table 1 shows that, all the variables are found not to be stationary at levels using ADF except the real exchange rate (REXCH) for PP unit root test as all the variables became stationary in their first difference at 1% level of significance. Hence, the null hypothesis of



Table 1: Unit Root Test Results

Variables	At Level		Variables	At First Difference	
ADF Unit Root Test					
	t-Statistic	Probability		t-Statistic	Probability
LCONSEX	-1.452447	0.5434	Δ LCONSEX	-4.390117	0.0021***
LREXCH	-1.653915	0.7465	Δ REXCH	-5.136023	0.0002***
LGDP	-0.044033	0.9469	Δ LGDP	-5.937689	0.0000***
PP Unit Root Test					
LCONSEX	-1.034640	0.7277	Δ LCONSEX	-13.57265	0.0000***
LREXCH	-3.014374	0.0449	Δ REXCH	-5.135417	0.0002***
LGDP	0.124515	0.9624	Δ LGDP	-5.992070	0.0000***

Source: Researchers' estimation using e-views 9.0. Note: *** denotes rejection of null hypothesis at 1% and 5% level of significance respectively.

individual series having unit root is rejected. This gives room to further test the long run relationship among variables of interest using ARDL bounds test for cointegration.

Table 2: Results of Bounds Test for Cointegration

Dependent variable	F-Statistic	Cointegration	Model to estimate
LCONSEX	$F_{consex} = 5.0471, t_{consex} = -4.2269$	Yes	Estimate ECM
REXCH	$F_{rexch} = 3.1706, t_{rexch} = -1.6532$	No	Estimate ARDL
LGDP	$F_{gdp} = 2.3626, t_{gdp} = -1.8462$	No	Estimate ARDL

Source: Researchers' estimation using E-views 9.0

The result from bounds test for cointegration as presented in Table 2 provides that cointegration exist among variables only when LCONSEX is a dependent variable necessarily to further estimate error correction model (ECM) while REXCH and LGDP has no cointegration with their respective explanatory variables when they stand as a dependent variable each.

Table 3: The Short-run Vector Estimates

Variables	Coefficient	t- statistics	Probability
Dependent Variable: ΔREXCH			
Constant	0.100744	1.523310	0.1402
Δ REXCH(-1)	0.061070	0.299017	0.7674
Δ LGDP(-1)	-0.089491	-0.370489	0.7141
Δ LCONSEX(-1)	0.265924	0.730656	0.4718
Dependent Variable: ΔLGDP			
Constant	0.131304	2.486902	0.0199
Δ LGDP(-1)	-0.169018	-0.876476	0.3891
Δ LCONSEX(-1)	-0.364374	-1.254047	0.2214
Δ REXCH(-1)	-0.221083	-1.355907	0.1873

Source: Researchers' estimation (2019), using E-views 9.0

The result in Table 3 shows that national output as proxied by GDP is statistically insignificant and negatively related to real exchange rate (REXCH) in the short whereas consumption



expenditure (LCONSEX) is positively related to REXCH. This corroborates with the findings of Ho and Iyke (2017).

Also, in Table 3, the result shows that both consumption expenditure and real exchange rate are statistically insignificant and negatively related to GDP in the short run. This implies that both LCONSEX and REXCH cannot determine GDP in the short run.

Table 4: The Long-run Vector Estimates: Results of Error Correction Model (ECM)

Dependent Variable: LCONSEX				
Variable	Coefficient	Std. Error	t-Statistic	Probability
ECM(-1)	-0.686405	0.398106	-1.724177	0.0981
D(LCONSEX(-1))	-0.015971	0.005887	-2.712763	0.0124
D(LREXCH(-1))	-0.169948	0.077441	-2.194539	0.0386
D(LGDP(-1))	0.027230	0.097583	0.279050	0.7827
Constant	0.076439	0.026284	2.908143	0.0079

R-squared = 0.545439
 Adjusted R-squared = 0.531602
 S.E. of regression = 0.111674
 Sum squared resid = 0.286835
 Log likelihood = -124.4044
 F-statistic = 3.034508
 Prob (F-statistic) = 0.000200

Source: Researchers' Estimation (2019), using E-views 9.0

The results in Table 4 indicated that in the short run, the coefficient of LCONSEX is negative and statistically significant. Meaning that, consumption expenditure of the immediate past year has a negative and significant influence of about 0.02% on current consumption expenditure. While, the real exchange rate is also statistically significant but negatively related to consumption expenditure. This implies that effect of exchange rate volatility may distort consumption pattern and this corroborates with the work of Ho & Iyke (2017). But the coefficient of LGDP is positively related to consumption expenditure as in line with the findings of Aslam, (2017)

However, the result also shows that error correction term (ECM) is found to have a negative sign with a coefficient of -0.68 suggesting that a disequilibrium from the previous years is adjusted and corrected at the speed of about 68% in the following year, meaning that the adjustment takes place rapidly.

Diagnostic Tests

The paper employed diagnostic test in order to test for the serial correlation effect of the estimated ECM model with the aid of the Breusch – Godfrey Serial correlation LM test as shown in the table below:

Table 5. Breusch – Godfrey Serial Correlation LM test

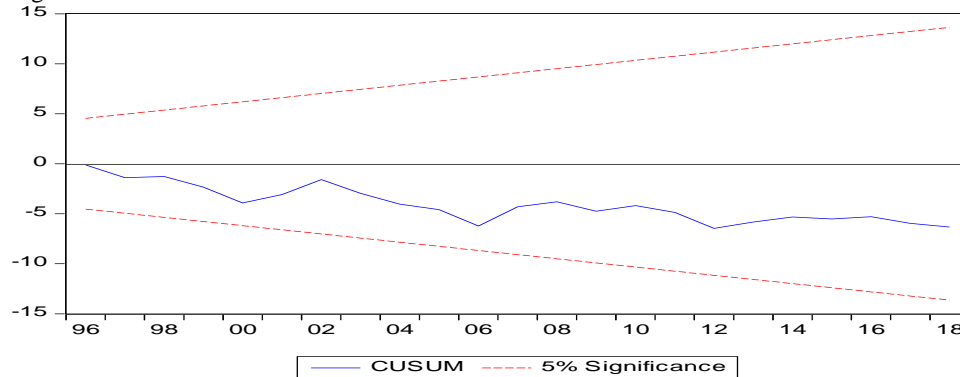
F-statistic	0.523431	Prob. F(1,22)	0.8797
Obs*R-squared	0.29790	Prob. Chi-Square(1)	0.8630

Source: Researchers' estimation (2019), Using E-views 9.0



In Table 5, the serial correlation LM test statistic observed R- squared probability value is 0.2979 which is greater than 0.05 critical values. This suggests that the model is free from the effect of serial correlation.

Figure 1: Cusum Plot of Recursive residuals of ARDL Model



The CUSUM is used for the stability tests of the model. The finding indicates that the parameters of the model used are relatively stable, consistent and reliable. Hence, it lies within the boundary of 5% significance. This implies that the empirical result of this study can be suited for policy inference.

5. Conclusion and Recommendations

The study assessed the dynamic interplay between consumption expenditure, real exchange rate and output in Nigeria. Utilizing the time series data from 1988 to 2019, the result of ARDL bounds test for co-integration suggests that only when the log of consumption expenditure (LCONSEXP) is a dependent variable that co-movement exist among variables. While, the result of short run estimate shows that real exchange rate, GDP and consumption expenditure are statistically insignificant. But in the long run, REXCH is statistically significant but negatively related to LCONSEXP whereas GDP is positively related LCONSEXP but statistically insignificant. Hence, the paper concludes that real exchange rate is a significant determinant of consumption expenditure than the national output thereby recommending for the policies that will ensure stability in the volume of money supply, exchange rate and price level necessary for improved productivity in Nigeria.

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