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MANAGEMENT THEMES

Effect Of Personality Traits On Employees Creativity (A Study Of The Brewery Industry In Nigeria)

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pp 1-11

ABSTRACT

The general objective of the study is to assess the effect of personality traits on employee's creativity in selected brewery industry in Nigeria. The study adopted survey research design method. The sampling frame for the study was created from management staff of six (6) selected Brewery companies listed in the Nigerian Stock Exchange. The sample size of 210 management staff of the six (6) brewery companies was utilized. Multiple regressions were employed as the analytical tool to test the hypotheses. The result shows that there is significant positive relationship between extraversion and employee's creativity (= .192, P = 0.000), significant positive relationship between conscientiousness and employee's creativity (= .219, P = 0.001) and significant positive relationship between agreeableness and employee's creativity (= .152, P = 0.026). In conclusion the personality trait of conscientiousness proves to be the highest predictor of employee's creativity and it is associated with trait adjectives such as dependable, organized, reliable, ambitious, and hardworking. The trait characterizes a person who is achievement oriented, very dependable, and orderly, self-discipline who would like to be unambiguous and rule regulated. Again they are achievement oriented, careful, hardworking, organized and responsible. The study recommended that human resource managers and organizational heads should ensure employees in the labour market -possessing the personality traits of conscientiousness are sort for and employed so as to bring creative to play and improve the performance of Breweries.

Keywords: Personality Traits, Employee's Creativity, Extraversion, Conscientiousness, Agreeableness

Introduction

Advancement in science and technology which is the bedrock of globalization and the advent of a global economy brings people of the world closer together in a work place than ever before. Given this understanding, businesses, even educational systems and other bodies are investigating ways to better serve their constituents. This includes being able to recruit, attract and retain the best and most qualified personnel's that are creative and innovative to the advantage of their organization. Organizations that can develop and employ the necessary policies and procedures to do this will be effective in utilizing scares resources and maintain a competitive advantage among their counterparts.

On recruitment of two persons of the same educational background, same age but have different interests, activities, feelings and thinking, it means there is something different inside them and that is said to be personality (Kasschau, 2000).A diverse workforce stands for diverse individuals personality, gender, race, nationality, ethnicity, region, sexual orientation, income, marital status, work experience, perceptions among others that uphold organizational core values (Mkoji&Sikalieh, 2005).

Creativity and innovation at work are the process, outcomes, and products of attempts to develop and introduce new and improved ways of doing things. It is a necessity in any organization and vital to its successful performance (Neil, Kristina and Jing, 2012). In the workplace innovation and creativity have become increasingly important determinants of organizational success, performance, and survival because as organizations seek to harness the ideas and suggestions of their employees, it is truthful that the process of idea generation and implementation has become a source of distinct competitive advantage (Anderson, De Dreu and Nijstad, 2004; West, 2002a; Zhou and Shalley, 2003) in (Neil., et al., 2012). This vital ingredient (creativity and innovation) are complex and requires skillful personnel's and leadership that possess the required distinct personality traits in order to maximize the benefits of new and improved ways of working, idea generation, and innovation to the subsequent stage of implementing ideas toward better procedures, practices, or products. When the needed personnel with the needed personality traits are in place in the workplace, creativity and innovation can occur at the level of the individual, work team, organization, or at more than one of these levels combined (Neil., et al., 2012).

The five dimensions that describe personality these include; conscientiousness, agreeableness, neuroticism, openness to experience and extraversion commonly referred to as "big five". Conscientiousness is associated with trait adjectives such as dependable, organized, reliable, ambitious, and hardworking while agreeableness has adjectives such as kind, cooperative, sympathetic, helpful, courteous, and warm (Colquitt et al, 2009). Continuing the authors pointed out that openness has to do with curious, imaginative, creative, complex, refined, sophisticated while extraversion is associated with adjective traits such as talkative, sociable, passionate, bold, dominant (Colquitt et al, 2009).

The need for the study points out to the fact that employees in most of our establishments and workplace today is relatively diverse, as common with the Brewery industry, often the wrong personnel's are been recruited either because of the fact that the personnel is highly connected to the directors of the establishment or due to corruption that has eaten deep into the system. This recruitment error often results or causes undesirable tensions and worries in organization because of the negative impact of recruitment error and organization outcomes dwindle.

Although selecting employees on the basis of individual dispositions may have a positive impact on employee attitudes and performance, personality-based employee selection processes are notoriously inaccurate (Arthur et al, 2001). Examination of direct linkages between employee personality dimensions and organizational effectiveness and outcomes is receiving increasing support (Hurtz and Donovan, 2000; Motowidlo and Van Scotter, 1994) as cited in (Neil et al., 2012), what is obscure is the question whether the dimensions of personality traits influences employee's creativity and successful achievement of organizational goals and objectives.

Previous studies on the impact of personality traits on employee's creativity may be more indirect than direct (Barrick et al, 2003; Judge et al, 2003). Relationship of agreeableness and creativity is highly contradictory (Iqra, Rozeyta and Siti, 2016). There are several studies that confirmed the positive relationship of agreeableness with divergent and cognitive thinking that is central part of creativity (Nusbaum and Silvia, 2011; Silvia, et al., 2009; Silvia, et al., 2008)as cited in (Iqra, et al, 2016).

Creativity is considered as the first step toward innovation. Without creativity, no innovation is possible, so to study the relation of personality and innovative behavior, it is important to review the past literature on relation on personality creativity (Amabile 1996) in Iqra, Rozeyta and Siti (2016).

There are number of other writers who confirmed that individuals with high extraversion trait are considered more creative with more intuition and full of divergent ideas (Stavridou and Furnham, 1996; Costa and McCrae, 1985; King et al., 1996; Wolfradt and Pretz, 2001; Furnham and Bachtiar, 2008) in Iqra, et al, (2016). Study of Esfahani et al. (2012) confirmed the positive relationship of conscientiousness with creativity. The study of Batey and Furnham (2006) claimed individuals with high agreeableness are higher in everyday creativity level. Similarly there are several studies that confirmed the positive relationship of agreeableness with divergent and cognitive thinking that is central part of creativity (Nusbaum and Silvia, 2011; Silvia, et al., 2009; Silvia, et al., 2008).

Judging from the past studies on the relationship between creativity and personality trait, it is found that past researchers didn't make concerted or serious effort and authentic attempts to address the effect of personality on creativity. The existing past studies on this relationship, have many flaws, like generalization issues, conceptualization issues, emphasis on organizational creativity, emphasis on innovation from marketing point of view, emphasis on creativity and innovation from entrepreneurial point of view etc.(Iqra, et al, 2016). Therefore, there is a need of authentic empirical studies, investigating the effect of personality traits on creativity through valid measurement frameworks as indicated in this study. The inconsistence result has created a gap in the literature that needs to be filled. Hence this study has presented a good opportunity to examine to what extent some of these personality trait dimensions at play can influence employee's creativity in the context of Brewery industries in Nigeria. Therefore, the study seeks to assess the effect of personality traits on employee's creativity in selected brewery industry in Nigeria.

Review of Related Literature

The Concept of Personality

Personality has to do with individuality, where people differ significantly in the ways they routinely feel, think and act. Personality rests on the observation that people seem to behave somewhat consistently overtime and across different life situations e.g. one would not be characterize a person having a shy personality if that person tended to be dominantly shy and retire only some of the time and on other occasions was frequently observed to be very sociable and outgoing. Personality is a stable set of characteristics that are responsible for a person's identity (Kinicki, 2008). The internal dimension or the primary dimensions of diversity are mostly outside our control but strongly influence our attitudes and our expectations and assumptions about others, thus influencing our behavior (Kinicki, 2008).

The study of personality involves examining factors within the people that causes them to behave consistently as they do.

Personality is an important difference that managers and organizational members need to take into account because realizing for example that an employee complains a lot because of his or personality will help managers and colleagues deal this type of employee's job performance (Kinicki, 2008).

Extraversion

Colquitt et al., (2009) identified five dimensions that describe personality these include; conscientiousness, agreeableness, neuroticism, openness to experience and extraversion commonly referred to as big five. Extraversion refers to the quantity and intensity of energy directed outwards into the social world (Costa & McCrae, 1992). Extroverts are disposed to experience positive emotions, which in turn make them to have more friends and spend more time in social activities compared to introverts. Individuals who are high in Extraversion tend to be sociable, active, talkative, person oriented, optimistic, fun, loving, and affectionate. Individuals who are low in Extraversion tend to show traits of shyness; hence they tend to prefer spending time on their own rather than being drawn to an eventful scene with large groups of people.

Agreeableness

Agreeableness refers to individuals who tend to be trusting, helpful towards others, forgiving, soft hearted, and compassionate (Costa & McCrae, 1992). They again argued that it should be related to happiness because agreeable individuals have greater motivation to achieve interpersonal intimacy which leads to greater levels of well-being. This involves getting along with others in a satisfying and pleasant relationship. Agreeable individuals tend to be philanthropic, good- natured, tolerant and avoid conflict. Quite contrary, individuals who are low in agreeableness tend to be egocentric, pessimistic, suspicious, distrustful, and they also lack the desire to cooperate with others. Past research has found no correlation between agreeableness and overall job performance (Barrick and Mount, 2000).

Conscientiousness

Conscientious is made up four (4) primary factors that define different ways that human beings manage to control their behavior (Costa & McCrae, 1992). They are rule consciousness, perfectionism, seriousness and groundedness. Rule consciousness involves adopting and conscientiously following societies accepted standards of behavior. Perfectionism describes a tendency to be self-disciplined, organized, thorough, attentive to detail and goal oriented. Seriousness involves a tendency to be cautious, reflective, self-restrained and deliberate in making decisions. Conscientiousness refers to individuals who exhibit traits of self-control by means of being capable of planning, organizing, working strategically towards goals, and carrying out tasks (Costa & McCrae, 1992).

Conscientiousness is also the trait that is associated with diligence, self-discipline, punctuality and general competence (McCrae &Costa, 2003). The trait characterizes a person who is achievement oriented. They are individuals who are very dependable, orderly and self-discipline who would like to be unambiguous, rule regulated environment, they are achievement oriented, careful, hardworking, organized and responsible e.g. Accountant, Banker and Administrator, Dutifulness, Achievement-striving, Self-discipline, and Deliberation (Nahid and Hoseyn, 2013).

Subsequent research findings support the notion that expresses that Conscientiousness is the personality dimension that correlates the strongest out of all personality dimensions, with overall job performance, across occupations (Barrick et al., 2001; Hurtz & Donovan, 2000; Mount &Barrick, 1995; Ones &Viswesvaran, 1996; Salgado, 1997;Vinchur et al.,1998) as cited in (Nahid and Hoseyn, 2013).

Table 1: Personality traits

Factors	Positive characteristics	Negative characteristics
Extraversion	Outgoing, talkative, assertive, gregarious	Cautious, retiring, shying
Conscientiousness	Thoughtful, careful, diligent,	Indiscipline, unreliable
Emotional Stability	Steadfast, dependable, stable	Uneasy, depressed, nervous, upset
Agreeableness	Polite, flexible, participative, patient, compatible	Apathetic, hatred, heartless, stubborn, selfish, ambitious
Openness to experience	Wise, creative, innovate, knowledgeable, complex	Simple, without imagination

Adapted from Nahid A and Hoseyn E, (2013).The Relationship between Personality Traits and Job Performance.Interdisciplinary Journal of Contemporary Research in Business. 5(8) PP 322-335.

Empirical Review

Cai, Song and Zhao (2013) conducted an empirical study on the effects of creative personality and job autonomy on individual innovation performance of knowledge workers. Their study examines the effect of job autonomy on the creativity of knowledge workers, compared with the effects of creative personality. They carry out the study with the help of the moderated multiple regression modeling and based on the 267 samples, they studied the crucial influencing factors that affect individual innovative performance and how the job autonomy moderate the creative personalities and hope to do some contributions to the improvement of the individual innovative performance in Sci-Tech SMEs. The result from Model 2 presents that, creative personality shows a significant relation with innovative performance, innovative performance, thereby verifying H1: “Creative personality has a positive effect on innovative performance.

Rothmann and Coetzer (2003) researched on the big five personality dimensions and job performance.

Their Analysis was based on of the product-moment correlations between personality dimensions, task performance and creativity showed that no practically significant relationships existed. The objective of their research was to determine the relationship between personality dimensions and job performance. A cross-sectional survey design was used in the study. The study population consisted of 159 employees of a pharmaceutical company. The NEO-Personality Inventory – Revised and Performance Appraisal Questionnaire were used as measuring instruments. The results showed that Emotional Stability, Extraversion, Openness to

Experience and Conscientiousness were related to task performance and creativity. Three personality dimensions, namely Emotional Stability, Openness to Experience and Agreeableness, explained 28% of the variance in participants' management performance. However, the results of the canonical analysis showed that a combination of emotional stability (i.e. low Neuroticism), Extraversion, Openness to Experience and Conscientiousness explained about 15% of the variance in task performance and creativity.

Nahid and Hoseyn (2013) studied t**he relationship between personality traits and job performance in employees of the ministry of education of kerman.** The data was collected using a questionnaire and analyzed by SPSS software using descriptive and inferential statistics were analyzed at two levels. Results showed that there was a significant relationship between job performance and personality traits, such as personality traits are important components of job performance. The study concluded that, the efficiency and effectiveness of the organizations will significantly improve by considering the mental and personality characteristics of the individuals. Based on the path analysis and the table of the direct and indirect impacts, it is generally concluded that the conscientiousness has the highest influence on the job performance of the employees of ministry of education of Kerman and that the conscientiousness of the individuals should be initially considered in employing individuals.

*Iqra, Yahya and Rozeyta (2013) studied the e***ffect of personality on job performance of employees a study of the banking sector in Pakistan.** This study is investigating that how the personality affects the job performance of employees so that through their personality analysis best performing workforce could be hired for banking sector of Pakistan. Results of the research confirm the hypothesis that personality is a good predictor of performance. Extraversion, Conscientiousness, Agreeableness and Openness to Experience has positive and significant effect on Job Performance of employees while neuroticism has negative effect on task and contextual performance of Employees. The study concluded that an employee with high openness to experience trait perform better at job as compare to others because he works creatively and innovatively that makes his work distinguishing from others

*Tae, Alice and Deog, (*2010*)* examined the relationships between proactive personality and employee creativity in South Korean and the moderating roles of job creativity requirement and supervisor support for creativity in activating proactive personality associated with employee creativity. Procedure Data were collected from the employees of research and development (R&D) teams in various organizations in South Korea. To provide a rigorous test of the hypotheses, we conducted a field study from a sample of 157 employee–supervisor pairs in South Korea. The results revealed that a proactive personality was positively associated with employee creativity. In addition, job creativity requirement and supervisor support for creativity jointly influenced the relationship between proactive personality and employee creativity. Specifically, proactive employees exhibited the highest employee creativity when job creativity requirement and supervisor support for creativity were both high. In addition to the positive linkage between proactive personality and creativity, the most important implication of their findings was that personality did not entirely determine individual creativity, but trait-relevant situational factors also play an important role in accordance with the trait activation theory.

Jeb, Todd and Anne (2017), conduct a research on relating personality and creativity: considering what and how we measure. Their study examined the relationship between creativity and personality trait. It was hypothesized that applying different conceptions and measures would cause variation in the creativity–personality relationship, and that creativity is a complex construct that is conceptualized and measured in multiple ways. The sample size of 224 comprises of undergraduate students and completed six creativity measures, a personality inventory, and a demographic questionnaire. It was found that personality trait predicted more creative production with (R^2 = .277) than creative potential with (R^2 = .176), more self-reported creativity (R^2 = .348) predicted more than that which was externally rated (R^2 = .149). Openness was most consistently and strongly related to creativity, also they found that other personality factors varied in their influence and some demonstrated suppression effects. They concluded that despite relatively small effects of personality on creativity, there appear to be meaningful differences in the relationships depending on conception and measurement.

Scott, Lena, Rachael, Jacob, Jeremy, Jordan and Colin (20*16*) conducted a study on **o**penness to experience and intellect differentially and how it predicts creative achievement in the arts and sciences. The study was conducted in four demographically diverse samples totaling 1,035 participants to investigate the independent predictive validity of openness and intellect by assessing the relations among cognitive ability, divergent thinking, personality, and creative achievement across the arts and sciences. The hypotheses formulated was confirmed and the study found that openness predicts creative achievement in the arts, Intellect predicts creative achievement in the sciences while inclusion of performance measures of general cognitive ability and divergent thinking indicated that the relation of Intellect to scientific creativity may be due at least in part to these abilities. It was found also that Extraversion additionally predicted creative achievement in the arts, independently of Openness. The study concluded that the Big Five personality dimension which comprises openness/Intellect is the trait most closely associated with creativity and creative achievement and that little is known regarding the discriminant validity of its two aspects-openness to experience (reflecting cognitive engagement with perception, fantasy, aesthetics, and emotions) and Intellect (reflecting cognitive engagement with abstract and semantic information, primarily through reasoning)—in relation to creativity.

Methods

The study adopted survey research design method because it allows samples to be selected and a complete representation of the population ensured. The sampling frame for the study was created from management staff of six (6) selected Breweries listed under the Nigerian Stock Exchange. The population of the management staff of the six (6) breweries is 520 (see appendix 1). Based on Yamani's formula of sampling, the sample was determined to be composed of 226 management staff. The questionnaires consisted of 5 items for each trait of 5 point Likert scale adopted from (Burns & Grove, 1993) and amended by Nana (2014). Employee's creativity 5 construct was adapted from (Gillian Rice, 2006) measured on the scale of 5 point Likert scale. Multiple regression was employed to test the hypotheses. This was appropriate because it is a test of relationship between the explained and the explanatory variables so as to ascertain the most predicted personality trait. Test-Retest Reliability test method was employed and a favourable reliable score was obtained from all the items. The result showed in Table 1 proves that the reliability of the adopted research instrument is above 0.7 margin ranging from .871-.902 which is reliable (Seckaran, 2003).

Table 1 Test of Reliability

Measured variable	Mean	Cronbach Alpha	No of Items
Extraversion	3.430	.881	5
Conscientiousness	3.365	.902	5
Agreeableness	3.202	.875	5
Employee's creativity	3.012	.871	5

Source: SPSS Version 21 output
(as computed from Researcher's survey data)

Research Hypotheses

$H0_1$. There is no significant relationship between extraversion and employee's creativity.

$H0_2$. There is no significant relationship between conscientiousness and employee's creativity.

$H0_3$ There is no significant relationship between agreeableness and employee's creativity.

Results and Discussion

Out of the 240 sets of questionnaire administered, two hundred and fifteen (215) were returned, five (5) were not properly filled and two hundred and ten (210) were useable, which is 87.5%. Therefore, the analysis is based on the sample size of two hundred and ten (210) copies.

The demographic information of the respondents revealed that 54.29% of the respondents were males and 45.71% were females. In terms of age, 12.86% of the respondents were in the age group of 18-27 years, 32.86% were in the age group of 28-37 years, 40% were in the age a group of 38-47 years. While 14.26% were above 48 years. The respondents were also classified in terms of marital status. The analysis shows that 66.67% of the respondents were married while 33.33% were single. In terms of educational qualification, 6.67% of the respondents reported that they possess 0' level certificate, 18.71% of the respondents indicate that they have either NCE or OND certificate. Those that have either HND or B.Sc. as their highest qualification were 54.29% of the total respondents. 13.33% reported to be either MBA or M.Sc. certificate holders. Finally, 7.14% of the respondents indicated to have qualifications higher than M.Sc. or its equivalent.

The respondent's opinion to the research questions were capture in appendix 2.

Test of Hypotheses

Table 2: Results of Multiple Regressions of dimensions of Personality trait and Employee's creativity coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1					
(Constant)	67.762	1.825	.192	.519	.691
Extraversion	.261	.020	.219	3.16	.000
Conscientiousness	.242	.040	.152	2.32	.001
Agreeableness	.217	.039		2.31	.026

a. **Dependent Variable: Employee's creativity**

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	
	.912[a]	.831	.724	1.451	.711	78.149	4	205	.000	1.921

a. **Predictors: (Constant), Extraversion, Conscientiousness, Agreeableness,**
b. **Dependent Variable: Employee's creativity**

ANOVA[a]

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	8868.988	4	2170.247		.000[a]
Residual	6357.255	205	31.011	69.98	
Total	15038.243	209			

a. **Predictors: (Constant), Extraversion, Conscientiousness,Agreeableness.**
b. **Dependent Variable: Employee's creativity**

Hypothesis 1: Results of regression analysis are given in Table 2, it shows clearly that for hypothesis 1, given the Beta value (= .192, P = 0.000) indicating that extraversion shows a positive effect on employee's creativity. The result therefore provides sufficient grounds to reject the null hypothesis H01 and the alternate H1 is accepted indicating that there is significant positive relationship between extraversion and employee's creativity.

This finding is in alignment with the assertion of (Rothmann and Coetzer, 2003) that Emotional Stability, Extraversion, Openness to Experience and Conscientiousness were related to task performance and creativity.

Hypothesis 2 Results in table 4.2 shows that for hypothesis 2, given the Beta value (= .219, P = 0.001) implying that conscientiousness has a positive effect with employee's creativity and the value of P=0.010 is less than 0.05 so these results are providing sufficient grounds to reject the null hypothesis H02 and alternate H2 is accepted, proving that there is significant positive relationship between conscientiousness and employee's creativity.

The finding is in consonance with (Nahid and Hoseyn, 2013) and (Esfahani et al., 2012) that there is a significant positive relationship between conscientiousness and employee's creativity. The result contradict the findings of (Rothmann and Coetzer, 2003), whose analysis was based on of the product-moment correlations between personality dimensions, task performance and creativity and showed that there is no practically significant relationships between conscientiousness and employee's creativity.

Hypothesis 3 as evidenced from table 4.2, the Beta value (= .152, P = 0.026), this indicates that Agreeableness has a positive effect with employee's creativity, similarly P=0.026 is less than 0.05 hence providing sufficient grounds to accept hypothesis 3. So null hypothesis H03 is rejected and alternate H3 is accepted. This implies that there is significant positive relationship between Agreeableness and employee's creativity.

This finding is in accord with Iqra, et al., (2013) that extraversion, conscientiousness, agreeableness and openness to experience has positive and significant effect on Job Performance and employee's creativity. These studies (Batey and Furnham, 2006: Nusbaum and Silvia, 2011; Silvia, et al., 2009 and Silvia, et al., 2008) in (Iqra, et al, 2016) claimed individuals with high agreeableness are higher in everyday creativity level and that positive relationship existed between agreeableness employee's creativity reason being that individuals with divergent and cognitive thinking that is central part of creativity. But the result did not align with or contradict the findings of (King et al., 1996 and Feist, 1998) that claim that individuals with the trait of agreeableness don't have the predictive power of creativity.

The model summary shows that the dimensions of personality trait (Extraversion, Conscientiousness and Agreeableness) accounted for .724 (72.4%) variation in employee's creativity. The study of (Wolfradt and Pretz, 2001) and (Esfahani et al., 2012) affirmed that personality trait is positively relationship with employee's creativity.

Conclusion

The study is centered on assessing the effect of personality traits on employee's creativity in selected brewery industry in Nigeria. Based on the analysis conducted it was found that there is significant positive relationship between personality traits dimensions (Extraversion, Conscientiousness and Agreeableness) and employee's creativity. People with high extraversion tend to be sociable, active, talkative, person oriented, optimistic, fun, loving, and affectionate. Individuals who are low in extraversion tends to show traits of shyness; hence they tend to prefer spending time on their own rather than being drawn to an eventful scene with large groups of people.

The personality trait of conscientiousness proves to be the highest predictor of employee's creativity and it is associated with trait adjectives such as dependable, organized, reliable, ambitious, and hardworking. The trait characterizes a person who is achievement oriented. They are individuals who are very dependable, orderly and self-discipline who would like to be unambiguous, rule regulated environment. Again they are achievement oriented, careful, hardworking, organized and responsible. On the negative side, high conscientiousness may lead to annoying fast odiousness, compulsive neatness or workaholic behaviour. Agreeable individuals tend to be philanthropic, good- natured, tolerant and avoid conflict.

The efficiency and effectiveness of the organizations will significantly improve by considering the mental and personality characteristics of the individuals. Based on the multiple regression analysis result, it is concluded that the personality trait of conscientiousness has the highest influence on the employee's creativity in the brewery industry.

Recommendation

It is recommended that human resource personnel, managers and organizational heads should ensure employees in the labour market -possessing the personality traits of conscientiousness are sort for and employed so as to be creative and improve their performance. Since the personality trait of conscientiousness proves to be the highest predictor of employee's creativity, we recommend that the human resource personnel should always look out for applicants with conscientiousness characteristics (Thoughtful, careful, diligent, Steadfast, dependable, stable) during recruitment interviews.

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APENDIX 1

LIST OF BREWERIES	POPULATION	SAMPLE SIZE
Champion Breweries Plc.	**92**	**92/520 *226=40**
Guinness Nig. Plc.	**120**	**120/520*226=52**
International Breweries Plc.	**81**	**81/520*226=36**
Jos International Breweries Plc.	**67**	**67/520*226=29**
Nigerian Breweries Plc.	**90**	**90/520*226=39**
Premier Breweries Plc.	**70**	**70/520*226=30**
TOTAL	**520**	**226**

Source: Sales representatives

Appendix 2

Sampled questionnaire (Personality Traits on Employees Creativity)

Traits A

S/N	Statement	Respondents Choice					Means
		SA (5)	A (4)	U (3)	D (2)	SD (1)	
5	I don't believe I am better than anyone else	58 (27.6)	79 (37.6)	26 (12.4)	21 (10)	26 (12.4)	3.6
6	sometimes I feel unable to cope when I am under a lot of stress	68 (32.4)	74 (35.2)	32 (15.3)	11 (5.2)	25 (11.9)	3.7
7	I see myself as someone who is Outgoing, talkative, assertive, gregarious.	85 (40.5)	84 (40)	25 (11.9)	5 (2.4)	11 (5.2)	4.1
8	I see myself as someone who is reserved	53 (25.2)	53 (25.2)	32 (15.3)	32 (15.3)	40 (19)	3.2
	Mean of means						**3.7**

Source: field work, 2017

Traits B

S/N	Statement	Respondents Choice					Means
		SA (5)	A (4)	U (3)	D (2)	SD(1)	
9	I am proficient person and as such it affects my work.	68 (32.4)	79 (37.6)	26 (12.4)	21 (10)	16 (7.6)	3.8
10	I am an achievement oriented so it has gotten effect on my work.	63 (30)	89 (42.4)	32 (15.3)	11 (5.2)	15 (7.1)	3.8
11	My word is my bond, I always do what I say I will do and the same applies to my work.	95 (45.2)	84 (40)	26 (12.4)	5 (2.4)	- -	4.3
12	I see myself as being thoughtful, careful, diligent and someone who does a thorough job so same applies to my work.	105 (50)	53 (25.2)	5 (2.4)	26 (12.4)	21 (10)	3.9
	Mean of means						**4.0**

Source: field work, 2017.

Traits C

S/N	Statement	Respondents Choice					Means
		SA (5)	A (4)	U (3)	D (2)	SD (1)	
13.	I usually let others chair the discussions in meeting so it at work.	68 (32.4)	79 (37.6)	26 (12.4)	21 (10)	16 (7.6)	3.8
14.	I feel relaxed in the presence of superiors or authority figures and this has improved my confidence at work.	63 (30)	89 (42.4)	32 (15.3)	11 (5.2)	15 (7.1)	3.8
15.	I feel I am Polite, flexible, participative, patient, and compatible and forgive offenders easily so it has an impact in my work.	95 (45.2)	84 (40)	26 (12.4)	5 (2.4)	- -	4.3
16.	I generally cooperate rather than compete with others and this has gotten effect my work.	105 (50)	53 (25.2)	5 (2.4)	26 (12.4)	21 (10)	3.9
	Mean of means						**3.7**

Source: field work, 2017

Employee's creative behavior

		Respondents Choice				
S/N	**STATEMENT**	**SA (5)**	**A (4)**	**U (3)**	**D (2)**	**SD (1)**
17	I experiment with new approaches to doing my job	116 (55.2)	68 (32.4)	11 (5.2)	11 (5.2)	4 (1.9)
18	I am on the lookout for new ideas from all the people with whom I interact as part of my job	100 (47.6)	84 (40)	5 (2.4)	11 (5.2)	10 (4.8)
19	I would like to learn some new skills that will help me to be more effective at work	52 (24.8)	88 (41.9)	35 (16.7)	20 (9.5)	15 (7.1)
20	When new trends develop in my workplace, I am usually the first to get on board	94 (44.8)	63 (30)	26 (12.4)	11 (5.2)	16 (7.6)

Source: field work, 2017

Impact Of Employees Benefits On Organizational Performance: A Study Of Selected Manufacturing Firms In Nigeria

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Abstract

The study examines the impact of employees' benefits on organizational performance: a study of selected manufacturing firms in Nigeria. This study employs loglinearized regression estimates as data analysis technique. Sequel to the nature of the study it adopts a panel data to fully capture the inter-relationship among the variables and also across the selected manufacturing companies. The study covers the period of 2011 – 2015, and adopts secondary data sourced from the various annual reports of the selected manufacturing companies over the study period. The econometric software used for the study is e-views 9. In order to establish the best model between fixed effect and random effect model suitable for our panel data analysis. Hausman Test was adopted. From the result of the test since p-value is 1.00 which is higher than 0.05 we fail to reject the null hypothesis that Random Effect Model is appropriate. The study concludes that Employee benefits when strategically structured, enhances the profitability of manufacturing companies in Nigeria. The suggested that continuous training and development programmes is recommended to boost the competencies of employees in their various functions and operations.

Key words: Benefits, Organizational performance, Motivation, Employee, Manufacturing.

1.0 Introduction

Employees' competencies, intellectual capacities, and innovative skills have been recognised in various industries as important assets of corporate organizations (Jalaini et. al. 2013; Heng, 2012). However, employees' benefits have formed a contemporary business and organizational focus, since the reward system dictates the pace and direction of performance (Hatice, 2012). Employee benefits can be seen as any form of reward provided by the organization other than routine remunerations that are paid for in whole or in part by the employer. Thus the employee benefits become essential if employee satisfaction is to be maintained and employee commitment increased. Employees are the most valuable asset to an organization and they play an important role in preserving the successful image of organization. Employee performance is the main factor in ensuring that the organization is run smoothly and successfully. Good employee performance will improve the organization performance. To maintain a good employee performance, a suitable performance management is needed. According to (2000), a performance management is defined as a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.

In this time of global financial challenges corporations intensify efforts to adequately provide employees with all available resource in order to accelerate their competitive advantage to outperform various competitors both locally and their foreign counterparts. This strategic focus can be delayed or possibly hindered due to lack of motivation in employees or sudden loss of key employees as a result of inadequate compensations and retirement plans. As pointed by Furtado et al. (2009), employee turnover will be reduced when corporations define their employee benefits to the understanding of their employee with timely implementation.

In Nigeria, the situation of employees work condition and benefits vary across sectors and organizations, resulting in high employee turnover and readiness of most workers to move to new organizations or sectors in search of higher benefits, and better work conditions. Consequently, only fewer employees devote their time and skills in the development and productivity of the organization where they were employed. This has led to low performance and inefficiency in many public and private organizations especially the manufacturing sector which should be the prime driver of a developing country like Nigeria. This study therefore is orchestrated to investigate the impact of employees' benefits effects on organizational performance with a focus on selected manufacturing companies in Nigeria.

2.0 Theoretical Literature

2.2.1. Expectancy Theory

The Expectancy Theory of Motivation provides an explanation of why individuals choose one behavioral option over others. The basic idea behind the theory is that people will be motivated because they believe that their decision will lead to their desired outcome (Allen and Myers, 1990). Expectancy theory proposes that work motivation is dependent upon the perceived association between performance and outcomes and individuals modify their behavior based on their calculation of anticipated outcomes (Allen and Myers, 1990). This has practical and positive benefit of improving motivation because it can, and has, helped leaders create motivational programs in the workplace. This theory is built upon the idea that motivation comes from a person believing they will get what they want in the form of performance or rewards. Although the theory is not all inclusive of individual motivation factors, it provides leaders with a foundation on which to build a better understanding of ways to motivate subordinates. Expectancy theory is classified as a process theory of motivation because it emphasizes individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations.

2.2.2. Need Theory

According to Faems et al. (2005), needs-based motivation theory is based on the understanding that motivation stems from an individual's desire to fulfill or achieve a need. Human beings are motivated by unsatisfied needs, and certain lower needs must be satisfied before higher needs can be satisfied. In general terms, motivation can be defined as the desire to achieve a goal, combined with the energy, determination and opportunity to achieve it. The basic premise of the need theory is that people are motivated to obtain outcomes at work that will satisfy their needs. It complements the expectancy theory by exploring the depth at which outcomes motivate people to contribute valuable inputs to a job and perform at high levels. A manager must determine what needs the person is trying to satisfy at work and ensure that the person receives outcomes that help to satisfy those needs when the person performs at a high level and helps the organization achieve its goals. The most basic human needs, represented by food, water, shelter and safety, are considered essential for human existence. Higher-order needs are those associated with social activities, esteem building, and self-actualization or constant self-improvement. Elaborating further on this theory, Jain et al. (2007) stated that each of these needs operates at all times, although one deficient set dominates the individual at any one time and circumstance. The motivation experienced by humans to fulfill these needs is either derived from internal or external factors. People who experience internal motivation are influenced by factors that cause a sense of accomplishment and pleasure, while externally motivated people are commonly influenced by factors controlled by others, such as money and praise.

2.3 Empirical Review

Previous studies on employee rewards policy have consistently found out that there is a strong relationship between rewards and employee performance (Agwu, 2013). This implies that organization's productivity depends on the level of motivation or compensation schemes available. Majority of employees therefore, would wish to equate their output in terms of performance with the level of motivation generated from the incentives they get at workplace.

According to survey conducted by Scot et al. (2010), 42% of the respondents agreed that their organization's total reward system had a positive effect on employee engagement and performance. This is because those organizations that encourage their managers to engage employees and have clear reward criteria foster team work that result into high yields for the organization. This is because rewards provide the much needed stamina that propels performance in the organization. Organizations with poor motivation system tend to perform dismally (Razwan and Ali, 2010).

Research done by Heng, (2012) found out that employee's performance is dependent on the way they are treated in the organization despite high salary. It is a fact that all employees would wish also to be appreciated and feel valued at their workplace. This is what Abraham Maslow referred to as the social affective need at workplace which is a very powerful tool in shaping employees behavior towards better delivery of results. Despite the competing two ideologies on the most effective form of reward which is more significant to employees there is one major consensus that reward controls employees level of motivation and significantly affect organizational performance.

Allen and Helms (2002) in a study, Reward practices and organizational performance in Tennessee, observed that many current reward practices have not been studied to determine whether their rewards are related to organizational performance. This article describes a study undertaken to explore the relationship between reward practices and organizational performance. The findings suggest that a small group of reward practices is linked to greater perceived organizational performance. Suggestions for managers as well as recommendations for further research are provided. In another related study, (Condly et al., 2003) in their study explore the relationship between organizational strategy, reward practices, and firm performance. Researchers have not extensively investigated this potentially important topic. This study presents some initial empirical evidence that supports the notion that different types of reward practices more closely complement different generic strategies and are significantly related to higher levels of perceived organizational performance. Ombui and Wambugu (2013) in their study opine that many best practice models exist that describe successful approaches to reward management which is influenced by the cultural, legal, organizational and administrative challenge's in Islamic world. Thus, the decision in setting and designing reward programs in raising productivity through human effort has always been controversial; studies that were undertaken in numerous countries have shown varying degrees of success of such practices.

Edgar and Geare (2005) stated that, perhaps none of the resources used for productivity in organizations are so closely scrutinized as the human resources. Many of the activities undertaken in an HR System are designed to affect individual or organizational productivity. Pay, appraisal systems, training, selection, job design and compensation are HR activities directly concerned with productivity. Ratho and Rastogi (2008) opine that controlling labour costs and increasing productivity through the establishment of clearer linkages between pay and performance are considered to be key human resource management (HRM) component of competitive advantage.

Methodology

This study employs loglinearized regression estimates as data analysis technique. Sequel to the nature of the study it adopts a panel data to fully capture the inter-relationship among the variables and also across the selected manufacturing companies. According to Draugalis, et al. (2012) panel data embody information of entities across both time and space and measures some quantity about them over time. Panel data estimation could be done using fixed effects model or random effect model. To select the best analysis model, the study utilizes the Hausman-test analysis. The study covers the period of 2011 – 2015, and adopts secondary data sourced from the various annual reports of the selected manufacturing companies over the study period. The econometric software used for the study is e-views 9.

Model Specification

The model adopted for this study is based on the study by Heng (2012) with modifications.

Thus the functional form of the model is given as:

$$ROA = f(EMO, REB) \ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

The mathematical specification is thus:

$$ROAit = \alpha + \beta 1EMOit + \beta 2REBit \quad \ldots\ldots (2)$$

The stochastic variable is introduced to account for the error term.

ROAit = α + β1EMOit +β2REBit + μit ….. (3)

Where: ROAit = Return on Assets: ratio of profit after tax to total assets across the section

EMOit= Employees Motivation: ratio of staff welfare to employee benefit expenses across the section.

REBit= Retirement Benefits: ratio of pension cost to employee benefit expenses across the section.

μ = stochastic variable

Table 1.0 Correlated Random Effects – Hausman Test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	2	1.0000
* Cross-section test variance is invalid. Hausman statistic set to zero.			
** WARNING: estimated cross-section random effects variance is zero.			

Source: e-views 9

α = Intercept

β1, β2 = Coefficients of the variables

Apriori Expectation: Hence, β1 - β2> 0.

Result and Discussion

This section holds the result presentation and discussion of findings.

Hausman test is presented in Table 1.0. This is in order to establish the best model between fixed effect and random effect model suitable for our panel data analysis.

Hausman Test:

Null Hypothesis: Random Effect Model is appropriate

Alternative Hypothesis: Fixed Effect Model is appropriate

Decision Rule: we will accept the null hypothesis if p-value is greater than 0.05 level of significance.

From the result of the test since p-value is 1.00 which is higher than 0.05 we fail to reject the null hypothesis that Random Effect Model is appropriate.

Ordinary Least Squares parameters in panel data are estimated consistently but inefficiently, hence random effect model modifies the result of the cross-correlation between the parameters for a given cross-sectional unit at different points in time (Draugalis, et al., 2012). Having established the best suitable model for the research, the Panel Estimates of Random Effect Model is carried out.

The result of the cross section random model as estimated from Table 2.0 above reveals that R2 is 0.587. This means that about 58.7% of the variation in the Return on Asset (ROA) of the manufacturing companies is caused by the independent variables, while about 41.3% is caused by other factors outside the model, but represented by the stochastic variable. Also, with the F-statistics 2.533430 higher than the Prob (F-Value) of 0.102290, it can be stated that the estimates is acceptable at 5% significant level.

The Panel Radom Effect Model result shows that the independent variable-Employee Motivation (EMO) is positively related to Return on Assets (ROA) with Coefficient of 0.1981. Considering the significance of the relationship, EMO has a p-value of 0.281, which is greater than the acceptable 0.05 significance level, the relationship is therefore insignificant. However, the apriori expectation of positive coefficient was achieved. Retirement Benefit (REB) also showed a positive relationship with Return on Asset (ROA) with a coefficient of 0.1477. A closer view reveals that REB also has an insignificant relationship with ROA with a p-value of 0.2103 which is higher than the 5% significance level.

Discussion

The importance of maximum utilization of human capital in the productivity of corporations in this era of tough competition across the globe cannot be over emphasized. As shown from the reviewed literatures the human capital utilization has been inhibited due to lack of motivation and perceived fear of after active work-life.

Our findings from the analysis show that the two independent variables adopted for this study exhibit a positive relationship with the ROA of the manufacturing companies. The regression result reveals that EMO shows a positive relationship with ROA with a coefficient value of 0.1981. This means that as the companies' incentive and remuneration

Table 2.0 Panel Estimates of Random Effect Model

Dependent Variable: ROA
Method: Panel EGLS (Cross-section random effects)
Date: 09/23/17 Time: 18:14
Sample: 2011 2015
Periods included: 5
Cross-sections included: 5
Total panel (balanced) observations: 25
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.241705	0.022621	10.68500	0.0030
EMO	0.198127	0.179259	1.105259	0.2810
REB	0.147734	0.114486	1.290405	0.2103
		Effects Specification		
			S.D.	Rho
Cross-section random			0.000000	0.0000
Idiosyncratic random			0.023278	1.0000
		Weighted Statistics		
R-squared	0.587198	Mean dependent var		0.200000
Adjusted R-squared	0.413307	S.D. dependent var		0.022361
S.E. of regression	0.021056	Sum squared resid		0.009754
F-statistic	2.533430	Durbin-Watson stat		2.442897
Prob(F-statistic)	0.102290			
		Unweighted Statistics		
R-squared	0.587198	Mean dependent var		0.200000
Sum squared resid	0.009754	Durbin-Watson stat		1.442897

Source: e-views 9

packages increases, profitability also increases. However, the relationship is insignificant, suggesting when all factors is well considered, EMO has the potential to accelerate employee commitment thereby improving the performance of the organization. The positive relationship is in line with the study Edgar and Geare (2005) which asserts that a well-structured employee remuneration and incentive packages spur a larger part of the organizational workforce to productivity. This supports the works of Allen and Helms (2002) that conclude that stringent recruitment processes do not always guarantee employees efficiency during operations but organizational attitude towards the welfare of such employees.

The positive relationship between Retirement Benefit and organizational performance proxy by ROA supports the study by Heng (2012). To Scot et al (2010) the after work-life benefits of employee determines their work change attitude from organization to organization.

Furthermore, the study supports the study Ombui and Wambugu (2013) which concludes that human capital when adequately managed can boost the profitability of corporate organization and gain higher competitive advantage in a time of distress.

Conclusion and Recommendations

In summary, the study has shown that employee benefits and adequate post retirement administration policy and plan in an organization form a lubricant that triggers the efficiency and effectiveness of employees towards the productivity of corporations. This is critical as most employees desire to put in their best in a system that has the highest welfare feedback mechanism. Although the vast majority of literature on employee benefits during and after active-work life is heterogeneous, our study supports that organizational commitment to better the living standards of their employees reflects in the increased productivity and better performance of such organization.

In light of the above, the study therefore concludes thus:

i. Employee benefits when strategically structured, enhances the profitability of manufacturing companies in Nigeria.

ii. Tough international competition faced by manufacturing companies in Nigeria due to trade liberalization, can be turned to good opportunity when the intellectual capacity of the employees and well utilized.

iii. Absence and low incentive packages for employees have resulted to dwindling of profits and performance of most manufacturing companies in Nigeria.

iv. Many manufacturing companies in Nigeria are yet to incorporate employees benefit in their strategy to outwit competitors.

Following the findings above our recommendations are thus:

I. Periodic and extensive meetings with the employees on the issue of incentives and pay packages are recommended.

ii. Equity in recommendation and promotion of effective employees is advocated to reduce inefficiency among workers due to bias mind/treatment.

iii. Continuous training and development programmes are recommended to boost the competencies of employees in their various functions and operations.

iv. The incorporation of employee benefit in the organization as an effective strategy to gain competitive advantage is advocated.

These recommendations we believe will increase the utilization of human capital in employees and increase the level of productivity of the manufacturing companies in this time of tough challenges and economic recess.

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APPENDIX

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	2	1.0000

* Cross-section test variance is invalid. Hausman statistic set to zero.
** WARNING: estimated cross-section random effects variance is zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
EMO	-0.198127	-0.198127	0.000000	1.0000
REB	-0.147734	-0.147734	0.000000	1.0000

Cross-section random effects test equation:
Dependent Variable: ROA
Method: Panel Least Squares
Date: 09/23/17 Time: 18:15
Sample: 2011 2015
Periods included: 5
Cross-sections included: 5
Total panel (balanced) observations: 25

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.241705	0.022621	10.68500	0.0000
EMO	-0.198127	0.179259	-1.105259	0.2836
REB	-0.147734	0.114486	-1.290405	0.2132

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.187198	Mean dependent var	0.200000
Adjusted R-squared	-0.083736	S.D. dependent var	0.022361
S.E. of regression	0.023278	Akaike info criterion	-4.451115
Sum squared resid	0.009754	Schwarz criterion	-4.109830
Log likelihood	62.63894	Hannan-Quinn criter.	-4.356457
F-statistic	0.690935	Durbin-Watson stat	1.442897
Prob(F-statistic)	0.659854		

Source: e-views 9

Dependent Variable: ROA
Method: Panel EGLS (Cross-section random effects)
Date: 09/23/17 Time: 18:14
Sample: 2011 2015
Periods included: 5

C	0.241705	0.022621	10.68500	0.0030
EMO	0.198127	0.179259	1.105259	0.2810
REB	0.147734	0.114486	1.290405	0.2103

Effects Specification

	S.D.	Rho
Cross-section random	0.000000	0.0000
Idiosyncratic random	0.023278	1.0000

Weighted Statistics

R-squared	0.587198	Mean dependent var	0.200000
Adjusted R-squared	0.413307	S.D. dependent var	0.022361
S.E. of regression	0.021056	Sum squared resid	0.009754
F-statistic	2.533430	Durbin-Watson stat	2.442897
Prob(F-statistic)	0.102290		

Unweighted Statistics

R-squared	0.587198	Mean dependent var	0.200000
Sum squared resid	0.009754	Durbin-Watson stat	1.442897

Source: e-views 9

The Impact Of Managerial Decision Making Process On Organizational Performance: A Study Of Nigerian Breweries Plc And Guinness Breweries Nigeria Plc Lagos.

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ABSTRACT

The paper examines the impact of Managerial decision making process on Organizational Performance attainment with a study of Nigeria Breweries plc Lagos and Guiness Breweries Nigeria plc Lagos. The study adopted an empirical survey method with a view of eliciting relevant data for analytical purpose so as to answer several questions and attain the objectives of the study. Both primary and secondary sources of data collection were utilized for the study. Specifically for the primary source, five-point liker traiting scale questionnaires were used in obtaining the opinions of the respondents (i.e. strongly agree, 5, agree, 4, undecided, 3, disagree, 2, and strongly disagree, 1). Two hypotheses were formulated and analyzed using Multiple Regression test. The study findings revealed that managerial decision making process adopted by Breweries firm i.e. programmed decision, non-programmed decision, and group decisions amongst others have impacted on the performance output of the organization in Nigeria. Second, finding revealed that judgment shortcuts, systematic biases, errors allowed by decision makers and managers have significantly distorted quality of managerial decision making processes on Performance attainment for the two Breweries manufacturing companies. The judgment shortcuts, errors are; overconfidence bias, conformation bias, anchoring bias, availability bias, randomness error, winners curse, hindsight bias, base rate bias, loss aversion bias and risk aversion bias amongst others. The study recommendation is that for appropriate decision making process, managers should endeavor to obtain appropriate and adequate information before embarking on decision process if good results are to be obtained from the decision outcomes and to avoid distortion and errors that would emanate at the end of the day. Secondly, decision makers and managers should practice transparency, fairness, equity and honesty base practices and apply them in all their dealings religiously such that the quality of the decision made would stand the taste of time and enable high performance output attainment by Breweries manufacturing organization.

KEYWORDS: Managerial Decision, Organizational Performance, Systematic

1.1 INTRODUCTION

Several decisions are made by career managers on a daily basis. The more those decisions are made, the more managers acquire expertise but at the same time, they are confronted with problems. A problem is however a situation that could prevent the organization from reaching its goals. Aluko, Odugbesan, Gbadamosi and Osuagwu, (2007). A decision is the choice made from two or more alternatives. Langton, Robbins and Judge (2010) highlighted that, decision making occurs as a reaction to a problem or an opportunity. A problem is a discrepancy between some current state of affairs and some desired state, requiring consideration of alternative courses of action. An opportunity occurs when something unplanned happens, giving rise to thoughts about new ways of proceedings.

Mcshane and Glinow (2004) maintain that decision making happens at all levels of an organization. For instance, top managers determine their organizations goals, what products or services to offer, how best to finance operations or where to locate a new high-Tech research and development facility. Middle and lower-level managers determine production schedules, select new employees, and decide how pay raises are to be allocated. Non managerial employees also make decisions such as whether to come to work on any given day, how much effort to put forward once at work and whether to comply with a request made by the managers. In recent times, non-managerial employees are empowered with authority to make decisions about initiating some new projects showing certain customer-related problems without consulting their managers.

Decision making process by organization is meant to arrive at the best suitable alternative and choice which is desirable to move the organization to attain its goals and objectives. Performance level in business management is affected if the quality of decisions taking and judgment procedures and processes are distorted by judgment shortcuts, systematic biases and errors. This has been a prominent trend and feature of most business organization leading to low performance level since decision makers and managers are perpetually making mistakes of imbibing on some of the following errors that stand as barriers against effective decision making process that subvert the attainment of organizational goals and objectives. Some of these systematic errors and judgment shortcuts include; overconfidence bias, anchoring bias, confirmation bias, availability bias, escalation bias, randomness bias, winners curse bias, hind sight bias, base rate bias, loss aversion bias, risk aversion bias amongst others. The researcher therefore wants to examine and see how these would lead to low performance output of organization since various types of decision programme under various conditions are advanced by organization executive management to facilitate goals and objective attainments.

1.3 RESEARCH OBJECTIVES

The study specifically aims at the following:

1. To determine the impact of various managerial decision making types adopted by Breweries Manufacturing Companies in Nigeria on performance of the company.

2. To examine the impact of various judgment shortcuts, systematic bias and errors allowed by decision makers (managers) in distorting the quality of managerial decision making process on the performance Breweries Manufacturing Companies in Nigeria.

1.4 RESEARCH QUESTIONS:

The following research questions have been formulated to guide the study: -

1. To what extent is the impact of various managerial decisions making types adopted by Breweries Manufacturing Companies in Nigeria on performance of the company.

2. To what extent is the impact of various judgment shortcuts, systematic bias and errors allowed by decision makers (managers) in distorting the quality of managerial decision making process on the performance Breweries Manufacturing Companies in Nigeria.

1.5 RESEARCH HYPOTHESES:

To guide the researcher in the achievement of the objective of this study, the following research hypotheses were stated in the null form;

Ho1: The types of managerial decisions making processes adopted by Breweries organization have no significant impact on the performance of the organizations in Nigeria.

Ho2: The judgment shortcuts, systematic biases and errors allowed by decision makers (managers) have not significantly distorted the quality of managerial decision making process on performance of Breweries Manufacturing organization in Nigeria.

1.6 REVIEW OF RELATED LITERATURE:

1.6.1 THE CONCEPT OF DECISION MAKING

Daft (2008) defined decision making as the process of identifying problems and opportunities and then resolving them. Decision making involves efforts both before and after the actual choice for instance, the decision as to whether to select a candidate requires the accounting manager to ascertain whether a new junior auditor is needed, determine the availability of potential job candidates, interview candidates to acquired necessary information, select one candidate, and follow up with the socialization of the new employee into the organization to ensure the decision's success.

Mcshane and Von Glinow (2000) see decision making as a conscious process of making choices among one or more alternatives with the intention of moving toward some desired state of affairs. For example, decisions such as applying new technology to web site development required the creative exploration of previously untested ideas. Decisions occur in response to problems or opportunities. A problem is a deviation between the current and desired situation. It is the gap between "what is" and "what ought to be". An opportunity is a deviation between the current expectations and the recognition of a potentially better situation that is neither planned nor expected. In other words, decision makers realized that certain decisions may produce results beyond current goals or expectations. For example, the internet has been discovered as an opportunity because it offered a new and potentially better ways to sell books. The internet technology has made possible to offer more products and to customize the shopping experience more effectively than was previously possible. As noted by Stoner et al (2000), Daft (2008), management decisions fall into one of two categories; Programmed and Un-programmed decisions.

a) Programmed Decisions are routine and repetitive decisions that are associated with standardized decision rules. They are made in accordance with written or unwritten policies, procedures, rules, regulations, that simplify decision making in recurring situations by limiting or excluding alternatives. For example, managers rarely have to worry about the salary range for a newly hired employee because organizations generally have a salary scale for all positions. Routine exist for dealing with routines problems. Programmed decisions are used for dealing with recurring problems, whether complex or uncomplicated. If a problem recurs, and if its component elements can be defined, predicted, and analyzed, then it may be a candidate for programmed decisions making. For example, decisions about how much inventory of a given product to maintain can involve a great deal of fact finding and forecasting, but careful analysis of the elements in the problem may field a series of routine, programmed decision.

i. Decision taken by Economic and Financial Crimes Commission (EFCC) to try erring Chief Executives of Parastatals, banks on corruption matters is programmed decision.

ii. The same is the case of General Muhammad Buhari position to try corrupt past leaders who fraudulently made away with government funds illegally such as Deizaine Allison Madueke is programmed decision.

iii. Decision by church councils to punish erring members that contravenes the existing body of laws and regulations governing the operatives of church administration contrary to Ten Commandments can be likened to be programmed decision.

b) Non-programmed Decisions deals with unusual or exceptional problems. If a problem has not come up often enough to be covered by a policy or is so important that it deserves special treatment, it must be handled as non-programmed decisions. Problems such as how to allocate an organization resource, what to do about a failing product line, how community relations should be improved in-fact, most of the significant problems a manager will face usually require non programmed decisions. How to design and market newer, more advanced basketball shoes is an example of non-programmed decisions.

1.6.2 ORGANIZATIONAL PERFORMANCE MEASUREMENT CRITERIA:

Gbadamosi (1995) observed that goal setting is generally intended to guarantee some minimum level of performance. The only way to ensure that efforts are being geared towards goals is to evaluate performance periodically and relate the measurement to the set goals. Performance measurement is, therefore, fundamental to the success of goal-setting because it;

a) Provides a feedback on current performance.

b) Highlights area of deficiency.

c) Shows the level of discrepancy between actual and desired performance.

He identified some of the commonly used criteria's in organizational research for measuring performance as follows: -

1. Productivity or Output: -It remains one of the widely used criteria for determining organizational

effectiveness. It is typically measured with actual output data. It has however, been widely criticized. It is said to ignore the environment of the organization and its coping ability. This criterion also emphasizes the end-product, while ignoring the means to the end. Critics also point out that this criterion reflects past effectiveness, while saying nothing about the present or future. Again, while the productivity indices are being used, the current condition might have changed. Lastly, the quality and efficiency of production are played down.

2. Goal Attainment: - This is complicated by the tendency of goals to change, to be vaguely stated, or to exist in sets at different levels. Also, because there are multiple goals, some will be in conflict. However, goals need to be evaluated before use, since; for instance, it would be misleading to talk of effectiveness in attaining wrong or inadequate goals.

3. Profitability: - This criterion is based mainly on accounting data. This is often affected by unanticipated fluctuation, external to the system, such as markets, sales and prices.

4. Morale, Turnover, Absenteeism: - This criterion has been criticized as inconsistent, insignificant and difficult to evaluate and interpret. Another problem is their differential sensitivity to additional factors, such as the nature and volume of work, organizational level and time of occurrence.

5. Employee Satisfaction: - It is usually measured by a self-report questionnaire. It is obviously subjective. More important, however is the fact that it does not necessarily lead to organizational effectiveness and ineffectiveness.

6. Employee Performance: - It is often measured by the employee or supervisory rating, but is often subjective and sometimes biased (McFarland, 1979). There are also several primary evaluation criteria which include the following most frequently cited ones:- i) Flexibility ii) Adaptability iii) Absence of organizational strain iv) Successful acquisition of scarce and valued resources v) Survival vi) Control over environment vii) Sense of identify viii) Capacity to test reality ix) Optimal balance of integration and differentiation x) Open communication xi) Psychological commitment xii) Growth xiii) Employee acquisition and retention xiv) stability xv) creativity xvi) Societal values xvii) Interpersonal relations xviii) Interdepartmental relations xix) Cohesion, efficiency and support xx) Conformity and institutionalization xxi) Simultaneous achievement of high production-centered and high people centered enterprise xxii) Anxiety xxiii) Manpower utilization xxiv) Development

2.0 METHODOLOGICAL FRAMEWORK:

The research design technique adopted in the study investigation was largely quasi experimental. This places the premium on simple survey. The population of the study consisted of two (2) Breweries companies in Nigeria. These are the Nigerian Breweries Plc Iganmu Lagos with employees' population of 2,360 and Guiness Breweries Nigeria Plc Lagos with employees' population of 1,332. This altogether makes a total employees population size of 3,692 as at December, 31st 2016.

The selection of the Breweries companies bordered on the factors such as size, age, assets base and scope of operation; hence these Breweries firms have earned a long standing reputation and track records in the sector. The choice of the companies employed a judgmental sampling technique. This is also known as purposive sampling. Judgmental sampling uses a deliberate effort to obtain representative samples by including typical groups or areas in the sample. Most of the time, the sampler relies on an expert's judgment of what is a credible criterion for picking the sample units, Akpa (2011). In this case two (2) big Breweries companies in Nigeria are taken as the population in which sample will be drawn from the sector.

Both primary and secondary sources of data collection are employed. The primary sources of data collection especially questionnaire, i.e. 5 point Liker rating scale questionnaire of Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D) and Strongly Disagree (SD) were administered to obtain viable information on the subject under investigation which is “The Impact of Managerial Decision Making Process on Organizational Performance Attainment: A Study of Nigerian Breweries Plc and Guiness Breweries Nigeria Plc Lagos” (Liker, 1967). The secondary sources of data made use of Annual Reports and Financial statements.

To scientifically generate a sample size, the Taro Yamane's (1964) formula was applied. According to Baridam (2001) the formula can be used for a homogeneous population like the one in this research. The formula is stated below;

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

e = level of significance.

N = Population size

1 = Constant value

A total population size of employees for the Nigerian Breweries Plc Lagos of 2,360 and the Guiness Breweries Nigeria Plc Lagos of 1,332 is 3,692. This was used to obtain the sample size of two (2) big Breweries companies in the study at 0.05 level of significance as shown below: -

$$n = \frac{3692}{1 + 3692(0.05)^2}$$

$$n = \frac{3692}{1 + 3692(0.0025)}$$

$$n = \frac{3692}{1 + 9.23}$$

$$n = \frac{3692}{10.23}$$

$$n = 361$$

From the total sample size, the individual company's sample size is calculated. The formula applied is Bowley's population allocation formula (1926) in Nzelibe (1999, p.201) as shown below

$$nh = \frac{nNh}{N}$$

;Where nh = the number of units allocated to each company.

n = The total sample size
Nh = The number of employees in each company.
N = The population size

I. For Nigerian Breweries Plc Lagos

$$nh = \frac{361\,x\,2{,}360}{3692}$$

$$nh = 231$$

II. For Guiness Breweries Nigeria Plc Lagos

$$nh = \frac{361\,x\,1{,}332}{3692}$$

$$nh = 130$$

However, it is pertinent to maintain that a buffer margin of 20% of the minimum sample size (assuming is 361) was given to allow for unreturned and incorrectly completed copies of the questionnaire. Therefore, the actual copies of questionnaire distributed were 433.

Table 1.0 Determination of Individual Breweries Companies sample size

S/NO	Name of Breweries Company	Population of Employee	Selected Sample Size	Selected Sample Size Increase by 20%
1.	Nigerian Breweries Plc Lagos	2360	231	277
2.	Guiness Breweries Nigeria plc Lagos	1332	130	156
	Total	3692	361	433

Source: Company's Records and Field Survey, 2017

Factor Analysis is applied in the research. Factor Analysis (FA) is a multivariate statistical technique which is concerned with the identification of structure within a set of observed variables. Its appropriate application involves the study of interrelationships among variables in an effort to find a new set of variables, fewer in number then the original variables, which express that thing which is common among the original variables (Osuagwu, 2008).

To ascertain the validity and reliability of the measuring instruments for the research, factor analysis was applied in determining the construct validity while Cronbach Alpha is used for determining the reliability of the instruments. Pilot test was conducted and the input variable factors used in this study were subjected to exploratory factors analysis to investigate whether the construct as described fits the factors from the factor analysis.

Bartlett's test of Sphericity and Kaiser-Meyer Olkin (KMO) (1970) measure of sampling adequacy (MSA) are applied in determining the construct validity. Bartlett's test of Sphericity is usually (p= 0.000). The hypothesis tested in the Bartlett's test of Sphericity is that the correlation matrix came from a population of variables that are independent. Rejection of this hypothesis (i.e. p= 0.000) is an indication that the data can be analyzed using factor analysis technique. That is, if p= 0.000, factor analysis can be used.

Kaiser-Meyer Olkin (KMO) (1970) measure of sampling adequacy (MSA): it is the best of the factor analysis technique (Stewart, 1981). The measure of sampling adequacy provides a measure of the extent to which the variables belong together (homogenous) and thus appropriate for factor analysis. Kaiser and Rice (1974) have given the following calibration of measure of sampling adequacy for factor analysis uses: -

I. Above 0.90 →Marvelous
ii. Above 0.80 →Meritorious
iii. Above 0.70 →Middling
iv. Above 0.60 →Mediocre
v. Above 0.50 →Miserable
vi. Below 0.50 →Unacceptable

For the reliability of research instrument, it measures the consistency or precision of the measure. Gay (1996), states that reliability of research means dependability or trustworthiness and that any reliable measure yields the same results anytime it is administered. Cronbach Alpha was used in determining the reliability of the instrument in the pilot test as shown overleaf.

Table 2.0 Factor and Reliability Analysis for Managerial decision process as a technique of performance attainment in Breweries organization.

S/NO	Impact of Types of Managerial decision in Breweries organization on performance	Factors Loading	Cronbach Alpha	Number of Items
	Programmed decision types		**0.830**	**4**
1.	Performance decision types are routine and repetitive decisions associated with standardize decision rules.	0.876		
2.	They operate in accordance with written or unwri tten policies, procedures, rules, and regulations that simplify decisions making in recurring situations by limiting or excluding alternatives.	0.825		
3.	Programmed decisions are used for dealing with recurring problems whether complex or un - complication.	0.804		
4.	It invol ves careful and detailed analysis of element of the problem in question.	0.816		

S/NO	Impact of Types of Managerial decision in Breweries organization on performance	Factors Loading	Cronbach Alpha	Number of Items
	Non-Programmed decision types		**0.806**	**3**
1.	It deals with unusual or exceptional problems.	0.809		
2.	Problem that are not covered by policy are covered by non -programmed decision.	0.798		
3.	Problem of how to allocate organizational resources, what to do about a failing product line are non-programmed.	0.811		
	Group decision making types		**0.799**	**5**
1.	Techniques of decision making by group includes; interacting groups, brainstorming types, nominal group technique and electronic meetings.	0.782		
2.	Interacting groups' decision making require members meeting face to face, making verbal communication with each other. Brainstorming requires idea generation process that encourages any and all alternatives while withholding any criticism of these alternatives.	0.812		
3.	Nominal group technique decision making require members independently writing down their problems, presenting their ideas to the group for discussion and evaluation and finally the ideas are ranked for final decision to be arrived at.	0.775		
4.	Electronic meetings is the decision making where by up to 50 people sit around on a table to use computer terminals and present their views and responses onto the computer monitor and aggregate voting are displayed	0.816		
5.	on a projection screen.	0.806		

S/NO	Organizational performance criteria as an outcome of Managerial decision making process	Factors Loading	Cronbach Alpha	Number of Items
			0.797	**5**
1.	Managerial decision making will lead to productivity or output.	0.808		
2.	Managerial decision making process will lead to goal attainment (e.g. profit goals, market share goals, return of investments, high turnover goals etc.)	0.792		
3.	Managerial decision making process will lead to high morale, reduce absenteeism.	0.821		
4.	Managerial decision making process will lead to employee satisfaction	0.745		
5.	Managerial decision making process will lead to employee performance (e.g. development, manpower utilization, conformity to standards, high standards achievement, cohesion, efficie ncy, creativity, growth, stability, commitment, control of environment, optimal balance, survival, flexibility, adaptability etc).	0.819		
	Judgment shortcuts, systematic biases and errors that stands as Barriers to Decision Making Process		**0.845**	**2**
1.	Overconfidence bias, Anchoring bias, Confirmation bias, Availability bias, Escalation of commitment, Randomness error, Winners curse, Hindsight bias, Loss Aversion bias, Risk Aversion bias, Base rate bias etc stands as strong barriers to rational decision making process.	0.837		
2.	These errors subvert the attainment of organizational goals and objectives. Therefore affecting performance level.	0.853		

Table 3.0 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.755**
Bartlett's Test of Sphericity	Approx. Chi-Square	2052.18
	Df	10
	Sig.	0.000
Overall Reliability Statistics : Cronbach's Alpha		**0.815**

The Bartlett's Test of Sphericity relates to the significance of the study and thereby shows the validity and suitability of the responses collected to the problem being addressed through the study. We can see that we have good values for all variables for the MSA but the overall value is a bit high at 0.755, however Bartlett's Test of Sphericity has an associated P value (sig in the table) of < 0.05 as by default SPSS reports p values of less than 0.05 as 0.000

The SPSS analysis gives a Cronbach's Alpha values for Programmed, Non-programmed, group decisions making types and Judgment shortcuts, systematic biases and errors that stand as barriers to effective decision making process in Breweries organization. This is an indication that our instruments are reliable. According to Everitte (2006), an alpha value of less than 0.60 is unacceptable, 0.60-0.65 is undesirable, 0.65-0.70 is minimally acceptable, 0.70-0.80 is respectable, 0.80-0.90 is very good and more than 0.90 means consider shortening the scale by reducing the number of items. As it is for all the Breweries companies surveyed it shows that, the instrument is very reliable, hence our overall reliability statistic, Cronbach Alpha is 0.815

3.0 DATA PRESENTATION AND ANALYSIS:

The section deals with the descriptive statistics where the presentation of data and analysis is carried out and the testing of formulated hypotheses. A total of 433 copies of questionnaires were distributed to the top level, middle level and lower level of employees of the Nigerian Breweries Plc Lagos and the Guinness Breweries Nigeria Plc Lagos. For the Nigerian Breweries 19 copies of questionnaires were not returned and for the Guinness Breweries Nigeria Plc 12 copies of questionnaires were not returned making the total of 31 copies of unreturned questionnaires. This leaves us with total of 330 copies of questionnaires. But considering the fact that we increase a buffer margin of 20% of the minimum sample size of 361 to take care of unreturned and incorrectly completed copies of the questionnaires, we have actually distributed 433copies of the questionnaires to top, middle and lower level managers of Nigerian Breweries Plc Lagos and the Guiness Breweries Nigeria Plc Lagos. Specifically, 277 copies of the questionnaires to the managers of Nigerian Breweries Plc Lagos and 156 copies of the questionnaires to the managers of Guinness Breweries Nigeria Plc Lagos. Multiple regression analysis is adopted and used for the processing and testing of the two (2) formulated hypotheses.

On the question that sought to find out whether several managerial decision making options such as programmed decision, non-programmed decisions, group decision making options such as interacting group processes, brainstorming, nominal group technique and electronic meetings are adopted by

Table 3.1: Distribution of the respondent opinion with regards to types of Managerial decision making process adopted by Breweries organization and their impact on performance attainment

Statement	Name of Breweries Organization	Degree of response					
		SA	A	U	D	SD	TOTAL
Several managerial decision making process such as programmed and non - programmed decisions and group decision making processes (i.e. interacting groups, brainstorming, nominal group technique and electronic meetings) are adopted by your Breweries organization to impact on performance.	1. Nigeria Breweries Plc Iganmu - Lagos	109 (39.35)	132 (47.65)	8(2.88)	14 (5.05)	14 (5.05)	**277**
	2. Guinness Breweries Nigeria Plc Ikeja-Lagos	55 (35.25)	68 (43.58)	8 (5.12)	15 (9.61)	10 (6.41)	**156**
TOTAL		**164**	**200**	**16**	**29**	**24**	**433**

Survey: Field Survey, 2017

the Nigerian Breweries Plc Iganmu-Lagos and Guinness Breweries Nigeria Plc Ikeja-Lagos to impact on performance enhancement, it was seen in table 3.1 on the respondents opinion on the subject that, Nigerian Breweries Plc Lagos have a lead of 39.35% respondent who "strongly agree" representing 109 employees. Guinness Breweries Nigeria Plc Lagos followed with 35.25% standing for 55 respondents. In the "agree option," Nigerian Breweries Plc Lagos leads with 47.65% standing for 132 respondents. Guinness Breweries Nigeria Plc Lagos followed with 43.58% representing 68 employees.

For the "undecided option" Guinness Breweries Nigeria Plc Lagos leads with 5.12% representing 8 respondents. Nigerian Breweries Plc Lagos has 2.88% standing for 8 employees. In the "disagree option," show that Guinness Breweries Nigeria Plc Lagos leads with 9.61% representing 15 respondents. Nigerian Breweries Plc Lagos only had 5.05% standing for 14 employees as the least percentage rating on the notion. For the "strongly disagree option" show that 6.41% representing 10 respondents in the Guinness Breweries Nigeria Plc Lagos were of this opinion. Only 5.05% standing for 14 employees from the Nigerian Breweries Plc Lagos were of this opinion.

Table 3.2: Distribution of the respondent notion concerning several Managerial decision making processes such as programmed, non -programmed decisions and group decision making as enhancing performance in form of profit attainment, market share increase, high turnover, and return of investment in B rewery organization.

Statement	Name of Breweries Organization	Degree of response					
		SA	A	U	D	SD	TOTAL
Managerial decision making processes have enhanced performance in form of profit attainment, market share increase, high turnover, return of investment i n Brewery organization.	1.Nigeria Breweries Plc Iganmu-Lagos	112 (40.43)	134 (48.37)	10 (3.61)	9 (3.24)	12 (4.33)	**277**
	2. Guiness Breweries Nigeria Plc Ikeja-Lagos	62(39.74)	66 (42.31)	12 (7.69)	7 (4.48)	9 (5.76)	**156**
TOTAL		**174**	**200**	**22**	**16**	**21**	**433**

Survey: Field Survey, 2017

With regards to Managerial decision making processes as enhanced performance in form of profit attainment, market share increases, high turnover, return of investment amongst other in the Nigeria Breweries Plc Lagos and Guinness Breweries Nigeria Plc Lagos. In fact, 112 of the 433 (or 40.43%) strongly agree on the assertion that Managerial decision making processes have enhanced performance output in form of profit growth, market share increases, higher turnover, and return of investment in the Nigeria Breweries Plc Lagos. For the Guinness Breweries Nigeria Plc Lagos, 39.74% representing 62 respondents also strongly agree on the position. For the "agree response option," Nigeria Breweries Plc Lagos took the lead with 48.37% representing 134 employees consenting to the position. Only 42.31% standing for 66 employees in the Guinness Breweries Nigeria Plc Lagos agree with the notion. For the "undecided option" Guinness Breweries Nigeria Plc Lagos took the leads with 7.69% standing for 10 employees on the subject matter. Only 3.61% (or 10 employees) in the Nigerian Breweries Plc Lagos were undecided in Nigerian Breweries Plc Lagos. In the "disagree option," show that Guinness Breweries Nigeria Plc Lagos with 4.48% representing 7 respondents were of this opinion. Only 3.24% (or 9 employees) from Nigerian Breweries Plc Lagos disagree on this opinion. For the "strongly disagree response option" show that Guinness Breweries Nigeria Plc Lagos lead with 5.76% standing for 9 employees. Nigerian Breweries Plc Lagos is followed with4.33% standing for 12 employees on the "strongly disagree" on the subject matter.

Table 3.3: Distribution of the respondent notion concerning Judgment shortcuts, systematic biases and errors allowed by Decision Maker/Manager to distort Managerial decision making processes in Breweries organization and affecting performance.

Statement	Name of Breweries Organization	Degree of response					
		SA	A	U	D	SD	TOTAL
Several Judgment shortcuts, systematic biases and errors allowed by Decision Makers and Managers have distorted the Managerial decision making processes in your Breweries organization therefore affecting performance output.	1.Nigeria Breweries Plc Iganmu-Lagos	130 (47.61)	110 (39.71)	10 (3.61)	17 (3.89)	10 (3.61)	**277**
	2. Guinness Breweries Nigeria Plc Ikeja-Lagos	67(42.94)	61 (39.10)	9 (5.76)	11 (7.05)	8 (5.12)	**156**
TOTAL		**197**	**171**	**19**	**28**	**18**	**433**

Survey: Field Survey, 2017

As the data shown in table 3.3 above, it is clearly shown that Judgment shortcuts, systematic biases and troublesome errors are allowed by decision makers/managers to distort the Managerial decision making processes in Nigerian Breweries Plc Lagos and Guinness Breweries Nigeria Plc Lagos therefore affecting performance output of the business organizations. For Nigerian Breweries Plc Lagos, 46.93% representing 130 respondents strongly agree exhibiting the lead. Only 42.94% representing 67 employees strongly agree from Guinness Breweries Nigeria Plc Lagos that Judgment shortcuts, systematic biases and troublesome errors have negative impact on the quality of Managerial decision making processes taking therefore affecting performance output. For the "agree response option," also 39.71% (or 110 respondents) from the Nigerian Breweries Plc Lagos opted for this views. Only 39.10% (or 61 employees) from the Guinness Breweries Nigeria Plc Lagos consent on this opinion, for the "undecided response option," Guinness Breweries Nigeria Plc Lagos took the lead with 5.76% (or 9 employees) on this subject matter. Only 3.61% representing 10 respondents consented to this opinion. For the "disagree response option," also Guinness Breweries Nigeria Plc Lagos took the lead with 7.05% representing 11 respondents on this subject matter. Nigerian Breweries Plc Lagos only had 6.13% standing for 17 respondents on this notion. Lastly, for the "strongly disagree response option" Guinness Breweries Nigeria Plc Lagos had 5.12% (or 8 respondents) who had a contrary opinion on the notion. For Nigerian Breweries Plc Lagos only 3.61% standing for 10 employees also has a contrary position on the view under investigation.

3.1 Testing of Research Hypotheses:

Two hypotheses are formulated in the research investigation on the impact of managerial decisions making process as a technique for organizational performance attainment: A study of Nigerian Breweries Plc Lagos and Guinness Breweries Nigeria Plc Lagos.

Research Hypotheses One:

Ho1: The types of managerial decisions making processes adopted by Breweries manufacturing organization have no significant impact on the performance of the organization in Nigeria.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886[a]	.784	.783	.466

The value of 0.886 indicates that types of managerial decisions making processes adopted by Breweries manufacturing organization have impacted on performance of the organization in Nigeria. The R square is the coefficient of determination which is 0.784 with 78.4% proportion of variance in the dependent variable.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	338.299	3	112.766	519.851	.000[b]
	Residual	93.059	429	.217		
	Total	431.358	432			

Dependent Variable: Organizational Performance

The table shows that the independent variables are statistically significant, F (3, 429) = 519.85, P < 0.05. We reject the hypothesis which states that, the types of managerial decisions making processes adopted by Breweries manufacturing organization have not significant impact on organizational performance in Nigeria.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.204	.104		1.976	.019
	Programmed Decision	.378	.028	.394	13.551	.000
	Un-Programmed Decision	.300	.028	.339	10.829	.000
	Group Decision	.283	.027	.307	10.409	.000

a. Dependent Variable: Organizational Performance

Interpretation.
y = X1 +X2+ X3 where C is the constant.
Predicted y = 0.378X1 + 0.300X2+ 0.283X2+ 1.204

Types of managerial decisions making processes adopted by Breweries manufacturing organization have a positive relationship on the organizational performance in Nigeria Companies.

Research Hypotheses Two:
Ho2: The judgment shortcuts, systematic biases and errors allowed by decision makers/managers have not significantly distorted the quality of managerial decision making process on performance of Breweries Manufacturing organization in Nigeria.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861[a]	.742	.740	.509

The value of 0.861 indicates that judgment shortcuts, systematic biases and errors allowed by decision makers/managers have significantly distorted the quality of managerial decision making process on performance of Breweries Manufacturing organization in Nigeria. The R square is the coefficient of determination which is 0.742 with 74.2% proportion of variance in the dependent variable.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	320.080	3	106.693	411.326	.000[b]
	Residual	111.278	429	.259		
	Total	431.358	432			

Dependent Variable: Organizational Performance

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.352	.112		3.151	.002
	Judgment Shortcuts	.158	.028	.385	12.596	.000
	Systematic Biases	.239	.025	.290	9.439	.000
	Errors	.334	.029	.362	11.574	.000

Dependent Variable: Organizational Performance

Interpretation.

y = X1 +X2+ X3 where C is the constant.

Predicted y = 0.158X1 + 0.239X2+ 0.334X2+ 1.352

Judgment shortcuts, systematic biases and errors allowed by decision makers/managers do not have a positive relationship on the quality of managerial decision making process on performance of Breweries Manufacturing organization in Nigeria

4.0 Discussion of Findings:

The study on the impact of Managerial decision making process as a technique for organizational performance attainment in breweries manufacturing firms in Nigeria have produced important discoveries.

For hypothesis one it seeks to find out whether types of Managerial decision making processes adopted by Breweries Manufacturing organization in Nigeria have no significant impact on the performance of the organization. The hypothesis was rejected hence the independent variables, that is Programmed decision, Non-programmed decision and Group decision were statistically significant $F(3, 429) = 519.85$, $p < 0.05$ using Analysis of variance. The value of 0.886 for the multiple regression indicate that the types of Managerial decision making processes adopted by Breweries Manufacturing organization in Nigeria have impacted on performance of the organization in Nigeria. The R square is the coefficient of determination which is 0.784 with 78.4% proportion of variance in the dependent variables.

This confirms the views of Wright and Noe (1996), Aluko, Odingbesan, Gbadamosi and Osuagwu (2007) who in their respective research endeavours revealed that Managerial decision making processes would lead to goal and high performance attainments of greater employee satisfaction, creative solutions for the organization high efficiency, profitability attainment, may correct risk aversion bias, reduce time wasting unnecessarily, lead to better innovations in management processes, strategies, better work methodologies that will accelerate the organization to high productivity status leading to mission and vision attainment by Brewery firms in Nigeria.

This will also leads to attainment of competitive advantage hence superior products, brands, marketing and distribution networks that will facilitates the marketing of the product and outstanding automated technological networks that will stand a taste of time will be applied which will definitely facilitate quality performance enhancement that will lead to high market share, loyalty, return on investment and profit goal of the companies. It is rewarding to stress that Managerial decision making will enhance performance by promoting individual creativity and group creativity, hence there would be good opportunity and freedom to generate new ideas and innovative solutions in the organizations that will facilitate sound organizational growth. "Organizational effectiveness" which is the degree to which the organization achieves a stated goal or succeed in accomplishing what it tries to do by providing products or services that customer value will be attained. Also, "Organizational efficiency" which refers to the amount of resources used to achieve on organizational goal. Here decision can be made to base on how much raw materials, money and people are necessary for producing a given volume of output. Efficiency in the Breweries firms can also require calculating the amount of resources that can be used to produce Breweries products and render quality services in the Nigerian Breweries plc Lagos and Guinness Breweries plc Lagos.

Daft (2008) and Katz (1974) reinforces this position by confirming that making quality Managerial decision in organization requires managers to possess requisite skills that will enable them to think creatively and come up innovative solutions. These skills could include;

) **Conceptual Skills -** aConceptual Skills involves the managers thinking, information processing and planning abilities. It involves knowing where one's department fits into the total organization and how the organization fits into the industry, the community, and the broader business and social environment. It means the ability to think strategically to take the broad, long–term view. These skills are needed by top level manager especially to enhance their promotability.

b) Human Skill – This is the managers' ability to work with and through other people and to work effectively as a group member. This skill is demonstrated in the way a manager relates with other people, including the ability to motivate, facilitate, coordinate, lead, communicate and resolve conflicts. It is important to state that, a manager with this skill allows subordinate to express them freely without fear of ridicule and encourage participation. Good decision will be arrived at in organization that encourages the application of human skills for quality performance enhancement.

c) Technical Skills - This is the understanding of and proficiency in the performance of specific tasks. Technical skills include mastery of the methods, techniques and equipment's involved in specific functions such as Engineering, Manufacturing or Finance. Technical Skills are particularly important at lower organizational levels. Robbins (1989) emphasized that allowing managers at lower level with specialized knowledge in respective functional areas such as Engineering, Manufacturing or Finance etc to be part of Managerial decision making processes will help the Breweries Manufacturing companies hence they constitute their core mastery areas and they will be relevant to contribute richly leading to high performance output attained by companies.

The implication of the above position is that attaining performance goals of profitability, employee satisfaction, goal attainment, productivity of output, growth, efficiency, creativity, innovations, high market standing demands that the Nigerian Breweries plc Lagos and Guiness Breweries plc Lagos should acquire competent personnel in the production, marketing, distribution, finance, engineering, human resource department who will focuses properly to facilitate and ensure that innovative automated technological work methods and techniques are acquired to facilitate performance goals. Since they are experts with specialized knowledge in their fields; more to that requisite financial resource be made available by the organization executive management to facilitate quality production, marketing, distribution and advertising in course of their Managerial decision making processes to ensure goal attainments by these organizations.

For hypothesis two which states that judgment shortcuts, systematic biases and errors allowed by decision makers/managers have not significantly distorted the quality of Managerial decision making process on the performance of Breweries Manufacturing organizations in Nigeria. The multiple regression analysis give us the value of 0.861 indicating that judgment shortcuts, systematic biases and errors allowed by decision makers/managers have significantly distorted the quality of Managerial decision making process on the performance of Nigerian Breweries plc Lagos and Guinness Breweries plc Lagos. The R square which is the coefficient of determination which is 0.742 with 74.2% proportion of variance in the dependent variables; The Analysis of variance output (ANOVA) show that the independent variable are statistically significant $F(3, 429) = 411.33, p < 0.05$

Based on the above, the Null hypotheses was rejected revealing that judgment shortcuts, systematic biases and errors allowed by decision makers have significantly distorted the quality Managerial decision making process on the performance of Breweries Manufacturing companies in Nigeria. These judgment shortcuts, systematic biases and errors allowed by Managers in decision making processes include overconfidence bias, anchoring bias, confirmation bias, availability bias, randomness error, winners curse, hindsight bias, base rate bias, loss aversion bias and risk aversion bias amongst others are confirmed to be affecting managers in a bid to carry out decision process.

The above position confirms the views of Couter (2011), Langton, Robbins and Judge (2010) who in their respective research endeavours confirms that decision makers engage in bounded rationality, but an accumulating body of evidence tell us that decision makers/managers also allows systematic biases and errors to creep into their judgments. These come from attempts to shortcut the decision process. To minimize efforts and avoid difficult trade off, people tend to rely too heavily on experiences, impulses, gut feelings and convenience rules of thumbs. Schermerhorn, Hunt and Osborn (2005) suggest that measures should be observed by managers involved in decision making process to be actually sensitive in their actions hence it stand to negatively affects workforce of the organization if not well managed. The following strategies are suggested to managers involved in decision making process activities of organization in mitigating the negative effects of errors and systematic biased. These include;

1. Managers practice transparency and fairness/equity in all their dealing as it pertains to quality decision making. They have to remember that any attempts not to reveal fairness, equity will result to injustice in decision that is made.

2. Distortion management is very important and critical hence acquisition of the right information by decision makers and managers in its true perspective will help them to make and carryout quality decision making process that will facilitate attainment of performance output of profitability, growth, efficiency, effectiveness, productivity, return on turnover amongst others.

This demands that decision makers/managers of Breweries Manufacturing organizations should be sensitive to the information distortions caused by overconfidence bias, anchoring bias, confirmation bias, availability bias, escalating of commitment, randomness error, winners curse, hindsight bias, base rate bias, loss aversion bias and risk aversion bias amongst others. Decision makers/managers needs to be concerned about increasing the frequency of observation and about getting representative information in its true nature rather than simply responding and making decisions without getting true information that will stand a taste of time.

3. Training, development and orientation of managers to own up to the task of quality decision making of Breweries organizations is necessary. Adequate training will enable them overcome the mess of systematic biases and errors that could have affected quality decision process leading to low performance output.

4. Decision makers/managers should take more time and avoid instant or snappy judgments about others and on sensitive subject matters that affects organizational performance.

5. Decision makers/managers in the course of decision making processes should collect and consciously use more information about other people and contentious issues at stake for consideration.

6. Decision makers/managers should develop self-awareness and understanding of how our personal biases and preferences affect our perceptions and judgments of other people.

7. Decision makers/managers should check their attributions i.e. the assumptions they make about the causes of behaviour particularly the looks we make between aspects of personality and appearance on the one hand and behaviour on the other hand.

The implication of the above position is that Nigerian Breweries plc Lagos and Guinness Breweries plc Lagos should not compromise on the issue of training, development and proper orientation of managers in the areas of organizing workshops, conferences, awareness sensitivity training to update managers'/decision makers about the importance of the role they are discharging for their respective organizations. They have to understand that high performance status of the organization depends on the quality of decision output they make and going below standard benchmark will be disadvantageous for their firms and should be discouraged at all times. Buchanan and Huczyiski (2004) also confirms that managers exhibiting honesty, consistency, practicing empathy, be monitoring adequately and be fair in their communication processes will reduce the level of systematic errors, biases and distortions decision makers and managers usually commit in organization as a result affecting the level of performance output.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Several Managerial decision making process options are adopted to sustain Breweries Manufacturing organizations and to attain quality performance output.

These Managerial decision making options range from Programmed decisions, Non-programmed and Group decision making techniques. Organization that rationally adopts these measures reveal high performance, growth and quality goals attained by them. Decision makers/managers most times allowed systematic biases, errors to creep into their judgment while making decision making there by distorting the quality of decision made. These can affect goal attainment.

The researcher therefore recommended the following measures to guide Decision makers/Managers as derived from the study on Managerial decision making process to serve as critical success parameters for organizations. These include;

1. Decision makers/Managers in Breweries Manufacturing organizations surveyed should ensure that adequate and appropriate information should be obtained on the contentious subject matter before effective decision making process should commence that would be result oriented.

2. Decision makers/Managers of Nigerian Breweries plc Lagos and Guinness Breweries plc Lagos should understand that basing their judgment on information that is irrelevant and insignificantly in the course of the decision making process will cause distortion and biasness, so should be avoided as much as possible to pave way for effective decision procedures and high performance attainment.

3. In the course of decision making processes, most decision makers and managers are influenced by the syndrome of "seeing what they except to see and what they want to see and not investigating further on it". This syndrome is dangerous and can distort the quality of decision that is made on issues and employees of organization, thereby affecting performance output.

4. Basing attributions in decision making process on flimsy and potentially irrelevant evidences will lead to errors in perception and subsequently affect decision making process since the mindset of the decision makers/managers is already bias in either understating or overstating the true position of the subject matter under consideration. This will affect performance output of Breweries organizations and should be discouraged.

5. Decision makers/Managers should not allow their own characteristic to affect what they see in others and how we judge them. This is pertinent in the sense that every organization has standard code of conducts and norms for effective operations that are set as minimum thresholds and benchmark for adoption. Breweries organizations should religiously follow these standard procedures to facilitate performance outputs.

6. Decision makers/Managers of Nigerian Breweries plc Lagos and Guinness Breweries plc Lagos should avoid stereotyping and generalization but focus on their judgment based on merit associated on each subject matter to help drive the organization toward attainment of high performance goals of profit maximization, growth, productivity, effectiveness and organizational efficiency.

7. Decision makers/Managers involved in the decision processes of Nigerian Breweries plc and Guinness Breweries plc Lagos should as much as possible practice transparency consistency, honesty, equity and fairness to ensure effective decision process such that goals of the organizations will be realized.

8. Periodically workshops, training and orientations session be organized for manager involved in decision making to abreast them of the importance and sensitive nature of the task assigned to them bearing in mind that quality performance output can only be achieved when accurate, valid, reliable and effective decision are made that high performance output are attained. These should as a matter of seriousness be not compromised.

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Appendix

Research Questionnaire

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11stSeptember, 2017.

Dear Sir/Madam,

Here is a questionnaire on: The impact of managerial decisions making process on organizational performance attainment: A study of Nigerian Breweries Plc Lagos and Guinness Breweries Nigeria Plc Lagos.

You have been chosen as one of the respondent in this study. You are therefore humbly requested to supply honesty and sincere answers and responses to the questions by ticking as appropriately as you can in the boxes/space provided.

Questionnaire

1). Several managerial decision making process such as programmed, non-programmed and group decision making procedure are adopted by your Breweries organization to impact on performance attainment.

a) Strongly Agree (SA) [ ]
b) Agree (A) [ ]
c) Undecided (U) [ ]
d) Disagree (D) [ ]
e) Strongly Disagree (SD) [ ]

2) These Managerial decision making processes have enhanced performance in form of profit attainment, market share increase, high turnover, return of investment amongst others in your Brewery organization.

a) Strongly Agree (SA) [ ]
b) Agree (A) [ ]
c) Undecided (U) [ ]
d) Disagree (D) [ ]
e) Strongly Disagree (SD) [ ]

3) Several Judgment shortcuts, systematic biases and errors are allowed by Decision Makers/Managers and therefore have distorted the quality of Managerial decision making processes of your Breweries organization and have affected performance.

a) Strongly Agree (SA) [ ]
b) Agree (A) [ ]
c) Undecided (U) [ ]
d) Disagree (D) [ ]
e) Strongly Disagree (SD) [ ]

Behavioural and Socio-Economic Implications of HIV/AIDS Patients on Population and Development of Ebonyi State

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ABSTRACT

HIV/AIDS has become one of the leading causes of death Worldwide since it was discovered over 30 years ago. The virus has defied permanent medical solutions and has continued to pose serious socio-economic challenges to Ebonyi state. This study investigated the behavioural pattern of HIV/AIDS patients in the state with a view to establishing its impact on population growth and economic development. The specific objectives are: to identify the behavioural pattern of HIV/AIDS patients in Ebonyi state; to establish the socio-economic impact of HIV/AIDS patients in Ebonyi state; to establish the impact HIV/AIDS has on population growth and economic development; and to recommend strategies for lowering the upsurge of HIV/AIDS epidemic in Ebonyi state. Federal Teaching Hospital, Abakaliki (FETHA) was selected for the study due to the strategic location of the institution and 210 HIV/AIDS patients were randomly sampled through simple random method. Descriptive method of data analysis was used. Findings revealed that 61.9% of those living with the virus are women, 76.2% have tertiary education, 71.9% are between 26 to 64 years old, 46.2% are single, 56.7% contracted it through sexual intercourse, 94.3% have been living with it for between 1 to 8 years, 71.4% engage in unprotected sexual intercourse since they contracted it and 85.3% are desirous of transmitting the virus to others before they die. Reported HIV/AIDS cases in the hospital between 2010 and 2014 were 2583. Causal and unprotected sexual intercourse, poverty, prostitution, indecent dressing, abuse of social network, non/improper use of condom among others were found to be some of the leading causes of the spread of HIV/AIDS in the state. The study recommends establishment of special task force to check indecent/offensive dressing, attitudinal/behavioural change/modification of the patients and control on the use of social network by the youth as measures to check the further spread of the virus in the state.

Key words: Behaviour, Socio-economic, Population, Development

Introduction

Human Immunodeficiency Virus (HIV) and the resultant disease, Acquired Immune Deficiency Syndrome (AIDS) are one of the greatest challenges affecting development and population growth all over the World. UNAIDS(2006) notes that those living with the virus have continued to increase and the upsurge can be traced to ignorance and poverty. It has reduced life expectancy by more than 20 years, slowed the growth rate of economy and population and increased household poverty (UNAIDS, 2006). It affects all regions of the world and reports show that about 1.9 million people were newly infected in 2008 in Sub-Saharan Africa. Federal Ministry of Health (FMOH) (2007) notes that according to the population survey, Nigeria's HIV prevalence is about 3.6%. Abasiubong, Udoh, Idung and Umoiyoho (2012) agree that sexual behaviour and attitude are important factors contributing to the upsurge of HIV and AIDS in developing countries especially Nigeria. However more worrisome is the fact that the behavioural activities and lifestyle of those living with the virus who are more often than not the distributive agents of this virus are often ignored. Varga (2001) observes that sexual attitudes and behaviours of the HIV/ AIDS patients are responsible for the ever rising rate of HIV/AIDS and other related sexually transmitted diseases (STD). Ijaiya, Usman, Ijaiya and Alabi (2007) reports that the greatest implications of HIV/AIDS are not just the associated ill-health of the patients but also the consequences for the social sectors and the economic development of the country. They equally noted that HIV/AIDS has led to the increase in morbidity and mortality and as a result, has created a development problem due to drastic fall in productivity of affected persons in particular and the country at large, increase in the cost of health care services, reduction in savings and capital accumulation, reduction in education funding and other developmental programmes of the economy, increase of orphans and orphanage homes with the attendant cost, high level of poverty, food insecurity, poor food quality and malnutrition arising from poor food quality.

In 2003, an estimated 1.8 million orphans were living with HIV/AIDS and in 2005, there was an increase of about 598,000 orphans and consequently, the cost of health care services provision through antiretroviral increased (Ijaiya et al, 2007). Other consequences of HIV/AIDS include increase in the infant mortality and the drop in the life expectancy of children at birth. In children under 5 years of age, HIV/AIDS are responsible for 7.7% of mortality world- wide (Tindyebera, Kayita, Musoke, Eley, Nduati and Coovadia, 2006).In Nigeria, the Federal Ministry of Health (2007) observes that the country accounts for 14% of total African burden on HIV/AIDS noting further that 90% of HIV/AIDS infection in children takes place through vertical transmission – from mother to child, sexual contacts, exposure to blood and blood products. Population Reference Bureau (PRB) (2008) explains that in Nigeria, infant mortality rate in 2007 was 100 per 1000 and life expectancy of 44 years. This according to the report is pathetic when compared with another less endowed African country, Morocco. In 2007, infant mortality rate in Morocco was 44 per 1000 and 70 years' life expectancy rate and this reflects the state of economic activities considering the per capita income of $1,770 as against $3,990 in Morocco.

Benson, Lauretta, Onyinye, Onuorah, Gildeon and Chioma (2014) agree that "the health care facilities represent a key point of contact with people living with HIV/AIDS, who are in need of prevention, treatment and support. In the same vein, Wanyenze, Ouma, Nawarru, Namale, Colebunder and Kamya (2010) and Ogunbosi, Oladokun, Brown and Osinusi (2011) submit that Provider Initiated Testing and Counselling (PITC) presents an opportunity to ensure that HIV/AIDS is systematically diagnosed in health facilities so as to establish the status and facilitate access to needed HIV/AIDS prevention, treatment, care and support. The Federal Ministry of Health (2005) estimates that about 5.4% of Nigerians are living with HIV/AIDS and this portends danger for a country with a population figure of approximately 150 million people. It is against this background that this study selected the Federal Teaching Hospital, Abakaliki (FETHA), Ebonyi state, Southeast, Nigeria as a study centre.

Abakaliki is the capital of Ebonyi state with an estimated population of 2,173,501 (www.nigeriamuse.com/wikipedia/2006 population census. The land mass of the state is 5,935 km2 with about 75% of the population dwelling in rural areas. Farming is their major occupation and the state is notable for the production of exportable high quality rice in Nigeria.

Objectives of the study

The broad objective of the study is to establish the behavioural and socio-economic implications of HIV/AIDS patients on population and economic development of Ebonyi state. The specific objectives are: (1) To identify the behavioural pattern of HIV/AIDS patients in Ebonyi state; (2) To establish the socio-economic impact of HIV/AIDS patients in Ebonyi state; (3) To establish the impact of HIV/AIDS on population growth and economic development; and (4) To recommend strategies for controlling the upsurge of HIV/AIDS epidemic in Ebonyi state.

Conceptual Definition and Literature Review

Acquired Immune Deficiency Syndrome (AIDS)

AIDS was first noticed in the United States (USA) in 1981 (Sharp and Hahn, 2001). Subsequent studies to establish the causative agent of human immunodeficiency virus type 1 (HIV – 1) showed that it was a retrovirus. Sharp and Hahn (2001) opine that as the strains of HIV – 1 were globally sampled, it was discovered that they exhibit extremely high genetic heterogeneity and that analysis of the evolution of this diversity gave insights into the pre-history of the virus. HIV-1 strains can be divided into three distinct groups with different prevalence. Groups 'N' and 'O' are not common and largely restricted to Cameroon and their surrounding countries (Sharp and Hahn 2001) while HIV-1 group 'M' causes about 98% of HIV infections world -wide. It may be important to note that within group 'M', there is very high diversity and the epicentre is in Africa particularly Kinshasa in the Democratic Republic of Congo (Vadal, 2000). Due to the fast rate of evolution of HIV-1 group 'M', the virus circulated within human populations for many before it was noticed.

When HIV-1 was first described, the closest known relative was visna, a virus from sheep that is the prototype member of the genus lent virus. Additional lent viruses were soon found in other primates, and a second virus (HIV-2) was found infecting humans. The virus from non-human primates were termed simian immunodeficiency virus (SIVs). Vadal (2000) notes that African green monkeys (chlorocebus specie) were among the first species to be found to be naturally infected. Over the past 30 years, the number of different SIVs identified has increased steadily; and currently, about 40 different primate species harbour SIVs. Researches show that SIVs are naturally found infecting primates in Sub-Saharan Africa. Where multiple strains of SIVs have been characterised from a single species, they generally form a monophyletic clad, indicating that the great majority of transmissions are intraspecific. The primate viruses as a whole, including HIV -1 and HIV-2, form a distinct clad within the lent viruses, indicating that humans acquired their infections from other primates,(Bailes,Chaudhuri, Santiago, Bibollet, Hahn and Sharp 2002). They point out further that psychogenetic analysis of these primates lent viruses have provided detailed insights into the evolutionary origins of the human viruses.

Hirsch, Olmsted, Murphy-Corb, Purcell and Johnson, (1989) submit that HIV-2 was first found among individuals from West Africa. In 1989, a closely related SIV was found in a monkey, the sooty mangabey (cercocebus atys), whose natural range is in West Africa.

Behaviour

Behaviour is a response of an individual to an action, environment, person or stimulus. Human behaviour is the capacity of mental, physical, emotional and social activities experienced during the five stages of human beings' life (pre-natal, infancy, childhood, adolescence and adulthood) (Kinicki and Kreitner 2003). Ivan Parlov in his work about understanding behaviour reveals that identifiable Stimulus – Response (S–R) condition reflexes are the basic elements of all behaviour (Luthans 1985). A stimulus elicits a behavioural response. Human behaviour is equally dictated by culture, society, values, moral, ethics and genetics.

Kiniki and Kreitner(2003) agree that behaviour involves self-monitoring and it is the degree to which a person observes his own self-expressive behaviour and adapts it to the demands of the situation. Luthans(1985) also state that "the key to understanding human mind was an understanding of how it functions and not only on how it is structured. In this functionalism approach, attention is shifted to the ability of people to adjust and adapt to their situation in the environment. He contends that to understand human mind, the total behaviour and experience of the individual must be established in addition to determining the interest in the adaptive functions.

Economic Development

Todaro and Smith(2011) posit that development is a process of "achieving sustained rates of growth of income per capita to enable a nation expand its output at a rate faster than the growth of its population". In other words, it captures how much of really goods and services are available to the masses for both consumption and investment. In a broader perspective, economic development is a planned alteration of the structure of production and employment aimed at enhancing and accelerating the growth of manufacturing and service sectors; focusing on rapid industrialisation strategies at the expense of agriculture and rural development. Duddley Seers (1996) as noted by Todaro and Smith (2011) observe that economic development must be conceptualised in terms of poverty, unemployment and inequality reduction; stressing further that "if all three (poverty, unemployment and inequality) have declined from high levels, then beyond doubts, there has been a period of development for the country concerned and that if one or two of these central problems have been growing worse, especially if all the three have, it would be strange to call the result "development" even if per capita income doubled". In contrary, Goulet (1971) as cited by Todaro and Smith (2011) argue that development is multidimensional involving major changes in social structure, popular attitudes, national institutions vis–a-vis economic growth acceleration, inequality reduction and poverty eradication. Development means a change that moves away from unsatisfactory conditions of life toward a life regarded as materially better. In this context, sustenance, self-esteem and freedom are the basic conceptual components for understanding deeper meaning of development. They concluded on the premise that development is both physical reality and a state of mind of the society and must be based on the objectives of increasing the availability and widening the distribution of basic life sustaining goods; raising the levels of living standard with respect to higher income, more jobs; and expanding the economic and social choices available to all by freeing them from dependence.

Population and Economic Development

Globally, more than 75 million people are being added to the world's population yearly and 97% of this come from developing countries (Todaro and Smith, 2011). A major factor in population growth goes beyond mere numerical increase but the consequences on the well-being of the people, economic and social implications for development. If development involves recognition of the highlighted core values and objectives of development as well as improvement in the standards of living, rapid population growth must appreciate the need for corresponding rapid industrialisation.

Population Reference Bureau (2010)in Todaro and Smith(2011) observe that between1750 to 1950, 1.7 billion people were added to the world population and that in just four decades, 1950 to 1990, population doubled; bringing the total figure to 5.3 billion and 6 billion by year 2000 and a projected figure of 9.2 billion by 2050. Modern vaccination against malaria, polio, yellow fever, smallpox, cholera and a good number of public health facilities, provision of clean water, improved nutrition accounted for reduction of death rate (Population Reference Bureau, 2010). People under the age of 15 years according to Population Reference Bureau (2010) were more than 30% of the total population of developing countries as against 17% of developed countries. The Population Reference Bureau (2010) reports further that Ethiopia, Nigeria, Parkistan, both India and Mexico have 43%, 45%, 38% and 32% of their population under the age of 15 respectively. The youth dependency ratio to economically active ages (16 – 64 years) is very high in countries with such age structure and in this case, the support expected from the work-force in developing economies is almost double of the developed nations. Therefore, as the population grows rapidly, the greater the population of dependent children in the entire population and it poses a serious challenge to the working age to support the dependent children.

HIV/AIDS

Bonnel (2000) states that the spread of HIV/AIDS is associated with economic, social-cultural and epidemiological variables and that economic factor centres on labour migration, poverty, economic and gender inequality that expose the society especially the young youths to questionable behaviours that may lead to contracting the virus. Uneven development among nations and states, in the case of Nigeria, are now forcing people to change locations from rural to urban or less developed areas to developed/fast developing areas. The implication is detachment from loved ones thereby exposing them to casual/unprotected sex and other behaviours that may increase the risk of infection. Migration disrupted traditional values and favoured sexual promiscuity. Egerton (1938) reports that in the nascent cities, women felt liberated from rural tribal rules and it negatively affected their chances of getting married. Culture is the way of our life, the fundamental rights of the person, value system, traditions and beliefs that define a society (Conjoh, Zhou and Xiog2011). Some cultures belief that flesh to flesh sex enhances the masculinity of men and therefore condemns any sex practice that discourages flesh to flesh contact and this carries a high risk inflection. Pepin (2011) argues that the virus can be traced to a Central African bush hunter in 1921 where the Colonial mechanical personnel used improperly sterilized syringe and needles and continued to spread the virus silently in Africa for decades, fuelled by rapid urbanisation, prostitution and abuse of cultural values. Pepin, (2011) also claims that a Haitian teacherreturning from Zaire in the 1960s brought the virus to America. He claims that "sex tourism and contaminated blood transfusion centres eventually propelled AIDS to public consciousness in the 1980s and a world-wide pandemic". Ijaiya et al (2007) point out that in some parts of Asia, heterosexual contact is one of the ways through which HIV/AIDS spreads. Lamptey, Wigley, Carr and Collrymore, (2002) observe that epidemiological study carried out recently revealed that genital/anorectic ulcer disease and non-ulcerative Sexually Transmitted Diseases (STD) are important co-factors in the acquisition and transmission of HIVAIDS.

Consequences/ Implications of HIV/AIDS on the Society

Ainsworth and Over (1994) World Bank (1995, 1997), Robalino, Jenkins, El-Marrufi (2002) agree that the effect of HIV/AIDS can be grouped into two: the ones connected with increase in morbidity and mortality rates of the sexually active people. The effects on the increase in morbidity include decline in productive labour force due to the associated sickness and worry of being HIV positive, rise in health care spending and reduction in capital accumulation (savings). Reduction in savings and capital accumulation directly affect investments on human development (education at different levels), reduction in physical structures and other areas that can propel national development and contribute to Gross Domestic Product (GDP).

HIV/AIDS induced mortality rate has demographic implications of negatively affecting population growth and create unfavourable age structure that can cause shortage of labour force at the long run. This has a multiplier effect on various sectors, especially industrial; because the demand and supply structure of goods and services are altered. Fluctuating figures of HIV/AIDS infected persons in the Ebonyistate indicates the need to evolve other strategies to curtail and control the spread of the deadly disease. Table 1 shows the number of HIV/AIDS patients who reported for counselling and treatment at the Federal Teaching Hospital, Abakaliki between January 1st 2010 and 31st December, 2014.

Table 1: Number of H IV/AIDS reported cases from 1st January, 2010 to 31st December, 2014

Gender/year	2010	2011	2012	2013	2014	Total
Male	150	138	307	188	133	916
Female	256	252	558	372	229	1667
Total	406	390	865	560	362	2583

Source: Field survey, 2015

Scope of the study

This study was carried out at the Federal Teaching HospitalAbakaliki, (FETHA)Ebonyi state. The major economic activity of the people is farming with specialisation in crops such as rice, yam, cassava, maize, sweet potato and other notable crops. A sizeable proportion of the population of the state lives in rural area/communities. FETHA is the only federal tertiary hospital in Ebonyi state, Southeast, Nigeria. It is situated in the state capital along Enugu – Abakaliki road and provides health care services for the people of the state and people from neighbouring states of Enugu, Cross River and Benue. It receives referrals from all parts of the state and beyond. The strategic location of the hospital informed the choice of the hospital for the study.

Sample and Sampling Procedure

The Federal Teaching Hospital (FETHA) Abakaliki was purposively selected for the study. Two hundred and fifty (250) questionnaires were distributed to patients living with HIV/AIDS through the aid of health personnel working in the unit. The centre/unit designated for counselling and distribution of antiretroviral drugs to HIV/AIDS patients is called Communicable Control Disease and Research Unit (CCDRU). Data was obtained through secondary and primary sources. Data from primary sources were sought for with the aid of structured questionnaires administered strictly to only those living with the virus.

Analytical Techniques

Two hundred and fifty (250) questionnaires were distributed and only two hundred and ten (210) were properly completed and recovered. This is 84% and 16% response and non-response rates respectively. Descriptive statistics like percentile was used in determining the socio-demographic characteristics of respondents and other specific objectives of the study. In depth interview was also carried out to establish the authenticity of results/responses obtained from the administered questionnaires.

Table 2: Determination of the demographic characteristics of HIV/AIDS Patients inEbonyi State

S/n	Items	Responses	Frequency	Percentage
1	Gender	Male	80	38.1
		Female	130	61.9
	Total		210	100
2	Educational level	Tertiary Institution	160	76.2
		Secondary School	30	14.3
		Primary School	20	9.5

	Total		210	100
3	Age	Below 25 26 – 45 46 – 64 65 and above	25 70 81 34	11.9 33.3 38.6 16.2
	Total		210	100
4	Marital Status	Married Single Widowed Divorced	24 97 63 26	11.4 46.2 30.0 12.4
	Total		210	100
5	Occupation	Trading/self employed Civil Servant Unemployed/students	60 45 105	28.6 21.4 50.0
	Total		210	100

Source: Field survey, 2015

Table 3: Determination of how the virus was detected

S/n	Items	Responses	Frequency	Percentage
1	How did you contact the virus?	Sexual intercourse Blood Transfusion Sharing of unsterilized sharp objects Mother to ch ild during pregnancy/breast feeding Barbing saloon	119 31 26 24 10	56.7 14.7 12.4 11.4 04.8
	Total		210	100
2	For how long have you been living with the virus?	1 – 4 years 5 – 8 years More than 9 years	154 44 12	73.3 21.0 05.7
	Total		210	100
3	How was the virus discovered?	Routine check-up When I took ill When I wanted to donate blood	65 136 09	31 64.8 04.2
	Total		210	100
4	Have you had any unprotected sexual intercourse since infected?	Yes No	150 60	71.4 28.6
	Total		210	100
5	What effort are you making to check the spread of the virus?	No effort Somebody gave me, I must give as many as possible before I die I have stopped having sex I organise talks for the youths on AIDS	47 132 21 10	22.4 62.9 10.0 04.7
	Total		210	100

Source: Field survey, 2015

Table 4: Determination of the socio -economic impact of HIV/AIDS on economic development of Ebonyi state

S/n	Items	Responses	Frequency	Percentage
1	Is your productivity negatively affected by this health challenge?	Yes No	169 41	80.5 19.5
	Total		210	100
2	If your answer to ''1" above is yes, why are you negatively affected when antiretroviral drug is there to support you	The drug is not curative Why working when I will eventually die of th e sickness I hate everything around me I am preoccupied thinking of how I got it rather than working/being productive	41 115 30 24	19.5 54.8 14.3 11.4
	Total		210	100
3	Do you feel HIV/AIDS patients are increasing since you started co ming for counselling and treatment?	Yes No	177 33	84.3 15.7
	Total		210	100
4	What is responsible for the increase if your response to question `3` is yes?	Poor Govt policy Behavioural attitudes of the patients Availability of prostitute	65 95 50	31 45.2 23.8
	Total		210	100
5	What measures do you think can be put in place to check the increase of HIV/AIDS patients	Enforceable law against indecent dressing Control on the usage of social network on our phones Ban of prostitution Free distribu tion of condoms Engaging the youths/creation of jobs	54 62 50 14 30	25.7 29.5 23.8 06.7 14.1
	Total		210	100

Source: Field survey, 2015

Results and Discussion of Findings

Table 1 shows that between 2010 and 2014, a total of 2583 HIV/AIDS cases were reported at the Federal Teaching Hospital, Abakaliki. Table2indicates that approximately 62% of HIV/AIDS patients in Ebonyi state are female while 38% are males implying that if the spread is not controlled, the state may witness a sharp drop in birth rate and by extension, the population. 76% have tertiary education while 14.3% and 9.5% of the patients sampled had secondary and primary educationrespectively. Education plays pivotal role in the development and socio-economic well-being of a society and therefore the productivity of the state may start declining. Responses obtained on the same table showed that 71.9%, 16.2% and 11.9% of those between the ages of 26 to 64 years, above 65 years and below 25 years respectively have the virus. This finding indicates that the productive age is more affected and this may lead to multiple challenges on the economic growth of the state. The analysis of marital status of those living with the virus shows that 11.4%, 46.2%, 30% and 12.4% are married, single, widowed and divorced respectively. On the same table, 50%, 28.6% and 21.4% of the respondents living with the virus are unemployed/students, traders/self-employed and civil servants respectively.

Table 3 shows that 56.7% contracted the disease through sexual intercourse, 14.7% through blood transfusion, 12.4% through unsterilized sharp objects, 11.4% through mother to child and 4.8% from barbing saloon. Responses obtained indicate that 73.4% have lived with the virus for 4 years, 21% between 5 to 8 years and 5.7% above 9 years. On how it was detected, 64.8% knew their status when they fell sick and was tested, 31% through routine health check-up and 4.2% when they wanted to donate blood.

On their sex behaviour since they became positive, 71.4% of the respondents have had unprotected sex since they contracted it while 28.6% have not. On their effort to check the spread, 62.9% opined that they desire to distribute the virus to as many as possible because someone passed it on to them, 22.4% said that they are not making any effort at all while 10% and 4.7% said that they have stopped having sex and organise talks for the youths on the dangers of HIV/AIDS in that order.

Responses on table 4 show that 80.5% of the respondents agreed that the virus is negatively affecting their productivity. On the reasons why they are negatively affected, 54.8% of the respondents felt that it was fruitless working since he/she will eventually die of the disease. 19.5%, 14.3% and 11.4% said that they are negatively affected because the antiretroviral drug is not curative, feeling of irritation of everything around him/her and always pre-occupied thinking about how he/she contracted the deadly disease.

On whether HIV/AIDS patients are increasing, 84.3% said yes while 15.7% disagreed and their reactions on what may be responsible for the increase, 45.2% of the respondents attributed it to the behavioural attitudes of the patients while 31% and 23.8% blamed poor government policy and rising cases of prostitution occasioned by hardship respectively. How measures can be put in place to check the spread of the virus, 29.5% suggested the introduction of control measures on social networks to check the excessive application of this by the youth mainly. 25.7%, 23.8%, 14.1% and 6.7% agreed that stringent and appropriate laws should be enacted to control indecent dressing, banning of prostitution, job creation/youth empowerment for the unemployed and free access to condoms respectively.

Implications on the Findings

The results highlighted indicate that 130(62%) of HIV/AIDS in the state are female and that 119(56.7%) contracted the virus through sexual intercourse. The implication of this trend is that most of these women may not be married and even if they are, they may not have their desired number of children. The long-run effect of this is a drop in population and more dependants/orphans. This is in tandem with the findings of the Population Reference Bureau (2008) that 45% of Nigeria's population are under the ages of 15 and this challenges economic development due to pressure on the working age to support the dependants.

On controlling the spread of the virus, the results obtained showed that 179(85.3%) of the sampled population were not interested in checking the rising rate of HIV/AIDS in the state. Their behaviour is in response to their emotions and stimulus. They are emotionally attached to the fact that they contracted it through someone and therefore try to adapt their behaviour to the demands of the situation. This supports the findings of Kiniki and Kreitner (2003)that behaviour is the degree to which a person observes his/her own self-expressive behaviour and adapts it to the demands of the situation.

From the results obtained, 80.5% of the respondents agreed that their productivities are negatively affected because of their HIV/AIDS status. This discovery according to 54.8% of the respondents is associated with the belief that they will eventually die of the disease and therefore do not have any need for being productive. The socio-economic implications of this are increase in poverty, increase in inequality and slow/poor economic growth rate. This finding supports the submission of Sears (1996) who noted that economic development must be seen in terms of poverty, unemployment and inequality reduction. From their reactions, 177(84.3%) agreed that since they started coming for counselling and treatment, the number of infected persons have continued to increase noting that the activitiesof prostitutes/commercial sex workers as a factor. In a developing economy, prostitution is common and it is a situation where women engage in indiscriminate sex for economic considerations and stigmatisation forces the illicit trade to attract cross border/state/city/town migration. This agrees with the findings of Bonnel (2000) that the spread of HIV/AIDS is connected with economic factor aimed at poverty reduction among others.

Recommendations

Based on the findings of this study, the following recommendations are made:

The patients should be sensitized on the need for behavioural/attitudinal change in the struggle to control the spread of the virus. This is very important at least to save the productive age as findings indicate that 72% of those living with the virus are between the ages of 26 to 64. This may require formation of Special Task Force to arrest and prosecute the indecently dressed in the society. For instance, Osun State Government constituted a Special Military Task Force called Swift Action Squad (SAS) to curtail crime and indecent dressing in the state. This should be nationally embraced A situation where women expose offensive parts of their body to create attention should be outlawed. This practice is much more common in institutions of higher learning as findings show that 76.2% of the respondents living with HIV/AIDS are either in tertiary institutions or have passed through them.

Sexual intercourse is natural in human, therefore government should, on regular basis organise sensitization programme on the need to use condom, abstinence if possible or adherance to one sex partner. Once this behavioural change is imbibed, it will generate positive working habit that will raise productivity.

Concerted efforts are required to ensure that even those affected can give birth to their desired number of children to sustain population growth and development since a greater percentage of those victims were women. Application of social network should be closely monitored by the governments to minimise importation of foreign/alien cultures.

Conclusion

In conclusion, this study has examined various factors responsible for HIV/AIDS infection in the Ebonyi state and noted that there is a steady increase of HIV/AIDS infected persons and this trend portends danger for population growth and economic development. Evidence showed that women are more vulnerable to HIV/AIDS infection and therefore sustenance of campaign for behavioural change, behaviour modification, use of condom, abstinence and adherence to one sex partner become imperative since there is a strong association between unprotected sexual intercourse and HIV/AIDS infection.

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Strategy Implementation And Its Effects On Financial Performance In Dangote Cement Company Plc, Gboko Plant

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ABSTRACT

The study analyzed the effects of strategy implementation on financial performance in Dangote Cement Company, Gboko plant. The study adopted ex-post facto research design and the case study method. Secondary data on sales volume, productivity and were sourced from the balance sheets of Dangote Cement Company from 1996 to 2016. This period allowed for a precise examination of the pre and post-structural change era in the company. Dummy values were used to represent structural change (pre-structural change was denoted by 0 values while post-structural change was denoted by 1 values). Descriptive statistics like mean, standard deviation, skewness and kurtosis as well as multiple regressions were used for data analysis. The model used for data analysis is based on the assumption that the financial performance of Dangote Cement Company plc depends among others, on strategy implementation. However, financial performance does not solely depend on strategy implementation; other factors like inventory management (sales cost, physical stock, economic ordering quantity and buffer stock) also affect financial performance. Also, financial performance indicators used in this study are profitability, productivity and sales volume. The study found that generally, strategy implementation has impacted positively on the financial performance of Dangote Cement Plc Gboko plant. Specifically, this impact is more profound on sales volume and productivity, but little on profitability. This little impact of structural change on profitability could be due to external factors like global financial crisis and recession and/or internal factors like high costs of inventory management. It therefore recommended that the management of Dangote Cement Company should hire the services of consultants to check its management of inventory and ensure prudence in the company and also outsource some of its products to minimize the risks of being exposed to the harsh effects of financial crises.

INTRODUCTION

Every organization whether profit or non-profit organization has and need strategy in order to achieve the set goals for the organization. It is not enough to have a good internal structure, right human resource for the job and a good mission and vision statement, to be competitive and remain in business, organizations must formulate and implement strategies. Strategy is what distinguishes an organization from another. They are careful steps taken by an organization to achieve set goals.

Strategic management consists of analysis, decision and actions an organization undertakes in order to create and sustain competitive advantage. (Gregory, Lumpkin &Tayor,2005) Strategic management is regarded as an important process for business. It has been argued that the process is important for a firm's success or failure more than any other factors (Porth, 2003). Strategic management process is important for firms' success because it provides central purpose to the organization. It also tends to concern itself with survival of the business and creation of value. Strategy is central to the development of distinctiveness in an organization. Although both strategic formation and implementation has been regarded by some authors as more important than the strategy itself (Harrison and Pelletier, 2000)

Organizational performance is the measure of standard or prescribed indicators of effectiveness, efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance. Performance also refers to the metrics relating to how a particular request is handled, or the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. It is the outcome of all of the organization's operations and strategies (Aaltonen and Ikåvalko, 2002). It is also the extent to which an individual meets the expectations regarding how he should function or behave in a particular context, situation, job or circumstance.

Longer term performance has been chosen for two reasons: first, because that is what the customers of “retail” products such as unit trusts might be expected to be looking at, particularly in view of the charging arrangements which make shorter term investment unwise. Secondly, one of the attractions of looking at “real” products rather than theoretical studies is the question of how administrative costs contribute to the results. As with any method of analysis designed to measure business performance, there are limitations and imperfections associated with the use of financial ratios, particularly the use of very few ratios in isolation (Denton and White, 2000).

STATEMENT OF THE PROBLEM

Strategy is one of the gate ways through which organizations can be distinctive and create value for its goods and services, but unfortunately this area is one in which less attention is given because of its implementation. A good strategy will entail restructuring the organization together with effective control function as well as motivational strategies to maintain and sustain it, this usually amount to cost because employees might be required to perform a new task as well as the right incentive that will control and motivate behavior towards achieving a set target. Dangote Cement Company Plc Gboko Plant has been into the production of cement for a couple of years until recently, when the company embarked on skeletal services, the primary activity was the excavation of raw material with only a few administrative activities. Raw materials excavated were transported to different location within the country for further processing to finished products. This new strategy seems not to have gone well with the company as it has reversed back to its initial production of cement in the affected plant. As it is with every new strategy, especially when it comes to the implementation aspects, the company now is faced with the challenge of having to recruit new employees to do the needed job place the right incentive to be able to achieve its objective. The questions are: why did Dangote Cement Company reverse back to its former strategy? Could it be that Dangote Cement Company's implementation of the new strategy did not impact positively on its organizational performance? These questions prompted the study. The study therefore, seeks to ascertain the effects of strategy implementation and on organizational performance in Dangote cement plc, Gboko Plant

OBJECTIVES OF THE STUDY

The objective of the study is to analyze the effects of strategy implementation on performance, other specific objectives include:

i. examine the effect of strategy implementation on profit in Dangote Cement Plc Gboko Plant

ii. ascertain the effects of strategy implementation on productivity in Dangote Cement Plc Gboko Plant

iii. examine the impact of strategic implementation on sales in Dangote Cement Plc Gboko Plant

RESEARCH QUESTIONS

i. What is the effect of strategy implementation on profit in Dangote Cement Plc Gboko plant?

ii. To what extent does strategy implementation affect productivity in Dangote Cement Plc Gboko Plant?

iii. What is the effect of strategy implementation on sale in Dangote Cement Plc Gboko Plant?

HYPOTHESIS

H01: Strategy implementation has no effect on profit in Dangote Cement Plc Gboko plant

Ho2: Strategy implementation has no effect on productivity in Dangote Cement Plc Gboko Plant

H03: There is no significant effect between strategy implementation and sales in Dangote Cement Plc Gboko Plant

CONCEPTUAL REVIEW

The evolution of business strategy has been driven more by the practical needs of business than by the development of theory. During the 1950s and 1960s, senior executives were experiencing increasing difficulty in coordinating decisions and maintaining control in companies that were growing in size and complexity. Financial budgeting, in the form of annual financial planning and investment appraisal, provided short-term control and aided project selection but did little to guide the long-term development of the firm. Corporate planning (also known as long-term planning) was developed during the late 1950s to serve this purpose. Macroeconomic forecasts provided the foundation for the new corporate planning. The typical format was a five-year corporate planning document that set goals and objectives, forecast key economic trends (including market demand, market share, revenue, costs and margins), established priorities for different products and business areas of the firm and allocated capital expenditures. According to Hill and Jones (2008) there are different forms of strategy (Johnson et al., 2008). Corporate level strategy is concerned with the overall scope of an organization and how value will be added to the different parts (business units) of the organization. This could include issues of geographical coverage, diversity of products/services of business units, and how resources are to be allocated between different parts of the organizations. The second level is the business level strategy, which is about how to compete successfully in particular markets or how to provide best value services in the public services. This concerns which products or services should be developed in which markets and how advantage over competitors can be achieved in order to realize the objectives of the organization. The third level of strategy is at the operating end of the organization. These strategies are called operational strategies, which are concerned with how the component parts of an organization deliver effectively the corporate and business level strategies in terms of resources, processes and people strategy is implemented through organizational design. Organizational design involves selecting the combination of organizational structure and control system that lets a company pursue its strategy most effectively. Organizational structure and control shape the way people behave and determine how they will act in the organization setting. An analysis of how structure and control works, makes it possible to change them to improve both coordination and motivation. A good organizational design allows an organization to improve its ability to create value and obtain a competitive advantage.

STRATEGIC IMPLEMENTATION AND COST

Implementing a structure to coordinate and motivate task activities is very expensive. The cost of operating an organizational structure and control system are called bureaucratic cost. The more complex the structure – that is, the higher the level of differentiation and integration- the higher are the bureaucratic costs of managing them. Hill and Jones (2008) assert that mangers are expensive, and the more managers a company employs the higher are its bureaucratic cost. Similarly the more integrated the company, the more managerial times is spent in face to face meetings to coordinate task. Agency costs are the sum of incentive costs, monitoring costs, enforcement costs, and individual financial losses incurred by principals because governance mechanisms cannot guarantee total compliance by the agent. If a firm is diversified, governance costs increase because it is more difficult to monitor what is going on inside the firm. In general, managerial interests may prevail when governance mechanisms are weak; this is exemplified in situations where managers have a significant amount of autonomy to make strategic decisions. If, however, the board of directors controls managerial autonomy, or if other strong governance mechanisms are used, the firm's strategies should better reflect the interests of the shareholders. More recently, governance observers have been concerned about more egregious behavior beyond inefficient corporate strategy (Hitt, Ireland & Hoskisson, 2009). The high bureaucratic cost associated with strategy implementation reduces a company's profit as fast or faster than a poor strategy formulation and thus directly impact bottom-line organizational performance. Organizational design also affects the revenue side of the equation. If strategic managers choose the right structure to coordinate value creation activities, they enhance the company's ability to create value, charge a premium price, and thus increase revenues. Thus a good design affects both revenue and cost side of profit equation.

There is also bureaucratic cost associated with control system as regards to information that is required to monitor and evaluate subordinate. However, gathering this information is expensive and gives rise to bureaucratic cost. Since organizational control, like organizational structure is expensive, a company should design its control system so it can collect the information it needs to control its value creation activities at a low cost as possible. (Hill & Jones2008)

THE ROLE OF ORGANIZATIONAL STRUCTURE IN STRATEGY IMPLEMENTATION

After the formulation of a company's strategy, management must make the designing organizational structure its' next priority (Hill & Jones,2008) the value- creation activities of organizational personnel are meaningless unless some type of structure is used to assign people to task and connect activities of different people (Glnow & McShan, (2000) . Organizational structure refers to the division of labor as well as the patterns of coordination, communication, workflow and formal power that direct organizational activities. The role of organizational structure is to provide the vehicle through which managers can coordinate the activities of the various functions or divisions to fully exploit their skill and capabilities. Neil (2011) expounds that organizational structure form the basis of strategy implementation, this implies power relationship based on the acceptance of managerial power by subordinate and society- the use of power is term the legitimacy of management which Max Weber called its authority. All organizations have some form of structure, based on the established pattern of relationship among the individual, groups and department within it. Glinow and McShane (2000) stressed all organizational structure include two fundamental requirements: the division of labor into distinct task and the coordination of that labor so that employees can accomplish common goals. Division of labor refers to the subdivision of work into separate jobs assign to different people. Subdivided work leads to job specialization because each job now includes a narrow subset of the task necessary to complete the product or service. While coordination mechanisms are needed to ensure that everyone works in concert. Every organization-from two-person corner convenience store to the largest corporate entity-uses one or more of the following coordinating mechanism: Informal, formal hierarchy, and standardization and adopting any one of the structures to suit your strategy has its implication. Companies choose the number of levels the need on the basis of their strategy and the functional task necessary to achieve this strategy

CONTROL SYSTEM AND PERFORMANCE

The primary function of strategic control system is to provide management with the information it need to control its strategy and structure. Strategic control system is the formal target setting, monitoring, evaluation and feedback system that provides management with information about whether the organizations strategy and structure are meeting strategic performance objective. It should be flexible, timely and accurate (Hill & Jones 2008).

Ritson (2011) stated that one of the principle ways in which shareholders try to influence managers is by using market control to monitor and evaluate a company's performance. Market control is the most objective kind of output control, for it is based on objective financial measure of performances. The performance of one company is compared with another in terms of stock market price or return on investment. Stock market price acts as a powerful means of control because top manager's compensation is often linked to stock price; consequently, they tend to be sensitive to falls in the stock market prices. Also failing stock price may also provoke shareholder unrest and takeover attempts and this too serves to control managerial actions.

Output Control: When no market system can be devised to allocate and price organizational resources because no system of comparison exists, the easiest and cheapest kind of control available is output control. To apply output control, a company estimates or forecasts appropriate targets for its various divisions, department, or persons, and then monitors their performance relative to these targets. Output control also provides an incentive structure for motivating managers at all levels in the organization.

Bureaucratic control: Market and output control require relatively objective, measurable standards for monitoring and evaluating performance. Often measurable standards are difficult or expensive to develop, and when they are not sufficient to fulfill corporate objectives manager turn to bureaucratic control which is a control through the establishment of a comprehensive system of rules and procedures to direct the actions or behavior of divisions, functions, and individuals. Rules standardize behavior and make outcomes predictable.

THE AGENCY THEORY OF STRATEGY

Agency theory is a management approach where one individual (the agent) acts on behalf of another (the principal) and is supposed to advance the principal's goals (Judge et al 1995). The agent therefore advances both the principals' interests and his own interests in the organization. A balance of these interests should be merged in order to arrive at the corporate objectives of the organization through the agent because he/she is in charge of the vast resources of the organization. Laffort & Martimost (2002) contends that the agency theory of strategic Management is so crucial since the action chosen by a particular individual (the agent) affects not only one, but several other parties (the principals). Hence, the agents' role in strategic formulation and the overall strategic management process cannot be underestimated. They say that the firm is often characterized as a nexus of both explicit and implicit contracts linking the management and its different stakeholders, including claimholders, workers, unions, customers, suppliers and the state among others. The Agency Theory holds the view that there should be proper synergy between the management and its stakeholders in order to work towards a common goal. The Agency Theory has also been described as the central approach to managerial behavior. Rugman, and Verbeke (2008) says that the Agency Theory is used in the managerial literature as a theoretical framework for structure and managing contract, which is among the emerging issues in strategic management. It therefore explains the behavior of principals and agents' relationships in performance contracting in management.

The agency theory tends to take precedence against other strategic management theories. Krueger (2004) in his paper in strategic management and management by objectives says that the plethora of strategy implementation is the agency theory in practice at all levels of the strategic management process. He contends that starting from the corporate strategy to operational strategy the objectives designed at all these levels must be supervised by the agents or managers for the organization to achieve its objectives management by objectives which observes that organization must formulate objectives at all strategic hierarchy levels cited by Henry et al (2006) stresses that for these objectives to be achieved there has to be collaborative efforts between the managers as agents and subordinates.

In conclusion therefore that the Agency theory of strategic management proves to be superior to any other theory of strategic management when it comes to strategy implementation hierarchy. This is in the light that at each level of the strategic formulation hierarchy, there has to be an agent charged with the responsibility of representing other stakeholders at other levels. It is therefore prudent to note that there should be synergy using the Agency theory and proper understanding between the principal and the Agent for the organization to achieve its objectives efficiently and effectively. Thus in conclusion the agency theory should be embraced particularly at the strategy formulation level of strategic management and generally to the overall process of strategic Management to enhance the organizational competitive performance.

EMPIRICAL REVIEW

Mayookapan & Dissatat (2012) studied the impact of strategy implementation on performance on generic strategy: evidence from Thailand. The study focused on the importance of strategy implementation to the performance implications of Miles and Snow typology. Data were collected from 111 key informants from firms in Thailand's chemical industry using probability sampling. The one-way Analysis of Variance (ANOVA) results showed that prospectors performed better than the other three strategic types, whereas reactors exhibited the lowest performance scores. While the success in strategy implementation is found to be a significant predictor of firm performance, the two-way Analysis of Variance (ANOVA) results revealed that the success in strategy implementation did not alter the relationship between Miles and Snow strategic type and a firm's performance. This finding suggests that the relationship between Miles and Snow strategic type and a firm's performance may be universal, regardless of the location where the study is conducted. However, additional studies in other contexts are required before the conclusion can be made whether the strategic type – performance relationship will be contingent on strategy implementation. Although both studies focused on strategy implementation, there are significant differences in the study, while the other was carried out in Thailand a different business environment from Nigeria, the study also relied on primary source of data for it analysis. The findings that suggest the relationship between miles and snow strategic and firm's performance is universal is also arguable because a the relative small sample size used for the study is not large enough to draw such conclusion or make generalizations.

Muchira, (2013) assessed the relationship between strategy implementation and performance in commercial banks in Kenya. The study was a cross-sectional survey as it sought to describe data and characteristics about the population or phenomenon being studied. The target population for this study involved all the commercial banks operating in kenya. Both primary and secondary data was collected for the purpose of this study and analyzed using descriptive statistics. From the study findings it was clear that strategy implementation influences organization performance where organization use various measures such as projected performance of competitors, organization goals, past performance of the business and projected performance of organization in other industries to access their performance. On financial performance the study established that implementation influence organization financial performance positively. The study concluded that implementation influence organization financial performance positively to a great extent resulting to increased organization profitability, business turnover and volumes of sale. The study is similar to the current study in terms of objective with only a few variations in the case study, why the current study focuses on the production sector, Muchiras study focused on commercial banks which is a service sector, both studies share similar findings.

Kombo (2014) analyzed the effects of strategy implementation on the performance of commercial banks in Kenya. The purpose of the study was to determine the effect of strategy implementation on performance of commercial banks in Kenya. The specific objectives of the study were to determine the effect of operationalization of strategy on performance of the banks and to determine the effect of institutionalization of strategy on performance of the banks. To achieve these objectives, the study adopted correlation research design. The target population was the forty-three commercial banks in Kenya. Given the small number of commercial banks, a census study was conducted. The data gathered was analyzed using descriptive statistics such as percentages to summarize the data. Pearson's correlation coefficient was used to determine the nature and strength of the relationship between strategy implementation and organizational performance. To determine the effect of strategy implementation on organizational performance, a multiple regression model was developed. The results reveal that there is a moderately strong relationship between strategy implementation and organizational performance. The researcher therefore recommends that for institutions to thrive and compete they must implement strategies effectively.

METHODOLOGY

The study adopted ex-post facto research design and the case study method. Secondary data on sales volume, productivity and were sourced from the balance sheets of Dangote Cement Company from 1996 to 2016. This period can allow for a precise examination of the pre and post-structural change era in the company. Dummy values were used to represent structural change (pre-structural change was denoted by 0 values while post-structural change was denoted by 1 values). Descriptive statistics like mean, standard deviation, skewness and kurtosis as well as multiple regression were used for data analysis.

The model used for data analysis is based on the assumption that the financial performance of Dangote Cement Company plc depends among others, on strategy implementation. This functional relationship is represented as follows:

SIM = f(FIP) ……… (1)

Where:

SIM = Strategy implementation (denoted by dummy values); and

FIP = Financial Performance.

However, financial performance does not solely depend on strategy implementation; other factors like inventory management (sales cost, physical stock, economic ordering quantity and buffer stock) also affect financial performance. Also, financial performance indicators used in this study are profitability, productivity and sales volume. This gives three explicit models as follows:

PFT = ? 0 + ? 1SIM + ? 2PSK+ ? 3EOQ+ ? 4BSK+U …… (2)

Where:

PFT = Profitability (in Naira);

PSK = Physical Stock (in tones);

EOQ = Economic Order Quantity (in tones);

BSK = Buffer Stock (in tones);

? 0 = Intercept;

? i = Parameter Estimates; and

U = Stochastic Variable

PRD = ? 0 + ? 1SIM + ? 2PSK+ ? 3EOQ+ ? 4BSK +U…… (3)

Where: PRD = Productivity

SAL = ? 0 + ? 1SIM + ? 2PSK+ ? 3EOQ+ ? 4BSK +U…… (4)

Where: SAL = Sales Volume

Table 1: Descriptive Analysis of Strategy Imp lementation and Performance Indicators

in Dangote Cement Company, Makurdi Branch (1996 – 2016).

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SIM	21	.00	1.00	.4762	.51177	.103	.501	-2.211	.972
PRT	21	-.91	288.90	80.2890	107.77987	1.066	.501	-.444	.972
PRD	21	.29	3.09	1.8324	.84692	-.291	.501	-.775	.972
SALES	21	.31	476.00	138.936 7	189.56814	.955	.501	-.854	.972
PSK	21	.01	2.58	.8519	.87880	1.115	.501	-.207	.972
EOQ	21	1.16	337.00	90.9110	131.80182	1.102	.501	-.559	.972
BSK	20	.08	1.09	.6500	.28427	-.277	.512	-.781	.992
Valid N (listwise)	20								

Source: *SPSS Output*

Data presented in Table one show that the study period covered 21 years (1996-2006) for the purpose of determining structural changes before and after the year 2007 when such changes were implemented in Dangote Cement Company, Gboko branch. The result indicates that sales volume with a mean of 138.936 was the most positively affected variable followed by economic order quantity which has a mean value of 131.80. Another important variable noticed was profitability with a mean value of 107.78 while productivity and components of inventory management such as the costs of buffer and physical stocks witnessed minimal impacts. The distribution shows high level of normality since both skewness and kurtosis scores are close to zero and none is above 3.00.

Table 2: Regression Results of Strategy Implementation and Performance Indicators in Dangote Cement Company, Makurdi Branch (1996 – 2016).

	DV	Intercept	IVs	Error Term
Parameters	PFT	19.221	-3.087SIM +49.054PSK +0.563EOQ -47.334BSK	**U**
	PRD	1.227	1.147SIM – s1.159PSK +0.008EOQ + 0.470BSK	
	SALES	9.327	30.694SIM +19.281PSK +1.269EOQ -29.915BSK	
Model1 Statistic R =0.988 R^2=0.976 D-W=2.302 Std. Error (SIM) =14.345 t-Statistic(SIM)= -0.215 Sig. =0.833 F-Statistic=152.630 Sig.=0.000	Model2 Statistic R =0.822 R^2=0.676 D-W=1.681 Std. Error (SIM) =0.415 t-Statistic(SIM)= 2.764 Sig. =0.014 F-Statistic=7.835 Sig.=0.001	Model3 Statistic R =0.999 R^2=0.997 D-W=1.992 Std. Error (SIM) =8.841 t-Statistic(SIM)= 3.472 Sig. =0.003 F-Statistic=1275.886 Sig.=0.000		

Source: *SPSS Output*

Results of Regression analysis presented in Table 2 show that strategic implementation (SIM) has a negative effect on the profitability of Dangote Cement Company Plc, Gboko branch. The result reveals that a unit change in strategic implementation causes profitability to decline by 308 percent. This suggests that although the nominal profit level of Dangote Cement Company may have risen after strategic implementation as shown in the descriptive analysis, in real value its profitability has declined over time. This may be attributed to the high cost of inventory management which apart from the cost of buffer stock, have all shown positive relationship with profitability. When profitability and costs show strong positive relationships, there is need to worry.

The t-statistic value of the profitability model was -0.215 and the value was not significant at 5 percent level ($p=0.833>0.05$). The null hypothesis which states that strategy implementation has no effect on profit in Dangote Cement Plc Gboko plant is therefore retained. Thus, strategic implementation does not have significant effect on the company's profitability. This finding contradicts that of Muchira (2013) which established that strategic implementation influences organization financial performance positively to a great extent resulting to increased organization profitability, business turnover and volumes of sale. This contradiction may be due to the financial crisis of 2007-2009 and the current recession witnessed after the structural change implemented my Dangote Cement Company Plc in the Gboko plant.

Regression result also revealed that strategy implementation has positive effect on productivity. A unit change in strategy implementation leads to an increase in productivity by 147 percent. Thus, although the level of productivity may be low as shown in the descriptive analysis, it has exhibited high degree of responsiveness to structural changes in Dangote Cement Plc. The t-statistic value of 2.764 was significant at 5 percent ($p=0.014<0.05$). The null hypothesis which stated that strategy implementation has no effect on productivity in Dangote Cement Plc Gboko plant is therefore rejected. Thus, strategic implementation has significant effect on the company's productivity.

Also, as shown in Table 2, strategic implementation has positive effect on the sales volume of Dangote Cement Company plc Gboko plant. A unit change in structural implementation leads to 370 percent increase in sales volume. This result is consistent with descriptive analysis. The t-statistic result shows that the value of 3.472 was significant at 5 percent ($p=0.03<0.05$). Thus, the null hypothesis which stated that Strategy implementation has no effect on sales in Dangote Cement Plc Gboko plant is rejected. Strategic implementation therefore has significant effect on the company's sales volume.

The models all have high explanatory powers of 98.9 82.2 and 99.9 percent, respectively. These models are all significant with ANOVA values of 152.630, 7.835 and 1275.886, respectively. The D-W values of 2.303, 1.681 and 1.992 can all be approximated to 2.00, indicating absence of serial errors.

CONCLUSION AND RECOMMENDATIONS

Generally, strategy implementation has impacted positively on the financial performance of Dangote Cement Plc Gboko plant. Specifically, this impact is more profound on sales volume and productivity, but little on profitability. This little impact of structural change on profitability could be due to external factors like global financial crisis and recession and/or internal factors like high costs of inventory management.

In view of this, Dangote Cement Company should:

1. Hire the services of consultants to check its management of inventory and ensure prudence in the company;
2. Outsource some of its products to minimize the risks of being exposed to the harsh

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Effect of Strategic Management Process on the Financial Performance of Manufacturing Firms

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ABSTRACT

This study assessed the effect of strategic management on the financial process of manufacturing companies, focusing on Oyo State of Nigeria. The 249 manufacturing companies in Oyo State, as registered with the Manufacturers Association of Nigeria (MAN), Ibadan, Oyo State, Nigeria, as at 1st November, 2016, formed the population of study. A sample of 152 manufacturing companies, representing 61% of the population was randomly selected for the study using a combined purposive and systematic random sampling techniques. The survey research design was used and data was collected through the use of questionnaire and structured interviews in the selected enterprises. The data collected were analysed using Analysis of Variances (ANOVA), correlation and descriptive statistics (F 18.619, $p < 0.005$).The study revealed that strategic management has significant effect on the financial process of manufacturing firms.

Key Words: Strategic Management, Financial Process, Manufacturing Firms, Business Environment, Gross National Product.

1 Introduction:

As business environments become increasingly complex and its dynamics change at a fast pace, the strategic management process is applied by organizations to make the internal and external environments more manageable and the business more sustainably competitive. This is of particular importance to manufacturing firms which play significant roles in the economic and social lives of any country. Apart from providing employment and the numerous consumption products, manufacturing companies contribute significantly to the countries' Gross National Product (GNP). They produce goods for export to earn foreign exchange and therefore help to improve the balance of payments position.

According to Monday, Akinola, Ologbenla and Aladeraji (2015), manufacturing companies today operate in increasingly hostile business environments that are characterized by increase in global competition, short product life cycle, technological change, and customer demands for greater product diversity. These companies must therefore look for ways to maintain a sustainable competitive position by continuously looking for areas of product improvements, and differentiating themselves from their competitors to attract and retain more customers. An important tool that manufacturing companies need to use is strategic management. This will enable them to be able to compete more successfully in the present day dynamic and competitive business environment.

A business organization can assess its performance using the financial and non-financial measures (Monday, et al, 2015). Financial process involves all the financial measures of performance which includes profit, return on assets, return on investment, return on sales, average payment and collection period, earnings per share and shareholder wealth maximisation. Non-financial measures focus on issues pertaining to customer satisfaction and customer referral rates, delivery time, waiting time and employee turnover. Non-financial measures of performance are found to be subjective Hitherto, however, financial measures of performance remains an objective, simple to compute and easy to understand metric of measuring corporate performance, this is in spite of its major drawback that it is historical and are sometimes not readily available in the public domain (Monday, et al, 2015).

Kazmi, 2008 defined Strategic Management as the dynamic process of formulation, implementation, evaluation and control of strategies to realize the organization's strategic intent. He described the model as involving four basic elements: establishment of strategic intent, strategy formulation, strategy implementation and evaluation and control. Strategic Management is also defined as the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow (David 2011).

Strategic management involves the process of making decision, planning, coordinating and taking some actions by the top managers of a company in order to achieve set goals and objectives. Decisions are of little use unless they are acted upon. Firms must take the necessary actions to implement their strategies. This requires top managers to allocate the necessary resources and to design the organization to bring the intended strategies to reality (Dess, Lumpkin, & Marilyn, 2005). Because it involves long-term, future-oriented, complex decision making and requires considerable resources, top-management participation is crucial.

According to Monday, et al (2015), the issues on strategic management has drawn so much attention among business practitioners and academic researchers in the last two decades as globalization came fully into limelight. As more industries become global, strategic management now becomes an increasingly important tool to keep track of international developments and position the firm for long term competitive advantage. They observed further that in developed countries as well as in developing ones, much has been written on strategic management in form of books. However, in Nigeria, only a few empirical studies have been conducted to investigate the effect of strategic management on thefirm's financial performance.The research question is “Does strategic management have any significant effect on the financial performance of manufacturing firms?

The objective of the paper is to determine whether strategic management has any significant effect on the financial performance of manufacturing companies in Nigeria. The hypothesis to be tested

Ho “Strategic Management has no significant effect on the financial performance of manufacturing firms.

H1 “Strategic Management has significant effect on the financial performance of manufacturing firms.

2 Literature Review

2.1 Conceptual Framework.

2.1.1 Strategic Management:

Strategic Management is the dynamic process of formulation, implementation, evaluation and control of strategies to realize the organisation's strategic intent (Kazmi, 2008). As a dynamic process, strategic management is not a one-time, static or mechanistic process. It is not a rigid, step-wise collection of a few activities arranged in a sequential order. It is a continual, evolving, and iterative process. It is a continually evolving mosaic of relevant activities, with each activity being performed in any order by the managers, contingent upon the situations the managers face at any time.

2.1.2 Strategic Management Process:

Strategic management process is a method by which managers conceive of and implement a strategy that can lead to a sustainable competitive advantage (Jurevicius, 2013). According to Gomes (2010), the term 'Strategic Management Process' refers to the steps/tasks by which management converts a firm's mission, objectives and goals into a workable strategy. In a dynamic environment each firm needs to tailor its strategic management process in ways that best suit its own capabilities and situational requirements. Therefore, the Strategic Management process can be described by a number of tasks to be undertaken by the organization. This includes evolving business goals, by formulating its future mission and vision in terms of the expectations of the stake holders; setting objectives that are achievable in light of changing external factors that include regulation, competition, technology, and customers; evolving and developing a competitive strategy to achieve the mission; creating an effective organizational structure and arranging the resources to successfully carry out the strategy, and evaluating the performance so that necessary corrective measures can be taken to keep it on track to achieve the vision.

2.1.3 Models of the Strategic Management Process:

There are different models of the strategic management process. Some of them are reviewed in this study. This study is anchored on the comprehensive model of strategic management as stated by Kazmi (2008).

2.1.4 David's Model of the Strategic Management's Process

According to Jurevicius (2013), this model has seven steps: developing vision and mission; external environmental analysis; internal environmental analysis; establishing long term objectives; generating, evaluating and choosing strategies; measurement and evaluation of performance. The benefit of this model includes the fact that it shows almost all the major steps in strategic management. It also shows that the process is a continuous one and that firms may sometimes need to go a step or two backwards in the process for adjustments as the case may warrant. Its major demerit includes representing only strategy formulation stage, but not separating situation analysis from strategy selection stages. It also confuses strategy evaluation with strategy monitoring.

2.1.5 Rothaermel's The Analysis-Formulation-Implementation (AFI) Strategy Framework

This model includes analysis, formulation and implementation stages of strategic management. It has four steps, via initial analysis, external and internal analysis, business r corporate strategy formulation and strategy implementation. According to Jurevicius (2013), the model separates initial analysis from internal/external analysis. It shows that the process is a continuous one and it emphasizes the main focus of strategic management which is to gain and sustain competitive advantage. It however ignores the strategies, monitoring stage and shows only one-way process which is not so in practice.

2.1.6 Thompson's and Martin's Strategic Management Framework

According to Jurevicius (2013), this model has four main stages that answers four fundamental strategic management process questions is Where are we? Where are we going? How are we getting there and how are we doing? It has seven steps that include situation appraisal, situation assessment, clarification of objectives, formulation of corporate and competitive strategic decisions, implementation and monitoring of progress. Its main benefit is that it shows the process as a continuous activity, and it emphasizes the four fundamental strategic management process of Where are we? Where are we going? How are we getting there and how are we doing? It however has a fundamental drawback that the process is one-way which is not realistic in practice.

2.1.6 Comprehensive Model of Strategic Management identified by Kazmi, A (2008)

The conceptual framework of this study shall be based on the Comprehensive Model of Strategic Management identified by Kazmi, A (2008). This model provides that the process of strategic management consists of four different phases; each phase having a number of elements, and the total number of elements is about 20. The four phases in Strategic Management are establishment of strategic intent, formulation of strategies, implementation of strategies and strategic evaluation and control.

The first phase, establishment of strategic intent, includes five elements in the hierarchy of the objectives that the organization sets for itself. It involves creating and communicating a vision; designing a mission statement; defining the business; adopting the business model and setting of objectives. The aim of strategic management is to help the organization realize strategic intent.

The second phase of the formulation of strategies is concerned with the devising of a strategy or a few strategies. This phase is also called strategic planning. It is essentially an analytical phase in which strategists think, analyse and plan strategies. It involves seven elements: performing environmental appraisal; doing organizational appraisal; formulating corporate level strategies; formulating business level strategies; undertaking strategic analysis; exercising strategic choice and preparing strategic plan.

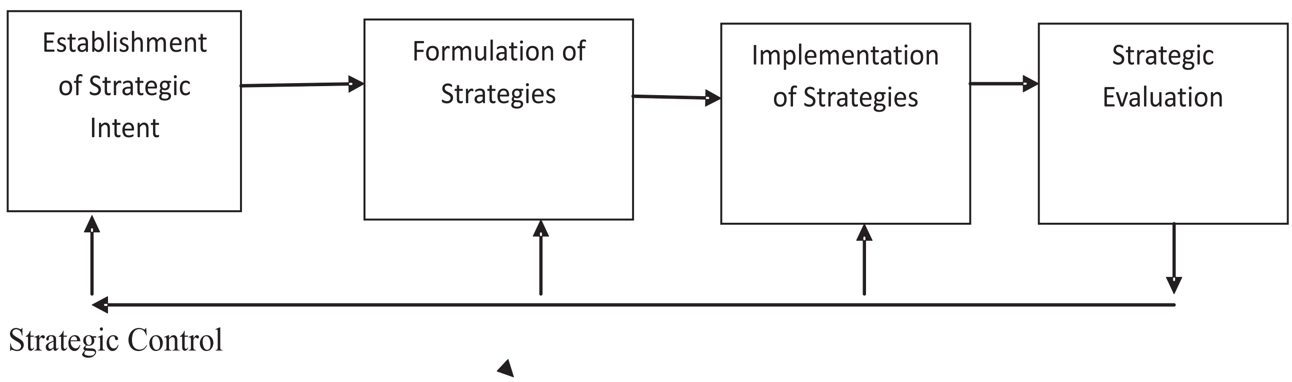
The third phase of implementation is the 'putting into action' phase. The strategies formulated are implemented through a set of five administrative and managerial actions.

These include: activating strategies; designing the structure, systems and processes; managing behavioural implementation; managing functional implementation and operationalizing strategies.

The fourth and last phase of evaluation and control involves assessing how appropriately the strategies were formulated and how effectively they are being implemented. Depending on the outcome of assessment, actions could be taken ranging from fine-tuning implementation to a drastic reformulation of strategies. This phase has three elements: performing strategic evaluation; exercising strategic control and reformulating strategies.

The four phases are sequentially linked to each other and each successive phase provides a feedback to the previous one. However, in practice, the different phases may not be clearly differentiable from each other, and in fact at the interface, may exist simultaneously. The feedback arising from each of the successive phases is meant to revise, reformulate or redefine the previous phases, if necessary.

Figure 1 The Four Phases of Strategic Management Process



Source: Adapted from Kazmi (2008)

However, in practice, the different phases of strategic management may not be clearly differentiated from each other, each phase having a number of elements. According to Kazmi (2008), the aim of strategic management is to help the organization realize the strategic intent. Strategic management is an on-going process that evaluates and controls the business and the industries in which the firm is involved, assesses its competitors, set goal and strategies to meet all existing and potential competitors and then reassesses each strategy to meet changed circumstances, new technology, new competitors, a new economic environment or a new social financial or political environment (Muogbo, 2013). It integrates strategic planning with quality (or continuous improvement) efforts, budgeting, resource planning, program evaluation, and performance monitoring and reporting. It is the process of positioning an organization so it can prosper in the future.

2.1.7 Financial Performance

Traditionally, a business organization is considered to be an economic unit, which has developed a common and unique measure of efficiency which is 'Profit', it is therefore rational to assume profit maximization as a natural business objective (Akinsulire, 2014). He further justified the appropriateness of profit maximization as a major business objective on the grounds that:

- A human being, performing any economic activity rationally, aims at utility maximization which can be easily measured in terms of profits.
- Profit maximization ensures economic natural selection and ultimately ensures that only profit maximisers survive.
- The firm, in pursuing its objective of profit maximization also maximizes social economic welfare.
- Profit maximization is a motive force to acquire monopoly powers in the imperfect product

markets.

Against this list of justifications for profit maximization as a business objective are the limitations which include

- Accounting profits are not the same as economic profits. It can be manipulated by choices of accounting policies.
- Accounting profits are historical measures of short term performance. There is need for a company's performance to be judged over a long term. Profits on their own take no account of the volume of investment that it has taken to earn the profit.
- In the contemporary business setting, ownership and management are separated, leading to profit maximization being regarded as unrealistic and inappropriate.

To take care of these limitations, an expanded measure of financial performance which is not limited to profit maximization is used. This include

- Return on capital employed
- Profitability measured by profit margin
- Earnings per share
- Asset turnover
- Sales
- Average payment and collection period, and therefore liquidity and cash flow
- Working capital management

According to Pandey (2010), the financial goal of the firm should be Shareholder Wealth Maximisation (SWM) as reflected in the market value of the firm's shares. This is taken care of in the Earnings per Share.

2.2 Theoretical Framework

The two theories on which this study is anchored are the resource-based and the contingency-based theories.

2.2.1 Resource- Based Theory:

The resource based theory emanates from the principle that the source of a firm's competitive advantage lies in its internal resources as opposed to their positioning in the external environment. This theory, asserts that competitive advantage depends on the unique resources and capabilities that a firm possess. (Barney, 1995). The resource based approach stipulates that in strategic management, the fundamental sources and drivers of firm's superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly to copy (Peteraf and Bergen, 2003). Firm resources could be classified as physical, human, and organizational resources. The physical resources are the technology, plant and machinery, geographical location, and access to raw material. The human resources are the training, experience, judgment, intelligence and relationships present in an organization. The organizational resources are the formal systems and structures as well as informal relations among groups. Firms resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge and so on controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness. Barney says that resources of an organization can ultimately lead to strategic advantage if it has four characteristics, that is, if the resources are valuable, rare, costly to imitate and non-substitutable (Barney, 1995). Empirical studies over the years have generally supported the resource based theory (Barney, 2001).

2.2.2 Contingency-Based Theory: This theory, according to McWilliams, Fleet & Cory, (2002), is based on the idea that there is no one single best way or approach to manage organizations. Organisations should therefore develop managerial strategies based on the conditions and situations they are experiencing. Contingency theory allows one to analyse a situation and determine what variables influence the decision with which it is concerned. The dynamism of strategic management and high volatility of the business environment make this theory to be very relevant to this study.

2.3 Empirical Review:

A number of empirical studies have been carried out on the subject of strategic management and financial performance. However, in Nigeria, only a few empirical studies have been conducted to investigate the effect of strategic management on the firm's financial performance. Monday, Akinola, Ologbenla and Aladeraji (2015) provided evidence on the effects of strategic management on the performance of manufacturing firms in Nigeria. Using five large scale manufacturing companies in Lagos metropolis, the study relied on structured questionnaire the data collected were analysed using analysis of variance (ANOVA), correlation analysis and descriptive analysis. The result showed that strategic management had significant effects on the profitability and operational performance of the selected manufacturing firms. Dauda, Akingbade, & Akinlabi (2010) examined the influence of strategic management on corporate performance in selected small scale enterprises in Lagos, Nigeria. Cross sectional survey research method was adopted for the study. Findings of the study showed that strategic management enhances both organizational profitability and company market share.

Muogbo (2013) examined the impact of strategic management on organizational growth and development in selected manufacturing firms in Anambra State, Nigeria. The study used descriptive survey design to collect detailed and factual information. Cluster sampling was used to select equal number of manufacturing firms from each sample cluster in the study. The data collection instrument was structured questionnaire. He found out that strategic management was not yet a common business practice among manufacturing firms in Anambra State, Nigeria.

Greenley (1994) in his study to investigate whether or not an association can be identified between strategic planning and performance, identified a total of 29 relevant and empirical studies. He classified the studies into three groups, in the first group, there are nine studies where the researcher concluded that there is no association between strategic planning and company performance, there were 12 studies in the second group which supports an association between strategic planning and performance. In the third group of eight studies, it was concluded that firms with strategic management outperform firms without strategic management.

Needorn & Nwaeke (2015) conducted a study to examine the extent to which strategic management influences the survival of consumer goods manufacturing companies, using questionnaire to collect data chi-square for data analysis. The findings revealed that strategic management significantly enhanced the survival of consumer goods manufacturing companies.

Sharabati & Fuqaha (2014) investigated the effect of strategic management by using Balanced Scorecard (BSC elements) on Jordanian Pharmaceutical Manufacturing (JPM) organizations' business performance. Data were collected by means of questionnaire. Descriptive statistics, t-test, ANOVA test, correlation, simple and multiple regressions were employed. The result of the simple regression and the multiple regressions analysis shows that strategic management has direct impact on Jordanian Pharmaceutical Manufacturing Organizations'

Arasa and K'Obonyo (2012) examined the relationship between strategic planning and firm performance. Correlation analysis results indicated the existence of a strong relationship between strategic planning and firm performance. Owolabi and Makinde (2012) studied the effects of strategic planning on corporate performance using Babcock University, Nigeria as the case study. The results of the hypotheses revealed that there was a significant positive correlation between strategic planning and corporate performance.

3 Methodology.

3.1 Research Design: In collecting data for the research, the survey research design was adopted. Structured questionnaire was completed by respondents from where conclusions were drawn. Also, direct interview was conducted to compliment responses to the questionnaire. It was also a means of further confirming the information obtained from the structured questionnaire filled by the respondents.

3.2 Population of Study, Sample and Sampling Procedure:

The population of study was all the 249manufacturingcompanies in Oyo State, as registered with the Manufacturers Association of Nigeria, Ibadan, Oyo State, Nigeria as at 1st November,2016. However, based on the Taro Yamane formula for selection of sample from a given population (Yamane 1993), a sample of 153 manufacturing companies was randomly selected for study, this was further tested by the Fluid Survey Team formula which gave the same sample size of 151 firms. A simple average of 152 firms, or 61% the population was therefore selected by a combined purposive and systematic random sampling techniques. Three (3) questionnaire were administered in each of the 151 firms studied, making a total of 453 questionnaires. However, 372 questionnaires (82%) were retuned and usable. The firms studied were randomly selected from 11 out of the 33 local government areas in the state, which is the immediate vicinity of the researcher. The 11 local governments selected have about 52% (2,883,019) of the population of Oyo State (5,580,894) as per the 2006 population Nigerian population census. The state has a very high concentration of manufacturing enterprises of all categories, ranging from basic Metal Iron & Fabricated Metal Products, Chemicals & Pharmaceuticals, Pulp & Paper Products, Wood & Wood products, Pulp & Paper products, Textile & Wearing Apparels, Food & Beverages, Industrial/Domestic Plastic and Electricals & Electronics Appliances.

Oyo state in Nigeria has its capital at Ibadan, it is the immediate vicinity of the researcher. The state is bounded in the north by Kwara State, in the East by Osun State, in the by Ogun State and in the west partly by Ogun State and partly by the Republic of Benin. It has a total land area of 28,454 km2and a population of 5,580,894 (2006) It has a GDP of USS16,121 million and is ranked 4th position in the 36 states on the basis of GDP in 2010 (C-GIDD 2010)

3.3 Data Collection:

Both primary and secondary sources of data collection were used in this study. A well-structured five point Liker rating scale questionnaire was administered personally to junior and senior managers of the selected manufacturing firms. This was complemented by oral interview. Apart from this primary source of collecting relevant data, secondary sources from published financial statements of some of the manufacturing enterprises, was also used. Written sources were also used to collect information for the study. These include text books, journals, references found in books and journals, conference proceedings and also electronic sources of information, including the internet and on-line services. Lead City University's departmental, faculty and main libraries were extensively used to obtain up-to-date information and referencing materials.

3.4 Validation and Reliability of the Research Instruments:

The questionnaire was validated through careful study of the draft by two senior academic members who are experts in strategic and financial management. Also, personal interviews were conducted with some of the respondents to cross check their views with answers in the questionnaire to test for consistency. A pilot study was further conducted by administering the questionnaire among five manufacturing companies in Osun state to increase the reliability and validity of the instruments.

The data collected was analyzed using SPSS (Statistical Package for Social Sciences) version 20.0, Analysis of Variance ANOVA, descriptive analysis and correlation analysis. The hypothesis was tested at 5 degree level of significance.

4 Data Analysis and Discussion of Findings:

4.1 Socio – Demographic Characteristics of Respondents

The data analysis began with the socio-demographic characteristics of the respondents which include academic qualification, professional qualification, designation and years of working experience. The analysis on table 1 showed that all the respondents had at least a first degree or its equivalent, with management related professional training and qualifications. In addition to their academic and professional qualifications, almost 70% of the respondents have at least five years' experience in their various organizations and they occupy top management positions. This showed that the respondents are conversant with the strategic management process and its implication on companies' effectiveness.

Table1: Socio Demographic Characteristics of Respondents

Characteristics		Frequency	Percentage
Academic Qualification	HND	52	14
	B.Sc.	264	71
	Post Graduate	55	14.73
	Total	372	100
Professional Qualification	ACA, ACCA, ACMA	115	31
	ACIB, ACIT	41	11
	MCPIM	52	14
	MCPQA	11	3
	QPA	11	3
	MNIM	93	25
	MICCON	26	7
	OTHERS	23	6
	Total	372	100
Years of service in this company	1-4	119	32
	5-9	134	36
	10-14	59	16
	15-19	41	11
	20 and above	19	5
	Total	372	100

Source: Field Survey, 2017

4.2 Strategic Management Process in the Manufacturing Companies

This section showed the respondents' views about the four phases of the strategic management process, and therefore the extent of strategic management practice in the firms studied.

4.2.1 Establishing the strategic Intent

Analysis of table 2 below showed that 65% (SA + A) of the respondents indicated their firms have stated vision, effectively communicated to key stakeholders, 66% indicated that their companies have stated mission effectively communicated to key stakeholders in the firms, 53% indicated that their firms clearly define their business, 58% stated that their firm apply the business model, 71% affirm that their firms set clear goals and objectives. These are the main elements of the strategic intent, which is the first phase of strategic management. On the average therefore, the results showed that 65.8% of the respondents agree that their firms carry out the establishment of strategic intent. This is confirmed by the high mean value of 3.62 out of the maximum possible value of 5.

Table 2: Strategic Management Process: Establishing the strategic Intent

	SA	A	U	DA	SD	Mean
Your company has a stated vision, effectively communicated to key stakeholders in the firm.	30	35	5	18	12	3.21
Your company has a stated mission, effectively communicated to key stakeholders in the firm.	34	33	3	16	14	3.57
Your organization clearly defines its business.	26	27	11	20	16	3.27
Your company applies the business model in the creation and marketing of value.	28	30	22	12	8	3.58
Your organization sets clear goals and objectives.	44	42	3	5	6	4.13
Simple Average:	32.4	33.4	9	14	11	3.62

4.2.2 Formulation of Strategies

Analysis of table 3 below showed that 88% (SA + A) of the respondents indicated their firms perform environmental appraisal for strategy formulation, 91% indicated that their companies perform organisational appraisal, 93% indicated that the corporate strategies formulated are in line with the company's vision and mission statements, 85% stated that the company formulates corporate level and business level strategies, 90% affirm that their firms undertake strategic analysis, 91% agree that their companies have strategic plan. These are the main elements of the strategic intent, which is the first phase of strategic management. On the average therefore, the results showed that 89% of the respondents agree that their firms carry out the formulation of strategies phase of strategic management. This is confirmed by the very high mean value of 4.24 out of the maximum possible value of 5.

Table 3: Strategic Management Process: Formulation of Strategies

	SA	A	U	DA	SD	Mean
Your company performs environmental appraisal.	49	39	2	6	4	4.23
Your company performs organisational appraisal.	50	41	1	5	3	4.3
The corporate strategies formulated are in line with the company's vision and mission statements.	48	45	0	4	3	4.31
The company formulates corporate level and business level strategies.	45	40	5	6	4	4.16
The company undertakes strategic analysis?	46	44	1	4	5	4.22
Your company has a strategic plan?	51	40	1	4	4	4.30
Simple Average	48	41	2	5	4	4.24

4.2.3 Implementation of Strategies

Analysis of table 4 below showed that 72% (SA + A) of the respondents indicated that the organizational structure, systems and processes for strategy implementation are effective, 71% indicated that the measures for implementing functional and operational strategies are effective, 71% indicated that the measures for managing behavioural implementation are effective. These are the main elements of the implementation of strategies phase which is the third phase of strategic management. On the average therefore, the results showed that 71.33% of the respondents agree that their firms carry out the implementation of strategies phase of strategic management. This is confirmed by the high mean value of 3.75 out of the maximum possible value of 5.

Table 4: Strategic Management Process: Implementation of Strategies

	SA	A	U	DA	SD	Mean
The organizational structure, systems and processes are effective	39	33	6	12	10	3.7
The measures for implementing functional and operational strategies are effective.	37	34	5	13	11	3.73
The measures for managing behavioural implementation are effective.	35	36	8	11	10	3.75
Simple Average	37	34.33	6.33	12	10.33	3.75

4.2.4 Performing Strategic Evaluation and Control

Analysis of table 5 below showed that 92% (SA + A) of the respondents indicated strategic Audit is part of their organizations' strategic management process, 85% indicated that there is an internal strategy-monitoring unit in the organization, 53% indicated that external audit team is used in the organization's strategic audit, 85% stated that the company formulates corporate level and business level strategies, 81% affirm that the strategic management process involves reformulating of strategies as the need arises These are the main elements of the strategic evaluation and control phase of strategic management. 89% agree that top managers obtain unbiased reports for evaluation and control of performance results. On the average therefore, the results showed that 90% of the respondents agree that their firms perform the strategic evaluation and control phase of strategic management. This is confirmed by the very high mean value of 4.04 out of the maximum possible value of 5.

Table 5 : Strategic Management Process: Performing Strategic Evaluation and Control

	SA	A	U	DA	SD	Mean
Strategic Audit is part of your organization's strategic management process	51	41	3	3	2	4.36
There is an internal strategy- monitoring unit in the organization.	50	35	6	5	4	4.22
External audit team is used in the organization's strategic audit	26	27	15	20	14	3.37
The strategic management process involves reformulating of strategies as the need arises.	40	41	6	10	3	4.05
Top managers obtain unbiased reports for evaluation and control of performance results.	49	40	1	6	4	4.24
Simple Average	43.2	36.8	6.2	8.8	5.4	4.04

The summary of the simple averages of responses from the four phases of strategic management is as shown in table 6 below. It shows the extent of strategic management practice in the manufacturing firms studied. This shows that the firms studied practice strategic management to a very large extent as indicated by about 76.4% of the respondents. This result is in agreement with the findings of Monday et al (2015) who concluded that large scale manufacturing firms in Nigeria practice strategic management to a very large extent to gain competitive advantage. However, the results is quite contrary to the findings of Muogbo (2013) who concluded that strategic management was not yet a common business practice among manufacturing firms in Anambra state of Nigeria.

Table 6: Summary of responses for the four phases of strategic management process

Strategic Management Process	SA	A	U	DA	SD	Mean
Establishment of strategic Intent	32.4	33.4	9	14	11	3.62
Performing Strategy Formulation	48	41	2	5	4	4.24
Performing Strategy Implementation	37	34.33	6.33	12	10.33	3.75
Performing strategy evaluation and control	43.2	36.8	6.2	8.8	5.4	4.05
Average of responses for the four phases of strategic management	40	36.4	5.9	10	7.7	3.92

4.3 Effect of Strategic Management on Firm Effectiveness.

The analysis in tables 7 to 9 show the effectiveness of strategic management process on manufacturing firms' financial performance.

4.3.1 Effect of Strategic Management on Company Financial Process.

The analysis in Table7 shows the effect of strategic management on the firms' financial performance. Ninety percent of the respondents indicated that strategic management increases sales, while 89% indicated that strategic management increases profitability. This was confirmed by the very high mean values of 4.17 and 4.19 respectively, out of the possible mean value of 5. Eighty-nine percent of the respondents agreed that strategic management improves the return on capital employed This was confirmed by the high mean value of 4.19. Seventy-eight percent of the respondents agreed that strategic management improved average payment and collection period and therefore improved liquidity and cash flow, while 76% agreed that it aids increased asset turnover. This was attested to by the mean value of 3.84 and 3.90 respectively. Seventy six percent of the respondents agree that strategic management aids improved asset turnover while 67% agreed that it enhanced improved working capital management. This was confirmed by the mean values of 3.55 and 3.70 respectively.

Table 7: The effect of strategic management on company financial performance.

	SA	A	U	DA	SD	Mean
There is increase in sales	41	49	0	6	4	4.17
There is increase in profit margin	48	41	1	3	7	4.19
Return on capital employed is improved	45	44	1	5	5	4.19
Improved average payment and collection period, and therefore improved liquidity and cash flow	40	38	0	10	12	3.84
Asset turnover is improved	37	39	10	5	9	3.90
Earnings per share is improved.	34	33	5	10	18	3.55
Working capital management is improved	33	37	9	9	12	3.70

To test the hypothesis, "Strategic management has no significant effect on the financial process of an organization", the level of practice of strategic Management was regressed with the financial performance of the selected manufacturing companies. From the analysis on Table 8, although the strategic management process of the selected firms could barely explain about 27% of the change in financial performance as indicated by the R2 value, there was a positive relationship between strategic management process and the firms' financial performance effectiveness (R = 0.522). This indicates that as the level of practice of strategic management increased, the financial performance of the firms also improved. Furthermore, the analysis of variance (ANOVA) in Table 9 showed that strategic management practice had significant effect on firm financial performance effectiveness ($F = 18.619$, $p < 0.05$). These results were consistent with previous similar studies by Gichunge (2007) and Dauda et al. (2010) that strategic management enhances organizational profitability.

Table 8: Relationship between Strategic Management and Firms' Financial Perspective

R	R^2	Adjusted R^2	Std. Error of Estimate
0 522	0.272	0.231	0.883

a. Predictors: (Constant), Strategic Management

Table 12: Effect of Strategic Management on Firms' Financial Effectiveness (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	12.474	1	12.474	18.619	0.000
Residual	19.566	47	0.252		
Total	32.040	48			

a. Dependent Variable: Financial Effectiveness

b. Predictors: (constant), strategic management practice

Source: Author`s Computation, 2016.

Summary of Findings

The summary of simple averages of responses from the four phases of strategic management showed the extent of strategic management practice in the manufacturing firms studied. This showed that the firms practice strategic management to a very large extent as indicated by about 76.4% of the respondents. This result is in agreement with the findings of Monday et al (2015) who concluded that large scale manufacturing firms in Nigeria practice strategic management to a very large extent to gain competitive advantage. However, the results are quite contrary to the findings of Muogbo (2013) who concluded that strategic management was not yet a common business practice among manufacturing firms in Anambra state of Nigeria.

The analysis shows that there is a positive relationship between strategic management process and the firms' financial performance. Thus, as the level of practice of strategic management increased, the effectiveness of financial performance of the firm also increased. Furthermore, the analysis of variance (ANOVA) showed that strategic management practice had significant effect on firm financial performance ($F = 18.619$, $p < 0.05$). These results were consistent with previous similar studies by Gichunge (2007) and Dauda et al. (2010) that strategic management enhances organizational profitability

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Conclusion: Strategic management is the management of the process of making and implementing strategic decisions which gives an organisation the competitive advantage. This study revealed that strategic management was practiced to some extent in the manufacturing firms in Nigeria. Also, strategic management was found to be a veritable tool for improving firm financial perspective. The study concludes that there is a significant relationship between strategic management and financial performance of the selected manufacturing firms.

Recommendations

Based on the findings of this study, it is recommended that manufacturing firms in Nigeria should give strategic management process a topmost priority as it is a critical success factor in achieving the financial objectives of the organisations. In addition, entrepreneurial institutes, business schools and tertiary institutions in Nigeria should intensify their efforts to promote the learning of strategic management. This would expand the scope for the knowledge base of this very important management tool that is necessary for organizational superior financial performance.

Also, for future research direction this study should be replicated in the Nigerian service industry which constitutes a significant proportion of businesses in the country.

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Culture And Cultural Imperialism On Development Of Business Reporting In Nigeria

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ABSTRACT

The availability of reports on the financial position of an organisation at a point in time and how well it has fared over a given period of time are vital information for its effective and efficient management. The accounting function has traditionally played a critical role in this regard as the framework for business reporting. Development of accounting has been observed to reside both within a social and historical context. This makes accounting information to be both passive and active. This paper investigates and reports on the influence of culture and cultural imperialism on the development and practice of business reporting in Nigeria. Questionnaire was designed to obtain data from a sample of two hundred and ten randomly selected respondents conversant with accounting matters. The data were analyzed using non-parametric Chi-square test, Kendall's W test and t-test. The results suggest that there is a significant relationship between culture and cultural imperialism and the development and practice of business reporting. In addition, it was found that colonial accounting culture intercepted the process of gradual development of local accounting practices and that the smooth implementation of International Financial Reporting Standard (IFRS) will face serious challenges due to differences in accounting needs of developing countries like Nigeria from those of developed countries.

Keywords: Accounting values, Anglo-Saxon accounting, Colonialism, Economic imperialism.

1. Introduction

The ability of an organisation to enhance its value chain activities depends on how well it is able to report its economic events. This reporting function of management is the channel through which an organisation communicates with its stakeholders and as such, business reports are a signaling device. The managerial activity that is primarily concerned with both internal and external reporting is the accounting system; hence accounting is generally referred to as the language of business. Implicitly, business cannot thrive if there is no accounting. In this context, accounting is a process by which data relating to economic activities of an organization are classified, recorded and communicated to intended users for analysis and interpretation. It therefore, provides the data for financial analysis, planning, decision making and control. As an organic entity and an input-output system, organisations need constant supply of varied information for it to function effectively. Since profit maximization underlies economic activities, accounting information is needed about the different types of inputs and their costs of acquisition, costs of various activities relating to the conversion of inputs and values of outputs generated (Ashton, Hopper, & Scapens,1995; Inanga, 1985).

Without doubt, the quality of any financial report depends inter-alia on the accounting standards on which it is based. Izedonmi (2001) and Yahaya (2011) see accounting standard as an information system through which monetized and financial information is generated for economic and socio-political decisions. Standards provide guides on the preparation and presentation of accounting information so as to enhance its content value and facilitate comprehension. The practice of accounting thus derives from accounting standards. As noted by Dahawy and Conover (2007), accounting information is both passive and active in the case of developing countries. It is passive in the sense that financial reporting practices result from a country's cultural history or stage of development and active in the sense that the choice of financial reporting practices have an effect on economic development. This observation sets the research agenda for this study.

Accounting development has been observed to reside within a social and historical context. Anglo-Saxon countries have influenced developing countries in this regard. Anglo-Saxon accounting has facilitated the accumulation of capital and expansion of capitalism. It has however, prevented the development of local rules and regulations that accord with socio-political and economic needs of developing countries. The adoption of Anglo-Saxon accounting system is attributable to colonialism, international professional institutions, international organisations, and the operations of international companies. Thus imperialism has constrained the advancement of local cultural interests in addressing development needs of developing nations. Consequently, the historical environmental conditions within which accounting practices were developed are important in understanding their practice.

Clearly, the research questions can be posed as: Does culture affects the practice of accounting in Nigeria? Do accounting practices in Nigeria derive from colonial culture? Did colonial accounting culture intercept the process of gradual development of local accounting practices in Nigeria? Will culture significantly affect the implementation of International Financial Reporting Standard (IFRS) in Nigeria? The last question is particularly important in view of the observation by Larson (1993) that the strict adoption of International Accounting Standards (IAS), now recaptured as IFRS, by developing countries may be harmful because their environments, cultures, and accounting needs differ from those of developed countries. Prior studies like those of Dahawy and Canover (2007) have reported a relationship between the development and practice of accounting and the influence of cultural imperialism in some developing countries. Such literature has also shown that at the dissolution of colonialism, the globalisation of the world economy increased the pressure to develop a single set of financial reporting standard worldwide. Against this backdrop, the objective of this paper is to investigate if accounting development and practice in Nigeria is influenced by cultural imperialism.

To ease comprehension of this study, the remainder of the paper is divided to include conceptual framework, theoretical framework and review of prior studies in section 2. Section 3 shows the data and methods, while the analysis and results are shown in section 4. The conclusion is finally shown in section 5.

2. Conceptual Framework

What account for differences in accounting practices across countries are many and diverse? However, Nobes and Parker (2004) and Finch (2007) identified the following as the significant environmental factors: culture, legal systems, taxation systems, inflation, sources of external finance, economic structures, and political events. The literature documenting culture as an influence on international accounting practice have grown in recent times and have warranted further studies. Culture has been variously defined. For instance, culture is seen as an accumulation of thoughts, values and objects. It is the social heritage acquired from preceding generations through learning, as distinguished from the biological heritage which is passed automatically through genes (Shankar-Rao, 2006). Culture is shared and can be transmitted. In which case, cultural products produced by accounting are subject to importation (Mandelbaum, 1977). Importation of knowledge however, is often hindered by local culture (Dahawy & Canover, 2007). This hindrance is sometimes surmounted through cultural imperialism.

Cultural imperialism is viewed as a practice of promoting and imposing a culture, usually of politically powerful societies over less powerful societies. It can be in the form of an attitude, a formal policy and anything that reinforces cultural hegemony (Johnston, 2000). Also, it is capable of establishing foreign norms, values and expectations which may modify the domestic cultures and socialisation processes (McPhail, 1987). Cultural imperialism has been seen as the cultural legacy of colonialism, or forms of social action contributing to the continuation of western hegemony (White, 2001). Lechner (2012) situated globalisation within the purview of cultural imperialism and observed that institutions of globalisation like the IMF, WTO, and World Bank have managed globalisation to transfer a disproportionate part of the accrued gains to developed nations while the less developed nations have become worse-off. There is unanimity amongst scholars that Africa is probably the most adversely affected by imperialism (Monga, 1996., Thiongo, 1986).

The arrangement of economic activities during colonialism in Africa was to facilitate the expatriation of surplus produced by African labour out of African resources. Therefore, it meant the development of Europe as part of the same dialectical process in which Africa was underdeveloped. While capitalism was to exploit all workers everywhere, European capitalists in Africa had additional racial justification for dealing unjustly with the African workers. The racist theory that the Blackman was inferior led to the conclusion that he deserves lower wages. This deters the African workers to organising themselves; and whenever they realised the necessity for trade union solidarity; numerous obstacles were placed in their paths by the colonial regimes. This posture put Africa in a subservient position as "drawers of water and hewers of wood" (Rodney, 2005). In sum, societal pleasure is maximized if less-divisive, more personally observed cultural distinctions are celebrated and preserved (O'Meara, Mehlinger, & Krain, 2000).

2.1. Historical Development of Accounting in Nigeria

Evidence of local accounting abounds in Nigeria before the emergence of the Europeans. Records were based on oral accounting and use of memory. Further developments led to the use of pebbles, sticks and making of strokes on the wall to represent debt owned, payments made and balance thereof. Importantly, formal administration was only noticeable in the northern part of the country. The Emirs had a tax system and taxes imposed included: "zaka" (charity and education tax), "kundi kasa" (agricultural tax) and "jangali" (cattle tax). Records of these were maintained. The ability to read and write in Arabic facilitated the record keeping process. These structures in the northern parts of the country were completely absent in other parts. For instance, in the southern parts, taxes were seen as tributes and arbitrary levies payable to the rulers without identifiable records (Agboh, 2007).

The advent of the Europeans brought with it writing and record keeping. With the consolidation of British interest in Nigeria and the subsequent amalgamation of the fractional parts in 1914, formalized tax practices and efficient recording systems were introduced. Legislations like Native Revenue Proclamation (1904), and Native Revenue Ordinance (1918) were put in place to concretise the tax and record keeping arrangements (Ayodele, 1998). Further impetus for the development of accounting came with the establishment of British Bank of West Africa in 1894 and Barclays Bank DCO in 1917. With these, the financial system came under British control and therefore could influence trade and commerce, education etc. Accordingly, administrative practices obtainable in Britain were entrenched in Nigeria. These entrenched systems continued after independence. For example, the Lagos Stock Exchange established in 1960 and the Institute of Chartered Accountants of Nigeria in 1965 were meant to encourage accounting activities but served more as a subsidiary of the British counterparts.

Further efforts to regulate the standard of accounting practices in post-colonial Nigeria came with the setting-up of Nigerian Accounting Standard Board in 1982. The Board (now called Financial Reporting Council of Nigeria) issues Statement of Accounting Standards (SAS) which guide in the reporting of accounting information. The Board is also instrumental to the establishment of some professional bodies like the Association of National Accountants of Nigeria (Dabor, 2008). Undoubtedly, book-keeping and accounting practices, changing and emerging accounting trends in Nigeria today follow the European established style.

2.2. Theoretical Framework

The theoretical framework for cultural influence on development and practice of accounting is usually drawn from Hofstede's (1980) model wherein he identifies four underlying value dimensions to which each country can be fitted. These are: individualism versus collectivism, large versus small power distance, strong versus weak uncertainty avoidance, and masculinity versus femininity. For a lucid explanation of these variables, see Gray (1988) and Dahawy & Canover (2007).

However, Gray (1988) made an extension to Hofstede's model by overlaying accounting values and systems and their links to societal values and institutional norms. He submits that a society's structures influence societal values, which in turn influence family patterns, social class structure, educational systems, business ownership, political systems and organization. Again, these relations are dynamic and the pattern of change can be influenced by external forces of nature as well as by the intentional actions of people. Four accounting value dimensions useful in defining a country's accounting culture were identified as: professionalism versus statutory control; uniformity versus flexibility; conservatism versus optimism; and secrecy versus transparency. While the first two dimensions can be viewed as pointing to authority and enforcement of accounting practice at a country level, the second two relates to the measurement and disclosure of accounting information (Finch, 2007). The description of the accounting values as stated by Gray (1988:8) is presented in table 1.

Table 1: Gray's Accounting Values

Accounting Value	Explanation
Professionalism versus statutory control	This describes the exercise of either individual professional judgment and self - regulation or compliance with prescriptive legal requirements.
Uniformity versus flexibility	A choice between consistent enfor cement of uniform accounting practices overtime and flexibility as dictated by perceived circumstances of individual companies.
Conservatism versus optimism	This portrays either a cautious approach to measurement so as to cope with the uncertainty of future events or a more optimistic risk-taking approach.
Secrecy versus transparency	This refers to restriction of disclosure of information about the business only to those who are closely involved as against opposed a more transparent, open and publicly accountable approach.

Gray (1988) opined that accountants' value systems are related to and derived from the unique societal values in each country. Implicitly, accounting value in-turn affects accounting systems, and by extension, cultural factors directly influence the development of accounting and financial reporting system (Doupnik &Tsakumis, 2004; Finch, 2007). Furthermore, Gray (1988) introduced four propositions that hypothesise the nexus between his accounting value dimensions and Hofstede's cultural dimensions. These are:

i) High individualism, low uncertainty avoidance and power distance will likely lead to high professionalism.
ii) High uncertainty avoidance and power distance, low individualism, will likely lead to high uniformity.
iii) If uncertainty avoidance is high, and individualism and masculinity is low, then the more likely it is for that society to rank high in terms of conservatism.
iv) In a society where uncertainty avoidance and power distance is high but low in individualism and masculinity, there is the tendency that it will be high in terms of secrecy.

Though Gray didn't test these hypotheses, nevertheless, his effort has helped in opening research avenues in this field of study.

2.3. Review of Prior Studies on Cultural Influence on the Development of Accounting

Notwithstanding research efforts like those of Nair and Frank (1980), Nobes (1983) that have shown that the development of national systems of accounting tend to be a function of environmental factors, the works of Hofstede (1980) and Gray (1988) are commonly cited as pioneering efforts to link culture with the development of accounting systems internationally. Several contributions have appeared in the literature attempting to expand on this knowledge. For instance, Chanchani and MacGregor (1999) have focused on the conceptual and theoretical issues of Hofstede-Gray model. Other studies have attempted to provide an empirical test of Gray's model. Along this line, we have Eddie (1990) who confirmed the predicted signs of association between the variables in the entire four hypotheses raised by Gray (1988). The euphoria that greeted this result was however short-lived as it was quickly dismissed because the accounting value constructs and their measurement method were not rigorous enough. Salter and Niswander (1995) found correlation between six of the thirteen relationships hypothesised by Gray (1988) between cultural dimensions and accounting values. On their part, Sudarwan and Fogarty (1996) found support for four of the thirteen relationships. Clearly, these two studies suggest validity for only some elements of Gray's model.

A test of Gray's hypothesis of secrecy by Gray and Vint (1995) supports the model. In contrast, a test of the influence of culture on amount of disclosure by Wingate (1997) revealed that power distance is not significantly related to disclosure and so did not provide support to Gray's model. Jaggi and Low (2000) alluded to this by stating that culture has little or no influence on the disclosure level once legal system is considered. Hope (2003) extended Jaggi and Low (2000) study and graphically states that it is pretty too early to discard culture as an explanatory variable for annual report disclosure levels. Clearly, the evidence of partial support and mix results cannot be unconnected with the cultural diversities of the societies studied and so, more studies are called for.

The pursuit by World Bank and its allies of global standardisation of accounting and auditing practices has been found to promote neo-liberal Anglo-Saxon accounting. Botzem (2014) observes that the reliance on the recommendations of professional accounting associations of western countries, the "big four" accounting firms, transnational regulations, and standard setting agencies like International Accounting Standard Board (IASB) and International Federation of Accountants (IFAC), meets the need of transnational regulators to the detriment of national accounting regulations. One of the commonly provided justifications for international standardisation is that the adoption of IAS will encourage international flow of foreign direct investment (FDI). Nnadi and Soobaroyen (2015) investigate this claim, but their result did not support it.

Andrews (2013) investigates twenty Reports of IMF and World Bank on Standards and Codes of Accounting and Auditing in Africa dating to 2003. The study submits that the prescriptions in those reports ignored local needs, cultural diversity and context, too complex relative to the level of accounting education of African countries, and biased in favour of capital market economies rather than the state or centrally planned economies that are prevalent in Africa.

In the same vein, Perera (2012) addresses the problems developing countries are confronted with in adopting IFRS. Among the general convergence problems are cultural differences, different ethical values, effects on indigenous family-owned businesses, and unsustained assumption that convergence will lead to generating reports that are comparable. Hopper, Lassou, and Soobaroyen (2017) relate globalisation to accounting in developing countries and provide support to prior findings that knowledge and practices of accounting are propelled by institutions of globalisation and international accounting institutions. The paper posits that developing countries should draw more from local knowledge in implementing accounting reforms.

Oguejiofor (2015) attributes underdevelopment in Africa to continued imperialism of western capitalist nations and weak economic, political, and social cultural structures created by colonialism. Drawing from Rostow stages of growth model, the paper argues persuasively that society develops structures that it needs to move from one stage of development to another. Therefore, a society will take on functions it has developed structures for. To the extent that colonialism imposes foreign structures, it destroys local accounting structures and disconnects accounting from development.

Dauda, Ombugadu, and Aku (2015) posit a bi-directional relationship between accounting and the society. They found that threats emanating from economic conditions and education are drawbacks to the development of accounting practices in Nigeria. Where the level of economic development is low, there will also be low level of economic activities and reporting and disclosure practices will also be low. Unarguably, imperialism transfers resources from developing countries to developed countries. Therefore, developing countries will continue to experience low level of economic development.

2.4. Hypothetical Propositions

Without doubt, the structure of a society impacts on the social stratification process, dynamics of social change, economic system and forms of business organization. Therefore, having examined both conceptual and empirical literature, this study makes the following hypothetical propositions, stated in heir null form, that relate accounting values to its practice in the Nigerian society. Proposition I: Culture does not significantly affect accounting practices in Nigeria. Proposition II: Accounting practices in Nigeria do not derive from colonial culture. Proposition III: Colonial culture did not intercept the gradual development of local accounting practices. Proposition IV:The implementation of IFRS in Nigeria is not significantly affected by traditional economic culture.

3. Research Methods and Procedures

This study used a survey research method in which a representative sample of the population is studied to make an inference. Questionnaire was administered to respondents in the area of business reporting and its' related fields. The questions/statements were on Liker scale of strongly agree (4), agree (3), disagree (2) strongly disagree (1). The sample includes respondents from big audit firms, small local audit firms, public sector organizations, private sector organizations, Government accounting agencies, professional accounting bodies and educational institutions. It was necessary to have people with significant experience and knowledge in accounting issues as they could provide comprehensive views about accounting practices and environment. In addition to the questionnaire, the following archival sources were accessed for relevant information: Ministry of Finance, Ministry of Commerce, Industry, Trade and Investments, and professional bodies of Accountants and Auditors

4. Data Analysis and Discussion

A total of 210 useable questionnaires was retrieved. The data obtained is analyzed using simple percentages, non-parametric chi-square test, Kendall's W test, and t-test. SPSS 16.0 was used in running the tests. The results of the analysis of the data are presented in a tabular form to address the research questions raised in the paper as well as the corresponding hypotheses.

Research Question 1: Does culture affects the practice of accounting in Nigeria?

Table 2: Chi-square test statistics Result

	Observed N	Expected N	Residual
Strongly disagree	6	52.5	- 46.5
Disagree	7	52.5	- 45.5
Agree	72	52.2	19.5
Strongly agree	125	52.5	72.5
Total 210 DF 3 Chi-square 187.981 Asymp. Sig. 0.000			

Source: Output estimates from field survey, 2017

The results from table 2 show that a total of 93.8% of the sample affirms that culture affects the practice of accounting in Nigeria. This is supported by the Chi-square value which is statistically significant at the 1% level judging from its probability value. Therefore, the hypothetical proposition that culture does not significantly affect accounting practice is rejected. This evidence is consistent with Doupnik and Tsakumis (2004).

Table 3: Chi-square test statistics result.

	Observed N	Expected N	Residual
Strongly disagree	3	52.5	- 49.5
Disagree	9	52.2	43.3
Agree	62	52.5	9.5
Strongly disagree	136	52.5	83.5
Total 210 DF 3 Chi-square 217.238 Asymp. Sig. 0.000			

Source: Output estimates from field survey, 2017 .

Research Question 2: Do accounting practices in Nigeria derive from colonial culture?From table 3, the probability value of the Chi-square statistic shows that it is statistically significant at the 1% level. In which case, the hypothetical proposition that accounting practices in Nigeria do not derive from colonial culture is rejected. Thus, the weight of statistical evidence suggests that colonial culture births accounting practices in Nigeria. The percentage response shows that 29.5% agrees to this fact while another 64.85% strongly agrees; yielding a total of 94.35% who supports the position.

Research Question 3: Did colonial accounting culture intercept the process of gradual development of local accounting practices in Nigeria?

Table 4: Chi-square test statistics result.

	Observed N	Expected N	Residual
Strongly disagree	3	52.5	- 49.5
Disagree	20	52.2	- 32.5
Agree	78	52.5	25.5
Strongly agree	109	52.5	56.5
Total 210 DF 3 Chi-square 139.981 Asymp. Sig.0.000			

Source: Output estimates from field survey, 2017.

The results in table 4 show that a total of 23 responses representing 10.95% of the sample reveal that colonial culture did not intercept the gradual development of local accounting practices. On the other hand, 89.05% states otherwise. The Chi-square value is statistically significant which signifies that the hypothesis: colonial culture did not intercept the gradual development of local accounting practices is rejected. Thus, local accounting practices that reflect the local environment of the economy needed to set the development pace of the economy was truncated by colonial culture.

Research Question 4: Will culture significantly influence the implementation of IFRS in Nigeria?

Table 5: Chi-square test statistics result

	Observed N	Expected N	Residual
Strongly disagree	15	52.2	- 37.5
Disagree	47	52.5	- 5.5
Agree	69	52.5	16.5
Strongly agree	79	52.2	26.5
Total 210 DF 3 Chi-square 45.924 Asymp. Sig. 0.000			

Source: Output estimates from field survey, 2017.

The result in table 5 shows that 70.45% of the respondents are of the opinion that culture will pose a serious challenge to the implementation of IFRS. The Chi-square test result also supports this. Respondents see the reforms in the accounting process by way of introduction of IFRS and changes to companies' regulations to give these standards legal backing as amounting to economic imperialism; hence the hypothesis is rejected. The traditional Nigerian economic culture does not accord with capitalism which IFRS tends to promote. Rather, it encourages communal and family ownership of means of production. This is corroborated by the overwhelming affirmative response of 86.19% to the statement that companies in Nigeria are more disposed to confidentiality and restriction of disclosure of information about their activities (a term Gray (1988) called secrecy in his accounting values). Dahawy and Conover (2007) found similar evidence for Egypt (another emerging economy in Africa). As it stands today, it seems that Nigeria and other developing economies of Africa are stampeded into adopting IFRS by subtle threat of withdrawal of grants and foreign direct investment.

To investigate if there is a strong relationship between the development and practice of business reporting and influence of cultural imperialism in Nigeria, fourteen variables that are by-products of imperialist accounting system were identified (drawing from prior studies) and questions/statements framed on them in the questionnaire put forward to the respondents. These variables include: disposition towards confidentiality and restriction of disclosure of information (secrecy), disposition towards compliance with prescriptive legal requirements and statutory control, attitude towards transparent, open and publicly accountable approach to disclosure of information, disposition towards flexible accounting practices in accordance with perceived circumstances of individual companies rather than enforcement of uniform accounting practices, level of dominance by foreign multinationals and international professional institutions on accounting practices, disposition towards cautious approach in measurement so as to cope with the uncertainty of future events (conservatism), and extent to which colonial economic policies encouraged local professionalism. Kendall's W test was implemented to see the extent of concordance of these variables with the development and practice of business reporting in Nigeria as the response variable. The Kendall's coefficient of concordance was found to be positive and statistically significant at the 1% level of significance. Accordingly, the null hypothesis that the variables are statistically independent is rejected. Hereby, there is a strong relationship between the development and practice of business reporting in Nigeria and the influence of cultural imperialism. Furthermore, the study paired the response variable with each of the predictor variables and conducted a t-test of the significance of these variables in explaining the development and practice of business reporting. All the variables were statistically significant at the 5% level for a two-tail test. With this result, there is evidence that a strong relationship exists between the development and practice of business reporting and influence of cultural imperialism in Nigeria.

2. Conclusion

Stylized facts in the accounting literature show that accounting is fundamental in taking decisions relating to efficiency and growth. In the social, political and economic context, accounting plays an important role in shaping income and wealth distribution, the flow of investment funds, and capital market activities. Consequently, the historical environment within which accounting develops will illuminate its practice. The weight of evidence in this paper suggests that culture affects the practice of accounting and the development and practice of accounting is significantly influenced by cultural imperialism facilitated by colonialism that legitimized colonial accounting systems in Nigeria. This intercepted the process of gradual development of business reporting practices that are in tune with local culture and profession. The implication of this is that the entrenched accounting which is mainly Anglo-Saxon is likely to conflict, for instance, with local Islamic culture prevailing in Northern Nigeria. Little wonder, the capitalist banking system in that part of the country is now being challenged by the recently introduced Islamic banking system.

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Staff Welfare And Organisational Performance: An Impact Analysis Of The Nigeria Police Academy Wudil

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ABSTRACT

This study set forth to examine the impact of staff welfare on the performance of the officers and men of Nigeria Police Academy Wudil. The study relied mostly on primary documentation (data) where questionnaires were designed and administered to the respondents in line with the objectives of the study. The study adopted simple percentage, descriptive statistics, tables and the Spearman's rho statistical tools in presenting and analyzing the data collected the study. The result shows a positive long run relationship between staff welfare, staff Turnover and staff productivity. Welfare package is necessary for high productivity of the officers and men of the Nigeria Police Academy,Wudil. Base on the findings of this study it was recommended that Pragmatic efforts should be made to enhance the personnel job capabilities through training; to improve working conditions of the employees and their general welfare in order to elicit job satisfaction and motivation for increased performance. Also to reduce the incident of staff turnover, the personnel basic needs and working condition should be provided as at when due.

Keyword: Motivation, performance, staff turnover, staff welfare

1.0 Introduction

Welfare is a corporate attitude or commitment reflected in the expressed care for employees at all levels, underpinning their work and the environment in which it is performed (Cowling &Mailer, 2002). Specifically, Coventry and Barker (2008), assert that staff welfare includes providing social club and sports facilities as appropriate, supervising staff and works' canteens, running sick clubs and savings schemes; dealing with superannuation, pension funds and leave grants, making loans on hardship cases; arranging legal aid and giving advice on personal problems; making long service grants; providing assistance to staff transferred to another area and providing fringe benefits (such as payment during sickness, luncheon vouchers and other indirect advantages).

Performance, on the other hand, means goods and services produced in a specified period of time in relation to the resources utilized (Singh, 2009). It is, however, contended by Cohen, Lucy, Huge, Thomson and Edmond (1995) to be more than a narrow economic measure, as it also measures how well the group performs its required tasks to satisfy its customers inside and outside the organization. In effect, productivity suggests effectiveness and efficiency of the employees, in terms of resources utilization and the quality of output.

Apparently, there are some scholarly works on staff welfare and productivity (Owusu-Acheaw, 2010; Osterman, 2010; Singh, 2009; Cowling & Mailer, 2002; Coventry & Barker, 2008), but they mostly dwelt on industrial settings to the neglect of service organizations typified in government ministries, parastatals and security formations. There is therefore the need to extend frontiers of knowledge on the aforementioned theme that this study focused on staff welfare and productivity, using the Nigeria police force as a case in point. Specifically, the paper attempt to provide answers to questions such as: awareness of staff welfare in the force, existence of staff welfare in the force and the perceived nexus between staff welfare, staff performance and staff turnover in the force. The researcher assume that security personnel in the Nigeria police force are performing below the set standard, the suspicion derives from the observed physical appearance in terms of the personnel mode of dressing, poor standard of living, poor or no accommodation facilities, inadequate state of health facilities (both in physical structure and equipment); the deteriorated office buildings (with walls noticeably cracked and the roofs destroyed in most police stations in Nigeria) and furniture (table, desks and boards); absence of recreational facilities; no visible effort to reduce the prevalent high rate of poverty in the personnel families , delay in salary payment, promotion, little or no training and re-training of personnel, no functional working equipment among others.(Iheanacho & Amgbare, 2010) The researcher argues that the below standard performance is a function of ineptitude of the management and a depressed staff morale owing to neglected attention to the welfare services of personnel.

Staff are the most valuable assets of any organization, they form the pivot on which other resources revolve and transform to finish and semi-finish product for human satisfaction.(Iheanacho & Amgbare,2010) Every organization needs committed and dedicated staff that can help drive the organization vision and mission. To achieve this, a sound welfare package to motivate the staff becomes imperatives. This research work examines the impact of staff welfare on the productivity of officers and Men of the Nigerian police academy. The researcher attempted to provides answers to questions such as:

i. Is there any relationship between staff welfare and the productivity of officers and men of Nigeria Police personnel?
ii. To what extent does staff welfare affect staff turn-over?

The main objective of this paper is to examine the impact of staff welfare on the productivity of officer and men of the Nigeria Police personnel.

Specifically, the objectives of the study are:-

1. To examine the relationship between staff welfare and productivity of officers and men of the Nigeria Police personnel.
2. To examine the relationship between staff welfare and staff turn-over

The following Null hypotheses are postulated for validation in the cause of this research work.

Ho$_1$: There is no significant relationship between staff welfare and the performance level of the officers and men of the Nigeria Police personnel.

Ho$_2$: There is no significant relationship between staff welfare and staff turn-over in the force

Review of Related Literature

2.0 Introduction

There is a general awareness amongst discussants about staff welfare. The components of staff welfare identified by the discussants included training, free medical treatment, protection against occupational hazards, provision of traveling allowances, monetary incentives, recreational facilities, training and re-training, prompt payment of salaries, bonus and convenience. Consistently, Cowling (2002) have pointed that welfare is a resume of a corporate attitude or commitment to the care of the employees. This is worrisome in light of its possible negative effect on employee productivity. The absence of an attractive welfare package apparently results to mediocrity and poor job performance on the part of the personnel. This becomes complicated with the existing poor working environment revealed by data, in terms of inadequate office accommodation, furniture and insufficient working materials that could reduce morale or job satisfaction of the personnel.

2.1 Concept of Staff Welfare

Gannon, (2002),opined that, staff welfare is an all-encompassing term covering a wide range of facilities that are essential for the well-being of your employees. At its most basic, every employer is required by law to provide essential amenities such as toilets, wash stations and clean drinking water for employees. Most employees also hope to find additional facilities such as a cloakroom and somewhere clean to eat and drink during breaks. For larger companies, this could range from a vending machine to a dining room or canteen, perhaps with a separate coffee area. Welfare is a corporate attitude or commitment reflected in the expressed care for employees at all levels, underpinning their work and the environment in which it is performed (Cowling 2002).

Coventry (2004) assert that staff welfare includes providing social club and sports facilities as appropriate, supervising staff and works' canteens, running sick clubs and savings schemes; dealing with superannuation, pension funds and leave grants, making loans on hardship cases; arranging legal aid and giving advice on personal problems; making long service grants; providing assistance to staff transferred to another area and providing fringe benefits (such as payment during sickness, luncheon vouchers and other direct and indirect support to the employee .

Organizations provide welfare facilities to their employees to keep their motivation levels high. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes. The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, Mines Act 1962. The non-statutory schemes differ from organization to organization and from industry to industry.

According to Abu (2016), employee welfare is any effort by the employer to make life worth living for workmen. Welfare is a comprehensive term including various service, benefits and facilities offered to employees by their employers through such generous fringe benefit that makes their life worth living and thereby motivate them to give their best at work.

Welfare includes anything that is done for comfort and improvement of employees and is provided over above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families. Employee welfare entails all those activities of employer which are directed towards providing the employees with certain faculties and services in addition to wages or salaries. The very logic behind proving welfare schemes is to create efficient, healthy, loyal and satisfied labour force for the organization to enhance performance level (Iheanacho & Amgbare, 2010)

2.1.2 Concept of Motivation

Every organisation is concerned with what should be done to achieve sustained high levels of performance through its workforce. This means giving close attention to how individuals can best be motivated through means such as incentives, rewards, leadership etc. and the organisation context within which they carry out the work (Armstrong, 2006). The study of motivation is concerned basically with why people behave in a certain way. In general it can be described as the direction and persistence of action. It is concerned with why people choose a particular course of action in preference to others, and why they continue with chosen action, often over a long period, and in the face of difficulties and problems (Mullins, 2005). Motivation can therefore be said to be at the heart of how innovative and productive things get done within an organisation (Bloisi et al., 2003). It has been established that motivation is concerned with the factors that influence people to behave in certain ways.

Organizational success is dependent upon members being motivated to use their full talents and abilities, and directed to perform well in the right areas. According to Mullins (2005), a major international study by Proud foot Consulting revealed that, the most important reason for productivity loss was poor working morale. This includes absence of positive team spirit, low motivation, and poor sense of belonging, people feeling undervalued and poorly rewarded. It is in view of these that Allen and Helms (2001) suggested that different types of reward practice may more closely complement different generic strategies and are significantly related to higher levels of perceived organisational performance (Mullins, 2005). With a positive motivation philosophy and practice in place, productivity, quality and service should improve because motivation helps people towards achieving goals, gaining positive perspective, creating the power for change, building self-esteem and capability, and managing their development and helping others.

A person's motivational, job satisfaction and work performance is determined by the strength of these sets of needs and expectation and the extent to which they are fulfilled. Some people for example may choose to forgo intrinsic satisfaction and social relationships for a short term in return for high economic rewards and others vice versa. This goes to confirm Horlick (nd) assertion that the vast majority of people regard money as an important and a motivator at work but the extent of motivation depends upon the personal circumstances and the other satisfactions they derived from work (Mullins, 2005). According to Amman(2000) motivation is defined as the process of arousing enthusiasm in an employee so that he/she can performs his/her duties with pleasure and higher interest and pursuance of the organizational and personals goals. Celestine (2004) also defined motivation as the energizing force that induce or compel and maintains behaviors. He further said that, motivation is an internal psychological process which presence or absence is inferred from observed performance.

The researcher alien with the views of the various scholars cited above and the bibliography review in the cause of the research exercise of the importance of motivation in enhancing high productivity and performance of staff in any organization. But the management of the study area seems to have ignored the role of staff motivation as explain by the scholars cited above and has fail to designed and administered good and sustained welfare package for the officers and men of the force as evidence by the frequent delay in payment of salaries, delay in promotion, poor working equipment, poor condition of service among other thereby reducing the productivity level of the officers and men of the force.

2.1.3 Concept of Staff Turnover

Staff turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reasons for turnover or estimate the cost-to-hire for budget purposes (Bature, 2009). Labour turnover occurs when staff leaves on organization and need to be replaced by new recruits. The term is commonly used to refer only to wastage or the number of employees leaving an organization. It is also the analysis of the number staff leaving an organization mostly on the bases of poor welfare packages and poor conducive working environment. (Abu, 2016).

According Gannon (2002), Staff turnover refers to the number or percentage of workers who leave an organization and are replaced by new employees. Measuring employee turnover can be helpful to employers that want to examine reasons for turnover or estimate the cost-to-hire for budget purposes. Blanket references to turnover can be confusing; therefore, specific definitions and calculations for employee turnover may be useful to human resources practitioners.

Comparison

Although different types of turnover exist, the general definition is that turnover occurs when the employment relationship ends. Turnover and attrition -- terms that are sometimes used interchangeably or together when describing the departure of an employee -- are different. Attrition generally refers to the end of the employment relationship due to retirement, job elimination or employee death, and is distinguishable from turnover because when attrition occurs, the position is not filled with a new employee.

Involuntary Turnover

Employee termination for poor job performance, absenteeism or violation of workplace policies is called involuntary turnover -- also referred to as termination, firing or discharge. It's involuntary because it wasn't the employee's decision to leave the company. Layoffs could also be considered involuntary terminations, though layoff procedures usually are handled differently from termination. Some layoffs have certain federal and state provisions that aren't afforded to employees who are fired because of performance or policy violations.

Voluntary Turnover

When an employee leaves the company of her own volition, it's called voluntary termination. Employees give a number of reasons for leaving their jobs. They may be accepting employment with another company, relocating to a new area or dealing with a personal matter that makes it impossible to work. When an employee voluntarily terminates the employment relationship, she generally gives the employer verbal or written notice of intent to resign from her job.

Desirable and Undesirable Turnover

Turnover often has a negative connotation, yet turnover isn't always a negative event. For example, desirable turnover occurs an employee whose performance falls below the company's expectations is replaced by someone whose performance meets or exceeds expectations. It's desirable because poor job performance, absenteeism and tardiness are costly -- replacing a poor performer with an employee who does his job can improve the company's profitability. Desirable turnover also occurs when replacing employees infuses new talent and skills, which can give an organization a competitive advantage. Conversely, undesirable turnover means the company is losing employees whose performance, skills and qualifications are valuable resources.

2.2 Empirical Issues

Several studies (Owusu-Acheaw, 2010; Osterman, 2010; Singh, 2009; Colwling and Mailer, 2002) have been done recently to amplify existing organizational theories. Consistent with the scientific methods, expediency requires a frequent observation of organizational behaviour and the use of relevant scholarly findings as precursors for further collection of data to validate or repudiate earlier assumptions about organizational behaviour. The work of Osterman (2010) focuses on the production sector, where he examine the nexus between staff productivity and staff welfare using Coca-Cola as a case in point where secondary data were collected and analysis using SPSS package to run the multiple Regression and the result shows a positive relationship between the variables under study and base on the finding it was concluded that staff productivity is a function of staff welfare. Abu (2016), conducted a study on the role of employee total output per day and the reward system, using Berger construction company Abuja as a case study, dueling more on primary data, the chi-square statistical tool was used test the hypotheses which reveal a strong relationship between the variable, which states that employee output increases as their daily pay increases.

2.3 Theoretical framework

Quality of Work Life (QWL), epitomized in staff welfare, is the degree to which the employees are able to satisfy important personal need through their experiences in the organization (Singh, 2009). It involves physical, mental, moral and emotional well-being of the employee (Aswathappa, 2004), conceptualized by Singh (2009) as occupational health which together with suitable working time and appropriate salary increase motivation and satisfaction. Singh's positive correlation of working time and salary with productivity is doubtful. He generalized on what is rather sometimes the case, as if it is always the case. Gray and Starke (1988) argued that in spite of the assumption of the Hawthorne experiment that a positive work environment makes for an increased productivity, there is a proviso. There are intervening variables that include task and technology, individual group, organizational and environmental factors. Explicitly, if tasks to be performed are poorly designed, production will be low; if an individual's abilities with respect to the task are low; high motivation cannot lead to high productivity; informal groups within formal structures moderate compliance of their group members to task needs, in order to achieve group (employees' personal) needs; the existence of interactive entities (customers, clients, middle management etc.) influence speed in the organization task performance.

Correspondingly Trist and Bamford (1951), using the Longwall Shift Cycle method of coal-getting in a coalmine (which was a socio-technical system adjudged to be excellent as it had intrinsic good work practices), observed that it resulted rather to a decline in productivity. It neglected considerations for the employees' needs, which are aspects of welfare. In some organizations, job behaviours have a more direct relationship to rewards than in others (Gray and Starke, 1988), due perhaps, as argued by Gannon (2002) and Reynolds (2001) to the employees' needs (such as urgent need for money to meet certain obligations or the absence of this) and the comparison of his reward with that of his colleagues that perform similar task. The relativity of pay (salary and bonuses) in task performance has also been observed by other scholars such as Kohn and Schooler (2009), who observed that, as social class increases, the need for money declines.

Similarly, Lawler (2001) asserts that the importance of pay decreases with age and it is more important to males than females. A part explanation to Lawler's findings is that younger persons have comparatively numerous needs to pursue than their elderly counterparts, so also with the males especially as they traditionally assume headship of their homes.

Nevertheless, Mckersie and Hunter (2003) found that in comparison with American and Japanese industries, labour productivity in Britain was anywhere between one-half and one third, due to low remuneration (in Britain) amongst other reasons. This is a quintessence of a direct relationship between reward and productivity, which exists in several other articles. Occupational health as highlighted by Singh (2009) and Aswathappa (2004) amongst other scholars is inextricable from welfare, especially when the latter is perceived in the words of Cowling and Mailer (2002) as 'the support that can reasonably be expected by employees from their employer'. It appears a truism that the absence of health and safety at workplace makes the employees easy victims of occupational hazards that could depress morale and productivity. It is therefore, obligatory on employers by law to provide a safe workplace for employees (Cole, 2006) to increase efficiency and productivity of workers (Nwachukwu, 2007) and to guard against a possible accusation of negligence arising from injuries to employees (Okereke, 2007). It has been observed, however, that the relationship between safe workplace and increased productivity of workers is not direct, as was earlier put in this paper in respect of positive work environment and productivity. An interviewing variable, the authors argue in the form of motivation, could be identified. Mitchell (2008) points that there is consensus amongst most theorists that 'ability to work' goes hand in glove with 'motivation' to produce performance, as ability of the employees to do the job does not mean that they would do it.

Most managers have recognized the vital role job satisfaction (satisfaction of members of the organization) plays on productivity (Cohen, Fink, Gadon and Willitts, 1995; Mitchell, 2008), but job satisfaction and motivation whichever that precedes the other is akin to the riddle of the 'egg and chicken', which one that comes first. According to Ibbetson and Whitmore (2007), several researches suggest that people must find their work satisfying in order to be motivated to do a satisfactory job. This contrasts with the wisdom of the foremost theorists on management and productivity. Theory X of McGregor (Upton, 2001; Ibbetson and Whitmore, 2007) conceives an average worker as naturally lazy, hates work and might avoid work such that he has to be motivated through monetary incentives for increased productivity or negatively sanctioned (coerced, threatened with punishment) for poor task performance.

In criticism, the thesis lacked hindsight of the influence of job satisfaction on production. It portrayed the employee as an 'economic man', whose motivation was attributed to a single phenomenon (money) and has therefore been faulted by Gray and Starke (2008) as “gross oversimplification of human motivation' with the orchestrated emphasis on money as a motivator widely criticized by scholars that include Lawler (1971) and Kohn and Schooler (1969). Yet, McGregor's Theory X is widely applied by several managers. It has been observed that employees in most organizations in Nigeria are denied wages or experience cuts in wages or threats thereunto for poor job performance (due to reasons that include inability to submit returns within specified timelines). McGregor's Theory Y, on the other hand, assumes that people at work can be self-motivated (Ibbetson and Whitmore, 1977) as motivation is the basis for commitment to duty and is relative to environment (Upton, 2001). In support, Maslow (Cole, 2002) highlighted on a hierarchy of five needs (physiological, safety, esteem, social and self-actualization) each of which can motivate a worker towards increased output, depending on his circumstance at a particular point in time. Piven (2007) classified needs into existence, relatedness and growth in contrast to Maslow. Correspondingly, however, the 'existence needs' are in tandem with Maslow's lower level (physiological, safety and esteem needs) 'relatedness needs' are Maslow's social needs, while 'Growth needs' are Maslow's high-level needs (self-actualization or self-fulfillment needs). The constituents of the environment determine the level of productivity. Typically, Patterson et al. (2004) found that company production was more strongly correlated with those aspects of climate that had stronger satisfaction loadings. Invariably, satisfaction and dissatisfaction are intrinsic features of the climate/environment. According to Shafritz and Rusell (2001), Herzberg argued that positive elements (the 'satisfiers') are job content factors such as a sense of achievement, recognition, interest in the work itself and advancement.

Conversely, the 'dissatisfiers' or 'hygiene factors' are associated with the workers relation to the environment in which he performs his task, such as the company policies, ineffective administration among others. The balance between satisfaction and dissatisfaction determines the level of motivation the worker obtains. Hertzberg's work suggested that the addition of motivators will lead to greater employee job satisfaction (Gray and Starke, 1988), but Mitchell (2008) argues that numerous reviews of literature show that performance (productivity) are only weakly related and that very little evidence exists that satisfaction causes increased productivity. Accordingly, many people can be excited with a high remuneration, interpersonally pleasant job and yet lack the requisite skill for effective job performance. In brief, there should be an adequate blend of ability to do a work, job satisfaction and motivation for a satisfactory job performance. Consistently, Gray and Starke (1988) explain that satisfying an individual does not automatically lead to job motivation, but could make the employee to remain with the organization and to exhibit job behaviours that are indicative of job motivation

3.0 Methodology

A cross-sectional survey design was adopted, in which one hundred and sixty nine (169) questionnaires were design and administered to a population of two hundred and ninety-four (294) officers and men of the academy which are divided into three strata; AIG-ASP, Inspectorate and Rank and File using Taro Yemmes and stratifies proportionate sampling method formular to draw the sample thus:

Taro Yamane's formulae: $n = \frac{N}{1+N(e)^2}$

Where:
N = Population of the study (294)
n = Sample size?
e = Margin of error (5%)
Therefore:

$$\frac{294}{1+294(0.05)^2} =$$

$$\frac{294}{1+294(0.0025)} = 169$$

$$n = 169$$

While
Stratifies proportionate sampling formulae is given thus:

$$n_1 = \frac{n(N^1)}{sp^1} \ldots\ldots\ldots\ldots \frac{nn(N^n)}{sp^n}$$

Where:
n = Sample size of stratum n1, n_2, n_3-----------n_n
N = Population of stratum N_1,N_2,N_3--------N_n
Sp = Population of the study

Therefore:
Stratum 1 Officer (AIG-ASP) 64
Stratum 2 Inspectorates 94
Stratum 3 Constable-sergeant 136
To obtain a representative sample of each of the stratum, the above formulae is adopted thus:

Stratum 1 $\frac{64(169)}{294}$ = 37 officers

Stratum 2 $\frac{94(169)}{294}$ = 54 inspectors

Stratum 3 $\frac{136(169)}{294}$ = 78 Rank and file

Total = 169

Out of the one hundred and sixty-nine questionnaires administered to the respondents, only one hundred and fifty four (154) were returned for analysis, indicating a 91% response rate. The questionnaires were divided into sections: section "A" sought information on demographic characteristics of the respondents, while section "B" sought information in line with the hypothesis and objectives of the study. The response scale was presented on a five point's likert-scale ranging from Strongly Agree (SD=1) Disagree (D=2), Undecided (U=3), Agree (A=4) and Strongly Agree (SA=5).

Result and Discussions

The data collected from the respondents were analyzed using tables, frequency counts and simple percentage in ranking the attitudinal responses of the officers and men of the police academy, for the purpose of making inferences. Spearman's rhostatistical tool was employed to test the hypotheses formulated for this study in line with the objectives of the study.

Table 4.1 show that out of the thirty-seven (37) questionnaire that were administer to the Officers (AIG-ASP) of the academy, 94.5% were correctly filled and return to the researcher for analysis while 5.4% were not return, meaning that majority of the officers return the questionnaires administered to them by the researcher. Fifty-four (54) questionnaires were administered to the inspector's cadre, out of which 92.5% were return for analysis and four (4) representing (7.4%) were not return. While out of seventy-eight (78) questionnaires administered to the rank and file only sixty-nine representing 88.4% were able to fill and return their questionnaires to the researcher for analysis while 11.5% weren't well fill and not return to the researcher for analysis.

Demographic characteristic of the respondents

Table 4.1: Response Rate

Response	Questionnaire Administered	Questionnaire Not Return	Questionnaire Return	Total %
AIG-ASP	37	2(5.4%)	35(94.5%)	21.8
Inspectorates	54	4(7.4%)	50(92.5%)	31.9
CPL-SGT	78	9(11.5%)	69(88.4%)	46.1
Total	169	15	154	100

Source: Survey data 2018

Table 4.2: Demographic characteristic of the respondents

Gender	Frequency	%
Male	102	66.2
Female	52	33.8
Total	154	100

Source: Survey data 2018

The above table shows the gender of respondents, male personnel are 66.2% while female personnel are 33.8%. The implication is that male respondents are more than female.

Table 4.3: Academic Qualification of the Respondent

Educational qualification	AIG-ASP	Inspectorate Cadre	Rank & File	Total/ Percentage%
SSCE/GCE	11 (13.2%)	31 (37.3%)	41 (49.3%)	83 (53.9%)
NCE/OND	8 (29.6%)	6 (22.22%)	13 (48.14%)	27 (17.5%)
HND/B.sc	10(38.46%)	9 (34.61%)	7 (26.92%)	26 (16.9%)
Masters/Ph.D	6 (60%)	2 (20 %)	2 (20%)	10 (6.5%)
Others	0 (0%)	2 (25%)	6 (75%)	8 (5.1%)
Total	35	50	69	154 (100%)

Source: Survey data 2018

Table 4.3 above shows the academic Qualifications of the respondents. The first row shows that 11(13.5%) officers between the rank of AIG-ASP, 31(37.3%) Inspectors and 41(49.3%) Rank and file are holders of SSCE/GCE, representing a total of 53.9% of the study population. While 29.6% AIG-ASP, 22,22% Inspectors and 48.14% Rank and file are NCE/OND holders, representing 17.5% of the study population. A breakdown of row three shows that 38.46% of the rank of AIG-ASP, 34.61% Inspectors and 26.92% Rank and file holds HND/B.sc representing 16.9% of the study population while 6.5% of the total study population are master/Ph.D holder with the breakdown thus:6 (60%) AIG-ASP, 2(20%) Inspectors and 2(20%) Rank and file . On the other hand,8 personnel representing 5.1% of the study population are holders of other qualifications other than the ones mention above.

Table 4.4 There is link between staff welfare and staff performance

Respondent	AIG-ASP	Inspectorate	Rank & File	Total	%
	15	13	27	55	38.3
	11	14	12	37	24.7
SA	2	7	9	18	11
A	3	7	7	17	9
SD	4	9	14	27	16.9
D	**35**	**50**	**69**	**154**	**100**
U					
Total					

Source: Survey data 2018

Table 4.4 seek the views of the respondent on the nexus between staff welfare and staff productivity, fifty-five (55) respondents representing 38.3% who are in the majority strongly agreed that there exist a nexus between staff welfare and staff performance level while 9% and 11% disagreed and strongly disagreed that there is no link between staff welfare and staff productivity and 16% of the respondents are indifferent.

Table 4.5 There are good welfare package put in place by the police force in the academy to encourage personnel high performance level

Respondent	AIG-ASP	Inspectorate	Rank & File	Total	%
SA	2	10	10	22	14.2
A	4	9	9	22	14.2
SD	5	7	19	31	20.1
D	21	12	17	50	32.4
U	3	12	14	29	18.8
Total	**35**	**50**	**69**	**154**	**100**

Source: Survey data 2018

The table above seems to show a seemingly even distribution in terms of the percentage responses from the respondents where 32.4% who are in the majority strongly disagreed that there is a good welfare package put in place by the police authority to encourage personnel performance while 14.2% strongly agreed that there exist good welfare package to motivate the personnel for high productivity and twenty nine (29) personnel representing 18.8% were indifferent.

Table 4.6 Welfare package is necessary for personnel productivity in the Police force

Respondent	AIG-ASP	Inspectorate	Rank & File	Total	%
SA	22	26	26	74	48
A	4	14	24	42	27.2
SD	2	2	4	8	5.1
D	3	4	10	17	11
U	4	4	5	13	8.4
Total	**35**	**50**	**69**	**154**	**100**

Source: Survey data 2018

In table 4.6 above 48% of the respondent strongly agreed that welfare package is very necessary for optimum productivity by the officers and men of the Nigeria police force while 11% disagree that welfare package bear any link with personnel performance level in the police force. Thirteen respondents representing 8.4% were indifferent

Table 4.7 There exist a nexus between Staff welfare package and Staff turnover in the Nigeria Police force

Respondent	AIG ASP	Inspectorate	Rank & File	Total	%
SA	20	22	30	72	46.8
A	6	18	22	46	29.9
SD	2	2	4	8	5.1
D	4	4	7	15	9.7
U	3	4	6	13	8.4
Total	**35**	**50**	**69**	**154**	**100**

Source: Survey data 2018

Table 4.7 reveals the response of the respondent on the nexus between staff welfare and staff turnover, where 46.8% of the respondent strongly agreed that there exist a relationship between staff welfare package and staff turnover in the Nigeria police force while 9.7% stated otherwise and 8.4% were indifferent.

Table 4.9 There is a long run relationship between Staff productivity, staff turnover and staff welfare package

Respondent	AIG-ASP	Inspectorate	Rank & File	Total	%
SA	24	25	36	85	55.1
A	8	17	25	50	32.4
SD	2	4	3	9	5.8
D	2	1	2	5	3.2
U	1	3	3	7	4.5
Total	**35**	**50**	**69**	**154**	**100**

Source: Survey data 2018

Table 4.9 seek response from the respondent on the long run relationship between staff productivity, staff turnover and staff welfare package, where 55.1% of the respondent strongly agreed the a long run relationship exist between staff productivity, staff turnover and staff welfare in any organization whereas 5.8%strongly disagreed on the long run relationship between these three variables and 4.5% were indifferent about the long run relation relationship between the variables.

4.3 Hypotheses testing

Having presented the data collected for this research work using descriptive statistics, tables and sample percentage, the Spearman's rho statistical tool is used to test the hypotheses formulated for this study.

HO1: There is no significant relationship between staff welfare and the productivity level of officers and men of the Nigeria Police personnel.

Table 4.6: Observed Frequency Table

Staff Welfare	Productivity Level
85	55
50	37
9	18
5	17
7	27
154	**154**

Source: Survey data 2018

Table 4.7: Correlations

			Staff Welfare	Staff Productivity
Spearman's rho	Staff Welfare	Correlation Coefficient	1.000	.900 *
		Sig. (2-tailed)	.	.037
		N	5	5
	Staff Productivity	Correlation Coefficient	.900*	1.000
		Sig. (2-tailed)	.037	.
		N	5	5

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

Source: Researcher's Computation using SPSS version 20.0 software

Ho$_2$: There is no significant relationship between staff welfare and staff turn-over

Table 4.8: Observed Frequency Table

Staff Welfare	Productivity Level
85	72
50	46
9	8
5	15
7	13
154	**154**

Source: Survey data 2018

Table 4.9: Correlations

			Staff Welfare	Staff Productivity
Spearman's rho	Staff Welfare	Correlation Coefficient	1.000	.600 *
		Sig. (2-tailed)	.	.025
		N	5	5
	Staff Productivity	Correlation Coefficient	-.600*	1.000
		Sig. (2-tailed)	.025	.
		N	5	5

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

Source: Researcher's Computation using SPSS version 20.0 software

4.4 Discussion of Major Findings

Having tested the hypotheses formulated in chapter one using the Spearman's rho statistical tool, the interpretation of the analysis is given thus:

The result from table 4.7 shows that there is a significant positive relationship between staff welfare and staff performance level of officers and men of the Nigeria Police personnel in the academy, as indicated by the sig. level of 037. Based on this, the null hypothesis one is rejected and the alternative accepted which states that, there is a significant relationship between staff welfare and staff performance. The result from table 4.9 shows that there is a significant negative relationship between staff welfare and staff turn-over rate, as indicated by the sig. level of 025. Based on this, the null hypothesis two is rejected, which states that: There is a significance relationship between staff welfare and staff turns - over

5.1 Conclusion

Good welfare package has a strong influence on the performance level of the officers and men of the police force. To enhance job commitment on the part of the police personnel, mostly in the academy the management team of the force should design appropriate and adequate welfare packages for the officers and men of the force for high performance.

5.2 Recommendations

Based on the findings of this research work the following recommendations were made for improvement in the implementation of appropriate welfare package for the police force.

- Pragmatic efforts should be made to enhance the personnel job capabilities through training; to improve working conditions of the employees and their general welfare in order to elicit job satisfaction and motivation for increased performance by the officers and men of the force.
- To reduce the incident of staff turnover, the personnel basic needs and working condition should be provided as at when due in the academy.

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Impact of Merger And Acquisition on The Performance of Deposit Money Banks In Nigeria

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ABSTRACT

This study examines the impact of Mergers and Acquisition Strategies on the performances of Deposit Money Banks in Nigeria. The total population of the study is the 24 consolidated Deposit Money Banks in Nigeria from 2002 to 2017. The sample size used is the four selected banks namely: Access Bank Plc., First Bank Plc., Unity Bank Plc., and Union Bank Plc. respectively. Data were collected through primary source of data was used to analyze the first objective while secondary sources of data was adopted in analyzing the second objective. The t-test statistical tool and correlation analysis were used as a relationship determinant between the variables using SPSS Package and findings revealed that, there is a statistical significant relationship between (M&A) and performance of selected Banks. In conclusion the research shows that, there is a significant relationship between Pre- and Post- Merger and Acquisition and Corporate Survival of the selected banks. That, there is a significant relationship between Pre-merger and acquisition and post-merger & acquisition and Performance (Profitability) of the selected banks in terms of Return on Assets (ROA) and Return on Equity (ROE). The study therefore recommends that, Mergers and Acquisition activities should be encouraged because it leads to the corporate Survival of the entire Deposit Money Banks Nigeria. Other sectors facing liquidity issues that are wishing to survive, expand and improve their profit base should in future apply the principles and strategies of mergers and acquisition in their future activities since it leads to good corporate Growth and sustainability.

Keywords: Acquisition, Banks, Deposit, Impact, Merger, Money, Performance.

1.1 Background to the Study

Business Organizations once established are expected to survive up to an unforeseeable future. Apparently, the environment under which these business organizations operate may hardly be predicted. These environments include economic, international, technological, socio-cultural, and legal among others. The interactions of these environmental components within the business organization usually affect such organizations corporate performance especially in the area of corporate image, corporate growth, and profitability. Consequently, such business organizations adjust and keep adjusting at every stage to remain relevant within the society. This scenario has called for almost all organizations to develop survival strategies. The strategies that have captured the researcher's attention are the Merger and Acquisition Strategies. Companies have been combining in various configurations since the early days of business. The most popular form of business combination strategies includes: Integration, Mergers, Acquisition and/or Consolidations (Stahl, Mendenhall & Weber, 2005; Indhumathi, Selvam & Babu, 2011).

Integration as a business growth strategy aimed at maximizing the use of unexploited avenues in the organizations wider environment. Merger and Acquisition (M&A) are both aspects of strategic management, corporate finance and management dealing with the buying, selling, dividing and combining of different companies and similar entities that can help an enterprise grow rapidly in its sector or location of origin, or a new field or new location, without creating a subsidiary, other, child entity or using a joint venture. An acquisition is the purchase of one business or company by another company or business entity. Such purchase is usually of 100%, of the assets or ownership equity of the acquired entity. Acquisition occurs when two companies combine together to form a new enterprise altogether, and neither of the previous companies remains independently. Acquisitions are divided into 'private' and 'public' acquisitions, depending on whether the acquirer or merging company (also termed a target) is or is not listed on a public stock market (Douma & Schreuder, 2013)

In Nigeria, the reforms in the banking sector preceded against the backdrop of banking crisis due to highly undercapitalization deposit taking banks; weakness in the regulatory and supervisory framework; weak management practices; and the tolerance of deficiencies in the corporate governance behaviour of banks (Uchendu, 2005). Banking sector reforms and recapitalization have resulted from deliberate policy response to correct perceived or impending banking sector crises and subsequent failures. A banking crisis can be triggered by weakness in banking system characterized by persistent illiquidity, insolvency, undercapitalization, high level of non-performing loans and weak corporate governance, among others. Similarly, highly open economies like Nigeria, with weak financial infrastructure, can be vulnerable to banking crises emanating from other countries through infectivity. It is therefore imperative for the Central Bank of Nigeria to introduce measures that will reduce the exposure and enhance the stability of the nation's financial system. A defensive measure that will strengthen the existing banks and put the new ones on a good start up is needed, hence the introduction of a new capital base of N25billion. However, it is on the bases of the forgoing that the researcher intends to investigate how Merger and Acquisition (M&A) Strategies can impact either positively or negatively or both on the performance of the banking sector in Nigeria.

1.2 Statement of Problem

In the last three decades, both the manufacturing, and the financial institutions in Nigeria have folded up dramatically for various reasons ranging from; liquidity, insolvency, fraudulent practices, inadequate capital, bad management within these sectors, government policies, insecurity and other environmental factors (Nwosu, 2015). Prior to the recent reforms, the state of the Nigerian banking sector was very weak. According to Soludo (2004), "The Nigerian banking system today is fragile and marginal. The system faces enormous challenges which, if not addressed urgently, could snowball into a crisis in the near future. He identified the problems of the banks, especially those seen as feeble, as persistent illiquidity, unprofitable operations and having a poor assets base". These failures have given rise to many organizations coming up with survival strategies (Merger and Acquisition Strategies inclusive). Also in today's banking environment corporate restructuring exercise such as: merger and acquisition, takeovers, amalgamation etc. are said to have increased the capital adequacy of especially the commercial banks. further researches have also shown that Merger and Acquisition strategies have produced positive results in terms of organizational performance, (NSE,2006; Akinbuli & Kelilume,2013; Douma & Schreuder, 2013; Straub,2007). It is in this light that, this study therefore, seeks to investigate how Merger and Acquisition Strategies can become a pivotal driver in the profitability of commercial banks in Nigeria.

1.3 Research Questions

This research work is guided by the following Questions:

1. To what extent can Merger and Acquisition Strategies promote the survival of the Deposit Money Banks in Nigeria?
2. To what degree can Merger and Acquisition Strategies improve the Profitability level of the Deposit Money Banks in Nigeria?

1.4 Objectives of the Study

The major objective of this study is to assess the impact which Merger and Acquisition Strategies have on the performance of the Deposit Money Banks in Nigeria.

The Specific Objectives include:

1. To assess the extent to which Merger and Acquisition Strategies can promote corporate survival of the Deposit Money Banks in Nigeria.
2. To examine the degree to which Profit can be improved under Merger and Acquisition Strategies in the Deposit Money Banks in Nigeria.

1.5 Statement of Hypotheses

The following null Hypotheses have been postulated for this study:

$H0_1$: There is no significant relationship between Merger and Acquisition Strategies and corporate survival of the Deposit Money Banks in Nigeria.

$H0_2$: There is no significant relationship between Merger and Acquisition Strategies and profitability level of the Deposit Money Banks in Nigeria.

1.6 Significance of the Study

This study will be of great significance to all organizations currently undergoing survival and liquidity difficulties as they embark on Merger and Acquisition Strategies to improve their corporate survival, and Profitability that shall benefit both the acquired and the merging firms.

Managers of different organizations will also be furnished with the needed insight on how best to manage their organizations especially those about merging and acquiring others for effective and efficient performance.

Government regulatory agencies saddled with the responsibility of Merger and Acquisition will also find this study useful and benefitting in the cause of policy formulation.

The study will also serve as a reference material for teaching and learning among students of various institutions of higher learning, and other researchers in the area of mergers and acquisitions in the field of business administration and management respectively.

1.7 Scope of the Study

This study covers only two strategies namely, Merger and Acquisition Strategies (Independent Variables). The Performance Variable to be covered shall include corporate survival, and Profitability (Dependent Variables). The study also covers only four Deposit Money Banks in Nigeria namely: Access Bank Plc, First Bank Plc, Unity Bank Plc, and Union Bank Plc respectively. This is because; they are some of the banks that retained their names even after the consolidation exercise. The study covers a period of sixteen (16) years beginning from 2002-2017, (years of Pre-merger and Acquisition and the years of Post-Merger and Acquisition). The study looks at the financial reports of these banks before and after the merger and acquisition period.

1.8 Limitations of the Study

The study is limited to only two strategies: Merger and Acquisition strategies out of the many strategies we have. The study is also restricted to only four banks in Nigeria. The Data is restricted to Secondary (Company Financial Reports) and Primary Data (Questionnaire). The study is limited also to those banks that participated actively in merger and acquisition activities and still maintained their names. Other limitations that the researcher faced were the inability to collect data from the respondents in order to achieve objectives one in the study and also to obtained information from the management of selected banks from their annual financial statements but however, the researcher overcame these limitations with the help of some staff in these firms who assisted in giving out the necessary information needed in this research work.

2.1 Theoretical framework and Literature Review

Imala (2005) posited that the objectives of banking system are to ensure price stability and facilitate rapid economic development. Regrettably these objectives have remained largely unattained in Nigeria as a result of some deficiencies in our banking system, these include; low capital base, as average capital base of Nigeria banks was $10 million which is very low, a large number of small banks with relatively few branches, the dominance of a few banks, poor rating of a number of banks, weak corporate governance evidence by inaccurate reporting and non-compliance with regulatory requirements, insolvency as evidence by negative capital adequacy ratios of some banks, eroded shareholders fund caused by operating losses, over dependence on public sector deposit, and foreign exchange trading and the neglect of small and medium scale private savers. The Nigeria banking sector plays marginal role in the development of the real sector.

In his comment, Soludo (2004) said that low capitalization of the banks has made them less able to finance the economy, and more prone to unethical and unprofessional practices. These include poor loan quality of up to 21 per cent of shareholders' funds compared with 1–2 percent in Europe and America; overtrading, abandoning the true function of banking to focus on quick profit ventures such as trading in forex and tilting their funding support in favour of import-export trade instead of manufacturing; reliance on unstable public sector funds for their deposit base; forcing their female marketing staff in unwholesome conduct to meet unjustifiable targets in deposit mobilization; and high cost of funds.

2.2 Banking Sector Reform in Nigeria

Banking sector reforms in Nigeria are driven by the need to deepen the financial sector and reposition the Nigeria economy for growth; to become integrated into the global financial structural design and evolve a banking sector that is consistent with regional integration requirements and international best practices. It also aimed at addressing issues such as governance, risk management and operational inefficiencies, the centre of the reforms is around firming up capitalization. (Ajayi, 2005) Capitalization is an important component of reforms in the Nigeria banking industry, owing to the fact that a bank with a strong capital base has the ability to absolve losses arising from non performing liabilities. Attaining capitalization requirements may be achieved through consolidation of existing banks or raising additional funds through the capital market.

In his maiden address as he resumed office in 2004, the current Governor of Central Bank of Nigeria, Soludo, announced a 13-point reform program for the Nigerian Banks. The primary objective of the reforms is to guarantee an efficient and sound financial system. The reforms are designed to enable the banking system develop the required flexibility to support the economic development of the nation by efficiently performing its functions as the pivot of financial intermediation (Lemo, 2005). Thus, the reforms were to ensure a diversified, strong and reliable banking industry where there is safety of depositors' money and position banks to play active developmental roles in the Nigerian economy.

The key elements of the 13-point reform programme include:

- ✪ Minimum capital base of N25 billion with a deadline of 31st December, 2005;
- ✪ Consolidation of banking institutions through mergers and acquisitions;
- ✪ Phased withdrawal of public sector funds from banks, beginning from July, 2004;
- ✪ Adoption of a risk-focused and rule-based regulatory framework;
- ✪ Zero tolerance for weak corporate governance, misconduct and lack of transparency;
- ✪ Accelerated completion of the Electronic Financial Analysis Surveillance System (e-FASS);
- ✪ The establishment of an Asset Management Company;
- ✪ Promotion of the enforcement of dormant laws;
- ✪ Revision and updating of relevant laws;
- ✪ Closer collaboration with the EFCC and the establishment of the Financial Intelligence Unit. Of all the reform agenda the issue of increasing shareholders' fund to N25 billion generated so much controversy especially among the stakeholders and the need to comply before 31st December, 2005.

2.3 Structure and Size of Banking Industry in Nigeria

As depicted by the information in Table 1. Nigeria banking industry has remained narrow and fragile. Bank per million people is very low. It was five banks per million in 1970 and rose to its peak of 26.6 in 1993 and stagnated in this figure even until 2003. It shows that Nigeria is still under banked and this could explain why much of money supply is outside the banking systems. The asset base and numbers of the banks is also not impressive. The Bank asset as ratio of GDP which was 22.6 percent in 1970 rose to 65.9 percent; its peak in 1986 fell gradually to its lowest value of 19.4 percent in 1996 a decade after it got to its peak. The rise and fall of the asset ratio might be explained by the swing in the financial performance between these periods. The banking sector was liberalized in 1986 and more banks were established which led to increase in asset base as more money was brought to the banking sectors. However, the bank crises in the 1990s brought about fund withdrawal from the banking sectors this adversely affected the asset base of the overall banking system in Nigeria and hence the fall in asset based of the bank. The effort to revamp the banking sectors through several financial reforms and regulation introduced from 1994 cumulated in upward movement in bank asset from 1997 but could only rise to 49.6 percent in 2002 which is still less than the preSAP era. In term of both bank per population and asset ratio it is therefore obvious that the Nigerian banking system is still fragile, narrow and shallow. It might consequently explain the low level of bank performance as mover of economic growth through financial intermediation. Most of the banking activities are primarily expected to be directed to financial intermediation as engine of economic growth but evidence from studies in Nigeria showed that most of these banks engaged in nontraditional banking activities like revenue collection, sales point for commercial activities and educations. The bulk of their lending was directed to tertiary sector at the neglect of the real sector.

2.4 Reasons for Mergers and Acquisitions

The reasons for Mergers and Acquisitions According to Muyiwa (2006), the key common reasons that influence positively the decision to undertake a merger or acquisition exercise are:

i. Source of Supplies: The acquiring company may be seeking to safeguard the source of supply for materials so that it will not be thrown out of business suddenly.

ii. Management Expertise: The motive here is to acquire management team that is highly experienced, aggressive, and competent of managerial tactics.

iii. Increased Market Share: According to Ernst and young (1995), increase in market share is one of the plausible benefits of mergers and acquisitions. This eliminates competition or protects an existing market. Nwude (2003), mergers often provide the quickest entry into other markets and industries.

iv. Risk Diversification: Diversification could be defined as the penetration of the markets other than the company's traditional market. Diversification therefore spreads business risk (Nwude, 2003).

v. Stock Quotation: A private Company unable to meet the listing requirements of the Stock Exchange but desirous of public quotation may integrate with a publicly quoted company in order to realize its goal (Okpanachi, 2010).

vi. Technological Drive: A company desirous of enhancing its operations but constrained by its inability to easily access the needed technology may be driven into merging with another which has the technological advantage over it (Muyiwa, 2006).

vii. Profit: The aim of merger or acquisition should be to make profit. Thus, business combination provides a means of entering a market at a lower cost than would be incurred if the company tried to develop its own resources.

viii. Desired for Growth: A company with a view to harnessing the facilities of the other company to achieve the desired growth may enter into merger arrangement.

ix. Economy of Scale: This refers to the fact that the combined company can often reduce its fixed costs by removing duplicate departments or operations, lowering the cost of the company relative to the same revenue stream, thus increasing profit margins.

x. Economy of Scope: This refers to the efficiencies primarily associated with demand-side changes, such as increasing or decreasing the scope of marketing and distribution of different types of products.

Facilitators in Merger and Acquisition are earmarked in this study from, Nwude (2003), Garba (2006) and Augustine (2007), enumerated the facilitators in mergers and acquisitions as follows:

i. Financial Advisers to Integrating Companies: The financial advisers to the combing companies advise their clients on the financial implication of the exercise.

ii. Reporting Accountants to the Companies: The reporting accountants to the combining firms review the accounts prepared for the purpose of the merger and acquisition and give their findings or opinions.

iii. Solicitors to the Companies: The solicitors handle all legal issues on behalf of their clients as it relates to the merger and acquisition.

iv. Registrars: The registrars handle the transfer of share, update register of members, cancel old share certificate and issue new share certificates.

v. Stockbrokers: The stockbrokers market the shares, assist in taking the shares to the stock exchange floor.

2.5 Types of Merger:

✧· **Vertical Merger**

A merger between two companies producing different goods or services for one specific finished product. A vertical merger occurs between two or more firms operating at different levels within an industry's supply chain. The logic behind these mergers is to increase efficiency. In a vertical merger a firm purchases one of its suppliers (a backward merger) or merges with one of its customers (a forward merger), (Walter, 1985.311).

✧· **Conglomerate Merger**

A conglomerate merger involves the acquisition of an unrelated business. The acquired firm is usually one of many under the corporate umbrella of the acquired firm and it perceived as providing profitable diversification. Occasionally the acquiring firm will send a new team from headquarters to manage the unit (Nahavandi and Malekzadeh, 1993,40).This is a merger between firms that have no common business areas. There are two types of conglomerate mergers: pure and mixed. Pure conglomerate mergers involve firms with nothing in common. While mixed conglomerate mergers involve firms that are looking for product extensions or market extensions (Walter, 1985).

✧· **Market-Extension Merger**

This occurs between two or more companies that sell the same products but in different markets. The main purpose is to ensure that the merging companies can get access to a bigger market and a bigger client base.

✧· **Product-Extension Merger**

Takes place between two business organizations that deal in products that are related to each other and operate in the same market. This type of merger allows the merging companies to group together their products and get access to a bigger set of consumers. This ensures that they earn higher profits. In addition there are two types of mergers that are distinguished by how the merger is financed (Bowman and Singh,1999).

✧· **Concentric Mergers**

Concentric mergers occur between two firms with highly similar production or distribution technologies (Walter, 1985,311). A merger between a motorcycle manufacturer and an automobile manufacturer would be an example. (Nahavandi and Malekzadeh, 1993). Both kinds of corporations service transportation needs, but they are unique structurally.

✧· **Horizontal Merger**

In horizontal mergers one corporate acquires another corporation whose products or services is closely related or the same type (Nahavandi and Malekzadeh, 1993, 27). This is a merger between companies in the same industry and shares the same product lines and markets. Also a merger between Coca-Cola and Pepsi beverages division, For example, would be horizontal in Nature. This would increase the market share as well as reduce costs.

2.6 The Theories of Merger and Acquisition Strategies

This research shall be anchored by the following theories of Merger and Acquisition Strategies:

(a) Efficiency Theories

Adeyemi, and Adeyemi, (2016), this theory holds that mergers and acquisitions have good potentials for social benefits. They generally involve improving the performance of incumbent management or achieving a form of synergy. These theories will now be considered separately in order to clearly differentiate them and because each by itself, may explain certain classes of mergers.

(i) Differential Managerial Efficiency

This is the most general theory of mergers and acquisitions that can be formulated. In everyday language, such a theory operates where the management of firm A is more efficient than the management of firm B and if after firm A acquires firm B, the efficiency of firm B is brought up to the level of efficiency in the acquiring firm. Differential efficiency would most likely be a factor in mergers between firms in related industries where the need for improvement could be more easily identified thus, it is more likely to be a basis for horizontal mergers. (Adeyemi, and Adeyemi, 2016).

(ii) Operating Synergy

This theory assumes that economies of scales exist in the industry and that prior to the merger; the firms are operating at levels of activity that fall short of achieving the potentials of economies of scale. It included the concept of complementary capabilities. Operating Synergy may be achieved in horizontal, vertical and even conglomerate mergers. For example, one firm might be strong in research and development (R&D) but weak in marketing while another has a strong marketing department without the R&D capability. Merging both firms will result in operating synergy (Adeyemi, and Adeyemi, 2016).

(iii). Financial Synergy

This theory hypothesizes complementariness between merging firms, not in management capabilities, but in the availability of investment opportunities and internal cash flows. A firm in a declining industry will produce large cash flows since there are few attractive investment opportunities. A growing industry has more investment opportunities than cash with which to finance them. These conditions will provide a basis for merging. The merged firm will have a lower cost of capital due to the lower cost of internal funds as well as possible risk reduction, savings in floatation costs and improvements in capital allocation (Adeyemi, and Adeyemi, 2016).

(b) Agency Problems and Managerialism

Agency problems may result from a conflict of interest between managers and shareholders or between shareholders and debt holders. A number of organizations and market mechanisms serve to discipline self-serving managers and mergers and acquisitions are viewed as the discipline of last resort. Managerialism on the other hand, views mergers and acquisitions as a manifestation of the agency problem rather than its solution. It suggests that self-serving managers make ill-conceived combinations solely to increase firm size and their own compensations (Adeyemi, and Adeyemi, 2016).

(c) The Free Cash Flow Hypothesis

According to Jensen (1986) in Adeyemi, and Adeyemi, (2016) hypothesis states that mergers and acquisitions arise because of large agency costs associated with conflicts between managers and shareholders over the payout of free cash flow that is in excess of investment needs. According to him, shareholders and managers have serious conflicts of interest that can never be resolved perfectly. When these costs are large, mergers and acquisitions can help to reduce them.

Theoretical Base of the Study:

This theory "The Free Cash Flow Hypothesis Theory" was adopted by the researcher because; it best explains the concept of Mergers and Acquisition in an Organization. Companies go into M&A partly because of shareholders satisfaction that allows confidence, trust to reinvest, minimization of cost and to maximize profit.

(d) Market Power

One reason often given for a merger or acquisition is that it will increase a firm's market share. Essentially, there appears to be a high degree of correlation between increased market share and increased profitability. This view is closely aligned to the economies of scale argument; since increasing market share usually entails a higher level of production, economies of scale will be achieved. Increasing market share by mergers and acquisitions might entail investigation by the anti-trust authorities because they are seen to result in undue concentration (Adeyemi, and Adeyemi, 2016).

2.6 Empirical Review

Aronu, et al. (2013), investigated, Determining the Survivorship of Commercial Banks in Nigeria, This study is on determining the risk of survival of commercial banks in Nigeria using Survival Analysis. Survival analysis involves the modeling of time to event data; where death or failure is considered an "event" in the survival analysis literature. Also, it was observed that the explanatory variables Merger history, Age of operation in Nigeria, Revenue and Asset has no significant contribution to the survival of the banks.

Adedeji, et al (2015), examined, Recapitalization Policy and Performance of Banks in Nigeria (2006 - 2013) One of the regulatory controls of Central bank of Nigeria to ensure that the banking system is efficient and operationally effective is the regulation of bank capital base through capital requirement policy. While the regression analysis was used to test the significant impact. Findings revealed that recapitalization policy has positively affected and significantly improved the banks' performance.

Daniya, et al (2016), examined, Impact of Merger and Acquisitions on the Financial Performance of Deposit Money Banks in Nigeria. The overall objective of this study is to examine the impact of mergers and acquisitions on the financial performance of some selected deposit money banks in Nigerian from 2002 to 2008. This paper used Returns on Asset (ROA) and Return on Equity (ROE) of the selected banks to measure the financial performance of the banks before and after consolidation. Data for the study were analyzed using T-test statistics and it was revealed that bank witnessed improved and robust financial performance owing to merger and acquisition leading to more financial efficiency in the Nigerian banks.

3.1 Research Methodology

To achieve the set objectives, the researcher has adopted the use of both primary data (questionnaire) and secondary data (financial banks statements). The numbers of 80 copies of questionnaire were structured for the five selected banks. However, 5 representing 25% of this population were selected as the sample size. The staff of the five banks were categorized and stratified into junior staff, senior staff and management staff. The structured questionnaires were randomly administered to 50 respondents from the selected 5 out of the 24 existing deposit money banks in Nigeria. A total of 10 staff were selected from each of the 5 banks comprising 4 randomly selected junior staff, 3 senior staff and 2 management staff. However, and 10 junior management staff randomly and in all, 40 of the questionnaires were duly filled and retrieved from the exercise.

3.2 Population of the study

The population of the study covers all the twenty four (24) banks that scale through the 2005 CBN consolidation exercise. This includes all the banks that recapitalized through the issuance of common stock, merger and acquisition. They are shown in table 1

Table 1. Population of the Study

S/NO	Bank Name After 2005 Merger & Acquisition (M&A)	Component Members of Consolidated Banks
1.	Access Bank Plc.	Marina Bank, Capital Bank International, Access Bank
2.	Africanbank Nigeria Plc.	AfribankPlc., Afrimerchant Bank
3.	Diamond Bank Plc.	Diamond Bank, Lion Bank, African International Bank
4.	ECOBank	ECOBank
5.	ETB Plc	Equatorial Trust Bank, Devcom
6.	FCMB Plc	First City Monument Bank, Co-operative Development Bank, Nigerian American Bank, Midas Bank
7.	Fidelity Bank Plc	Fidelity Bank Plc, FSB, Manny Bank
8.	First Bank (FBN) Plc	FBN Plc, FBN Merchant Bank, MBC
9.	First inland Bank Plc	IMB, Inland Bank, First Atlantic Bank, NUB
10.	Guarantee Trust Bank Plc	GTBank Plc
11.	Intercontinental Bank Plc	Global Bank, Equity Bank, Gateway Bank, Intercontinental Bank
12.	NIB	Nigerian International Bank
13.	Oceanic Bank Plc	Oceanic Bank, International Trust Bank
14.	Platinum-Habib Bank Plc	Platinum-Habib Bank Plc
15.	Skye Bank Plc	Prudent Bank, Bond Bank, Coop Bank, Reliance Bank, EIB
16.	Spring Bank Plc	Guardian Express Bank, Citizens Bank, Fountain Trust Bank, Omega Bank, Trans International Bank, ACB
17.	Stanbic Bank Ltd	Stanbic Bank, Regent Bank, Chartered Bank, IBTC
18.	Standard Chartered Bank Plc	Standard Chartered Bank Plc
19.	Sterling Bank Plc	Magnum Trust Bank, NBM Bank, NAL Bank, INMB, Trust Bank of Africa
20.	United Bank for Africa Plc	Standard Trust Bank, UBA Plc., Chartered Trust Bank
21.	Union Bank Plc	Union Bank, Union Merchant Bank, Universal Trust Bank, Broad Bank
22.	Unity Bank Plc	New Africa Bank, Tropical Commercial Bank, Centre-Pointe Bank, Bank of the North, NNB, First Interstate Bank, Intercity Bank, Societal Bonaire, Pacific Bank
23.	Wema Bank Plc	Wema Bank, National Bank
24.	Zenith International Bank Plc	Zenith International Bank Plc

Source: Generated from Nigerian Stock ExchangFact Book, 2012/2013

3.4 Sample size and sampling technique

The study used judgmental sampling technique to select five (5) banks from the population. Banks that were selected are those banks that retain their identities prior to and after the merger and acquisition activities. The sample size for the study as shown in Table 2.

Table 2.

SNO.	Sample size of Banks Studied
1.	Access Bank Plc
2.	First Bank Plc
3.	Unity Bank Plc
4.	Union Bank Plc

Source: *Researchers Compilation, 2018*

3.5 Method of data collection and data analysis

The data for this study were collected using primary source which is structured questionnaire for objective one in the study. Also quantitatively data is retrieved from the financial annual reports and account of the studied deposit money banks. Descriptive and T-test statistics were used to analyze the data obtained from the sampled banks using SPSS.

4.1 Results and Discussion

TheT-test statistical tool specified in the methodology is translated using SPSS result output as thus:

Table 3. H0: There is no significant relationship between Merger and Acquisition Strategies and corporate survival of the Deposit Money Banks in Nigeria.

Pairwise T-test Statistic

Variable	N	Mean	Std. Dev.	Crit-t	Cal-t	DF	P
Merger & Acquisition	4	27.8352	5.94863				
Banks Survival	4	37.5224	5.13654	1.92	17.122	57	.0004

Source. Field Survey, 2018 using SPSS.

Table 3. H0: There is no significant relationship between Merger and Acquisition Strategies and profitability level of the Deposit Money Banks in Nigeria.

Table 3. Descriptive Statistics of Variance

	N	Minimum	Maximum	Mean	Std. Deviation
Preroa	04	.000	.04	.0157	.01154
Postroa	04	-.11	26.32	2.1632	7.58340
Preroe	04	-.04	6.22	1.9316	1.67005
Postroe	04	-2.33	4.64	2.0186	2.31926
Valid N (Listwise)	04				

Source: Generated from the Annual Reports of the Sampled Banks Using SPSS

The Table 3 shows the mean values of 0.0157 and 2.1632 for pre- and post-merger and acquisition (ROA) with minimum and maximum of 0.000, -0.11 and 0.04, 26.33 respectively. The standard deviation of 0.1154 and 7.58340 reveals that the deposit money banks vary greatly in their ROA pre-merger and acquisition and post-merger and acquisition period. Also, the pre-merger and acquisition (ROE) shows a mean value of 1.9322 while post-merger and acquisition (ROE) reveals a mean value of 2.0184. The standard deviation values of 1.67005 and 2.31926 for the two periods under study shows high variation in (ROE) for the two periods under study.

Table 4. T-test paired two samples for means of ROA and ROE

	ROA		ROE	
	Pre- M & A	Post- M & A	Pre- M & A	Post- M & A
Mean	.0194	2.1936	1.9322	2.0184
Std. Dev.	.01165	7.59660	1.67008	2.31947
N	04	04	04	04
Mean Correlation	.012		-.206	
DF	11		11	
T-test	-.991		-.096	
Sig. (2-tailed)	.343		.925	

Source: Computed by the researchers using SPSS

The Table 4 above reveals that the mean of the pre-merger and acquisition (ROA) has increased from 0.0194 to 2.1936 in the post-merger and acquisition, while the (ROE) also increased from 1.9316 to 2.0186. One of the reasons for this may be that the increase in capitalization of Nigerian deposit money banks which is the aimed of the consolidation is yielding the desired results of improving efficiency in banks. Therefore, the null hypothesis which indicates that there is no significant relationship between mergers and acquisitions and the profitability level of deposit money banks before and after consolidation is rejected and the alternative is accepted that, there is a significant relationship between merger and acquisition and profitability level of the deposit money banks in Nigeria.

This study is also consistent with the studies of Adedeji, et al (2015), examined, Recapitalization Policy and Performance of Banks in Nigeria (2006 - 2013) One of the regulatory controls of Central bank of Nigeria to ensure that the banking system is efficient and operationally effective is the regulation of bank capital base through capital requirement policy. It is also in agreement with the studies of Daniya, et al (2016), examined, Impact of Merger and Acquisitions on the Financial Performance of Deposit Money Banks in Nigeria. The overall objective of this study is to examine the impact of mergers and acquisitions on the financial performance of some selected deposit money banks in Nigerian from 2002 to 2008. This paper used Returns on Asset (ROA) and Return on Equity (ROE) of the selected banks to measure the financial performance of the banks before and after consolidation.

5.1 Conclusions and Recommendations

The paper examined the impact of merger and acquisition strategies on the performance of deposit money banks in Nigeria from 2002 to 2017. The result in this study reveals that, there is a significant relationship between merger and acquisition and corporate survival of the deposit money banks in Nigeria. This finding is consistent with the findings of Aronu, et al. (2013) and also that, there is a significant relationship between merger and acquisition and profitability level of the deposit money banks in Nigeria. This study is also consistent with the studies of Adedeji, et al (2015), and it is also in agreement with the studies of Daniya, et al (2016). The study concluded that banks with liquidity issues can adopt merger and acquisition strategies as a mean to achieve efficiency and effectiveness.

In line with the set objectives of the study, the following recommendations were suggested:

i) The management of weaker banks should adopt mergers and acquisition strategies so as to be acquired or merge with struggler banks. The activities of merger and acquisition allow the pulling together of assets and liabilities and for a better outcome and will also enhance their survival.

ii) The management of banks should encourage aggressive financial drive, aggressive marketing, efficient customer care and periodic training of staff so as to achieve increased customer patronage and financial performance in the competing money banking sector of today.

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The Impact of Strategic Planning on Organizational Growth

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This study focused on the impact of strategic planning on organizational growth of MTN Nigeria. The purpose of the study was to examine the impact of strategic planning on organizational growth of MTN Nigeria using Asaba and Warri branch in Delta State, as a focal point. Some organizations do not attach any importance to strategic planning and do not have strategic plan. This could be borne out of lack of appreciation and knowledge of the relevance of strategic planning on organizational growth.The population considered for the study consist of one hundred and fifty (150) personnel from the selected telecommunication firm, while a sample size of one hundred and nine (109) respondents was determined with the use of Taro Yemani formula. The researchers used survey design for the study and spearman rho order correlation coefficient with the aid of statistical package for social sciences ('SPSS) was used to test the hypotheses. The study revealed that, there is significant relationship between situation analysis and increased profit as well as increased market share. The study concluded that strategic planning with the dimension of situation analysis increases profit and market share. Hence, it was recommended that telecommunication firms should conduct situation analysis on regular basis in order to achieve increased profit and market share.

Keywords: Strategic planning, organizational growth, market share, increased profit, situation analysis, SWOT.

INTRODUCTION

Business environment is very dynamic and complex. Regardless of these challenges organizations irrespective of the sizes want to survive and grow. To do this, organizations must adjust and adapt to its environment. The environment of business according to Bryson (2009), have become not only increasingly uncertain in recent years, but also more highly interconnected thus changes in one area of the systems is unpredictably felt throughout the environment. This increased uncertainty and interconnectedness requires a fivefold response from the business organizations. First, these firms must think strategically as never before. Second they must translate their insights into effective circumstances. Third they must develop the rationale necessary to lay the ground work for the formulation and implementation of their strategies. Fourth, they must build coalitions that are large and strong enough to adapt desirable strategies and protect themselves during implementation. And finally, they must build capacity for ongoing management of the strategic change.

Strategic planning can help leaders and management of organizations to think, learn and act strategically. The need for organizations to proactively respond to environmental changes have now become important as it offers the organization a competitive edge in today's business World. Hence every organization regardless of its size must have some form of strategic plan if it must achieve longevity and sustainable growth.

In the word of Gupta (2010), strategic planning articulates corporate goals, delineates corporate policies and defines the business mix of the organization strategic planning as a long-range activity that determines where the organization will be in the future and how it will get there. Therefore, every manager has a responsibility to chart the long term directions, develop strategic moves; techniques or approaches and execute desired results for the organizational growth.

Bryson (2009), refer to the ABC's of strategic planning as (A) where the organization is (B) where the organization wants to be (C) how the organization will get there.

The overall purpose of strategic planning then becomes to develop a continuing commitment to the vision and mission of the organization. Since strategic planning is such a vast topic and a very important element of any organization, it is safe to say it plays a very crucial role in organizational growth. Therefore, this study examined the significant impact of strategic planning on organizational growth, using situation analysis as a factor.

Statement of the Problem

Perhaps, the most asked and least answered question in business today is "what can we do to make our business survive and grow? In view of the challenges that business organizations are expose to, it is imperative for them to anticipate challenges, identify their strengths to meet anticipated challenges and take control of available opportunities to achieve growth. Unfortunately, in most organizations, strategic planning is not carried out and implemented properly. Some organizations do not attach any importance to strategic planning and do not have strategic plan. This could be borne out of lack of appreciation and knowledge of the relevance of strategic planning on organizational growth. Byars (2014), lay emphasis on competition as rationale for strategy because business is all about winning. If follows then that, organization that seeks to survive and achieve sustainable growth must play the game of survival strategically because organizations are involve in a game of strategy and not a game of chance.

In an attempt to address this unfortunate development, there is need to critically assess the impact of strategic planning on organizational growth in corporate firms to enable management of business enterprises to appreciate its worth in gaining competitive advantage in the industry.

Purpose of the Study

The general purpose of this research is to critically assess the impact of strategic planning on organizational growth. The study is guided by the following objectives:

I. To ascertain whether situation analysis leads to increased profit.

2. To ascertain whether situation analysis leads to increased market share.

This study attempted to provide answers to the following questions:

1. To what extent does situation analysis affect increased profit?
2. To what extent does situation analysis increased market share?

Research Hypotheses

The research hypotheses tested within the context of the study are:

1. There is no significant relationship between situation analysis and increased profit.

2. There is no significant relationship between situation analysis and increased market share.

Scope of the Study

Content scope: The content scope covers relevant literature on strategic planning and organizational growth.

Geographical scope: The survey covers the telecommunication firm (MTN Nigeria, Asaba and Warri branch)

Unit of analysis: The unit of analysis was carried out at the organizational level.

REVIEW OF RELATED LITERATURE

Conceptual Framework of Strategic Planning

Strategic planning has its origin in welfare. The word "strategy is derived from the Greek word strategies (a combination of strato, army andagain,to conduct). The Greek term refer to the civil-military officials elected by the citizens of Athens to assume leadership during the time of war. These strategists were expected to prepare and implement overall, top level plans in order to achieve the long-term goal of winning the war (through battles, negotiations, or any other means available, according to the changing situation). They were not directly in charge of daily short-term operations of managing troops to win specific battle. This was (and still is) refer to as tactics another military term, derived from the Greek word tactical, which means the act of disposing and manufacturing forces in combat (from the verb tassein to arrange). From the military root, strategic planning has kept at least two essential characteristics.

To think big, taking into consideration all possible options and paying due attention to the changing environment; and

To focus on a clear, final and firm long-term goal to be achieved.

Although strategic planning in the business world can be traced back much earlier, its extended use started after the second World war. During the 1960s, it became a standard management tool in all big and in many small companies and began to be included in the curricular of all respectable business schools. Since then, the strategic planning approach has been the subject of many theories.

Dooris, Kelley and Trainer (2012), acknowledge that strategic planning is still relatively new as a management practice. The authors identify the period of time between 1950s and 1970s as the time when strategic planning emerged and note that the last several decades have been a born period for strategic planning. As strategic planning has grown into popularity, researchers have devoted more time and attention to defining strategic planning.

Bryson (2009), define strategic planning as a disciplined effort to produce fundamental decisions and actions that shapes and guide what an organization is, what it does, and why it does it.

Theoretical Framework

Different authors in the field of strategic planning offer different models of strategic planning. In spite of the differences, the concept and features are basically the same in most literature.

The study adopted the strategic planning model propounded by Byars (2014).

According to Eadie (2015), strategic planning process consists of five basic activities which are:

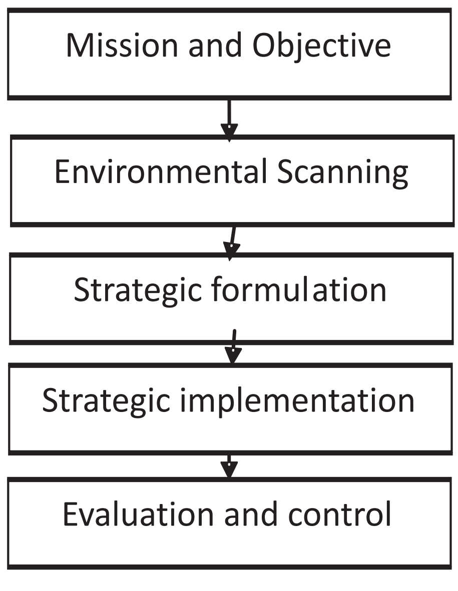
1. Environmental scanning
2. Resource audit to assess strengths and weaknesses
3. Strategic objectives
4. Strategic formulation
5. Implementation

Streib (2012), discuss strategic planning process in terms of its impact on strategic decision making. He detailed five steps in the strategic planning

1. A mission statement that establishes goals and objectives
2. An environmental scan
3. An organizational scan to determine strengths and weaknesses
4. Strategic objectives and implementation
5 Implementation and monitoring

Byars(2014), proposes a five-step process

1. Defining organizational mission
2. Environmental analysis
3. Strategic formulation
4. Strategic implementation
5. Evaluation and control



Figures 2.1: Strategic Planning Process
Byars, L. (2014). Strategic Management, Planning and Implementation. New York: Harper and Row.

Attributes of Strategic Planning

1. **Strategic planning is guided by overall sense of direction:** Strategic planning is not just a cold technical undertaking that spells out future objective to be reached and action to be taken. It gives a sense of purpose and direction that is capable of guiding implementation making everyday choices about what action to be taken in order to produce the expected result.
2. **Strategic planning is sensitive to the environment:** Strategic planning is based on the belief that the successful development of an organization is the result of finding the right fit between its internal strengths and weaknesses and the external opportunities and threats stemming from the environment. The main assumption is that, in order to be effective organization must be responsive to their environment which is continuously changing. They must place emphasis on understanding the change and adapting their decisions accordingly.
3. **Strategic planning deals with focal business organization:** If provides answers to such suggestion as what business are we into? What businesses are we ought to be? Who are our customers?
4. **Strategic planning provides a framework for more detailed planning and for day-to-day decisions:** Faced with such decision, a manager can ask "which of the available course of action will be more consistent with our strategy?
5. **Strategic planning is a top-level activity in the sense that top management must be actively involved:** This is because only top management has access to the information necessary to consider all aspects of the organization. Also, commitment from top management is necessary in order to generate commitment from lower levels.

Organizational Growth

Growth is something for which most companies strive, regardless of their size. Small firms want to get big, big firms want to get bigger. Indeed, companies have to grow at least a bit every year in order to accommodate the increased expenses that develop over time. With the passage of time, salaries will increase and the costs of employment as well. Even if no other company expenses increase, the two costs will always increase over time. It is not always possible to pass along these increased costs to customers and clients in the form of higher prices. Consequently, growth must occur if the business wishes to keep up.

Organizational growth has the potential to provide small businesses with a myriad of benefits, including things like greater efficiencies from economic of scale, increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits and increased prestige for organizational members. Many firms desire growth because it is seen generally as a sign of success and progress. Organizational growth is in fact used as an indicator of effectiveness for businesses and it is a fundamental concern for many practicing managers.

Organizational growth however, means different things to different organization. There are many parameters a company may use to measure growth. Since the ultimate goal of most companies is profitability, most companies will measure their growth in terms of profit, revenue, and their financial data. Other business owners may use one of the following criteria for assessing their growth: sales, number of employees, physical expansion, success growth, etc.

Measures of Organizational Growth

Organization measures their growth with different indicators but for the purpose of this study, the measures of organizational growth will be limited to increased profit and increased market share.

Increased profit

Profit is an excess of revenue over associated expenses for an activity over a period of time. Terms with similar meaning include earnings, income, and margin. Profit is the engine that drives the business enterprise. Every business should earn sufficient profit to survive and grow over a long period of time. It is the index to economic progress, improve national income and rising standard of living. Profit is the yardstick for judging not just economic, but the managerial efficiency and social objectives. Profit refers to the total income earned by an enterprises during a specified period of time (Porter, 2015)

Increased Market Share

Market share is an organization's percentage of sales in a particular industry. Both increase and decrease in sales may affect profit. Managers typically adjust operations and marketing strategies to increase or decrease it as needed. It is the percentage of an industry or market's total sales that is earned by a particular company over a specified period of time

Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period. This metric is used to give a general idea of the size of a company to its market and its competitors. Investors look at market share increases and decrease carefully because they can be a sign of the relative competitiveness of the company's product. Increased market share can allow an organization to achieve greater scale in its operation and improve profitability (Lipton, 2015).

Strategic Planning and Organizational Growth

Overtime the concept of strategic planning has been embraced worldwide and across sectors because of its perceived contribution to organizational growth. Today, organizations from both the private and public sectors have taken the practice of strategic planning seriously as a tool that can be utilized to fast track firm's growth. Strategic planning is unarguably an important ingredient in the conduct of strategic management. Steiner (2010), note that the framework for formulating and implementing strategies is the formal strategic planning system that has the potential advantages and intrinsic values that eventually translate into organizational growth. It is therefore a vehicle that facilitates firm's growth.

Strategic planning is a process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities. Strategic planning aims at defining and documenting an approach to doing business that will lead to satisfying profit and growth (Ansoff, 2015).

Schendel and Higher (2012), argue that firm's record improve performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational growth.

According to Bennet (2014), strategic planning requires that an organization develop a vision for itself- how do we see ourselves in the future? Strategic planning has several roles to play in the growth of an organization. In fact, the best managed organization tends to engage in continuous strategic planning. Strategic planning looks at the long-term which is how organizations survive and grow. It has been proven that organizations that focus on long-range planning through strategic planning perform better than organizations that do not engage in strategic planning. However, any organization that is embarking on strategic planning must first decide if it is to be a major, onetime event or a significant though periodic process, or geared towards outlining a change in roles or the way day-to-day operations are run.

METHODOLOGY

The study adopted a survey approach in generating vital information. The targeted population for the study was the staff of MTN Nigeria, since it was not possible to deal with the entire telecommunication industry as a result of the geographical dispersion of the firms and the range of population. The study was limited to MTN Nigeria, Asaba and Warri branch, Delta State which has a population of one hundred and fifty (150) staff (both permanent and casual). To enable the researchers to reach out to the sampled respondents, Taro Yamani's formula was used to determine the sample size of the study as shown

$$n = \frac{N}{1 + N(e)^2}$$

Where

n = sample size

N = population size (150)

e = level of significance $(0.05)^2$

$$n = \frac{150}{1 + 150(0.05)^2}$$

n = 109.0909 = 109

The researchers therefore administered 109 questionnaires (source of primary data) designed in line with the subject matter on the respondents who were selected randomly among the studied population without bias. In response, one hundred and four (104) were returned and used. Secondary data were generated from textbooks and relevant journals. On the analysis of data, spearman rho correlation coefficient was used to determine the relationship between the variables with the aid of SPSS.

Testing of Hypotheses and Discussion of Findings

The null hypotheses stated in this study were tested statistically in this section. The result of the statistical testing was used to make conclusions on whether to accept or reject the null hypotheses. The spearman rank correlation coefficient was used to determine the relationship between the variables with the aid of(SPSS).

Decision Rule: if the P-value is less than or equal to the alpha value (p,.05) the null hypothesis (H0) will be rejected. That means the result is statistically significant. But if the reverse is the case the alternative hypothesis (H1) will be accepted.

Table 1: Hypothesis One

H0: There is no relationship between situation analysis and increased profit.

H1: There is a relationship between situation analysis and increased profit.

Table1: Correlations

	Situation Analysis	Increase Profit
Situation correlation coefficient	1.000	230
Analysis Sig, (2-tailed)	.	0.019
Correlation coefficient	104	104
Increased Sig. (2 tailed)	230	1000
Profit N	019	-
Total	104	104

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

Source: SPSS Data, 2018

From table 1, result shows that the p. value which is 0.019 is less than the alpha value which is 0.05.

Decision: Since the p-value 0.019 is less than the alpha value 0.05, the null hypothesis was rejected. Hence, there is a significant relationship between situation analysis and increased profit.

Hypothesis Two

Ho: There is no relationship between situation analysis and increased market share

H_1: There is a relationship between situation analysis and increased market share

Table1: Correlations

	Situation Analysis	Increase Profit
Situation correlation coefficient	1.000	261
Analysis Sig, (2-tailed)	.	0.007
Correlation coefficient	104	104
Increased Sig. (2 tailed)	104	1000
Profit N	007	-
Total	104	104

Correlation is significant at the 0.01 level (2-tailed)
Source: SPSS Data, 2018

From table 2, we can observe that the P-value which is 0.007 is less than the alpha value 0.05

Decision: Since, p-value 0.007 is less than the alpha value 0.05, the null hypothesis will be rejected. Hence, there is a significant relationship between situation analysis and increased market share.

Summary of Findings

This study examined the impact of strategic planning on organizational growth in MTN Nigeria,Asaba and Warri branch. In the course of conducting the study, two (2) hypotheses were formulated to address the objectives of the study. The following are the summary of findings:

1. There is no significant relationship between situation analysis and increased profit was tested using the spearman's rank order of correlation coefficient with a 0.05 level of significant. The alpha value is greater than the p-value 0.0 19, as a result of this and base on the decision rule stated, we then reject the null hypothesis (H0) which states that there is no significant relationship between situation analysis and increased profit inMTN Asaba and Warri branch. This implies that increased profit to a large extent depend on situation analysis as well conducted situation analysis exposes competitors weakness that can be exploited and turned into highly increased profit.

2. There is no significant relationship between situation analysis and increased market share, was tested using the spearman's rank order correlation coefficient with a 0.05 level of significance in which the alpha value is greater than the p-value 0.007, as a result of this and based on the decision stated, we reject the null hypothesis (H0) which states that there is no significant relationship between situation analysis and increased market share in MTN Asaba and Warri branch. It therefore implies that situation analysis leads to increased market share. Management and investors most times try to ascertain whether the company market share is increasing or decreasing as they can be a sign of relative competitiveness of the company's products. Increase market share enable an organization to achieve greater scale in its operations and improve profitability.

Conclusion

Having examined the subject matter, the researchers discovered that organizational growth especially in the modern day business strongly depend on effective strategic planning and implementation. This can only be achieved if there is planned and well executed situation analysis, where an organization can discover its strength, weakness, treat and better opportunities to explore for growth. A well explored market opportunity will bring large market share and increased profit. This will certainly enable organizations to competefavourably in both domestic and global economy and also contribute to the Nigeria economy in the areas of job creation, payment of tax/royalty to federal account, product availability, effective service delivery through large scale production, improved foreign exchange through export and import, etc.

This will strengthen Nigeria economy and place it on a high level among comity of nations as growth is a very strong factor in the post-recession era in Nigeria.

Recommendations

The following were recommended in this study:

1. MTN Nigeria must incorporate a total and serious commitment to its strategic planning process as a rationale for achieving organizational growth.

2. MTN Nigeria should ensure their plans are realistic and well communicated to all employees especially to the middle-level personnel.

3. Strategic plans agreed upon should be made known to all levels of management and employees in the organization.

4. Management should as much as possible correct situations that produce frustrated attitudes and behaviours stemming from misunderstanding of the strategies adopted by the management of the firm.

5. Management should ensure they scan the environment in order to determine its strategic fit before formulating strategic plans.

6. Management should direct efforts towards adequate plans that have monitory and controlling mechanisms for both strategic and operational plans.

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An Assessment Of Online Shopping Practice And Customer Loyalty In Selected Online Shopping Stores In Lagos State, Nigeria

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ABSTRACT

Advances in Internet technologies have been increasing greatly and receiving much attention by most firms in the world today, towards marketing cost reduction and to have competitive edge.The major objective of the study is to examine the impact of online shopping practice on customer loyalty. A cross-sectional survey research design method was used. Stratified random sampling technique was employed for the sample selection. The sample size of 220 staff from selected online shopping stores in Lagos State, Nigeria was used. The statistical techniques used are the descriptive statistics, correlation and multiple regression analysis. The findings showed that trying to offer personalization in e-commerce and privacy in online shopping have positive effect on customer loyalty. It was concluded that online personalization can aid firms to build and sustain strong customer relationships. Privacy in online shopping seems a critical successful factor for e-commerce. Security is a privacy policy to secure private information from being used by other party which may be internal or external to the organizations. The study therefore recommended that companies should make available the technology for executing machine interactivity in online shopping environments that have the potential to provide customers with greater opportunities to access and compare product offerings.

Keywords: Online Shopping Practice, Privacy in Online Shopping, Online Personalized Services, Avatar-Mediated Communication, Customer Loyalty

1.0 Introduction

Over the years, advances in Internet technologies have grown tremendously. The internet has become a channel that is increasing in popularity in almost every facet of the globe and is used for numerous activities by customers, governments and businesses. Not surprisingly, the application of these online technologies which has grown along with them is that of online shopping. Internet shopping is one of the most commonly used means for convenient shopping in Lagos State. It is in fact, a popular means of shopping in the Internet community (Bourlakis, Papagiannidis, and Fox, 2008). Online shopping is increasing day by day in Lagos State, whether it's for clothes, electronics, or, even, pets. A lot of websites are opening daily just to cater for this rising demand for comfort and convenience. Online shopping is fast becoming a means of making all purchases, whether you're at home or in the office, or in a different country. This is particularly true for developed countries, where every store has its own website that you can buy online from.

Tricks of the trade like cash on delivery and sometimes special discounts on online purchases seem to influence customers very easily. This trend to shop online from the comfort of your own couch has recently been taken up in the Lagos State as well, especially in other parts of Nigeria. Lagos State seems to have adopted the trend much faster, with multiple fashion, furniture and food websites, along with venturing into the more commonly known companies, such as Bubbles Online, Adibba, Mystore, Pinky Bolar, Regal Buyer, Payport, Konga etc. One advantage of internet shopping is that it provides the consumers with detailed information and multiple choices towards comparing products and price. It has been observed that online shopping practice provides more satisfaction to the contemporary consumers that are seeking convenience as well as speed (Yu and Wu, 2007). Nowadays, the term Internet is a business tool for firms and individuals. Internet became a new channel between firms and their customers. Today, the Internet is a public and self-sustaining medium accessible to very many of people globally (Janacek and Muchhala, 2004).

The growth of internet utilization is motivating some innovations in the behavior of consumer purchasing process and it has become a significant communication means in the globe (CasalÃ, FlaviÃ¡n, and GuinalÃu, 2007). Some firms in Lagos State also are using the internet to describe and communicate the information and actually to present their products as well as taking feedback of their performance and get better their turnover and also customer`s satisfaction. A lot of firms in Nigeria have begun to use the Internet to reduce marketing costs, and consequently decreasing the prices of their products and services to keep a future competitive market. In the world level of online shopping market, customers mostly prefer purchasing books followed by clothing/accessories/shoes, airline ticket/reservations and electronic equipment (Nielsen, 2010). Online shopping is mostly utilized by the younger generation, so the goods that are sold online are also highly centred towards this brand of people. In order to bring in the elder people to be part of the online shopping community, more goods targeted towards them should also be made available online. Like any other business activity, the online market has also got the high potential and emerging markets, which could bring in huge margins for the e-commerce industry in the years to come.

The technology available for executing machine conversation in online shopping environments has the potential to provide customers with greater opportunities to access and compare product offerings (Alba, John, Barton, Chris, Richard, Alan and Stacey, 1997). Such abilities are particularly vital given that online stores cannot offer physical contact with products, do not allow face-to-face interaction with a salesperson, and may offer a very large number of alternatives due to their virtually infinite “shelfspace,” i.e., the lack of physical constraints with respect to product display. Customers' loyalty is undoubtedly vital because it contribute to the benefits of every online shop in Lagos State. Customer loyalty is customers' intention to repurchase a product or services. Zeithaml, and Bitner, (2003) argues that previous studies viewed customer loyalty as being either behavioral or attitudinal. Customer satisfaction is a vital antecedent for customer loyalty. Kotler, (2010) opined that satisfied customers tend to have higher usage of services, and possess stronger repurchase intention. According to Fallon, (2012), the foundation of marketing is to stress the potential customer to purchase and share good reference about a particular product or service.

Consumers most times do not purchase products that differ from their personal traits (Park, Kyung, and John, 2010). Time and complete awareness about the desired product affects a customer's final purchase decision along with other vital factors such as culture, security, perceived, social values, money, risks etc. Consumers want products to align with their social class, and some customers are feeling encouraged that products will either improve or detract from their quality of life and their societal relationships (Fallon, 2012). The main objective of the study is to examine online shopping and its effect on customer loyalty in online shopping stores in Nigeria.

1.1 Statement of the Problem

Despite the fact that the internet has become the most profitable and convenient way to buy products and services, most of the online customers still prefer purchasing through offline after using the online information as a base. They prefer to act like the Window Shoppers. Although many companies are realizing the significance of leveraging on the Internet to conduct their operations, firms are finding it challenging to keep up with fast dynamic markets and the consumer situation that are the hallmark of the Internet. Although there are individuals who are ready to convert towards online shopping, there are still many people who are not. Majority of Nigerians especially young people use the internet for non-shopping activities such as seeking for information, entertainment, playing games and communication with others. There are some setbacks which have contributed to the unwillingness of customers, because they are afraid that their personal information will be stolen by others.

Despite the potential in customers, It seems there is still lack of desired understanding towards online shopping in Nigeria. In Nigeria, however, despite the potential growth in online stores, a clear understanding of the facilitators of online purchase intention of consumers is still lacking due largely to little research done within the Nigerian context. From the preceding introduction, it is apparent that the fast technological progress is changing consumer shopping habits. Research on online consumer behavior is becoming more prominent in literature and prior studies have set the foundation into the indicators that influence online consumers, however, it is still not clear what drives consumers to shop online.

1.2 Objectives of the Study

The main objective of the study is to examine the effect online shopping practice on customer loyalty. The specific objectives are to:

i. determine the influence of privacy in online shopping on customer loyalty
ii. ascertain the effect of online personalized services on customer loyalty
iii. examine the effect of avatar-mediated communication on customer loyalty.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Online Shopping Practice

As Internet usage is rising, so is online shopping practice specifically in those nations whose marketing infrastructures are well developed. Customers can shop at any time and have access to goods not available in their locality. However, customers are now able to access the Internet, not only from their personal computers, but also from advanced electronic devices such as Smartphone's. Qualities of e-shopping service include system quality, information quality, service quality, delivery quality, post-purchase quality and product quality (Ahn, Seewon, and Ingoo, 2004). System quality explains the measures of web sites as information processing systems and taps engineering-oriented performance features such as operational efficiency and appearance (Ahn et al. 2004). Online shopping practice is a form of E-commerce whereby customers directly purchase goods and services from a seller over the internet. Online shopping practice is done via an online shop or Internet shop, e-shop, e-store etc. All the goods in online stores are described via text, with photos and with multimedia files. A lot of online shopping stores provide links for extra information about their products. They often make available, instructions, manufacture specification, safety procedures and exhibitions (Tech target, 2007-2012). Benefits of E-commerce have grown very fast because of the many benefits linked with purchasing online as the lower transaction and search cost as compared to other types of shopping. Online shopping practice enables consumers to buy faster, more varieties and can order goods and services with comparative lowest price (Cuneyt and Gautam, 2004).

The online shopping stores and Websites were sponsored by many e-retailers that utilized information generated in order to explore more marketing opportunities (Dignum, 2002). The popularity of online shopping has skyrocketed due to the easy connection to the vast pool of web and proliferation of technology among consumers of new generations. Rony, Farijul, Shamim and Abdur (2015) opined that online shopping is the process of conducting buying and selling activities of goods and services from merchants via using the modern technological devices such as internet, mobile, credit and debit cards etc. Actually it is a kind of electronic commerce which allows customers all over the world to directly purchase products from a seller online using a web browser. Mobile commerce explains purchasing from an online retailer's mobile optimized online sites or apps. Nowadays, internet is not only for platform in networking, however, it is also a channel to bond together for most firms with its customers (Delafrooz, Pain, Haron, Sidin, and Khatibi,2009).

E-commerce is also known as online shopping. It connotes running the whole process of business activities electronically using the internet (Chaffey, Ellis-Chadwick, Mayer, and Johnston, 2006). Online Shopping is a process where customers go through when they decide to purchase via the internet. For online shopping retailer, in order to conduct the achievement of business e-commerce, it is important to setup customer needs and wants (Chaffey et al., 2006). Online shopping behavior has to do with the steps of purchasing goods and services through the Internet. The process involves five steps similar to those related with traditional shopping behavior (Liang and Lai 2000). In the online shopping practice when actual and potential customers recognize a need for some service, they go to the Internet and search for need-related information. However, rather than searching actively, at times potential and actual customers are attracted by information about goods or services associated with the felt need. They then evaluate varieties and choose the one that best fits their criteria for meeting the felt need. Finally, a transaction is carried out and post-sales services are provided. Online shopping attitude concerns the customer psychological position in terms of making purchases online.

An issue of particular interest to both marketing practitioners and academics is in ascertaining whether there are systematic differences in customer's choice behavior between online and regular offline stores, and if there are differences, in understanding the purpose for these differences. Put in another way, will the same customer exhibit different choice purchasing behavior online and offline, and if so, why? Identifying and understanding these differences is important for formulating marketing strategies, especially for online marketers. These questions are addressed first by proposing a general conceptual framework to articulate how various indicators affect online and offline choices.

After determining a need, an online customer browses through web pages in the online search stage. To maximize information gathering efficiency, and to narrow down information overload, online customers may use virtual carts to organize their consideration set. Online customers also search and shop online for freedom, control or fun (Wolfinbarger and Gilly 2001). In the online shopping practice, consideration arises as a customer places an item(s) of interest into their cart. Hence, customers may use their cart to aid taper options to a consideration set to be evaluated further. Online customers may go follow the steps in the sequence for various purposes (Li and Chatterjee 2006). For example, customers may not need product information, and thus skip to purchasing. Customers may also change their mind and turn back to information search, or abort an intended transaction at any point. Finally, the aborted purchase may be done in a bricks-and-mortar store, also explored here.

2.1.2 Privacy in Online Shopping

According to Bélanger, Janine and Wanda, (2002) privacy in ecommerce can be viewed as the willingness to share personal information online that allows for a transaction regarding a purchase to be made. For easing customer's minds about the issue of privacy, many websites have privacy policies in place (McGinity, 2000). There are also certain independent companies that can verify, audit and then certify privacy policies for online shopping, such as TRUSTe (Ranganathan and Ganapathy, 2002). Still, there are many users that have apprehensions regarding the misuse of their personal information (Brown and Muchira 2004). A survey by IBM Multinational Consumer Privacy revealed that about 80% of respondents based in the US felt like they had lost control over the personal information they had given to companies. 78% had refused to give their personal information, the reason cited was that it was inappropriate in the circumstance, and 54% people decided to not go ahead with the purchase as opposed to letting their personal information be collected during the transaction (Bélanger et al. 2002).

According to Vellido, Lisboa and Meehan (2000), out of the nine factors they found that relate to consumer opinions regarding online shopping, consumer risk perception was often highlighted. It defined the users who had actually brought something online and those who had not. According to Flavián and Guinalíu (2006) security online is defined as the belief of the consumer that his financial data will be protected and not made available, it will not be stored and it will not be used by unauthorized people. The security of online transactions is still a leading issue when it comes to online shopping, even today (Park and Kim, 2003; Elliot and Fowell, 2000; Liao and Cheung, 2001; Szymanski and Hise, 2000). According to Smith, Milberg and Burke, (1996) there are four factors of online privacy:

1. Unauthorized use of personal information by a secondary party
2. Improper access of any information that is digitally stored
3. Collection of personal information of any individual
4. Errors in the personal information that has already been collected.

A customer's specific privacy focus may differ due to conditions or circumstances. Smith, et al. (1996) listed four indicators of privacy concerns for company's practices: collection of private information, unauthorized secondary use of personal information, errors in personal information, and improper access to personal information. For online marketing, the areas of concern are captured as the gathering of personal information, the control over the use of personal data, and the awareness of privacy practices and uses of personal information (Malhotra, Kim, and Agarwal, 2004). Brown and Muchira (2004) discovered three indicators of consumer concern in online purchasing behavior: unauthorized secondary use, errors in private information, and the invasion of privacy. Security concern is also one of the key points that internet users were not purchased over the ecommerce website (Flaviaan andGuinaliu,2006). Recently, as many third party firms provide security software and maintenance to the e-commerce website to secure those websites from hacker's victim, online sales representatives try to provide protective service to their consumers in order to reduce risk perception from the customer.

2.1.3 Online Personalized Services

Marketing and advertizing use personalization in an attempt to interact in different levels and ways with the consumers, as all the collected data can be used to offer better services. The use of transactional, demographic and behavioral data makes it a better way to offer personalized services to various customer groups. Online personalized services impact on customers' reactions by making personalization a reliable means that will lead customers into purchasing more often. Retaining a customer is much more profitable for a firm than finding a new one and keeping a customer happy by satisfying his need enhances his intentions to purchase again (Liao, Palvia, and Lin, 2006; Giannakos, Pateli, and Pappas, 2011). Personalization is based on customer's personal information. Hence, the more information a firm gather about the customer, the better services it can offer. The aim of every firm using such systems is not just to fulfill customer's needs but also to create needs that the same organization will fulfill in time. Therefore, the organization needs to know as much as possible for their customers. Nevertheless, at this point privacy concerns start to influence customers in a significant way, resulting in negative relation between privacy and purchase behavior (Castaneda, and Montoro, 2007).

Personalization is viewed as the ability to provide services directed to consumers based on knowledge about their preferences and behavior and the use of technology and consumer information to direct electronic commerce interactions between a firm and each specific consumer (Adomavicius, and Tuzhilin, 2005). Nowadays, personalization has a significant role for online shops when they plan their techniques regarding the services that they offer. It is vital to create a customer relationship that will give them the room to communicate with the consumers directly and personally. Adolphs, and Winkelmann, (2000) observed that trying to offer personalization in e-commerce connotes dealing with three problems: identifying a customer, collecting information about the consumer, and processing data to create a service which will be customized for a certain consumer (e.g. recommender systems). Hence, ecommerce beyond e-shops, consist of recommendation systems and comparison agents. The broad field of personalization has been widely researched (Adolphs, and Winkelmann, 2000; Bodapati, 2008). It has concentrated, among others, on recommender systems (Bo, and Benbasat, 2007). Most recommendation tools ask too much information from the consumer. Although these tools seem like the best solution to the problems of too much information and too many alternatives, they are not widely accepted from consumers (Murray, and Haubl, 2008). Particularly, these tools will first ask a number of questions in order to understand the consumers' needs and preferences and eventually provide the appropriate recommendation.

However, collecting and using customers' information has a shortcoming; it may be seen as an invasion to the consumers' privacy. Salomann, Dous, Kolbe and Brenner, (2005), explained the significance of privacy and security aspects in the field of customer relationship management (CRM). Data from the customers can be gathered either by directly asking them (explicitly) or by inferring information about them without their consent (implicitly) (Cranor, Guduru, and Arjula, 2006). When customers are asked for their personal data it is very likely to share them with the firms in order to gain access to its service, although, many firms do not ask them and consumers realize the privacy violation only when the first personalized emails arrive (Sheehan, 2002).

Murray and Haubl, (2009) stated that no matter the great usefulness of any recommendation instrument, their ease of use seems to be more significant for the consumer. Research has centered on making recommendation agents more useful in an attempt to offer more specific and personalized services, because it is clear that the more useful a technology is the more likely is to be adopted. Close, and Kukar-Kinney, (2010) stated that enjoyment is related to many forms of shopping practice, while the experience of the online shopping procedure is explained by the customers' beliefs and how it influences the way they feel about it. Some customers may buy when they are in a bad mood as they enjoy the steps and the outcome, while others may be thrilled when they discover products that will make them feel popular.

2.1.4 Avatar-Mediated Communication

Avatar means a representation of an entity. For example, an avatar is seen as a pictorial representation of a human in a chat environment (Bahorsky, Graber, and Mason 1998) or as a representation of the user as an animated character in virtual worlds (Loos, 2003). There are also technology oriented perspectives to explaining avatars. For example, the computer trade press explains that avatars are graphic personifications of computers that run on computers (Halfhill 1996). For the purpose of this study, avatars are viewed as general graphic representations that are personified by medium of computer technology. The theory of social response indicates that consumers tend to respond to computer technology as though it is a social entity (Moon, 2003).

Avatars can be seen as a digital representation of the individual they are representing and are commonplace in several different online networks (Bailenson, Yee, Merget, and Schroeder, 2006). While some use the term avatar to connote only images that are representing a marketer in real time (Blascovich and Bailenson, 2011), others have used the term more generically to consist of any visual representation of a marketer (Nowak, Hamilton, and Hammond, 2009; Nowak and Rauh, 2008). Whenever computer technology demonstrates humanlike behaviors, such as language production, taking turns in interaction, and reciprocal responding, the user is more apt to personify the technology (Moon 2000). This tendency to treat a computer as a social entity occurs whether the representation of the computer is the screen, a voice, or an agent (Moon, 2000). Thus, when customers are confronted with software program, they have a tendency to utilize a "social response to (these) communication technologies," or what Morkes, Kernal, and Nass (1999) call the SRCT approach.

The conversation caused participants to create an emotional relationship to and attribute marketer's characteristics to the computer, even though the customers were fully aware that the computer did not possess a personality (Morkes, et al 1999). More recent proves indicates that customers respond to computers as they do to people in terms of psychosocial phenomena, such as personality, politeness, and flattery (Moon, 2003). Simply having an avatar pictured during the human–computer conversation will make the conversation feel more interactive and reciprocal. Thus, adding an avatar to a decision support system on an online store Web site will enhance the effectiveness of the Web site. This forecast is in agreement with recent evidence that relationships are more likely to develop if the computer technology is represented using human forms (Trogemann 2003). Customers pay more attention to visual information presented in any domain and are very sensitive to communication cues provided by body movement. These communication cues include attractiveness, facial expression, gestures, and body movement (Argyle, 1988). This is true with online conversation as well, where the sensitivity to bodily cues have been automatically applied to avatars by marketers who draw inferences about the "intentions" and "mental states" of computers when facial or body displays (even simplified simulations of these cues) are provided (Reeves and Nass, 1996; Takeuchi and Naito, 1995).

Uncertainty reduction theory predicts that communication between individuals should lead to a reduction in uncertainty (Affifi and Burgoon, 2000). Further, uncertainty is reduced when customers feel they have information important to the judgments they need to make for a given interaction (Infante, Rancer, and Womack, 1997). Essentially, the less information consumers have during a conversation, the more heavily they rely more on the information available to them, such as avatars, to limit uncertainty and form expectations. It is also vital to understand how avatar-mediated communications can influence purchase behavior. First, there is a long history of prove that personal communication is more effective than mass-media communication (Williams 1977). Second, there is a long history of prove that personal communication is more adaptive, broad and satisfying than other forms of communication (Allen et al. 2002). Both research streams aid to explain the effectiveness of face-to-face conversations with sales agents.

2.1.5 Customer Loyalty

It is very significant that customers are satisfied with the products and services provided by the specific website as satisfied customers are likely to be loyal and make repetitive purchases which will enhance profitability of that particular e-commerce firm (Reibstein, 2002). Customer satisfaction is when products and services meet the expectation of the consumers (Kotler, Cunningham, and Turner, 2001). In Rodgers, Negash, and Suk, (2005) study, the objective was to examine the moderating influence of online experience on antecedents to online satisfaction and on relationship between on-line satisfaction and loyalty" by asking 836 respondents; both high and low online experiences. The antecedent dimensions of online satisfaction were divided into 3 major factors as following:

1) Information Quality-In formativeness and Entertainment
2) System Quality - Interactivity and Access
3) Service Quality-Tangibility, Reliability, Responsiveness, Assurance and Empathy

The key for retaining the customer is customer satisfaction. Customer satisfaction can be viewed as a consumer's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his/her expectation (Kotler,2010). Anderson and Srinivasan (2003) stated that satisfaction is the contentment of the consumer with respect to his/her prior buying experience with a particular service firm. Satisfaction in online marketing is customer judgment of their internet experience as compared to their experience with traditional offline service provider or retail stores (Tan,Tung, and Xu,2009). Kotler (2010) stated that as customer satisfaction reflects the extent of a customer's positive feeling about a service provider, it is significant for service providers to understand customers' perception of their services. According to Anderson and Sullivian (2003); Bowen and Chen, (2001) a high level of customer satisfaction will decrease the perceived need to switch service provider, thereby enhancing customer repurchase and ultimately increasing profitability of the organization. A high level of satisfaction provides the consumer with repeated positive reinforcement that will create commitment and loyalty.

2.1.6 Privacy in Online Shopping and Customer Loyalty

Online marketers try to provide information of internet security and centered on potential risks to internet customer who used credit card to buy online, payment scams are major treat to electronic merchants (Liu et al., 2005). Security was a critical successful indicator for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great extent of company (Kesh et al., 2002). Security is a privacy policy to secure such personal information from being used by other party which include internal or external to the company (Flaviaan et al., 2006). Privacy concerns when shopping online, like the perception of losing control, are related with anxiety which means less shopping enjoyment for the customer (Hwang, and Kim, 2007).

We therefore propose that:

Ha1: There is a significant relationship between privacy in online shopping and customer loyalty.

2.1.7 Online Personalized Services and Customer Loyalty

Online personalized environments may impact positively on customer's experience and increase his loyalty (Zhou, Dai, and Zhang, 2007). Online personalization can aid firms to build strong relations with their consumers that will last for a long time. Personalization's goal is to identify and satisfy a special consumer need. Studies have tried to understand how consumers evaluate their privacy and how they decide to trade it for tangible or intangible benefits (Tsai, Egelman, Cranor, Acquisti, 2011). Such gains are those offered through personalization and recommendation tools. Shopping enjoyment, and by extent enjoyment when receiving personalized services, plays a significant role in customer's behavior towards online shopping (Ha, and Stoel, 2009).

Therefore, we hypothesize that:

Ha2: Online personalized services and customer loyalty has a significant relationship.

2.1.8 Avatar-Mediated Communicationand Customer Loyalty

Regardless of the specific definition applied, research has shown that the presence of an avatar, in an online shopping forum can enhance consumer satisfaction and affect customer behavior (Holzwarth, Janiszewski, and Neumann, 2006). Previous studies exhibit that the visual information provided by a user's avatar can have a vital impact on the attributions connected with that specific user (Bailenson et al., 2005; Nowak and Rauh, 2008; Seyama and Nagayama, 2007). In addition to this, customers tend to feel comfortable about the completeness and confidence in the accuracy of their visual attributions (Ambady, Hallahan, and Rosenthal, 1995).

Therefore, we propose that:

Ha3: Avatar-mediated communication and customer loyalty has a significant relationship.

3.0 Theoretical Review

Transaction Cost Theory (TCT)

Williamson (1985) explains that a transaction is a process by which a product or service is moved across a technologically separable interface. In classical economic theory, it is assumed that information is symmetric in the market. Since both customers and marketers are assumed to have the same amount of information, the transaction can be executed without cost. In reality, however, markets are often inefficient. In order to carry out a transaction, customers must conduct activities such as searching for information, negotiating terms and monitoring the continuous process to ensure a favorable deal. The costs involved with such transaction-related activities are called transaction costs (Liang and Hung, 2002).

TCT can discuss the different challenges of economic firms (Rindfleisch and Heide, 1997). Its basic principle is that customer would like to conduct transactions in the most efficient way (Williamson, 1985). That is, the lower the transaction costs, the more likely individuals are to conduct the transaction. Transaction costs are determined by several constructs, including uncertainty and asset specificity. Since information in the market is always asymmetric, the outcomes of a transaction may not follow, or may even be contrary to expectations, leading to uncertainty. Transactions are encouraged through reducing uncertainty, as one form of lowering the transaction costs. Asset specificity has to do with the lack of transferability of the assets from one transaction to the other. Since assets with a high amount of specificity represent sunk costs that have low value outside of a specific exchange relationship (Rindfleisch and Heide, 1997), higher asset specificity is associated with lower transaction costs for the exchange relationship to which the specificity applies, and higher transaction costs for other exchange relationships. Liang and Huang (1998) applied TCT to examined customers' intention to shop online. In addition to the modeling structure presented in Figure 4, they further assumed that e-shopping intention is also directly affected by uncertainty and asset specificity. Teo and Yu (2005) contend that purchasing frequency is also a predictor of transaction costs, with trust replacing asset specificity.

4.0 Methodology

A survey research design method was adopted because it deals mainly with opinions and is widely used in management, or social science research, due to the complex relationship that exist between variables. The population was made up of 490 staff of selected online shopping stores. The required sample unit of staffs that was captured was determined by using Yamane's (1968) sample size determination formula. A total number of 220 respondents were selected from the online shopping stores in Lagos State. The sampling technique employed in this study was the stratified random sampling technique.

5.0 Results

Table 1: Correlation Matrix and Descriptive Statistics among the Variables of Online Shopping Practice and Customer loyalty

Variables	1	2	3	4
1. Privacy in Online Shopping	1			
2. Online Personalized Services	.548**	1		
3. Avatar-Mediated Communication	.424**	.577**	1	
4. Customer Loyalty	.516**	.517**	.460**	1
Mean	17.279	17.000	16.957	17.072
Standard Deviation	1.7827	1.8650	1.9838	1.9780
Cronbach's Alpha Coefficient	0.734	0.745	0.729	0.744

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

The correlation analysis as exhibited in table 1 indicated that privacy in online shopping exhibited significant positive correlation with online personalized services (r = .548**, P < .01). Likewise, there is a positive correlation between privacy in online shopping and avatar-mediated communication (r = .424**, P < .01). Similarly, privacy in online shopping was positively correlated with customer loyalty (r = .516** P < .01). Online personalized services which is the second variable exhibited positive and significant correlation with avatar-mediated communication (r = .577**, P < .01), and also with customer loyalty (r = .517**P < .01). Avatar-mediated communication which is the third variable has positive correlation with customer loyalty (r = .460** P < .01).

Table 2: Multi Regression Analysis for Components of Online Shopping Practice and Customer loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.674	1.233		2.979	.003
	privacy in online shopping	.336	.075	.303	4.501	.000
	online personalized services	.254	.079	.240	3.214	.002
	avatar-mediated communication	.193	.069	.193	2.800	.006

a. Dependent Variable: customer loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.608[a]	.369	.360	1.5824

a. Predictors: (Constant), avatar-mediated communication, privacy in online shopping, online personalized services

5.1 Discussion

The study is focused on the effect of online shopping practice on customer loyalty. The results of the correlation analysis involving all the dimensions of online shopping practice exhibited positive correlation coefficient values among the indicators. This showed that they were all appropriate indicators of online shopping practice. The results from the multiple regression analysis showed the effect of online shopping practice on customer loyalty. Table 2 showed that privacy in online shopping which is the first variable has positive effect on customer loyalty (ß = .303, P<0.01). It was reported that online personalized services which is the second variable has positive effect on customer loyalty (ß = .240, P<0.01). It was also reported that avatar-mediated communication which is the last variable has positive effect on customer loyalty (ß = .193, P<0.01).From the model summary, online shopping practice explains 36% of the variability of customer loyalty. The result provided support for the Ha1 test result (r=.002 <0.05) which indicated that there is a significant relationship between privacy in online shopping and customer loyalty. This further supports the findings of Kesh et al., (2002) that retail e-commerce would not succeed if online customers feel on lacking a great degree of confidence. The implication of the finding is that online shops would have a high level of customers' patronage when the customers feel secured by a great degree of confidence.

The findings also showed that online personalized services is found to have significant positive effect on customer loyalty (β =.240, P < 0.01). The findings provided support for the result of Ha2(r=.000 <0.05) which stated that online personalized services and customer loyalty has a significant relationship. These findings are consistent with Adolphs, and Winkelmann, (2000) assertion that trying to offer internet personalized services in e-commerce connotes dealing with three issues: identifying a customer, collecting information about the customer, and processing data to establish a service which will be customized for a certain customer.The implication of this finding is that when companies offer online personalized services it will help them to serve customers better, which tend to create customer loyalty.

Furthermore, the result of the regression analysis showed that avatar-mediated communication has positive effect on customer loyalty (β =.193, P < 0.01). This finding is consistent with the result of

Ha3 test ($r=.006 <0.05$) which showed that avatar-mediated communication and customer loyalty has a significant relationship. This finding is in support with the view of Holzwarth, et al (2006) that the presence of an avatar, in an online shopping arena can enhance consumer satisfaction and affect customer behavior. The implication of this finding is that when online shops adds an avatar to their decision support system on a retail Web site it will enhance the effectiveness of the Web site, which helps to build consumers' confidence on the products offered. The general form of the equation to predict $CL = \beta o + \beta 2POS + \beta 3OPS + \beta 4AC + \varepsilon$….$CL= 3.674+ (0.336\times POS) + (0.254\times OPS) + (0.193\times AC)$

6.0 Conclusion

Online personalized services affect customers' reactions, making personalization a capable means that will lead consumers into purchasing more often. Personalization is centred on customer's personal information. Online personalization can aid firms to build strong relations with their consumers that will last for a long time. Personalization is based on consumer's personal information. Privacy in online shopping was a critical successful indicator for e-commerce. Security is a privacy policy to secure personal information from being used by other party which consists of internal or external to the organizations. Online marketing practitioners try to create secure service to their consumers in order to limit risk perception from the consumers. Simply having an avatar pictured during the human–computer conversation will make the conversation feel more conversational and reciprocal. Thus, adding an avatar to a decision support system on an online shop Web site will enhance the effectiveness of the Web site.

7.0 Recommendations

On the basis of the findings of the study and the conclusion, the study recommends as follows:

The implications for developers' marketers are to understand specific consumer decision making on buying online, it can greatly contribute to enhance explanations and forecasting in the online shopping context. Managers of online shops should understand consumers' attitudes and behaviors, so that they can draw up sound policy to secure consumers' interest and control the market.

Online shopping is mostly done by the younger generation, in order to bring in the elder people to shop online, products and services targeted towards them should also be made available online at all times.

Companies should make available the technology for implementing machine conversation in online shopping environments that have the capability to provide customers with unequivocal opportunities to locate and compare product offerings.

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An Appraisal Of Chemical Marketing Management In Nigeria

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ABSTRACT

This study appraises the conformity of chemical marketing activities of channel members with ethical practices. The study is a survey design and adopts stratified and simple random sampling techniques. One hypothesis and a research question guide the study. The target population is 2068comprising importers (43), manufacturers (113), wholesalers (247), retailers (552) and end users (1113) of chemicals in the five South Eastern States of Nigeria. The sample size of 335 is determined using Yamane (1967) formula (Eboh, 2009). Applying Bowley's proportional allocation statistical technique, the sample size for each category of respondents is estimated, viz, importers (7), manufacturers (18), wholesalers (40), retailers (90) and end users (180). Primary and secondary sources are accessed for data. The questionnaire is designed in line with the five point Likert Scale format, viz, strongly agree (5points), agree (4points), undecided (3points), disagree (2points) and strongly disagree(1point). Marketing experts validate the questionnaire. Pilot study is carried out. The reliability coefficient of the research instrument is estimated to be 0.901 using Cronbach's Alpha technique. The hypothesis of the study is formulated and tested at 0.05 level of significance and 15 degrees of freedom. Using one-way ANOVA and Minitab software package, the extent of conformity of chemical marketing with ethical practices is determined. Recommendations include formal registration of chemical channel members and organization of workshops, seminars, conferences to equip them with ethical principles and practices of sound management of chemicals and their implications.

KEYWORDS: Ethical marketing, Chemicals, Toxicity, Environment, Sustainability.

1.0 Background Of The Study

Chemicals are material substances capable of breaking down or combining with their kinds or other substances under suitable environment to become new substances, having completely different characters, behaviors, qualities or uses (Eke, 2008). The exponential increase in the use of chemicals in Nigeria is a pointer to their relevance in national development. Chemical marketing or chemical marketing refers to the process of creating, communicating and delivering total chemical offering to facilitate mutually satisfying exchange relationship between people or organizations with diverse requirements. Total chemical offering is a wholesome package, comprising quality chemicals, genuine certificates of analysis, material safety data sheets, expiry dates, warranties, guarantees and other relevant information. Chemical marketing management encompasses the analysis, planning, implementation and control of chemical value chain to ensure safe handling, distribution and full utilization, prevention of diversion for unwholesome uses and disposal of wastes within regulatory frameworks.

Chemicals are rarely sold directly from manufacturers to consumers except as finished products. The movement of chemicals from the manufacturers' or importers' warehouses to end users involves a network of intermediary institutions. The wholesalers and retailers such as open markets, chemical stores and agents, typically State licensed or registered companies control the chemical distribution network. Every channel member contributes to the movement of the chemicals, fund and information in the value chain.

The marketing of chemicals in Nigeria is a flourishing business due to their applications in every sphere of life. They are used in all stages of food production ranging from soil remediation, weed /pests control to preservation and packaging of food stuffs. Drug production is made possible with chemicals. All drugs are chemicals but all chemicals are not drugs (ICCON,2008). Dead bodies are preserved with chemicals. Safety and military hard wares, nuclear weapons, explosives/mines are manufactured with chemicals. The exploitation of crude oil and subsequent catalytic fractionalization into various chemical products drive the nation's economy. Borehole drilling, water treatment and purification require the application of chemicals. The electrical cables and insulators used in power generation are fabricated with chemicals. Automobile and aircraft body profiles, television sets and computers, cameras, plastics, paints, clothing, beauty care products are made with chemicals, among others.

However, chemicals present sweet and sour scenarios. While chemicals contribute immensely to the growth of the economy, their hazardous effects and resultant wastes pose great danger to human and environmental health. At the United Nations Conference on Sustainable Development (Rio+20) countries reaffirmed the vision of achieving sound management of chemicals (SMC) by the year 2020 (UNDP Guide, 2012).SMC entails the use of managerial best practices in ensuring safe handling of chemicals (Oghifo, 2013). The initiative encompasses the manufacturing and placement of chemicals in the Nigerian market. The channel members, including downstream industrial users in the South Eastern States of Nigeria with virtual knowledge of chemicals are involved in the distribution activities. Invariably deaths and health effects arising from chemical exposures / contaminants could be minimized if the marketing and use of chemicals conform to ethical practices.

Ethical marketing, an amalgam of social responsibility and ethics, strives to promote honesty, fairness and accountability in the marketing of chemicals as to impact significantly on the environment and societal welfare. In view of the hazards associated with chemicals, the exposure of people and environment to chemicals on daily basis is becoming worrisome. The marketing practices in relation to packaging, labeling, storage, sales, distribution and even the use/disposal of chemicals need to be guided by sound chemicals management regime to reduce the risks of exposures and attendant health hazards. The extent of conformity of the marketing activities of channel members with ethical practices as to ensure sustainable use of chemicals in national development provoked this study, among others.

1.1 Statement of the problem.

The utilization of certain chemical substances in the industries and other areas of human endeavor have been implicated in the devastation of natural environment, including the ozone layer. The thin cloud of gas which protects the earth from the sun's harmful radiations is the ozone layer (Ababio, 1998).Chemicals such as chlorofluorocarbons, halons, carbon tetrachloride, methyl chloroform, hydro- chlorofluorocarbons and methyl bromide have inflicted much damage to the ozone layer, leading to intense solar radiation on earth (Bayero, 2004). Every creature on earth is affected by the intense solar radiation, even the early stages of animal life, such as the larvae or eggs of frog in shallow waters.

Dike (et al, 2014) state that the global plant cover which serves as a sink for carbon dioxide to reduce the incidence of global warming is adversely affected by ozone layer depletion. Studies have also shown positive correlation between chemical exposures and health hazards. Severe health disorders such as lung cancer, chronic bronchitis, kidney tissue damage, heart failure and inability of the blood to supply oxygen to the body have been linked to chemical exposures (ATSDR). Sound management of chemicals, especially lead, mercury/other heavy metals, pesticides and persistent organic pollutants (POPs) aims at reducing significantly the adverse effects on the environment and human health. The chemical marketing management focuses on the tasks of deciding the target markets, discovering their needs and wants, developing and packaging the types of chemical that meet the unique requirements of the markets, designing marketing strategies to reach and satisfy the target customers in the competitive global business environment. Nigeria being a producer and importer of chemicals, the sound chemicals management regime needs to assess the marketing practices relating to all chemicals that gained access to the local markets. Ethical behavior drives sound management of chemicals regime and sets the guidelines for moral and social responsibility marketing practices. If marketing decisions and efforts of channel members are geared towards meeting the diverse chemical requirements of customers including wastes disposal, in conformity with ethical practices, health hazards due to chemical exposures would be drastically reduced.

The life-cycle (cradle-to-grave) evaluates the effects of chemicals on the environment and human health from the time of their extractions from the earth or manufacture until they are discharged to the environment and sometimes through landfills. In a nutshell, the production, importation, marketing and consumption of chemicals including waste disposal, ought to be grounded in ethical considerations. The study therefore seeks to determine the extent to which the marketing activities of chemical channel members conform to ethical practices as to safeguard lives of citizens and ensure environmental sustainability, among others.

1.2Objectives of the study.

The broad objective of the study is to appraise chemical marketing practices of channel members in Nigeria. The specific objective is to determine the extent to which marketing of chemicals has conformed to ethical practices in the South Eastern States of Nigeria.

1.3 Research question

To what extent has marketing of chemicals conformed to ethical practices?

1.4 Limitations of the Study

The study is limited to the channel members primarily engaged in the production/importation, distribution and use of chemicals in the five South Eastern States of Nigeria. The research is conducted in Aba, Onitsha, Abakaliki, Enugu and Orlu, being the commercial nerve centres of Abia, Anambra, Enugu, Ebonyi and Imo States respectively.

1.5. Hypotheses formulation

At 95% confidence level, the hypotheses are formulated for testing;

Ho. Marketing of chemicals has not significantly conformed to ethical practices.

H1. Marketing of chemicals has significantly conformed to ethical practices.

2.0. Review of Related Literatures

Chemical refers to a homogenous substance or mixture of substances that result from atomic reactions, molecular changes or natural phenomenon. It is remarkable for its reproducible qualitative and quantitative properties. For purposes of effective regulation, chemicals can be classified into two main categories namely, General and Controlled chemicals. General chemicals include Laboratory, Agricultural, Industrial and Consumer chemicals. The Controlled chemicals include chemicals under the International Chemical Weapons Convention of 1987, Precursor Chemicals under the United Nations Convention against illicit traffic in narcotics and psychotropic substances of 1988 and Banned/severely restricted chemicals. Banned chemicals are prohibited by the final regulatory authorities in order to protect human and environmental health.

A chemical is said to be severely restricted when virtually all its uses within one or more categories have been prohibited by final regulatory action to protect human health or the environment but for which certain specific uses remain allowed (Eke, 2008). Examples include persistent organic pollutants (POP), mercury and ozone depletes. To ascertain the acceptability, safety in use and confirmation for intended use, all chemical substances manufactured, exported or imported into Nigeria must be registered with the appropriate authorities before entry into the nation's market. Import permits are issued by the regulatory bodies to companies and individuals to import chemicals into the country. The exact quantities of chemicals are stated with evidence of licit use in the relevant documents.

The Global Harmonized System (GHS) of classification and labeling of chemicals provides information on the label and Material Safety Data Sheet (MSDS) and ensures uniformity in chemical packaging worldwide. A major component of the total chemical offering is the MSDS. It contains important information about chemicals, viz; name & address of manufacturer, specific composition/abstract service number, hazard identification, first aid/accidental release measures, handling and storage procedures, exposure controls/personal protection, physical /chemical properties, stability & reactivity, toxicological, disposal, transport/regulatory information (ICCON,2008).Although the importance of chemicals in national development is crucial, they pose serious threat to life on earth and the physical environment. According to Bovee (et al, 1992), when an action or choice is motivated by the desire to do a right thing, it is ethical and if it is motivated by the desire to do a wrong thing or avoid doing the right thing, it is unethical.

The practice of devastating human and environmental health for financial gains through the production and marketing of chemicals is rather unethical. Ethical practices entail preserving the integrity, stability and beauty of the natural environment. The marketing of chemicals ought to anchor on the principle of mutually satisfying exchange relationships. Chemical marketing management strategies should therefore be designed to satisfy human needs and wants with minimal harmful impact on the natural environment (Grundey and Zaharia, 2008). The principle is aimed at achieving a sustainable society by avoiding or reducing environmental pollutions at every stage of the market-oriented activity (Ezeokafor, 2003). Channel members should endeavour to fulfill the ethical expectations of the customers in course of performing their marketing activities.

Bartels (1967) related the bases for action under ethical obligation to self-interest(lower level), legal ethics (obey the law only),voluntary codes(e.g. by trade or professional associations), conviction (personal integrity, honesty and fairness), balance of claims (from expectations/obligations that often conflict) and economic circumstances (may determine the level of ethical behavior adopted).

The code of conduct of the Nigerian Marketing Association (NIMARK) outlined four prescriptions for members, namely; good marketing practices seek to make fair and honest profit by meeting the needs of the consumers; a member shall at all times act in a manner to uphold the dignity, image and integrity of the marketing profession; a member shall communicate only the truth at all times to the consumer; a member should avoid any conflict between his personal interests and those of his employers. Where such conflict of interests arises, it should be disclosed to and resolved with the employer/client (NIMARK). The concern of the intermediary institutions involved in chemical business should surpass profit motives. Ethical responsibility should be integrated into chemical marketing management practices and align environmental issues with consumer needs through the principles of Sound Management of Chemicals (SMC). The United Nations Development Programme (UNDP) has advocated the integration of chemicals management schemes into national development policies and plans in developing countries, including Nigeria as to promote human health and environmental sustainability (UNDP Guide, 2012).

The significance of the advocacy of UNDP is to improve knowledge in safe handling of chemicals and reduce chemically-linked pollution in developing countries. The Nigerian Government has shown concern to implement the Strategic Approach to International Chemicals Management (SAICM) principles in accordance with the Dubai Declaration on International Chemicals Management (Oghifo, 2013). The National Agency for Food and Drugs Administration and Control (NAFDAC) regulates the manufacture, importation, exportation and undertakes registration and market authorization of chemicals (Monye, 2007). In spite of the dire consequences of chemical exposures, the marketing practitioners appear to have reneged on the measures that would impact more positively on the environment and public health. The extent, to which the marketing activities of channel members conform to ethical practices in relation to sound management of chemicals, forms the core of investigation of this study.

3.0 Methodology

The study adopts a survey method. The target population is 2068comprising importers (43), manufacturers (113), wholesalers (247), retailers (552) and end users (1113) of industrial chemicals. The sample size of 335 is determined using Yamane (1967) formula (Eboh, 2009). Applying Bowley's proportional allocation statistical technique, the sample size for each category of respondents is estimated, viz, importers (7), manufacturers (18), wholesalers (40), retailers (90) and end users (180). Primary and secondary sources are accessed for data. The questionnaire is designed in line with the five point Likert Scale format, viz, strongly agree (5points), agree (4points), undecided (3points), disagree (2points) and strongly disagree(1point). Marketing experts validate the questionnaire. Pilot study is carried out. The reliability coefficient of the research instrument is estimated to be 0.901 using Cronbach's Alpha technique. The hypothesis of the study is formulated and tested at 0.05 level of significance and 19 degrees of freedom. Using one-way ANOVA and Minitab software package, the extent of conformity of marketing of chemicals with ethical practices is determined.

4.0 DATA PRESENTATION AND ANALYSIS

TABLE 4. 1: Profile of respondents.

Parameters (%)	Total	Percentage
Category		
Importers	**7**	**2.0**
Manufacturers	**18**	**5.0**
Wholesalers	**40**	**12.0**
Retailers	**90**	
27.0		
End-users	**180**	**54.0**
Age		
20-30	**50**	**15.0**
31-40	**101**	**30.0**
41-50	**119**	**36.0**
Above 50	**65**	**19.0**
Gender		
Male	**263**	**79.0**
Female	**72**	
21.0		
Marital status		
Married	**229**	
68.0	**Single**	
106	**32.0**	
Qualification		
Ph.D.	**2**	**1.0**
MSc/MBA	**19**	**5.0**
BSc/HND	**31**	**9.0**
ND/NCE	**77**	**23.0**
WASC/GCE	**113**	**34.0**
FSLC	**93**	**28.0**

In Table 4.1, the percentages of importers and manufacturers of chemicals are 2.0 and 5.0 respectively. Retailers (27.0%) outnumber the wholesalers (12.0%) and the percentage of the end users is 54.0. The respondents above the age of 40 are 55 percent while 45% are within 20 to 40 years old. The male respondents are 70% and females 21%. The study involves 68% of married respondents and singles 32%. The literacy levels of the respondents indicate that 62% possess FSLC/WASC/GCE, 23.0% OND/NCE while a few of them (15.0%) has higher qualifications.

In Table 4.2 the mean score of responses, 582 representing 62.6 percent of the respondents' opinions, indicates that marketing of chemicals has not significantly conformed to ethical practices. The mean score of 347, representing 37.4 percent of the respondents' responses affirms the conformity of chemical channel members with ethical practices.

4.1 Test of hypothesis

Ho. Marketing of chemicals has not significantly conformed to ethical practices.
H1. Marketing of chemicals has significantly conformed to ethical practices.

Table 4.3. Result of One-way ANOVA application: Scores: A, Scores: D

Analysis of Variance

Source	DF	Adj SS	Adj MS	F-Value	P-Value
Factor	1	221135	221135	4.28	0.058
Error	14	723705	51693		
Total	15	944840			

Model Summary

S	R-sq	R-sq(adj)	R-sq(pred)
227.361	23.40%	17.93%	0.00%

Means

Factor	N	Mean	StDev	95% CI
Scores: A	8	346.6	236.3	(174.2, 519.0)
Scores: D	8	581.8	218.0	(409.3, 754.2)

Pooled St. Dev = 227.361

Decision:

From Table 4.3, the F-critical (4.54) is greater than F-computed (4.28) at 0.05 level of significance and 15 degrees of freedom. In applying the decision rule, the null hypothesis, HO is not rejected. An additional insight into the decision shows that p-value (0.058) is greater than the significance level of 0.05 (i.e.,

TABLE 4.2 Analysis of responses on appraisal of chemical marketing management in Nigeria

Item	No. of Respondents: Agree	Scores of Respondents: Agree	No. of Respondents: Disagree	Scores of Respondents: Disagree	Total No. of Respondents
1	269	907	66	199	335
2	94	242	241	813	335
3	119	202	216	719	335
4	168	212	167	552	335
5	94	239	241	798	335
6	122	229	213	715	335
7	125	383	210	398	335
8	193	359	142	460	335
Total	1184	2773	1496	4654	2680
Mean	148	346.63	187	581.75	335

Source: Field data, 2018.

$p>0.05$). The null hypothesis is therefore upheld. The co-efficient of determination, R2 (adj) is 17.93percent. This result shows that the extent of conformity of marketing of chemicals with ethical practices is about17.93 percent. In conclusion, marketing of chemicals has not significantly conformed to ethical practices.

5.0 Discussion Of Results

The findings of the study reveal that at 17.93 percent, marketing of chemicals has not significantly conformed to ethical practices. By implication, only about eighteen percent of the marketing activities of channel members are in conformity with ethical practices while a huge proportion of eighty-two percent is non- compliant.

Experiences of most manufacturers of chemical products in recent past corroborate the report of the study. During periods of scarcity of chemicals in the market, some wholesalers and retailers (chemical distributors) adulterate chemicals. For instance, an end user in Aba narrated how he bought a tonne of Ethyl Diamine Tetra-Acetic acid (EDTA) valued N670.980.00 from a chemical distributor in Lagos only to discover after use that the consignment neatly sealed in a carton- colored paper sack was something else. revalidation of expiry dates of chemicals to extend their shelf life and omitting vital information to deceive customers are common practices.

Qualities of some finished products are compromised by adulterated chemicals, leading to huge loses. The umbrella body of the chemical distributors, Chemical Dealers Associations, shield channel members from the arms of the law against unethical practices like price collusion, adulteration, customer deceit, lying or stretching the truth about the state of the chemical substances. Price collusion is socially irresponsible as it hinders marketplace competition. The prices of chemicals are arbitrarily raised to earn huge profits. The distribution of chemicals appears chaotic with overlapping of channel functions. The chemicals are often sold to the wholesalers and retailers alongside the end users by the same manufacturers or importers, creating channel conflicts. Large chemical manufacturers or importers package their products in cylinders, drums, plastic kegs, boxes and deliver them through pipelines, tankers, and trailers (for solids, liquids and gases).

Observations have shown that some channel members repackage these chemicals in various sizes for commercial utilities and with misleading information relating to country of origin or place of production, chemical and physical properties, suitability for use, including fake material safety data sheet. The country of origin is an important feature in chemical marketing as it is perceived as a reflection of quality. Interviews held with some end –use industries reveal that chemical distributors even use trademarks, names and labels or packages belonging to firms that have high quality reputation in the same industry to deceive customers. Since ethical practices imply wholesome application of standards of fairness, honesty, moral rights or judgment to chemical marketing management, the activities of these channel members are devoid of ethical standards.

5.1 Implications of the study

The study implies a paradigm shift to ethical marketing practices by chemical channel members as to resolve the contentious issue of doing the right or wrong thing to make money. Integrating ethical principles into the corporate culture of the intermediary institutions involved in the chemical value chain would ensure a healthy society and sustainable environment.

5.2 Conclusion

The study investigates the extent to which the marketing activities of chemical channel members conform to ethical practices. The report of the study shows that about 17.93 percent of the marketing activities of the chemical distributors is in conformity with ethical practices while eighty-two percent is not. Chemicals present sweet and sour scenarios. Chemicals contribute immensely to the growth of the economy while their hazardous effects and resultant wastes pose great danger to human health and environmental sustainability.

The principle of chemical marketing management demands that channel members be ethically accountable for what happens in the value chain as the products move from manufacturers or importers to end users, including waste disposal. If the marketing practices depart from ethical standards, the outcome may lead to bad publicity, lack of trust, lost businesses and even legal action, resulting to customer dissatisfaction. A frustrated or disappointed customer would not only stop buying but badmouths the total chemical offering to others.

Ethical abuses are capable of arousing pressures from the government, consumer interest /self-regulatory groups, professional associations to protect consumer rights and compel the intermediary institutions to assume greater responsibility for their actions. A paradigm shifts to integrate ethical culture into chemical marketing management would resolve the hot button issue of doing the right or wrong thing by channel members to make money. The impact is on the sustenance of both human and environmental health and enhancement of the nation's economy through improved customers' attitudes toward total chemical offerings in the country. Equipping distributors with good knowledge of chemicals/ waste disposal, the target markets, ethical principles and practices of sound management of chemicals in Nigeria is more compelling now than ever, if the (Rio+20) countries' vision 2020 would be achieved. However, interviews held with the respondents reveal that if ethical marketing practices reduce profits, most chemical channel members would not adopt them, notwithstanding the benefits of sound management of chemicals.

It behooves the Federal and State Governments of Nigeria to intervene as to ensure ethical compliance. In summary, chemical marketing management becomes plausible especially when members of the public recognize that intermediary institutions are engaging in ethical practices that improve human health and environmental sustainability and are not compelled by governments or professional associations to do so.

5.3 Recommendations

Based on the findings of the study, the following recommendations are articulated to enhance the conformity of the marketing activities of chemical channel members with ethical practices.

i) A joint committee of the leadership of Institute of Chartered Chemists of Nigeria and National Institute of Marketing of Nigeria should be constituted to synergistically monitor chemical production, storage, distribution and use, including waste disposals in the country.

ii) The Institute of Chartered Chemists of Nigeria (ICCON) should formally register the chemical distributors (members of the Chemical Dealers Union, CDA) and issue them operational licenses, renewable yearly for control purposes.

iii) ICCON should take the responsibility of organizing workshops, seminars, conferences to equip members of the CDA and others with the principles and practices of sound management of chemicals and their implications.

iv) The joint committee should mount intensive public enlightenment campaigns on the consequences of chemicals exposures on human and environmental health.

v) The National Institute of Marketing of Nigeria should enforce ethical behaviour throughout the culture and practices of the intermediary institutions involved in chemical marketing management.

vi) The Federal and State Governments of Nigeria should enact stringent laws on chemical marketing management, including penalties for violations.

vii) The joint committee should monitor the activities of the chemical channel members, enforce the implementations of the laws and penalties.

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Effects Of Demographic Factors On Impulse Buying Behaviour Of Consumers In Auchi, Edo State, Nigeria

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ABSTRACT

The objective of the study was to determine the effects of demographic factors (Age, Gender, Income, Education, Marital Status and Occupation) on impulse buying bahaviour of consumers in Auchi. The study adopted survey design. The population of the study consisted all consumers who have made purchases in their present shopping trip in selected shops (supermarkets). The sample size of 384 was determined using Godden's formula cited in Sangatang, Siochi and Plaza (2017). The main research instrument was questionnaire which was used to survey 384 respondents (192 males and 192 females). Non-probability convenience sampling was used in administering copies of questionnaire to the respondents. Multiple regression analysis was used to determine result for the data collected with the aid of SPSS 20.0. The multiple regression analysis result reveled among others that demographic characteristics (age, gender, income, education, marital status) had significant relationship with impulse buying behavior of consumers. The study concluded that demographic characteristics of consumers can explain the impulse buying behavior of consumers. The reason is that the study shows significant relationship between demographic characteristics and impulse buying behaviour of consumers might be related to the respondent's perception about purchasing decision. The study recommended that consumer should arrange their priorities and always weigh specific weight of their preferences in relation to each other according to a particular pattern when purchasing products to prevent buying on impulse.

Key words: Age, gender, income, marital status, occupation, impulse buying behavior.

Introduction

One of the most fundamental topics of buying decision of consumers acknowledge by researcher and workers globally is impulse buying behaviour. It has attracted research investigations because the result seems to be discomformed between what people plan to do or buy and what they finally buy (Utierrez, 2002). Impulse buying is made up of 80% of all purchases and that purchases of new products are due to demographic characteristics than from planned expenditure.

Shopping can be traced to many civilizations in history (http://en.wikipedia.shopping). Shopping is the examining of goods and services from retailers with the intent to purchasing at that time. When a consumer is shopping, he/she creates a behavior or impulse buying behavior. That buying behaviour is described as any purchase which a shopper makes but has not planned in advanced. Impulse buyers usually do not set one with the definite aim of visiting some particular store for purchasing certain item (Beatty & Fenell, 1998; Baumeister, 2002; Stern, 1962 cited in www.ukesseym.com)

Kacen and Lee (2002) cited in Ekeng, Lifu and Asinya (2012) described impulse buying as an unplanned purchase characterized by somewhat rapid decision-making and a subjective prejudice in favour of immediate possession. It is the unexpected occurrence and immediate purchase decision inside a store with no previous or advanced intention to buy the specific product or products (Gahni, Imran & Jan, 2011). Impulse buying behaviour is made up of previous unplanned purchases (Srivastava & Joshi, 2014). These definitions point out that impulse buying relates to unplanned and unopposed buying decision of a product probably because of its price, fanciful design and the like.

Store layout, browsing, demographic characteristics will encourage consumers to change their shopping habits towards engaging more deeply in buying. This could trigger the impulse buying behaviour. According to Annie Seeley, a food commission nutritionist observed that seventy percent of confectionary products are bought on impulse (Marketing Week, 2003 cited in http://www.uniasignment.com). The statement by Annie Seeley can make marketing to realize the importance of triggering the impulse buying behaviour and start placing items near the counters. This is the reason why there are lot of candies and chocolates on the counter or beside the passage way of an exit to trigger the impulse buying behaviour.

Generally, three crucial factors: dynamics incentive, impulsiveness of consumers and situational factors such as tendency to enjoying shopping and different occasions rather than the product itself can have the power to produce required effects in creating impulse buying behaviour (Mathai & Haridas, 2014). It is of high importance to show factors influencing impulse buying behaviour, acknowledge informed customers in purchase certain products and loyal customers which the most crucial service of communicative advantage in present competitive market, from customers who buy without plan and follow irregular pattern in their selection to develop more effective marketing plan. (Sacednia & Goudozi, 2014; Jalali et al cited in Abbasi, 2017).

Statement of the Problem

In the literature, many factors have been linked to impulse buying behaviour among consumers. Factors such as consumer characteristics (excitement, self-esteem, new product knowledge). Abasi (2017) customers' mood, Rook and Gardner (1993) culture forces (Kacen & Lee, 2002); product investment, Jones Reynold, Weun (2003); presence of peers (Luo, 2005), emotion (Silvera, Lavack & Kropp, 2008); Chang (Eckman & Yan, 2011). Cultural values and lifestyle (Bashir, Zeeshan, Hussain and Sarki, 2013) have been used to determine impulse buying of consumer. Unfortunately, and sadly, majority of these studies were conducted in western and developed societies, but such studies have not been carried out in Africa. These studies have focused only on certain aspects of impulse buying behaviour in relation to the specific topic. There appears to be few empirical and theoretical studies which investigated demographic characteristics on impulse buying behaviour of consumers particularly in Edo State in particular and Nigeria in general with diverse culture and consumers with different socio-economic background. It is against this background that this study intends giving empirical analysis of the relationship that exists between demographic characteristics and impulse buying behaviour of consumer.

Objectives of the Study

1. To determine whether demographic factors of income, age, occupation, education, marital status have simultaneous influence on impulse buying behaviour of consumers in Auchi Edo State.

2. To ascertain whether young consumers are prone to impulse buying behaviour than aged consumers in Auchi, Edo State.

Research Questions

1. Do income, age, occupation, education and marital status have simultaneous influence on impulse buying behaviour of consumer in Auchi, Edo State?
2. Do young consumers prone to impulse buying behaviour than aged consumers in Auchi, Edo State?

Hypotheses

Ho1: Income, age, occupation, education and marital status have no simultaneous influence on impulse buying behaviour.

Ho2: Impulse buying behaviour is not inversely related to the age of consumer.

LITERATURE REVIEW

Conceptual Discussion

The Concept of Impulse buying behaviour

The definition of impulse buying is spurring of the moment, unplanned decision to buy, made just before a purchase (www.bussdictionary.com. Stern (1962) cited in Minal, Sanjay and Urvashi (2012) show that impulse buying is synonym with "unplanned buying" and define it as "any purchase which a shopper makes but has not planned in advanced". Impulse buying is the purchase of goods that may be unnecessary due to sudden urge or desire to have them. Impulse buying behaviour is becoming usual among consumers today (Zimmerman, 2012). Kraken and Lee (2002) stated that impulse buyinghas been presently described buying behaviour in which careful examination of the quickness of the decision-making process (Brick et al 2010 cited in www.uniassignemnt.com). The urge to consume can arouse emotional responses and is bound to take place without consideration of the consequences (Witmann & Paulus, 2008 cited in www.uniagssignemnt.com). Sharma, Sivakumaran and Marshal (2010) has reconceptualise the notion of impulse buying and has identified that it takes place when individual do not plan, anticipate, hesitate when making purchase decisions, that is, when consumer make unintentional, unthoughtful and prompt purchases (Franken et al 2008 cited in www.uniassignment.com). The impulse buying behaviour is unintentional because the consumers are not specifically seeking for some products and made no plans to purchase the product. Yet, not all unintentional and unplanned purchases inevitably mean an impulse buying (Jones 2003; Lee & Kacen, 2008). Impulse buying behaviour is unthoughful because customers do not focus on the outcomes of their purchase, what really matters to them is to satisfy their instant desire. It is a very short sawash of time between seeing and purchasing the product and buying decision is taken in a lark. Consumers consume impulsively as they realize that they have only one opportunity to buy a specific product, so they have likely to buy right away without any other consideration (Kacen & Lee, 2002).

Demographic characteristics

These factors define people on the basis of age, sex, income, education, occupation and marital status.

Gender: According to Coley and Burgess (2003) men's and women's buying behaviour is different on several grounds; they possess information differently, purchase different products for separate reasons and perform shopping activity differently (Berni & Chimer, 2001). Several researchers have discovered that women are more likely to engage in impulse consumption as compared to men (Muller et al, 2002; Norum, 2008, Lai, 2010 in www.uniassignment.com). The issue is further observed by Dittmer et al (1996) cited in Bhuvana, Swan & Kushnan (2015) who state that because women constitute the larger part of customers and shopping is perceived be a womanly activity, they make more impulse buying decisions. This theory conclude with the study made by Banking Giant First Direct (2010) in www.uniassignment.com which reveals that 74% of women accepted they do not always have a shopping list compared to 68% of men. On the other hand, Hausman (2004) did not find significant correlation between gender and impulse buying bahaviour. Recent studies made by Npower (2011), Diriscol (2011), Collier (2011) cited in www.uniassignment.com controverts these studies by placing that men are mainly impulse buyers. Men spend an average of 25 pounds per week on products they bought in an urge while woken spend around 19 pounds per week. However, the study find that men are little better than women in controlling their temptation to shop. 60% of women said they are frequently tempted to buy impulsively if there is a sale on, while 40% of men said alike.

Women opt for products with more emotional value while men prefer functional product. Gender difference and impulse buying suggest that men seem to impulsively purchase functional and leisure item representing independence and activity while women are impulsive buyers of emblematic and self-expensive products related to appearing and sentimental facet of self (Coley & Burgess, 2003, Dittmer, Reattie & Frees (1996) cited in Bhuvane, Swan and Krishman, (2015) while Leggatt (2011) suggested that some 77% of women and 71% of men said they bought groceries on impulse (The impulse buying behavior marketing www.unassignment.com).

Age: The relationship of age with impulse buying behaviour has been investigated in several studies (wood, 1998, Bellenger, Roberts, and Hirschman 1978 cited in Ghani & Jan, 2011). Rowlings, Boldero and Wiseman (1995) cited in Ghani and Jan (2011) investigated the age- impulse buying relationship in an adult sample in United States of America and found a non-linear relationship between them. Impulse buying increased in the ages 18 – 39 but then fell down after the age of 39. Belenger, Robertson and Hurschman (1978) cited in Ghani and Jan (2011) uncovered that younger people show more impulsively that the older people. In similar study, it was revealed that customers under the age of 35 showed more impulsive behavior than the old customers. Younger people are more likely to be pioneers in adopting new lifestyles. They buy new and fashionable items, enjoy shopping on new markets and hence, are prone to more impulse buying. On the other hand, adult is likely to be more free from anger and anxiety and stable who have the ability to control their urge to make purchase decision without planning (Mai, Jung, Lantz Loels, 2003). Impulsive urges are inversely related to age (Mischel et al, 1989, and Green et al 1994 cited in Geetha and Bharadhwaj, 2016). These findings suggest that as consumer's age, they learn to control their impulse buying tendencies (Geetha and Bharadhwaj, 2016).

Income: Income has been uncovered to have positive relationship between pocket money pocket of adolescents and their impulse buying behaviour. The impulse of adolescent increased with the increase in their pocket money (Cox 1964 in Ghani, and Jan, 2011). Abratt and Goodey (1998) found a positive relationship between income and impulse buying and they unbridled that one of the reasons for more impulse buying by consumers in United States than other countries is due to higher income level of consumers in American. However, it is suggested that consumers with higher income have less constraints in acting on their impulse as this have less difficulty in making payment for them. However, they did not found a significant relationship with income in their investigation (Mai, Jung, Lantz, Loeb cited in Ghani & Jan 2011). Income is inversely related to impulse buying. This is because, as income may make consumers wastefully extravagant in spending and may be influenced to purchase items unplanned for, because the money is ready available. On the contrary, consumers with low income may arange their spending as they only spend money on their already planned for, and even when the urge comes to mind, they are limited in the money out their hand (Ekeng, Lifu & Arsinya, 2012).

Marital Status: Sangalang, Siochi and Plaza (2007) investigated the factors influencing consumers' impulse buying behaviour in the fifth District of Cavite. Descriptive correlation design was adopted. The findings revealed that marital status has a significant influence on impulse buying behaviour. The result was further backed by the study of Bashar, Ahmad and Wasi (2012) that impulse buying could be more by married persons than single. This implies that a person who is single without any dependent is more likely to spend without preparation than a married person. On the other hand, people married with dependents children are more likely to have restrictions on the available resources. Married employers do shopping without purchase [browsing behaviour] (Bloch & Richins, 1993) than unmarried but less of impulse buying.

Occupation: Priyanka and Raoble (2012) said that people in better occupation show more impulse buying behaviour of their affordability to buy the products. Their findings was affirmed by Sangalang, Siochi and Plaza (2017) that occupation has no significant influence on the impulse buying behaviour of consumers. A consumer in higher class status seems to have saving fervent and a person of lower class status is likely to have spending aspiration (Martineam, 1997 cited in Geetha & Bharadhwaj, 2016). Wood (1998) stated that people in high occupational status are more rational to have a future orientation and a longer time horizon in decision making. In comparism, the consumers in lesser occupational persons are presented oriented and with a limited time horizon. In decision making, Geetha and Bharadhwaj (2016) citing Coleman (1977) stated that consumers in low levels of occupation are towards enjoying life and living well for the day than saving for the future or caring. These findings suggest that consumer of a low occupational status seem to show impulse buying behaviour than consumers of a high status.

Education: Peter and Oslon (1991) pointed out that a study relationship between college education and purchasing power and is a crucial determination of impulse buying. Wood (1998) stated that individuals with higher educational status make less impulse buying. This is because more educated people appear to make planned buying. On the contrary, individuals with low educational qualifications have an immediate need gratification status and a less planning skyline and thus may cosset in more impulse buying.

Theoretical Framework

This work is rested on the emotional/impulse decision making theory and impulse buying guided and theoretically underpinned within the emotional or impulse decision making view to decision-making by Schiffman and Kanuk (2007). This view says that consumers are likely to associate some highly involving emotions or feelings such as fear, sexuality, joy, hope, fantasy and some little magic with certain buying behaviour. According to this theory, consumers are just as likely to make many of their purchases on impulse, on a lark due to the fact that they are emotionally driven, rather than carefully searching, deliberately and evaluating alternative before buying. Park, Kim & Forney, 2006) had earlier pointed out that retailers can distinguish their store by capitalizing on the relationship between the atmosphere of the store and the emotional state of the consumers, unless a store has a unique item offering or privacy strategy. Even if consumers are in a negative emotional state upon entering a shop, they may become emotionally charmed and spend more than planned (Bhuvaneswan & Krishnan, 2015). The theory is relevant to the study because impulse buying may likely be an unconscious buying behaviour pushed by an effective force beyond the control of the consumer.

Empirical Review

Ekenge, Lifu and Asinya (2012) study the effect of demographic characteristics of consumers' impulse buying behaviour among consumers of Calabar municipality Cross River State, Nigeria. Data were obtained through administration of questionnaire. Multiple regression analysis was adopted in testing hypotheses for the study. The ANOVA result reviewed that consumers' demographic characteristics had significant influence on impulse buying. Age and education of consumers have significant association with impulse buying while income and gender are inversely related to impulse buying.

Awan and Abbas (2015) conducted a research on impact of demographic factors on impulse buying behaviour of consumers in Muntan – Pakistan. The study adopted qualitative approach where questionnaire was the main research instrument. Different statistical techniques with multiple regression, chi-square and simple descriptive technique were used to derived result from the data collected. The result showed that gender and age, income and education were significantly and inversely associated with impulse buying behaviour of consumers.

Rana and Tirthani (2012) examined the effect of demographic factors like income, education and gender in impulse buying behaviour of Indian consumers in the urban area of Indian, a third world country. The findings of their study revealed that there is negative relationship between education and impulse buying behaviour of consumers.

Balakumar (2017) investigated impulse buying behaviour of customers on apparel's in Bangahire. The objective is to find the various factors influencing impulse buying behaviour of customer and to studying the satisfaction level of customer in relation to buying behaviour has the level to compare it against plan purchase. One hundred (100) samples of respondents were collected with the help of questionnaire survey and z-test and descriptive study was conducted to get the final outcome. The study revealed that the younger people are more prone to impulse buying than the older people as the older people have a different set of perception to judge and shop. Hence, there was a positive relationship between the age group and impulse buying.

Lee and Kacen (2008) investigated cultural differences in consumer's satisfaction with their planned and impulse purchase and obtained data from consumers in four countries: two individualists (United States of America & Australia) and two collectivistic (Signapocer & Malaysia) countries. They found that people from collectivistic cultures will be more satisfied with their impulse buying when they are shopping with an important other person at the time of buying as compared to when they are alone.

Awan and Arooj (2014) investigated the effect of demographic factors like age, gender and income on impulse buying behaviour of urban consumers in Bahawalpur area of Pakistan. They found that there is inverse relationship between age and impulse buying behaviour or urban consumers. They also found that there is no significant association between gender and impulse buying behaviour. Further, the observed that there is insignificant relationship between income and impulse buying behaviour of consumers (Ghani & Jan, 20110.

Methodology

Research Design

The study adopted the descriptive cross-sectional design to explore the relationship between demographic factors and impulse buying behaviour of consumers form different socio-economic background in Auchi. The purpose of the research design was to make sure that the evidence gotten from the study enable the researchers answer the research questions as unambiguously as possible.

Population of the Study

The population of the study consisted all consumers who have shopped at some of the supermarkets (retail stores) in Auchi, Edo State. The stores included Bendel Super Market.

Sample and Sampling Technique

The sample size of 384 was adopted in the study. This was determined with the aid of Godden's formula cited in Sanagalang, Siochi and Plaza (2017). A non-probability accidental sampling was used for administering copies of questionnaire to the respondents. The survey took place at various times of the day and on various days of the week based on Awan (2015). Copies of questionnaire were administered to the respondents as monitored on-site by the researchers and then collected on the spot, i.e. the researchers.

Instrument of Data Collection

The main research instrument was structure questionnaire. The technique was adopted for its usefulness, as well as the accuracy of the data because every respondent was asked the same questions of questionnaire (Boyd, Westfall & Stasch 1989 cited in Awan, 2015). The instrument contained questions that were developed on a 5-point Likert scale anchored with 5 - strongly agree (SA), 4 denoting Agree (A), 3 denoting Neutral (N), 2 denoting Disagree (D), 1 denoting Strongly Disagree (SD).

Method of Data Analysis

The main statistical method used in the study was multiple regression analysis. It was used in testing hypotheses formulated. Data analysis was performed with the aid of Statistical Package for Social Science (SPSS) version 2.0. Multiple regression was used to determine effect of independent variables on the decision rule. The findings were presented with the aid of table and means. This was done to give a clear picture of the result at a glance. Accept the null hypothesis when the probability value (p-value) is greater than 0.5 critical value, otherwise reject null hypothesis. Regression analysis was used to distinguish the relationship between parameters to be measured and the dependent variable.

Reliability of the Instrument

Table 1: Reliability of Instrument

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.913	.969	25

Data Presentation and Analysis

This section tends to present and analyze data with aim to determine the extent to which independent variables relate with dependent variable of the study. It further interprets and discusses the results of findings.

Table 2: Age Wise Percentage

Age	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
20 – 30yrs	41(35.3)	33(28.4)	8(6.9)	20(17.2)	14(12.1)	136(35.4)
31 – 40yrs	53(35.6)	41(27.5)	11(7.4)	28(18.8)	16(10.7)	149(38.8)
41 – 50 yrs	23(33.8)	20(29.4)	5(7.4)	11(16.2)	9(13.2)	68(17.7)
Above 50yrs	18(35.3)	13(25.5)	3(5.9)	10(19.6)	7(13.7)	51(8.1)

Source: Field Survey, 2018

Demographic Characteristics of Consumers to Buy on Impulse (Independent Variables)

Table 2 above shows that 35.3 per cent of respondents within the age range of 20-30yrs strongly agreed that age makes them to buy on impulse, 28.4 per cent also agreed to that, and 6.9 per cent of total responses could not decide whether or not age influences consumer's impulse buying behavior. 17.2 per cent while 12.1 per cent also strongly disagree to that effect

35.6 per cent of respondents within the age range of 31-40yrs strongly agreed that consumer age makes them to buy on impulse. 27.5 per cent of respondents also agreed to that. 7.4 per cent were undecided. In same vein, 18.8 per cent disagreed while 10.7 per cent of respondents strongly disagree.

33.8 per cent of total respondents within the age range of 41-50yrs were of the view that age makes them to buy on impulse, and 29.4 per cent also agreed to such claim while 7.4 per cent of respondents could not ascertain whether or not consumer age influences their impulse buying habit. 16.2 per cent disagree while 13.2 per cent strongly disagreed

35.3 per cent of respondents within the age range of 50yrs and above strongly agreed that age as a factor influence consumer to buy on impulse, 25.5 per cent agreed. 5.9 per cent of total respondents were indifferent. But 19.6 per cent of total responses disagreed. 13.7 per cent of respondents strongly disagreed.

Table 3: Income wise Percentage to buy on Impulse

Income	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
Below ₦50,000	23(36.5)	16(25.4)	4(6.3)	11(17.5)	9(14.3)	63(16.4)
₦50,000 - ₦100,000	27(37.5)	18(25.0)	3(4.2)	13(18.1)	11(15.3)	72(18.8)
₦100,00 – 150,000	37(36.6)	25(24.8)	8(7.9)	18(17.8)	13(12.9)	101(26.3)
Above ₦150,000	51(34.5)	43(29.1)	11(7.4)	24(16.2)	19(12.8)	148(38.5)

Source: Field Survey, 2018

Table 3 revealed that 36.5 per cent of total respondents below N50,000 income range strongly agreed that consumer income makes them to buy on impulse, 25.4 per cent of respondents within same income range also agreed. 6.3 per cent of total respondents could not ascertain whether or not consumer income level influences their impulse buying behavior. 17.5 per cent and 14.3 per cent respectively of total responses disagreed and strongly disagreed.

37.5 per cent of respondents within the income range of N50,000 – N100,000 strongly agreed that their income level makes them to buy on impulse, 25.0 per cent also agreed to such claim. But 4.2 per cent could not decide if consumer income level plays an active role on their impulse buying behavior. While 18.1 per cent and 15.3 per cent of total respondent disagreed and strongly disagreed respectively.

36.6 per cent of the total respondents within the income range of N100,000 – N150,000 strongly agreed that their income level makes them to buy on impulse, 24.8 per cent of respondents within same income level agreed. 7.9 per cent of respondents of that same income range were not able to decide whether or not their income level influences them to buy on impulse. 17.8 per cent of total respondents disagreed, and 12.9 per cent strongly disagreed

34.5 per cent of respondents within the income level of N150,000 and above strongly agreed that their income level makes them to buy on impulse, 29.1 per cent of respondents within such income range also

Table 4: Education Wise Percentage to buy on Impulse

Education wise to buy on impulse	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
Primary	23(37.1)	21(33.9)	3(4.8)	9(14.5)	6(9.7)	62(16.1)
Secondary	25(37.9)	18(27.3)	5(7.6)	10(15.2)	8(12.1)	66(17.2)
Tertiary	31(33.3)	24(25.8)	8(8.6)	18(19.4)	12(12.9)	93(24.2)
Others	35(31.5)	28(25.2)	11(9.9)	21(18.9)	16(14.4)	111(28.9)
No education	16(30.8)	14(26.9)	4(7.7)	10(19.2)	8(15.4)	52(13.6)

Source: Field Survey, 2018

agreed. 7.4 per cent of total responses could not decide. 16.2 per cent disagreed and, 12.8 per cent strongly disagreed.

From table 4, 37.1 per cent of respondents based on primary education strongly agreed that consumer level of education makes them to buy on impulse, 33.9 per cent of respondents agreed. 4.8 per cent of respondents could not decide whether or not consumer level of education plays a vital role. 14.5 per cent disagreed, while 9.7 strongly disagreed

On secondary education, 37.9 per cent of total respondents strongly agreed that their secondary education makes the to buy on impulse, 27.3 per cent agreed while 7.6 per cent of respondents could not decide. 15.2 per cent disagreed, and 12.1 per cent strongly disagreed.

33.3 per cent of total respondents with respect to tertiary education strongly agreed that tertiary education makes them to buy on impulse, 28.5 per cent agreed while 8.6 per cent were undecided. But 19.4 per cent disagreed while 12.9 per cent strongly disagreed

31.5 per cent of respondents (other form of education) strongly agreed that education makes them to buy on impulse, 25.2 per cent agreed. 9.9 per cent of total respondents were undecided. 18.9 per cent were against the view that education exposure has a greater influence on impulse buying behavior and 14.4 per cent strongly disagreed.

Despite their level of illiteracy, 30.8 per cent of total respondents strongly agreed that consumer education level influences their impulse buying habit, 26.9 per cent also agreed, 7.7 per cent of respondents who do not possess any form of education qualification could not decide if consumer education level makes them to buy on impulse. 19.2 per cent were against such view, while 15.4 per cent strongly disagreed to that.

Table 5 above revealed that 35.2 per cent of total male respondents strongly agreed that gender makes them to buy on impulse, 24.1 per cent of total respondents also agreed. 9.3 per cent could not ascertain whether or not gender influences consumers to buy on impulse. 16.7 per cent and 14.8 per cent respectively of respondents were against such claim that gender influences consumer to buy on impulse.

Table 5: Gender wise percentage to buy on impulse

Gender to buy on Impulse	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
Male	38(35.2)	26(24.1)	10(9.3)	18(16.7)	16(14.8)	108(28.1)
Female	79(28.6)	71(25.7)	21(7.6)	58(21.0)	47(17.0)	276(71.9)

Source: Field Survey, 2018

28.6 per cent of total female respondents were of the view that gender makes consumer impulse to buy on impulse, 25.7 per cent agreed to such claim. 7.6 per cent of respondents were indifferent. In same vein, 21.0 per cent of total respondents were against such claim that gender influences impulse buying habit, 17.0 per cent strongly disagreed.

Table 6: Questions item for Marital Status to buy on Impulse

Marital Status to buy on Impulse	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
Single	71(30.5)	63(27.0)	13(5.6)	44(18.9)	42(18.0)	233(60.7)
Married	46(30.5)	40(26.5)	11(7.3)	33(21.9)	21(13.9)	151(39.3)

Source: Field Survey, 2018

In respect of marital factor, 30.5 per cent of total respondents (unmarried) strongly agreed that marital status influences consumers to buy on impulse, 27.0 per cent agreed. 5.6 per cent respondents were indifferent, 18.9 per cent and 18.0 per cent of total respondents respectively disagreed.

30.5 per cent of total respondents (married) were of the view that consumer marital status influences impulse consumers to buy on impulse, 26.5 per cent also agreed to such claim. 7.3 per cent of total respondents were neutral. 21.9 per cent were against the view that marital status influences consumers to buy on impulse, 13.9 per cent strongly disagreed.

Table 7: Question Item for Occupation to buy on Impulse

Occupation to buy on Impulse	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)	TOTAL N(%)
Civil servant	31(34.4)	26(28.9)	8(8.9)	14(15.6)	11(12.2)	90(23.4)
Teaching (Private)	26(36.6)	21(29.6)	5(7.0)	10(14.1)	9(12.7)	71(18.5)
Trading	23(28.0)	22(26.8)	9(11.0)	15(18.3)	13(15.9)	82(21.4)
Unemployed	28(37.3)	22(29.3)	5(6.7)	12(16.0)	8(10.7)	75(19.5)
Others	21(31.8)	18(27.3)	4(6.1)	14(21.2)	9(13.6)	66(17.2)

Source: Field Survey, 2018

34.4 per cent of respondents (civil servants) of various levels strongly agreed that consumer occupation status influences consumers to buy on impulse, 28.9 per cent agreed to such view. 8.9 per cent could not decide, 15.6 per cent of respondents disagreed while 12.2 per cent strongly disagreed.

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36.6 per cent of respondents that are into teaching in private institutions were of the view that occupation influences them to buy on impulse, 29.6 per cent also agreed. 7.0 per cent could not decide. 14.1 per cent of respondents disagreed while 12.7 per cent strongly disagreed

28.0 per cent of total respondents (trading) strongly agreed that occupation influences them to buy on impulse, 26.8 per cent agreed, while 11.0 per cent were undecided. 18.3 per cent disagreed while 15.9 per cent of respondents strongly disagreed.

37.3 per cent of respondents (unemployed) strongly agreed that occupation influences consumers to buy on impulse, 29.3 per cent agreed. 6.7 per cent were undecided. 16.0 per cent disagreed while 10.7 per cent of respondents strongly disagreed

Table 8: Percentage Analys is of ………… Variables Influencing Impulse Buying Behaviour

Questionnaire Item for Dependent Variables	SA N(%)	A N(%)	N N(%)	D N(%)	SD N(%)
The product is novelty	121(31.5)	104(27.1)	31(8.1)	68(17.7)	60(15.6)
I feel a strong emotional want.	109(28.4)	95(24.7)	35(9.1)	77(20.1)	68(17.7)
Low price of the product	116(30.2)	93(24.2)	39(10.2)	71(18.5)	65(16.9)
I see the product for the first time.	112(29.2)	99(25.8)	33(8.6)	73(19.0)	67(17.4)
I need the product because I am out of it back home	107(27.9)	101(26.3)	30(7.8)	75(19.5)	71(18.5)
I have a previous knowledge which makes me to buy a product.	119(31.0)	91(23.7)	36(9.4)	76(19.8)	62(16.1)

Source: Field Survey, 2018

Table 8 above revealed that 31.5 per cent of total respondents strongly agree and 27.1 per cent agreed that the product is novelty, but 8.1 per cent could not ascertain whether or not the product is novelty. 17.7 per cent disagreed and 15.6 per cent strongly disagreed.

28.4 per cent strongly agreed that, they normally have a strong emotional want for every commodity they purchase, while 24.7 per cent agreed. 9.1 per cent of respondents were undecided. 20.1 per cent disagreed while 17.7 per cent of respondents strongly disagreed.

30.2 per cent of respondents strongly agreed that low price of the product influences their buying behaivour, 24.2 per cent agreed to such claim. 10.2 per cent of respondents could not decide. 18.5 per cent of total respondents disagreed while 16.9 per cent strongly disagreed.

29.2 per cent of total respondents strongly agreed that seeing the product for the first time influences their impulse buying behavior, while 25.8 per cent agreed, 8.6 per cent were undecided. 19 per cent of total respondents disagreed while 17,4 per cent strongly disagreed.

27.9 per cent of the respondents strongly agreed that their impulse buying behavior is influenced due to the fact that they need the product because they have run out of it back home, while 26.3 per cent of respondents also agreed. 7.8 per cent of respondents were undecided. 19.5 per cent disagreed while 18.5 per cent of respondents strongly disagreed.

31 per cent of total respondents strongly agreed that their impulse buying behavior is influenced as a result of them having a previous knowledge which makes them to buy the product, 23.7 agreed, 9.4 per cent were undecided. 19.8 per cent of respondents disagreed while 16.1 per cent strongly disagreed.

Hypothesis 1: Income, age, occupation, education and marital status have no simultaneous influence on impulse buying behavior

Summary of multiple regression result

Variables	[illegible]	β	t cal	P value	R	R[illegible]	Fcal	Pvalue
Age	0.13	0.03	4.46	0.042	0.951	0.905	4.557	0.033
Income	-1.50	-0.92	-31.98	0.038				
Occupation	0.17	0.02	5.94	0.027				
Education	0.16	0.06	1.88	0.108				
Marital Status	0.19	0.03	1.78	0.218				

From the analysis above, it shows that consumer demographic variables (age, income, occupation, education and marital status) simultaneously influence consumer impulse buying behavior. At 95% there is a strong positive relationship between consumer demographic variables and impulse buying behavior. Value for the coefficient of determination (R square) depict that at 91%, the independent variables (age, income, occupation, education and marital status) was able to explained the total variation that will occur in the dependent variable (Impulse buying behaviour).

Analysis on the strength of the predictor variables using the regression coefficient show that marital status was insignificant but has a stronger influence on impulse buying behaviour (0.19), followed by occupation (0.17), education (0.16) which was not also significant, age (0.13) and income (-0.50). The strength of the predictor implies that a unit increase in marital status of consumers holding other variables constant will bring about a corresponding 19% increase in impulse buying. Also a unit increase in level of occupation holding other variables constant will result in a corresponding 17% increase in impulse buying behaviour. A unit increase in consumer education level will result to 16% corresponding unit increase in impulse buying behavior. Moreso, a unit increase in consumer age will result in a corresponding 13% increase in their impulse buying behavior. Based on ANOVA, given the fact that the p value (0.03) that is associated with the value (F-ratio 4.56) is less than 5% critical level which indicate that Income, age, occupation, education and marital status have simultaneous influence on impulse buying behavior

Hypothesis 2: Impulse buying behaviour is not inversely related to the age of consumer

Regression Analysis Between Consumer Age and Impulse Buying

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.022	.417		4.853	.040
	Age	-.115	.004	.951	-4.370	.039

a. Dependent Variable: Impulse

Despite the fact that there is a strong positive relationship between consumer demographic variables and impulse buying behavior of consumers, the analysis as for age of consumers which is significant at (P, 0.039) has an inverse relationship on impulse buying behavior which shows that impulse buying behavior is high among the adolescents with no stronger responsibility and commitments thereby enabling them not to have a rethink when spending money as many of them are living a luxurious life style. A unit increase in consumer age holding every other variable constant will result in 12% decrease in impulse buying behavior. Thus we infer that Impulse buying behaviour is inversely related to the age of consumer

Discussion of Findings

Hypothesis one revealed that demographic factors (Age, gender, income, marital status, occupation and education) have simultaneous influence on impulse buying behaviour of consumers. The finding is in agreement with the study of Bashar, Ahmad & Wasi (2012), Awan (2015) who revealed that demographic characteristics (Age, gender, income, marital status, occupation, education) affect simultaneously on impulse buying behaviour of consumers.

Hypothesis two revealed that young consumers are prone to impulse buying behaviour than aged consumers. This means that younger consumers buy more on impulse than aged consumer because young consumers are fundamentally influenced by their lifestyle, new fashion, novelty, etc. They buy new and fashionable products than aged consumers who are quiet and stable on their purchase decisions. The result is consisted with the findings of the study of Belenger, Robertson and Hirschman 1978 cited in Ghani and Jan (2011); Mai, Jung, Lantz and Loel (2003); Ekeng, Lifu and Asinya (2012). They established that younger consumers buy more on impulse than aged consumers. That is, there is inverse relationship between age and impulse buying behaviour of consumers.

Conclusion

The study has examined the demographic factors that can explain the impulse buying behaviour of consumers. The study indicated that the demographic characteristics have simultaneous significant relationship with impulse buying behaviour of consumers. The consumers related their impulse buying behaviour to their demographic factors. The study revealed that age, gender income, marital status, education and occupation impact the impulse buying behaviour of consumers positively.

Recommendations

Based on the findings of the study, the following recommendations are suggested:

1. Consumers should arrange their preferences in relation to each other according to a particular pattern, and always weigh specific weight of the preference when making purchasing products to prevent buying on impulse.
2. Word-of-mouth communication must be improved by managements of retail stores because word-of-mouth can directly influence new product knowledge of consumers and impulse buying behaviour to avoid making product purchase on unplanned manner.
3. Managers should advice the young consumers to reset their principles when buying products, abort shadow hunt and set their heart on the needful.

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Integrated Marketing Communication Program And Brand Performance In The Nigerian Telecommunications Industry

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ABSTRACT

Several years ago the theory and practices of business communication where discussed without considering the idea of integration as a realistic approach to reach a competitive planned position for the company. This study focuses on the impact of Integrated Marketing Communication program on brand performance in the Nigerian Telecommunications Industry. A cross-sectional survey research design method was employed. The sample objects were 130 staff and customers of the Nigerian Telecommunications Industry. A 16-item validated structured questionnaire served as the research instrument. The findings of the study revealed that there is a significant positive relationship between variety of media, synergy of multiple media, integrated marketing communication message, channel planning and brand performance. It was concluded that variety of media influence brand performance. It will increase the capability of promoting organizations towards the development of alternative ways to communicate with target audience. It will help organization to maximize returns on their investments. The study recommends that Nigeria Telecommunications Firms should employ the advantages of media integration in each medium to enhance the contributions of all other media, and also that the used of synergy is greater than the sum total of their individual effects. Finally, the study has contributed to knowledge by provided a communication planning that recognizes the added value of comprehensive plan in evaluating the strategic roles of a variety of communication disciplines.

Keywords: Integrated Marketing Communication Programs, Brand Performance, Variety of Media, Synergy of Multiple Media, Integrated Marketing Communication Message.

Introduction

Many years ago, agencies and clients seem to believe that to deliver messages to people, it was adequate to use specific tool of communication mix. It was a common belief that it is obligatory to make use of particular tool to achieve specific communication effects on buyers. In this regard, clients were recommended to use advertising to create understanding, public relations to create interest and goodwill towards a brand, sales promotion to make urgent sales etc.

Potential customers were required to deal with a selection of functionally different and independent agencies to complete their communication requirements with their various audiences as communication abilities. Nowadays, clients seem to re-orient their communication away from mass media approaches to increased level of interaction with customers, the structural inadequacies of the marketing communications sector seem to have served to constrain them.

This appears to be the rationale why Integrated Marketing Communication was born. Integrated Marketing Communication (IMC) seems to emerge as a reaction to structural inadequacies and the realization of clients that their communication requirements can be achieved more resourcefully and effectively. In today ever changing environment of social networks, organizations require to be organized to directly execute holistic thinking for their marketing and communication strategy. It also appears to be necessary for organizations to make powerful impact on target audiences and markets, towards an increase in global competition.

It may be one of such step in the direction of an integrated approach to achieve efficiency in synergy. The Nigerian market place consists of an increasingly complex area of competition within a speedily changing atmosphere. Business is now getting internet based operations, portraying a charming picture of sophisticated and clustered market. Integrated Marketing Communication may not be only communication process, but also a process connected with brand and also makes them to have some favorable positive strong and distinct brand association in their memory. Integrated Marketing Communication (IMC) as a strategic business process is used to plan, develop, execute and evaluate coordinated measurable persuasive brand communication programmes over time with customers, prospects and other targeted appropriate external and internal audience (Schultz and Kitchen 2002).

Statement of the problem

Several years ago the theory and practices of business communication where discussed without considering the plan of integration as a realistic approach to reach a competitive planned position for the organization. Significant challenges to achieve optimal Integrated Marketing

Communication performance seems to be in existence and acting as barriers in way of effective Integrated Marketing Communication function in Nigeria.

Organization seems to ignore the use of variety of multiple media in Integrated Marketing Communication program, because they may be oblivious of its effect on brand performance. They appear to be uninformed that Integrated Marketing Communication can perform and lead to benefits and delivering the objective of the organization. Most organization see the integration of multiple media as a means for postponing actions, little do they know that Integration

Marketing Communication requires the teamwork and synchronization of different media to succeed.

They do not know that another level of Integrated Marketing Communication though integration of multiple media is about bringing together the communication tools. Integrated Marketing Communication brand messages is an insistent marketing plan that captures and uses a broad amount of customer information in setting and tracking marketing strategy. Many organizations seem not to be aware of this important function. They did not know that Integrated Marketing Communication facilitates the effectiveness of the overall marketing effort to evaluate brand messages.

Theoretical Consideration

Integrated Marketing Communication program

An amalgamation of all these promotional tools along with other components of marketing mix

to gain edge over competitor by knowing the night touch-point using to reach peak level of consumer satisfaction is referred to as Integrated Marketing Communication (IMC) It is a term that emerged in the late 20th century regarding relevance of dependable brand messaging diagonally myriad marketing channels.

IMC is also a process that involves a dynamic series of progressive and interdependent steps, such as database building and management of consumer information, developing and planning messages to be delivered using a variety of channels, and evaluating and measuring synergistic brand communications programmes. The firm needs to understand the issues involved on how it has to plan, organize, execute, direct and manage the whole marketing communication program. All the elements are put on the table and the choice of combination depends on a number of factors such as:

- ? Marketing objective of the organization
- ? Nature of target audience under focus
- ? State of the product in its product life cycle
- ? Resource availability to the organization
- ? Cost effectiveness of each of the tool
- ? Cost of media choices
- ? Type of tool being used by your competitors
- ? Competitors' reaction pattern to the organization's marketing communication drive (Picton and Broderick, 2001).

The Integrated Marketing Communication (IMC) approach placed premium on the consistency of messages, that by this, it posits that communication efforts of a company through its different products must project a unified voice. Though, IMC is gradually emerging as a natural evolution in marketing communication brought about by drastic changes in at least three main areas, which are:

i) The market place;

ii) The media and communications;

iii) The consumers.

These changes have been driven primarily by advancement in information technology and caused a major shift from mass marketing, to product centered theories of marketing popularized in the 1950s and 1960s to the more customer-centered, database-driven interactive and measurable approaches of integrated communications (Schultz, 2003).

Factors Influencing the Integrated Marketing Communication

According to Schultz (1998) IMC does not just rely only on integration of promotional mix, but greatly depends on recruitment, marketing budget and skills. It is assuring that only combination of promotional mix does not affect the IMC, but infrastructure of the business should support.

Despite the good employees and skills, marketing budget is most important, but if there is lack of budget the entire effort turn out to be useless. Kitchen, Brignel, Tao, and Jones (2004) stated that nature of business, marketing development and required investment by business have great influence on IMC. According to Vargas (2005) nature of the product, nature of the market, stage in product-life-cycle, price and funds obtainable for the promotion have major influence.

Brand Performance

A brand is defined as any name, term, sign, jingle, packaging, logo, design and combination of all which differentiate the product or service with other products or services. Performance is often used as a dependent variable in marketing literature (Tran Quan, 2006). The performance of brand highlights how triumphant a brand is in the market (Ho and Merrilees, 2008). If a brand has a main market or losses that or it is developing in a region, the sale will be largely affected (Aaker, 1996). In other words, because customers already have opinions and awareness about a brand, any part of the marketing program is likely to be more successful for the same expenditure level (Ibrahim, Mohammed and Nasim, 2012). Brand performance means that the brand value has to allow concern and on height of that, the brand has to give a considerable involvement to the triumph of a business as a whole.

Variety of Media and Brand Performance

The understanding that the strategic integration of the different communication functions rather than having them function separately would bring clients and customers many added benefit in their purchasing. Advocates of Integrated Marketing Communication believe that IMC will aids organization to maximize their returns on investments. The move towards Integrated Marketing Communication reflects an alteration by marketers to a changing atmosphere with respect to consumer's technology and the media. In today world many consumers are tired of being bombarded with different sales messages.

These factors in the views of Belch and Belch, (2004) are capable of promoting marketers towards the improvement of different ways to communicate with target audience. The Nigerian Telecommunications appears to be a fast growing business in Nigeria, there is a concern on how the industry is going to achieve their goals. This suggestion brought about the variety of media that can be used by the organization to communicate the necessary information about their products and services. Thus we hypothesize that:

H1: There is statistically significant relationship between variety of media and brand performance.

Synergy of Multiple Media and Brand Performance

The concept of media synergy has been around for years. Termed cross-media research in the last century, the goal has constantly been to resolve the further impact of a grouping of media forms/messages for the same brand being attended to or accepted by an individual consumer.

Schultz (2004) observed that consumers live in a world of simultaneous media usage.

They listen to radio while they read the newspaper. They page through a magazine while they download music from the Web. What we really need today is a new loom to media planning, one that recognizes consumers' increasing ability to multi-task and used a number of media simultaneously. The concept of synergy, defined as the combined effect of two or more media exceeding the sum of their individual effects and operationalized through the interface effect, is a focal point of interest in this study.

Regarding traditional media, investigate has revealed optimistic connections between TV and radio (Edell & Keller, 1999), TV and print (Naik & Peter, 2009), TV and direct mail (Stafford, Lippold and Sherron 2003) as well as radio and newspaper (Jagpal, 1981). Naik and Peter (2009) observe the synergies between TV and print advertising and not only give empirical evidence for the existence of cross-media synergies in multi-media communications, but also highlight their implications for budget allocation decisions.

An apparently counterintuitive implication of Naik and Peter's study is that managers should decrease/increase the part of media budget implications for the top two brands in the SUV market but did not mull over dealings effects due to sample size boundaries. They wind up that magazine and network advertising demonstrated positive long-term effects while spot advertising has a negative long-term effect. The Nigerian Telecommunications used the synergy of multiple media as a means to retain, maintain, and build a relationship with the consumers through information. Thus we proposed that:

H2: There is statistically significant relationship between synergy of multiple media and brand performance.

Integrated Marketing Communication messages and Brand Performance

Message is the brand concepts, ideas, and all other perceptions that marketers transmit to customers, while incentives are short-term rewards to consumers for having done something of value to both the firm and the consumer (Schultz & Schultz 2004).

Messages can be classified either as controlled or uncontrolled. Controlled messages are planned and deliberated upon by the marketer and its communication agency, while uncontrolled ones are unpredictable and unplanned, such as those messages emanating from competition.

It is also pivotal to note the intrinsic interplay between channels of communication and message creation in that the former enables consumers to encounter the brand, while the later convinces and persuades them to purchase the brand. Messages are perceived in many different ways and are influenced by a variety of factors.

He believed that the source of a message has three particular characteristics. These are:

i) The level of perceived credibility as seen in terms of perceived objectivity and expertise.

ii) The degree to which the source is regarded as attractive and message recipients are motivated to develop a similar association or positive.

iii) Degree of power that the source is believed to possess.

Fill (2006) observed that the theme and set of core messages used in any campaign should first be determined and then deployed as an integrated whole across the communication mix (sometimes refer to as synergy). Another perspective of IMC, provided by Duncan and Everett

(1993), is that stakeholders automatically integrate brand messages.

This suggests that as long as the gap between the different messages (in content and meaning) are acceptable, then management's task is to manage the process and seek to narrow these gaps that may be perceived. Therefore, we propose that:

H3: There is statistically significant relationship between integrated marketing Communication messages and brand performance.

Methodology

The study was conducted in some selected telecommunications firms in Asaba Delta State,

Nigeria. Primary data were generated and collected from 130 staff and customers.

The research instrument was a 16 item validated structured questionnaires to measure the responses of the respondents. All items were weighted on a five point likert scale, ranging from

1-5 (Strongly Disagree to Strongly Agree). Cronbach Alpha index was used for estimating the reliability of the questionnaire. Favourable reliable scores were obtained from all the items since

all values were above the coefficient value of 0.6, exceeding the common threshold of Cronbach

Alpha value recommended by Malhotra (2004). Out of the 130 sets of questionnaire administered, total number of 125 (96.2%) were retrieved and 5 were rejected. The major analytical tools used were correlation and multiple regression analysis.

Results

Table 1: Correlation Matrix among the Dimensions of Integrated Marketing Communication Programs and Brand Performance.

	VARIETY OF MEDIA	SYNERGY OF MULTIPLE MEDIA	INTEGRATED MARKETING COMMUNICATION MESSAGES	BRAND PERFORMANCE
VARIETY OF MEDIA	1			
SYNERGY OF MULTIPLE MEDIA	.488**	1		
INTEGRATED MARKETING COMMUNICATION MESSAGES	.566**	.539**	1	
BRAND PERFORMANCE	252**	.374**	357**	1

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

Source: Analysis of field survey, 2019

The correlation matrix analysis as shown in the above table 1 reported that variety of media exhibited positive correlation with synergy of multiple media (r = .488**, P < .01) integrated marketing communication messages (r = .566**, P < .01) Brand Performance (r = .252**, P < .01). Similarly, synergy of multiple media was positively significantly correlated with integrated marketing communication messages, and Brand Performance. Also integrated marketing communication messages displayed positive and significant positive relationship with Brand Performance.

Table 2: Multiple Regression Analysis of variety of media, synergy of multiple media and integrated marketing communication messages on brand Performance.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	8.665	1.588		5.457	.963
1	VARIETY OF MEDIA	.262	.105	.258	2.611	.000
	SYNERGY OF MULTIPLE MEDIA	.252	.101	.254	2.499	.014
	NTEGRATED MARKETING COMMUNICATION MESSAGES	.202	.100	.218	2.022	.045

a. Dependent Variable: BRANDPERFORMANCE

Source: Analysis of field survey, 2019

Table 3: Model Summary.

Model Summary

Model	R	R Square	Adjusted R	Std. Error of the Estimate
1	.417[a]	.174	.154	1.8254

Source: Analysis of field survey, 2019

Discussion

The study is focused on the impact of integrated marketing communication programs on brand performance in a telecommunication firms in Delta State, Nigeria.

The results of the correlation analysis involving all indicators of integrated marketing communication programs exhibited an overwhelming positive correlation coefficient values among the variables. This is indicative that they are appropriate dimensions and measures of integrated marketing communication programs. The results from the multiple Regression analysis (MRA) recorded the impact of integrated marketing communication programs on brand performance.

The three constructs of integrated marketing communication programs: variety of media (ß = .258, P < 0.01), synergy of multiple media (ß = .254, P < 0.01) and integrated marketing communication message (ß = .218, P < 0.01) exhibited statistically significant positive effect on brand performance. The result provided support for the H1 test result which indicated that there is statistically significant positive relationship between variety of media and brand performance

(P(cal) 0.005 < P(crit) 0.05). This is also in support of Belch and Belch (2004) stated that consumers are tired of being bombarded with different sales messages. These factors are capable of promoting marketers towards the development of alternative ways to communicate with target audience. This implies that variety of media enhances brand performance.

Similarly, the findings indicate that synergy of multiple media is found to have significant positive effect with brand performance (ß = .254, P < 0.01). The findings provided support for

the result of H2 which stated that there is a statistically significant positive relationship between synergy of multiple media and brand performance. This further supports the findings of Schultz et al (2011) that Media synergy arises when the combined effect or impact of a number of media activities is different from the sum of their individual effects on individual consumers. Thus, synergy is an occurrence in which the whole is not always exactly equal to the sum of the parts, but could be greater than, or lesser than that sum. This implies that synergy of multiple media influences brand performance. Furthermore, result of the regression matrix analysis revealed that integrated marketing communication message has positive effect on brand performance (ß =.218, P < 0.01).

This finding provides support for result of H3 test which indicated that integrated marketing communication message has statistically significant relationship with brand performance. This is in agreement with Schultz (2004) believed that the source of a message has three particular characteristics. These are: the level of perceived credibility as seen in terms of perceived objectivity and expertise; the degree to which the source is regarded as attractive and message recipients are motivated to develop a positive perception; and the degree of power that the source is believed to possess. This also implies that IMC message enhances brand performance.

Conclusion

In the light of the findings of this study, the following conclusions emerge. The findings showed

that variety of media, synergy of multiple media, and integrated marketing communication message are all good dimensions of integrated marketing communication programs, that could enhance the brand performance in the Nigerian Telecommunications industry, thereby generate distinctiveness to the organization amidst rivals in the industry. It was concluded that variety of media influence brand performance. It will increase the capability of promoting marketers towards the development of alternative ways to communicate with target audience. It will help organization to maximize returns on their investments.

The study concluded that synergy of multiple media influence brand performance. Organization should extend their impact of sequential media messages in order to be delivered by multiple media forms which are audiences exposed to a sequence of advertising messages.

It is also concluded that integrated marketing communication message has influence on brand performance. Integrated marketing communication set of center messages used in any campaign should first be determined and then deployed as an integrated whole across the communication mix in the organization.

Recommendations

On the basis of the findings of the study and the conclusion, the study recommends as follows:

The Nigeria Telecommunications Industry should have variety of media to diversify their communication in order to have effective output. Nigeria Telecommunications should advance the advantages of media integration in each medium to enhance the contributions of all other media, and that the used in synergy to be much greater than the sum total of their individual effects.

The study also recommended that integrated marketing communication message are messages that is refer to brand concepts, ideas or associations, and all other values or perceptions that marketers transmit to customers, while incentives are short-term offers or rewards to consumers for having done something of value to both the firm and the consumer.

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Examining the Factors Contributing to Customer Satisfaction on Electronic Banking Services in Nigerian Commercial Banks

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ABSTRACT

Electronic Banking Services (E-banking) has become an area of attention among researchers and banks mangers due to its strong impact on business performance, lower costs, profitability, customer loyalty, and customer satisfaction. This is a research in progress paper discussing the determinants influencing E-banking services towards effective Customer Satisfaction in Nigerian Commercial Bank, with the intention to highlight the issues from the customer points of view. Based on the literature, several factors (Convenience, Reliability and Availability) were postulated that have a positive and direct impact on E-banking services on customer satisfaction. Thus, it includes several hypotheses derived from literature to be tested empirically. The research will be guide by the conceptual model presented in figure 1, which will be tested using Structural Equation Modelling. The conceptual model in figure 1 highlighted the relationship between the identified variables in Nigerian commercial banks. Hence, the expected outcome and gaps of the research could also provide a new direction for future research.

Keywords: Customer Satisfaction, E-banking services, Commercial Banks and Nigerian

1.0 INTRODUCTION

For many banks, inclination to Electronic banking (E-banking) services improves customer services, as well as a means for expanding customer base beyond a limit of geographical location (Martins et al., 2014). Essentially, e-banking allo0ws customers to inquire information and to carry out most banking services such as account balance inquiry, bill payment and inter account transfer through the internet among others. Today, quite a number of customers' access e-banking services using some electronic devices such as a personal computer (PC), Personal Digital Assistance (PDA), Automated Teller Machine (ATM) and telecommunication routes (Okiro&Ndungu, 2013). Today, e-banking has emerged as a new medium of delivering banking product/services to customers. This innovation intended to provide customers with more valuable services including convenient and easy to access to their money and other banking information they may need.

However, few commercial banks in Nigerian adopted and utilized the full channel of electronic banking services. This presupposed that only a few have actually gone beyond the use of online banking, ATMs, Mobile banking, POS and Telebanking in their electronic banking services. As compare to other countries, E-banking growth and development is at a promising stage in Nigeria (Abbad et al., 2012; Jamaludddin, 2014; Tchouassi, 2012; Stankevičienė & Mencaitė, 2012), yet the changing profile of customers and the resultant competition within the commercial banks in Nigeria has provided a fillip for service innovation to its growth.

2.0 CUSTOMER SATISFACTION

Recent growth in technology and innovation has fast-traced the desire for commercial banks customers for exceptional services to meet the current trend of technological advancement. Contemporary studies on e-banking acknowledged that factors that drive customers satisfaction are security, trust, web site design, availability of options, convenience and reliability are consider among the influential factors of e-banking on customer satisfaction (Martins et al., 2014; Safeena et al., 2012; Fonchamnyo, 2013; Abbad, 2013; Liébana-Cabanillas et al., 2013; Chu et al., 2012).

Apparently, this study buttress that availability of E-Banking, convenience of e-banking and reliability of E-banking are considered as the bedrock of customer satisfaction.

2.1 Convenience

Convenience is considered to be the dimensions of E-banking that enables customers to access E-banking services at any time and beyond the limit of geographical location (Villa-Real, 2014; Chu et al., 2012; Fonchamnyo, 2013; Chavan, 2013). The conveniences of E-banking forenabling customers to check their account balance, pay bills, apply for loan, trade securities and conduct other financial transactions 27/7; have make customers to become satisfied when they are able to perform their banking transition at any geographical location. Previous studies have also empirically acknowledged a positive relationship between e-banking convenience and customer satisfaction. For example, Chu et al., (2012); Raza et al., (2015); Amin, (2016) and Mou et al., (2017) explained convenience as the critical dimensions for the success of adopting and patronising E-banking among customers.

Thus, it's therefore hypothesis in this study that conveniences a dimension of e-banking services has a positive impact on customer satisfaction.

2.2 Reliability

Reliability explains the promptness of delivering E-banking services in an accurate way an inline advertised attributes. Many studies (Bacinello et al., 2017; Graupneret al., 2015; Masoud & AbuTaqa, 2017) argues that the success of e-banking heavily depend on e-banking services and reliability. Hasandoust & Saravi, (2017) confirmed that reliability is among the key factors that customers consider before and even during usage of E-banking services. Consequentially, prior researchers have revealed that reliability (such as prompt responses, attentiveness, and error free E-banking plat forms) have a considerable impact on customer satisfaction.

Hence, this stud proposed the E-banking reliability has a positive impact on customer satisfaction.

2.3 Availability

E-banking availability is recognised as the ability of users to access banking information and services from the web. Customers can access e-banking services only when the services is available (Rao, 2017). Masoud & AbuTaqa, (2017) conducted a studies in order to access customers' perception, satisfaction and reaction to E-banking services, their finding revealed that, availability is among the key driving force for customer satisfaction in E-banking service delivery.

Other studies (Rodrigues et al., 2016; Brar et al., 2015) also reported the relationship between e-banking services availability and customer satisfaction quite differently by stating that satisfaction level of e-banking users is directly related to the availability.

Hence, this also presupposed that there exists a positive relationship between E-banking availability and customer satisfaction.

3.0 PROBLEM STATEMENT

Nigerian commercial banks have realised that their market environment is rapidly changing and so are the customer needs and preferences. Therefore, the quality of the services the banks render should be among the few variables that distinguished them from the competition. Essentially, customers are satisfied if they drive maximum utility from the services render to them. Hence, Banks consider customers as the important factor in the banking industry and other industries in the economy (Kheng et al., 2010).

Aliyu et al., (2012) reported that, the level of competition to satisfied customers in Nigerian commercial Banks have introduced and expanded the usage of technological interface such as point of sale Terminals (POS), Automated Teller Machine (ATM), Online Banking services and mobile banking services. Thus, these innovations have positively affected the relations and customer services delivery in the cites and develop sates, unfortunately the penetrating rate is still considered low in the rural area and other cities with low level of educational awareness.

Additionally, high level of customer expectations and intensifying fierce competition is among the key factors surrounding commercial banks in Nigeria. Therefore, these demands emphasized the need for customer satisfaction in all aspect of E-banking in Nigeria. This means that in an optimal banks relationship, both the banks and the customers' received a very significant economic benefits.

Aliyu et al., (2012) and Nwaolisa, &Kasie, (2012) reported that, Nigerian Commercial Banks have invested intensely in making E-banking services rich, with a target of improving customer satisfaction. On the same vein, the banks are in desperate need to understand the factors influencing the level of customer satisfaction on E- banking services. Thus, this research intends to pave ways for further research to identify more factors that satisfied customers need towards effective E-banking services.

Several studies conducted in many part of the worldon E-banking were done on services innovation (Masoud & AbuTaqa, 2017; Laukkanen, 2016; Ayyappan et al., 2015), however, no similar or related study were done on E-banking in relation to customer satisfaction in Nigerian commercial Banks. Therefore, this study intends to fill this gap by answering the question, what are the effect of customer satisfaction on E-banking in Nigerian commercial banks.

4.0 RESEARCH OBJECTIVES

(i) To determine the relationship between determinant of customer satisfaction and Electronic banking services in Nigerian commercial banks.

(ii) To establish the relationship that exists between Electronic banking services and customer satisfaction in Nigerian commercial banks.

(iii) To develop a model using structural equation modelling that will serve as a frame work for service innovation in Nigerian banking industry.

5.0 THE CONCEPTUAL FRAMEWORK

In the light of the above literature review, this study conceptualized that E-banking availability, convenience and reliability positively affects customer satisfaction (Loureiro & Sarmento, 2017; Ayo et al., 2016; Raza et al., 2015). The conceptual framework includes the hypothesized relationships that exist between e-banking availability, convenience and customer satisfaction is presented in the conceptual framework (Figure 1)

6.0 METHODOLOGY

The data for this study will be gather from both primary source (questionnaires) and secondary source (internet web pages, journals and Books). Additionally, the population for the study will be the customers of Nigerian commercial banks residing in Kano. Convenient sampling with a support of snow ball sampling approached will be adopted in this study, since the population in infinite. This is as a result that, banks are not willing to disclose the number of their customers due to competition and other reasons.

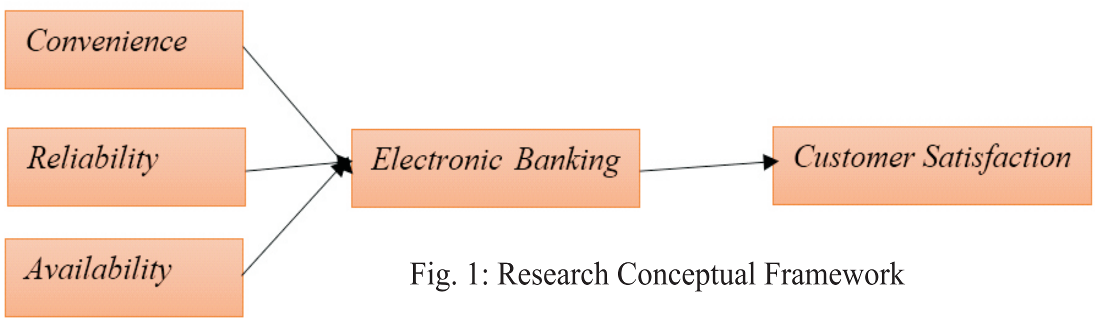

Fig. 1: Research Conceptual Framework

Consequentially, SPSS version 22.0 will be used to analyse the primary date. AMOS tool of analysis will also be incorporated to analysis the relationship among the entire variables and to ascertain which among the variable play a vital role towards effective customer satisfaction in Nigerian commercial Banks.

7.0 CONCLUSION

This is an ongoing research, which was aim to offer a basis for further academic research into the area of E-banking and evaluation of customer satisfaction in Nigerian commercial banks. This will benefit from the information of the study as it will contribute to the body of knowledge. Similarly, the nature of this study usually open more area of future research in Nigerian commercial banks for scholars. Likewise, the study will provide the basic for further background information to research organizations and scholars who will want to carry out further research in Nigerian commercial banks.

The study will also, benefit the top management of commercial banks in Nigeria, who will use it as a guide to make informed decisions on issues of customer satisfaction and E-banking services. Additionally, this study will form a baseline, which can be used to measure the progress customer satisfaction in the banking industry in the future. Finally, the study will also provide an informational and methodologies to the government which can be used as a gauge to access the level of customer satisfaction in other similar service organizations.

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Electronic Payment Systems Adoption by SMEs in Nigeria: A Literature Review

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ABSTRACT

This paper provides a background understanding of the factors capable of influencing the adoption and extent of use of e-payment systems in Nigeria. It was argued that the adoption and intensive use of e-payment systems in Nigeria will not only be of great benefits to the individual adopter, but will in addition enhance Nigeria's ability to massively participate in the global internet business and by implication enhance her economic growth and global competitiveness. Through government's action, one can deduce that Nigeria is ready to stimulate its economic growth through the instrumentality of improved EPS infrastructure. Since 2012 when the cashless policy began, a lot has happened that require this kind of research given the statistics being put in the public domain by government institutions (the Central Bank of Nigeria and the Bureau of Statistics) and the various commercial Banks. Based on earlier studies and reports on Nigeria, the e-payment systems adoption has been dominated by the larger organisations and recently individuals rather than the SMEs.

Key words: Electronic payment, SMEs, e-payment systems, ICT

Introduction

Electronic payment (E-payment) refers to payments for goods and services (Ifinedo, 2011) and other financial transactions involving businesses, individuals, and governments through electronic networks (Sumanjeet, 2009; Kim & Lee, 2008). Examples of such networks include the internet with modern technologies and devices like credit/debit cards, electronic funds transfer (EFT), point of sale (POS) machine, automated teller machine (ATM), and mobile phones. Currently, many large and small organisations in the United States of America, United Kingdom, Japan, Western Europe, and some emerging economies like Brazil, Mexico, Malaysia, China, India and South Africa are extensively and successfully increasing their use of e-payment systems to improve their participation in global trading and business activities (Akintola, Akinyede & Agbonifo, 2011). In addition to contributing to economic growth (Sumanjeet, 2009), e-payment also saves time of doing business, it is convenient, and comfortable to use (Harris, Guru, & Avvari, 2011; Winn, 2003). Studies have it that e-payment system is the future of global trade with its capacity to effectively unbundle nationally confined markets through global generic payment systems (Poon and Chau, 2001; Igudia, 2016).

E-payment is most regularly categorised into four major groups – online credit card payment, electronic cash (e-cash), electronic cheques (e-cheque), and small or smart card-based electronic payment systems (Kim,Wang,Shin,& Kim, 2010; Raja, 2008, 1997). The categorisation reflects the different types of payment methods or channels used and transaction environments involved in the process. According to Ayo and Ukpere (2010), the common e-Payment channels include: the automated teller machines (ATM), automated clearing house (ACH), payment cards (debit or credit), point of sales (POS) terminals, online web portals, mobile phones, direct debit/deposit and real time gross settlement (RTGS) systems. The application of each of these platforms depends on the nature of transaction and value of order. Such transactions usually involve business and business (B2B), business and consumer (B2C), consumer and consumer (C2C) (or person and person (P2P)), business and government (B2G), government and consumer (G2C), and business and employee (B2E) (Ayo, 2006).

SMEs play dual roles in e-payment adoption process. They also play important role in the breadth and depth (extent of use) of e-payment use. SMEs perform the roles of both the consumer and merchant at all times and therefore are either making payments or passing payment information for goods and services involving B2B, B2G, and B2C, or paying taxes (B2G), royalty (B2G), and fines (B2G) to government, or making payments to employees either as salaries or wages (B2E), or receiving payments for goods sold and services rendered involving it and other parties. Given this fact, and given the fact that the SME is the unit of analysis in this study, this paper focuses only on e-payments that involve B2B, B2G, and B2E.

Nigeria has been using different forms of e-payment solution channels ranging from the ATM, mobile banking/payments, internet banking, POS terminal to electronic funds transfer (EFT) (CBN, 2011) especially since 2012 when the government adopted the cashless monetary policy. Although the adoption of e-payment systems has progressed very steadily (CBN, 2017) generally, but in specific terms, it has progressed very slowly among the SMEs(Ifinedo, 2011; Ayo, Adewole & Oni, 2010). The general lag has created a lacuna in e-business resulting in slow economic growth in the country (Ifinedo, 2005a; Akintola et al, 2011). One major suggestion to reverse the trend is that government should create an enabling environment for SMEs to adopt and extensively use e-payment solutions so that SMEs can participate in the internet economy (Adesola and Adeyinka, 2008; Ayo et al, 2008). This is because SMEs have been found to accelerate the process of industrialization and general economic growth in both developed and developing countries (OECD, 2005; Ojukwu, 2005). Literature reveals that SMEs contribute to national per capita-income, real GDP, employment generation, and serve as effective channels for the utilization of local resource inputs that are critical to engineer economic growth and development (Adesola and Adeyinka, 2008). However, SMEs in Nigeria,as in all economies, are caught in a vicious circle of small market shares and poverty of resources (Thong & Yap, 1995; Apulu and Latham, 2009) due to poor infrastructural development (poor electricity supply, low level information technology (IT) infrastructure (Adesola and Adeyinka, 2008). SMEs also have perceived security challenges associated with e-payment systems (Lin& Nguyen, 2011), and lack adequate knowledge about the likely benefits of e-payment (Ifinedo, 2011).

Literature reveals that the intensity of financial and commercial activities resulting from e-business due to e-payments has positive correlation with a country's economic growth and citizens' well-being (EIU, 2010). Conversely, slow e-payment activities in a country can slow down e-business development and thus making competition impossible at the global trade level (WEF, 2011). Therefore, the development and reorientation of the total Nigerian population, but in particular the SMEs, towards e-payment systems adoption and encouraging them to extensively use the technology in Nigeria will be a veritable strategy for the achievement of wider economic growth as envisioned by vision 20:2020.

Research in several developing countries including China, Brazil, India, Malaysia, and Singapore and countries in the sub-Saharan Africa like South Africa (SSA), Nigeria, Egypt, and Ghana among others shows that the adoption of e-business and e-payment systems among SMEs is growing but largely lagging behind those in advanced countries like US, UK, Japan, and Western Europe (see Lin and Nguyem, 2011; Kok et al, 2011; Ifinedo, 2011; Sumanjeet, 2009; Kim et al, 2010). The most likely reasons for this are that developing countries particularly those in sub-Saharan Africa (SSA) are constrained by social economic problems such as low income, low-level human capital development, low IT knowledge and skills, and very weak economy making it impossible to acquire and deploy the needed and necessary technologies (Ojukwu, 2009; Okoli and Mbarika, 2003). The disparity in the usage of internet (a primary channel for e-business/e-payment) between developed and developing countries for the period 2000-2005 is clearly illustrated in table 1.

Table 1: **Internet usage between developed and developing countries for the period 2000-2008**

World Region (1)	Population (2006 Estimate) (2)	Population (Percentage of world Population) (%) (3)	Internet Usage (Data as at 2008) (4)	Internet penetration (%) (5)	Usage as % of World Usage (%) (6)	Usage Growth rate between 2000-2005 (%) (7)
Africa	915.210,928	14.1	23,649,000	2.6	2.3	423.9
Asia	3,667,774,066	56.4	380,400,713	10.4	36.5	232.8
Europe	807,289,020	12.4	294,101,844	36.4	28.2	179.8
Latin America/Caribbean	553,908,632	8.5	79,962,809	14.7	7.8	350.5
Middle East	190,084,161	2.9	18,203,500	9.6	1.7	454.2
North America	331,473,276	5.1	227,470,713	68.6	21.8	110.4
Oceanic/Australia	33,956,877	0.5	17,872,707	52.6	1.7	134.6
World Total	**6,499,697,060**	**100**	**1,043,104,886**	**16.0**	**100**	**189.0**

Source: Arreymbi et al, 2008

The internet penetration and internet usage in columns 5 and 6 of the table respectively clearly show that developing countries are far behind developed countries in terms of the number of people who have access to the internet which is the main means by which e-business/e-payment activities are conducted.

Nigeria, although a developing country, is a strong regional economic power being the second largest economy in the Sub-Saharan Africa (SSA) and a leading economy in West Africa as it contributes 41% of the region's GDP (World Bank, 2004). With strong prospect for growth, a citigroup report in 2011indicated that Nigeria will have the world's highest average GDP growth rate between 2010 and 2050. With the vast human and material resources, Nigeria has the potential to be a major player in the cyberspace economy (Akintola et al, 2011). But regrettably, Nigeria is far from achieving her full economic potential as the country's economic growth seems not to be a true reflection of her endowed capabilities (Chiemeke & Evwiekpaefe, 2011). One area of underperformance is the spread of e-business activities. Nigeria records low e-business activities (Chiemeke & Evwiekpaefe, 2011). One possible reason for this is lack of efficient payment systems (e-payment) (Ayo et al, 2008). Nigerian businesses are still largely dependent on the traditional payment systems of cash and paper cheques (Ayo & Ukpere, 2010).

Unfortunately, there has been a great challenge in understanding the adoption and extent of use of e-payment technology in Nigeria as there is limited research in this regard (Chiemeke & Evwiekpaefe, 2011). Although there is a large body of literature on e-payment systems use (Sadeghi and Schneider, 2003) in general, however, there is limited systematic study on the factors that determine the adoption and extent of use of e-payment systems. There is sparse empirical research especially on the factors determining the extent of use of e-payment technology particularly among SMEs in developing countries whose economies are largely cash-based due to existing socio-cultural characteristics and low level of development. Existing studies have concentrated more on the classification, importance, design, security, and consumers' acceptance of e-payment systems (see Kim et al, 2010; Ayo & Ukpere, 2010; Sumanjeet, 2009; Rigopoulos & Askounis, 2007; Stroborn et al, 2004). Thus, the objective of this study is to fill the gap by exploiting and advancing the literature on the factors that can determine the adoption and extent of use of e-payment technological innovation among SMEs in Nigeria. Given the objective of study, this paper intends to address the following research questions.

1. What are the factors that can influence the adoption of e-payment systems in Nigeria?
2. What factors can influence the extent of use of e-payment systems by SMEs in Nigeria?

Literature Review

Conceptual Framework

In the past 30 years, ICT has received a great deal of diverse research attention both theoretically and empirically (Premkumar et al, 1994; Igudia, 2016). Although the foundations of adoption and diffusion research were laid over a hundred years ago (Hultman, 2007), it was not until around the second half of the twentieth century (1960s) that the actual empirical studies on adoption began (Rogers, 1995). Prior research on IS/IT innovations adoption and diffusion in organisations have cited a large body of theories such as Diffusion of Innovation Theory (DOI) (Rogers, 1983),Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975), Diffusion and Implementation Model (Kwon and Zmud, 1987), Technology Acceptance Model (TAM) (Davis, 1989), Technology-Organisation-Environment Framework (TOE) (Tornatzky & Fleischer, 1990), Theory of Planned Behaviour (TPB) (Ajzen, 1991), Perceived Characteristics of Innovation (PCI) (Moore and Benbasat, 1991), Tri-Core Model of IS Innovation (Swanson, 1994), Social-Cognitive Theory (Compeau & Higgins, 1995), Modified Technology Acceptance Model (TAM2) (Venkatesh, 2000), Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al, 2003), etc.

By and large, the most frequently cited and arguably the most prominent of these theories is the DOI (Hultman, 2007). Other frequently cited generic theories and frameworks include the TAM and TOE (Igudia, 2017). While DOI explains how innovations diffuse and identifies the characteristics that influence the diffusion process, TAM focuses on the reasons a new technology is acceptable to individual users. TOE, a broader framework than DOI and TAM in terms of organisational adoption, studies three organisational contexts that influence the decision of an organisation to adopt a new technological innovation. This paper focuses on DOI theory and TOE framework for its theoretical foundation in view of the object of study. Several prior innovation adoption and diffusion studies have relied on DOI theory as generic theoretical foundation just as the TOE has been used to provide the framework for technological innovation adoption by organisations.

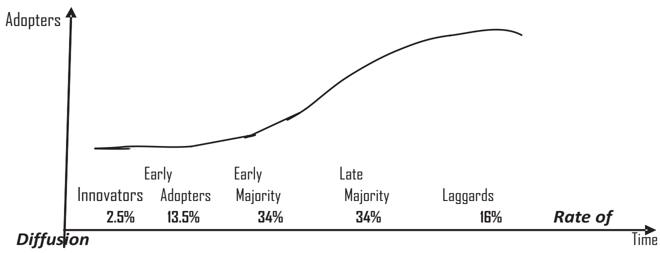
Theoretical Nexus: Diffusion of Innovation Theory (DOI)

Rogers (1995) defines innovation as the process of inventing or introducing something new. The term innovation includes new products or services, new process technologies, new organisational structures or administrative systems, or new plans or programming pertaining to organisational members (Moore & Benbasat, 1991). Innovation brings about changes in organisation either in response to changes in the external environment or as a proactive action to influence the environment (Lertwongsatien et al., 2004). It is a way of doing something new notwithstanding that the innovation itself may not necessarily be new in terms of time of invention or discovery (Thong, 1999). It is called innovation as long as it facilitates renewal of organisational process through technology, thought or action (Thong and Yap, 1995).

Rogers (1995) found that innovation will diffuse fast if the innovation possesses five characteristics (relative advantage, compatibility, complexity, trialability, and Observability). Rogers (1995) defines relative advantage as the degree to which an innovation is perceived as being better than the one it is replacing. The higher the relative advantage the greater the perceived economic returns, improved social status, and similar benefits likely to accrue from adopting such innovation. Therefore, relative advantage basically involves a cost-benefit analysis (Fichman, 2004) which underscores the economic perspective of adoption in relation to trade-off between a new innovation and the old one it is replacing (Orr, 2003). Compatibility is the degree to which an innovation is perceived as consistent with the existing norm, values and procedures including the needs of the potential adopters within the social system (Rogers, 1995). Complexity on the other hand refers to the degree to which an innovation is perceived as relatively difficult to understand and use (He et al, 2006). Rogers (2003) explains that “the complexity of an innovation, as perceived by members of a social system, is negatively related to its rate of adoption” (p. 257). Trialability is the degree to which an innovation is perceived as experimentable within a limited time period (Ramdani and Kawalek, 2007). It expresses the period of time an idea or innovation may be tried or experimented on before it is adopted. Thus, the higher the trialability of an innovation, the quicker the rate of adoption and diffusion. Observability is the degree to which the effects of an innovation are visible to people. Some innovations or ideas are easier to observe or explained than others. For example, while it is easy to observe hardware components of a desktop computer, it is rather not easy to observe or explain software components like programming of a computer system (Rogers, 1995).

The degree to which an adopter perceives each of these five innovations attributes determines the earliness to adopt an innovation (Looi, 2005). The perception of the adopter about the five embedded characteristics of a technological innovation was joined by Rogers to determine between 49% and 87% of the variance of the rate of adoption (Rogers, 1995). The nature of communication and relationships within a social group plays a fundamental role in the process of ICT diffusion in DOI theory. The S-shaped curve is the outcome of the cumulative number of adopting individuals plotted over time to yield a normal or bell-shaped curve (Rogers, 1995). The s-shape illustrates the ideal rate of diffusion of an innovation over time after running its full course. In other words, the s-shaped curve is the resultant effect of the plotting of the cumulative number of adopters over time as depicted in figure 1.

Figure 1 **Innovation Diffusion Map over Time**



Several studies have examined either the success or failure of innovation adoption and diffusion based on the five perceived characteristics of innovation at both individual and organisations levels (see Kimberly & Evanisko, 1981; Tornatzky & Fleischer, 1990; Premkumar et al, 1994; Thong & Yap, 1995; Agarwal & Prasad, 1999; Thong, 1999; Venkatesh et al, 2003; Fichman, 2004). Some of the attributes have been found to impact adoption behaviours stronger than others or out-rightly inconsistent from one study to another (Jeyaraj et al, 2006; Fichman, 1992; Tornatzky and Klein, 1982). For example, Tornatzky and Klein (1982) in a meta-analysis of 78 innovation studies found that three of the five innovation characteristics – compatibility, relative advantage and complexity – were relatively more consistently related to innovation adoption than

Table 2: Examples of Inconsistencies in Results of the I mpact of Innovation Characteristics on Innovation Adoption

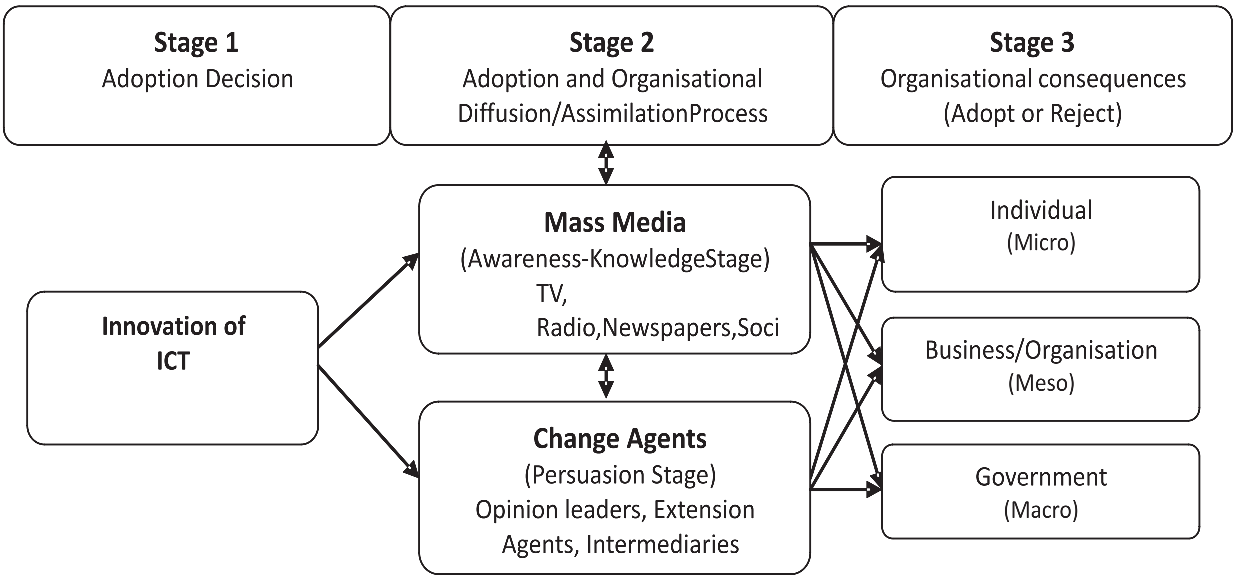
Construct	Studies	Conflicting Findings	
		Relationship	**No Relationship**
Relative Advantage (+)	Premkumar et al, 1994	(+)	
	Tan et. al. (2011),	(+)	
	Tan and Teo (2000)	(+)	
	He et al (2006)		(0)
	Premkumar and Roberts (1999)	(+)	
	Plouffe et al (2001)	(+)	
	Chong (2006)	(+)	
Complexity (-)	Tan et. al. (2011),	(-)	
	He et al (2006)		(0)
	Premkumar and Roberts (1999)		(0)
Compatibility (+)	Premkumar et al, 1994	(+)	
	Tan et. al. (2011),	(+)	
	Tan and Teo (2000),	(+)	
	Zmud, 1982	(+)	
	He et al (2006)	(+)	
	Premkumar and Roberts (1999)		(0)
	Kim et al (2010)		(0)
	Plouffe et al (2001)	(+)	
	Premkumar (2003		(0)
Trialability (+)	Tan and Teo (2000)	(+)	
	He et al (2006)		(0)
	Chong (2006)	(-)	
Observability (+)	Tan et. al. (2011),	(+)	
	He et al (2006)		(0)
	Chong (2006)	(+)	

Note: (+) = positive relationship. (-) = negative relationship. (0) = no relationship

In a meta-analysis of 135 innovation studies, Jeyaraj et al (2006) found that only 15 out of 24 studies found relative advantage to be a predictor. Inconsistent results were also found for complexity (9 out of 18 studies), compatibility (10 out of 18), observability (4 out of 6) and trialability (1 out of 2). Consistent with table 2, the metal study by Jeyaraj et al (2006) also reveals that some of the innovation characteristics are more investigated by researchers than others, the least investigated being trialability (Jeyaraj et al, 2006). The observed inconsistent findings prompted researchers to seek ways to modify the DOI for effectiveness and better predictive powers (Premkumar et al, 1994; Agarwal & Prasad, 1999; Venkatesh et al, 2003). Thus, new perspectives like individual characteristics (Premkumar et al, 1994; Venkatesh et al, 2003; Fichman, 2004), characteristics of the organisational leadership (Kimberly and Evanisko, 1981) and organisational and environmental characteristics (Tornatzky & Fleischer, 1990; Thong & Yap, 1995; Thong, 1999) were integrated with the original Rogers' innovation characteristics to overcome some of the limitations of the theory that make it ineffective in the context of organisational adoption studies.

The major criticism of DOI is that the theory presents innovation diffusion as a very straight forward and easy process (Aleke et al, 2011; Fichman, 1992). Critics argue that innovation diffusion within different classes of social group cannot be as simplistic as presented in DOI and that the complex nature of diffusion processes within different groups or actors of adoption requires different patterns of communications and relationships. Although DOI attempted to explain how innovations diffuse, the theory tends to over simplify how such changes occur within a specified population (Aleke et al, 2011; Orr, 2003). Thus, figure 2 suggests an alternative scenario of a more complex diffusion process required to assuage the uncertainty and fear of potential adopters about a new innovation through a social process. The opinion leaders in stage 2 represent the opinion moulders within the social class. They make the initial innovation decision in stage 1 which then rubs off on and determines the aggregate decisions of the critical mass within the social grouping in stage 3 revealing a complex process using various communication channels in stage 2.

Figure 2: Diffusion of Innovation Framework



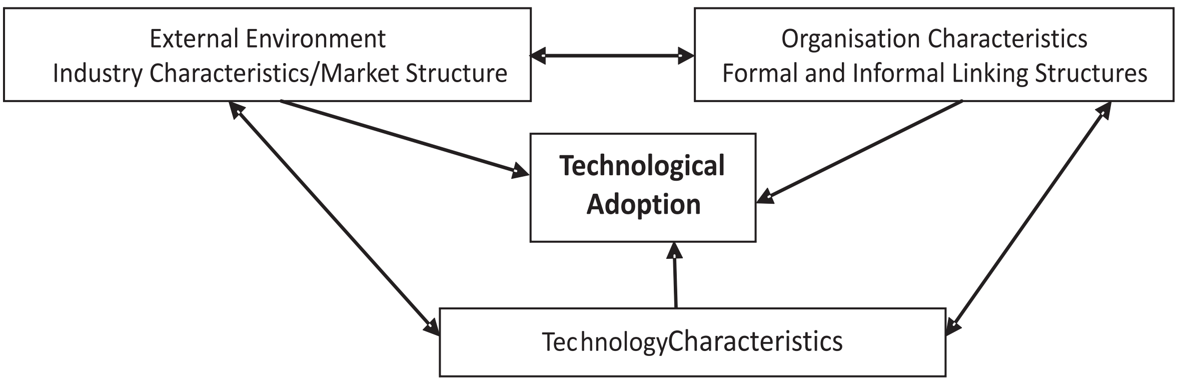
Adapted from Aleke et al, 2011; Gallivan, 2001

Another criticism of DOI is that it basically sees diffusion as the primary responsibility of an individual thus suggesting that, for example, employee's adoption behaviour represents the organisational adoption decision (Fichman, 2004; Gallivan, 2001). Fichman (1999) however argues that when the locus of innovation adoption is the formal organisation, the perception of leaders and key decision makers of the adopting organisation is what matters. It is only after that stage that it then becomes the discretion of the individual employee to decide whether to use it or not and how (Leonard-Barton and Deschamps, 1988b cited in Fichman, 1999). The DOI theory is criticised for its concentration on individual adoption thus neglecting organisational adoption behaviour (Fichman, 1992; Gallivan, 2001). These limitations of DOI in relation to organisational adoption decision prompted the development of TOE.

2.2. Technological-Organizational-Environmental Framework (TOE)

Drawing from the innovation diffusion theory, Tornatzky and Fleischer (1990) developed the Technology-Organization-Environment (T-O-E) framework to study IT innovation adoption by organisations (Kok et al, 2011). T-O-E framework is premised on the argument that the willingness of a firm to adopt a technological innovation is determined by three contexts of the organization namely: technological context, organizational context, and environmental context (Tornatzky and Fleischer 1990). The internal and external technologies within the technological context are defined by both equipment and processes that are relevant to the firm (Zhu et al, 2002). The organizational context is defined in terms of the characteristics and resources of the firm which include the level of centralisation, depth of formalisation, configuration of its managerial hierarchy, structure of the human resources, amount of available loose (slack) resources internal to it, and internal linkages amongst its employees (Tornatzky and Fleischer, 1990). The environmental context is about the composition of the firm's operating milieu which is essentially external, and it includes the size and structure of the industry, its competitors, the macroeconomic context, and the regulatory environment which involves government legislations (Tornatzky and Fleischer, 1990). According to Tornatzky and Fleischer (1990), the three elements present both constraints and opportunities for technological innovation adoption by a firm.

Figure 3:**Technology-Organization-Environment (T-O-E) Framework**



Source: Adapted from Tornatzky and Fleischer (1990)

TOE has been validated by several researchers. For example, Tan (2010) adopted the TOE framework to investigate how its construct (original factors espoused by Tornatzky and Fleischer, 1990 within the three broad context of an organisation) influenced IT adoption by SMEs. Results showed that TOE framework was very useful in predicting IT innovation adoption in SMEs. Kuan & Chau (2001) using the TOE framework investigated six predictors of EDI adoption and confirmed the usefulness of the TOE framework in studying technological innovation adoption in organisations. TOE has since been either modified or integrated with other theories or frameworks to suit various research purposes (see for example Kok et al, 2011; Tan, 2010; Skoko et al, 2008; Tan et al, 2007; Lertwongsatien et al, 2004; Xhu et al, 2004; Zhu et al, 2003; Kuan & Chau, 2001; Hattrup & Kozlowski, 1993). The TOE framework has been criticised for not having a unifying constructs within the three contexts as they have been found to almost always differ from one study to another (see table 3). There is hardly any single factor that has been universally tested in every technological innovation research as the identification of factors to be included depends on the specificity of the innovation studied (Kok et al, 2011). This led researchers to the modification and integration of the framework with other theories and/or frameworks with the intention to develop frameworks that have stronger predictive powers. One of such modifications is due to Thong who in 1999 developed an integrated model and identified technological characteristics, organisational characteristics, environmental characteristics, and

CEO's characteristics as the key constructs to IT innovation adoption by organisations. Thong (1999) like Kimberly and Evanisko (19982) identified the CEO's characteristics because in small firms, which were the focus of his study, the CEO who usually is the owner-manager is also the decision maker. He argues that the characteristics of the CEO are crucial in determining the innovative attitude of small businesses since their (CEOs) abilities and inclinations, and extent to which they are prepared to devolve management greatly determine the rate of change that occurs in small firms as much as factors like financial resources, size, and market forces. Table 3 presents varying constructs within the three organisational contexts of TOE.

Table 3: Research conducted based on TOE Framework

References	IT Innovation Studied	Constructs
Gibbs and Kraemer (2004)	E-Commerce	**Technology** : technology resources, perceived benefits **Organisation** :lack of organisatio nal compatibility, financial resources, firm size, **Environment** : external pressure, government promotion, legislative barriers
Hong and Zhu (2006)	E-Commerce	**Technology** :technology integration, web functionalities, EDI use **Organisation** :web spending, perceived obstacles **Environment** : partner usage
Kuan and Chau (2001)	ValuNet EDI	**Technology** : perceived direct benefits, perceived indirect benefits **Organisation** : perceived financial cost, perceived technical competence **Environment** : perceived industry pressure, perceived government pressure
Lertwongsa tien et al (2004)	E-commerce	**Technology** : perceived benefits, perceived compatibility **Organisation** : size, top management support, IT emphasis, existence of IT department **Environment** : competitiveness
Lin and Lin (2008)	E-Business	**Technology** : IS infrastructure, IS expertise, expected benefits and **Organisation** :organisational compatibility, expected benefits of e -business **Environment** : competitive pressure, trading partner readiness
Pan and Jang (2008)	Enterprise Resource planning (ERP)	**Technology** : IT infrastructure, technology readiness **Organisation** : size, perceived barriers **Environment** : production and operations improvement, enhancement of products and services, competitive pressure, regulatory policy
Scupola, (2003)	Internet E-Commerce	**Technology** : E-commerce barriers, E -commerce Benefits, related Technology **Organisation** : financial and technological resources, Employees IS knowledge, innovation champion, company size **Environment** : pressure from competitors, buyers and seller, role of government, technology support infrastructure.
Seyal et al (2004)	E-Commerce	**Technology** : perceived benefits, task variety **Organisation** : organisational culture, management support, motivation to use E -Commerce **Environment** : government support
Wang et al (2010)	RFID	**Technology** : relative advantage, complexity, compatibility **Organisation** :top management support, firm size, tech competence **Environment** : competitive pressure, trade partner pressure, informati on intensity
Xhu et al (2004)	E – business	**Technology** : technology competence **Organisation** : firm size, global scope, enterprise integration **Environment** : competition intensity, regulatory environment
Zhu et al (2006)	E-Business	**Technology** :relative advantage, compatibility, costs and security concern **Organisation** :technology competence, organisational size **Environment** : competitive intensity, partner readiness

Empirical Studies onIT Innovation Adoption among SMEs in Developing Countries

E-payment technology enhances financial and commercial transactions between businesses (B2B), business and employees (B2E), business and government (B2G), and business and consumers (B2C) (Yu et al, 2002). It also enables competitiveness in e-business activities both locally and globally (Sumanjeet, 2009). Given the fact that e-payment is part and parcel of e-business/e-commerce activities, trading between countries is facilitated by e-payment (Winn, 2003). However, the trend of e-business activities has been found to differ between countries as no two countries have the same level of infrastructure and manpower to facilitate adoption on equal pedestal (UNCTAD, 2004). The inequality in infrastructure and manpower has been fingered as the cause of the obvious digital divide between developed and developing countries leading to the rich in technology getting richer and the poor in technology getting poorer with implications for e-business/e-payment activities for the developing countries (Okoli and Mbarika, 2003). The countries that are usually ranked high in e-business/e-commerce activities include US, Western Europe, and Japan because of their well-developed infrastructure and manpower (EIU, 2006). The story is not the same in developing countries like the sub-Saharan Africa (SSA), Latin America, Middle East, and some Asian countries as they have been found to lag behind the developed economies due mainly to poor infrastructural development (Almeida et al, 2006). For example, the SSA region is characterised by low income and low manpower resource development in addition to stern structural, socio-political and economic mismanagement (Austin, 1990). Coupled with this is the endemic destructive and rampaging civil and tribal warfare raging in the region leading to hunger and starvation. Given these facts, it is therefore not surprising that the level of technological innovation adoption in the SSA region has been slow (Okoli and Mbarika, 2003).

Studies abound on the factors that impact adoption behaviour among SMEs in developing countries. What may look like a summary of the plethora of problems confronting and hindering SMEs in developing countries from adopting technological innovations was offered by Rao (2003) who listed among others capital, connectivity, commerce, culture and capacity as impediments to e-readiness. The notable indicators of e-readiness are computer and network (internet) penetrations which gladly have been on the rise in many developing countries like China, Brazil, India, Malaysia, South Africa, and Nigeria among others. There is a direct correlation between PC and internet penetrations and e-business readiness. It is heartening to note that e-business has also been on the rise though slowly in recent years in some of these areas including Nigeria. To enhance the competitive capacity of SMEs in developing countries in the global internet economy, there is need to understand what factors that influence the adoption of new technologies such as e-payment which facilitates internet economy through e-business and e-commerce in developing countries.

Using either the DOI theory or TOE framework discussed earlier, several IT studies have identified many variables that are possible determinants of innovation adoption by organisations. Several of these studies were on IT innovation adoption with focus on small firms in developing countries. Examples of the factors empirically investigated and found to influence IT adoption in small businesses are enumerated in table4.

Table 4: **Examples of Studies using the TOE Framework**

Author and Dates	IT Innovation,	Independent Variables Investigated
Iacovou et al., 1995	EDI	perceived benefits, organisational readiness, and external pressures
Looi, 2005	E-Commerce	IT knowledge, competitive pressure, security, relative advantage and government support
Mao and Palvia, 2006	IT	perceived usefulness, compatibility, visibility, and result demonstrability
Tan et al, 2011	ICT	relative advantage, compatibility, observability, security, and cost
Tan et al, 2000	Internet Banking)	relative advantage, compatibility, trialability, risk, experience, and needs
Thong, 1999	IOS	CEO's innovativeness, business size, IS knowledge, complexity, competitive pressure
Wu and Wang, 2004	Mobile Commerce	perceived risk, perceived cost, perceived usefulness, and compatibility
Zhu and Kraemer, 2005	E-Business	technology competence, firm size, financial commitment, competitive pressure, and regulatory support
Karahanna, et al, 2006	IT	perceived usefulness, ease of use, result demons trability, visibility, and trialability

Scholars identify certain adoption factors to reflect the level of development especially in the area of national infrastructure (Molla and Licker, 2005; Looi, 2005). For example, Travica (2002) listed customer e-commerce propensity, e-payment, software industry, telecommunication delivery and transportation as some of the factors impacting e-commerce adoption and diffusion in Costa Roca. While some of these factors might look ordinary and simple to achieve in a developed country, they are impediments to technological adoption in developed countries. in a related development, the level of stability or otherwise of electricity supply from a country's national grid has been found to be a vital determinant of not only the adoption of a technology but also the extent to which the technology is used in developing countries such as Nigeria (Adenikinju,2005). While in developed countries electricity supply is not mentioned as an influencing factor of adoption of technological innovation because it is regular and therefore has no visible adverse implication on both economic and social activities, in developing countries electricity supply is a major determinant of adoption of technological innovation because of its irregular supply and this instability in supply has affected both business and social activities in these countries (Ghalami, et al, 2010; Chiemeka and Evwiekpaefe, 2011). According to Ihua (2009), the state of electricity supply has posed a major challenge and hindrance to business activities in the Sub-Saharan Africa (SSA) and Nigeria in particular. Empirical studies by Onyema (2011), Akintola, et al (2011), Akpan-Obong (2007), Folorunsho et al (2006), and Adenikinju(2005) found that irregular or unstable power supply impact the general business activities including e-business and e-commerce in the sub-Saharan Africa in general and Nigeria in particular. Specifically, Adesola and Adeyinka (2008) posit that since internet economy strives on infrastructure, it is very unlikely to succeed in Nigeria due to "epileptic and worsening electricity supply in the country" (p. 9). Studies show that the same type of factors can influence IT innovation adoption across countries and cultures. For example, Beck et al (2003) using data from questionnaire survey of 151 SMEs found that IT infrastructure, business concentration, and government regulations influenced IT diffusion among SMEs in Germany, Denmark, France and USA in a similar way. This means that some of the factors found to have influenced the adoption of some IT innovations in other countries could influence the adoption of e-payment systems in Nigeria.

There is limited research on e-payment systems adoption per se especially at the organisational level. The few possible exceptions are studies by He et al (2006), Ifinedo (2011), Harris et al (2011), and Plouffe et al (2001). He et al's study examined five innovation characteristics: relative advantage, complexity, compatibility, trialability and observability. Results revealed that only compatibility significantly influenced online e-payment adoption by Chinese companies. One of the drawbacks of the study was the low response rate of 7.3% which tended to question the reliability and validity of the study (Chau & Tam, 1997). On the other hand, Ifinedo (2011) employed an integrated framework of TOE and TAM. He found that perceived usefulness, organisational readiness, top management support, and IS vendor support positively influenced the intention to expand the use of e-business payment systems in Nigerian small firms. However, the study recorded a low R2 of 21% signifying an overall poor construct validity (Chau & Tam, 1997). Study by Harris et al (2011) found that flexibility, functionality, data management, privacy and perceived security are significant predictors of perceived e-payment systems use by firms in Malaysia. On their part, Plouffe et al (2001) found that relative advantage and compatibility were the most important characteristics of e-payment systems adoption by both consumers and sellers.

Several factors have been identified as e-payment characteristics and empirically examined previously (Abrazhevich, 2004). Such characteristics include: perceived risk, anonymity, privacy, applicability, authorisation, convertibility, efficiency, interoperability, reliability, scalability, perceived security, perceived trust, usability, traceability and linkability (Abrazhevich, 2004; Medvinsky & Neuman, 1995). Some of these factors have been found statistically significant in predicting e-payment systems adoption by consumers in developing countries (see Harris et al, 2011; Lin & Nguyen, 2011; Kim et al, 2010; Ozkan, 2010; Rigopoulos & Askounis, 2007). For example, perceived security and trust were found to positively influence e-payment systems adoption and degree of use by Korean consumers (Kim et al, 2010). In their study, Lin and Nguyen (2011) found that perceived ease of use, perceived usefulness, perceived risk, and information significantly impacted the consumers' adoption of e-payment systems in both Taiwan and Vietnam.

Literature has shown that there is no uniformity of innovation adoption theories and frameworks. This is because innovations differ and adoption contexts also differ (Thong, 1999). For example, innovation studies reveal that innovations can be product-based or process-based. Innovations can also be administrative-based or technical-based (Fichman and Kemerer, 1997). Literature shows that there are variations between adoption contexts. Contexts of adoption can be at individual level or organisational level. It can also be within a competitive environment or non-competitive environment (Fichman, 1992).

Therefore, to focus on each of these variants may require a different study approach thereby making it impossible to have a one-fit-all theory and framework in innovation adoption research such as this. In the past, researchers have tempted to reduce the knowledge burden created by these different types of innovation and adoption contexts by attempting to identify distinctive characteristics of contexts in the development of theories and frameworks (see Thong, 1999; Fichman & Kemerer, 1993; Fichman, 1992; Tornatzky & Fleischer, 1990; Kimberly & Evanisko, 1981). Thong (1999), for example, argued that Rogers' generic innovation theory identified innovation characteristics context which was supported by Prescott and Conger (1995). While this may serve as an important context, IT scholars have pointed out that more structural contexts are required for the study of organisational adoption. Thus, scholars suggested that there should be an integration of various theories including DOI to develop better predictive theories and frameworks (Chau & Tam, 1997).

In the case of technological innovation adoption within the organisational context, Tornatzky and Fleischer's (1990) study is frequently cited perhaps for providing two additional contexts to Rogers' innovation characteristics for the study of innovation adoption by organisations (Chau & Tam, 1997). The TOE has been validated by several scholars who have used it to study small business adoption of variety of IT innovations (see table 2). Scholars like Thong (1999) and Ifinedo (2011) integrated the TOE framework with other frameworks perhaps in response to the suggestion by Chau and Tam (1997) that the TOE framework should be extended to examine different IT innovations. Kimberley and Evanisko's (1981) study which is based on DOI theory identified organisational leaders' characteristics, organisational characteristics, and environmental characteristics as three clusters of variables that influence organisational innovations adoption. Looking through the TOE framework and Kimberly and Evanisko's clusters of variables, one can identify four distinct and relevant SME contexts – technological, organisational, environmental, and owner-manager characteristics – appropriate for this present study.

The owner-manager context has been identified in this study as a separate context as a result of the role owner-managers play in small businesses. Previous research had focused on owner-managers (CEOs) in executive leadership positions based on the assumption that the formal and symbolic power of CEOs within the context of an organisation has significant impact on both the activities and performance of that organisation (Rajagopalan & Datta, 1996). The formal roles and managerial control of owner-managers are even more profoundly critical within the SME context (Thong, 1999). Owner managers allocate organisational resources and impose sanctions on other members of the organisation (Kimberly & Evanisko, 1981). Owner-managers also determine if the organisation requires an innovation and, if so, which and when to adopt (Thong & Yap, 1995). Therefore, since this study is investigating the adoption decision of the SME which falls within the prerogative of the owner-manager, understanding how they (owner/managers) perceive innovation adoption within the context of their characteristics will help to better understand the decision process of the SMEs (Martin, 2005). Hence this study has made the owner-manager's characteristics a separate context within the organisational structure of the SME.

Several studies have used similar frameworks to examine IT innovation adoption behaviour among SMEs (see Kok et al, 2011; Thong, 1999). Although several studies have examined the relationship between CEO's characteristics and organisational factors (Rajagopalan & Datta, 1996; Thong & Yap, 1995; Kimberly & Evanisko, 1981), little attention has been paid to other contexts of the organisation such as the environmental and technological contexts as envisaged by Tornatzky and Fleischer (1990). We shall after confirming using convergence and discriminant validity tests, introduce some relevant control variables such as the age, gender or ethnicity/tribe of owner-manager as these factors have equally been found to strongly influence technology adoption by organisations (see Carpenter et al, 2004; Rajagopalan & Datta, 1996; Palvia et al, 1994; Hambrick & Manson, 1984.

The developed framework will enable the examination of the factors that influence the adoption and extent of adoption of e-payments by SMEs in Nigeria. The original intension of this study is not to develop a new theory but rather to formulate hypotheses for variables that had been found to predict IT innovation adoption by SMEs in the past. However, while the findings of prior studies reveal various factors that predict different IT innovations adoption and extent of use, it is not unlikely that the same factors may not have equal or similar impacts on the adoption and extent of adoption of e-payment systems by SMEs in Nigeria given the likely differences in culture, political behaviour, and level of economic and infrastructural developments between Nigeria and those countries.

Theoretical Framework

After reviewing the IT adoption literature, it is obvious that there is a wide range of IT innovations and this arguably suggests why it is not possible to use a single adoption model (Ramdani & Kawalek, 2007) for all innovation adoption studies. In this present study, a new research framework was developed (see figure 4) resulting from the integration of Kimberley & Evanisko's (1981) study and TOE framework. The new research framework has four distinct structural taxonomies of an SME consisting technological, organisational, environmental, and owner-manager characteristics

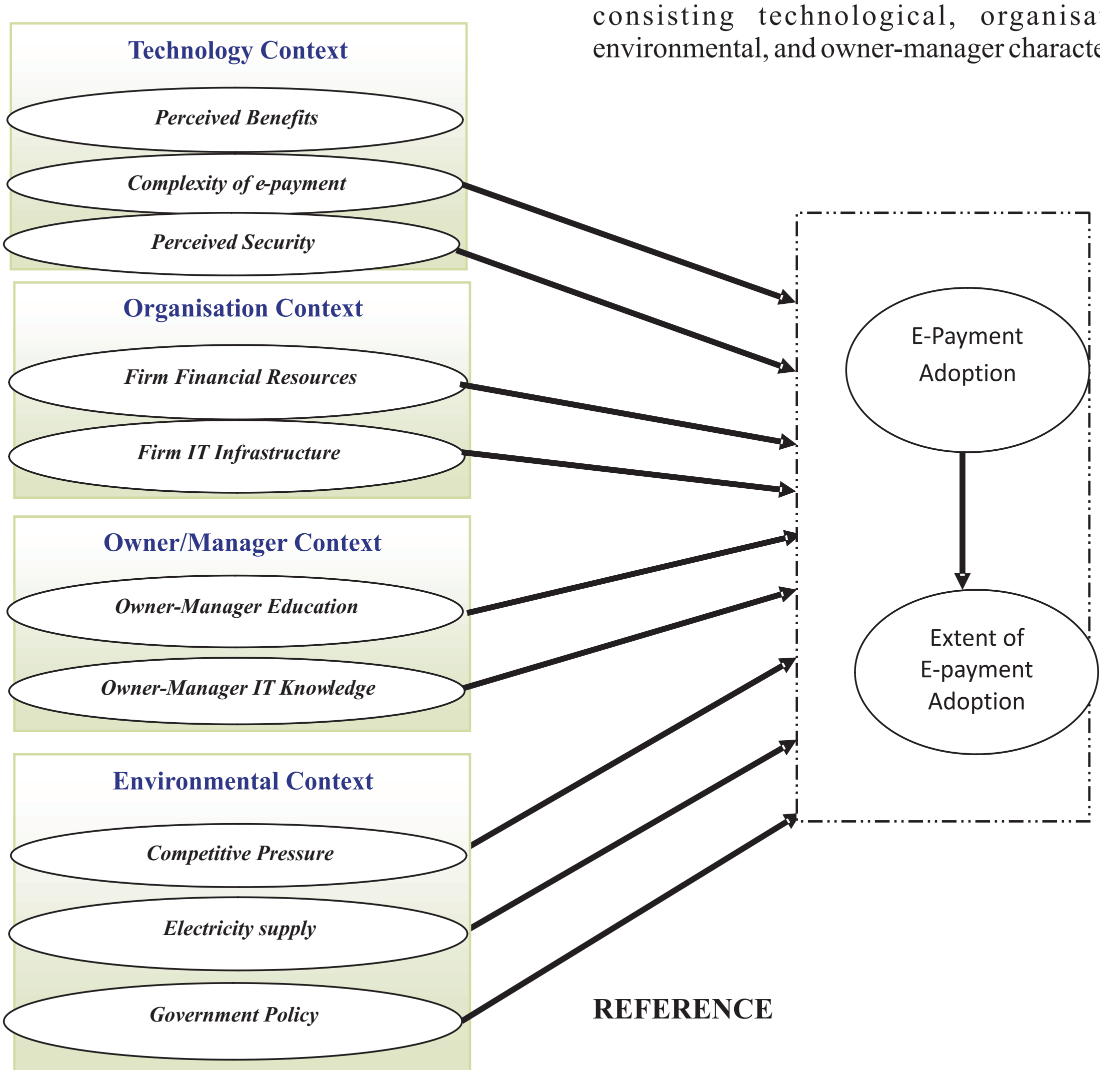


Figure 4:Research Framework

The four contexts with their identified variables from the literature review will be discussed in the next publication with justifications for their choice.

Conclusions

Having provided the background study to underscore the importance of this study, undertaken a comprehensive review of previous IS/IT literature to provide a theoretical foundation and developed the research model, the next logical stage is to explain each of the selected factors and develop hypotheses based on these factors before proceeding to research methodology, go to the field to gather data and analyse such data. But because this exercise is essentially literature review, my next paper would deal with all of that and conclude the research.

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An Assessment of the Factors Influencing Small and Medium Enterprises Performances and Access to Credit from Deposit Money Banks in Akure, Nigeria

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ABSTRACT

Lending among other services is being rendered by deposit money banks, this is done to enable their customers have access to financial support towards the development of their business activities as well as economic development. Data for the study was collected from the 96 registered small scale business enterprises in Akure, Ondo State, that were randomly selected. Descriptive statistics were used to analyse the socio economic characteristics of the respondents, while the Ordinary Least Squares (OLS) regression technique was used to analyse profit function of the respondents. The factors influencing the output of small scale business and its profitability model was developed and estimated profit function obtained in the study revealed that all the independent variables have positive coefficients while number of the family members have negative effect on independent variables. Findings revealed that financing of small scale enterprise is an issue of interest in the effort to raise production and productivity. This is as a result of the implementation of bank policies affecting the small scale enterprise. The study recommends that there is need to re-engineer the finance system to accommodate the small scale enterprise and investments.

Keywords: Small scale enterprises, entrepreneurship, deposit money banks, lending policies

Introduction

Lending is one of the financial services render by the deposit money banks to their customers. Deposit money banks grant loans and advances to individuals, business organizations as well as government in order to support their business as a mean of aiding their growth in particular or contributing toward the economic development of a country in general (Olokoyo, 2011). Deposit money banks also perform functions such as received deposit (savings), mobilization and financial resource to their customers. These roles make deposit money banks an important phenomenon in economic growth and development. Deposit money banks decisions to lend out loans are influenced by a lot of factors such as the prevailing interest rate, the volume of deposits, the level of their domestic and foreign investment, banks liquidity ratio, prestige and public recognition to mention a few (Olokoyo, 2011).

In Nigeria, low level of income and saving among small scale enterprises impose considerable limitations on the availability of adequate equity capital for financing small business enterprises. Capital inflow from other formal credit sources is also restricted on several grounds the available loanable found from credit institutions established be the government have been grossly inadequate to meet the requirement of the millions of needy entrepreneurs the remoteness of such institution from those in critical need of credit and the cumbersome lending procedures further limit their accessibility to formal credit. The study was aimed at analysing the lending policies in the commercial institution markets with the view of establishing their role in determining the access of small-scale enterprises to financial services from formal sources.

Literature review

Lending which involves the creation of risk and management of same, effective management of risk inherent in the lending requires an articulated and well-conceived lending policy and practices. In other to minimise default in lending, appropriate methods of risk measurement should be adopted by lender (Adewusi, 2011). Two aspects of risk assessment were identified in the literature which includes the qualitative and qualitative, which must be assessed for the purpose of the credit transaction. Somoye (2005) affirmed that to evaluate the qualitative risk, loan officers have to gather and appraise information on the borrower record of financial responsibility determine his true or current need for borrowing, identify the risk facing the borrowers' business under current and political situations. Lender need to estimate the degree of the borrower commitment regarding the repayment of loans. Caprio and Klingebiel (1999) argued that in order to properly estimate the financial capability of a portfolio, bank should not only limit their analysis to project evaluation techniques alone but by evaluating every conceivable risk that could become threat in the overall performance of such loan.

Lending practices in Nigeria could be traced to four different phases:

(i) **The period before the emergence of banks in Nigeria:** During this period 'Esusu' are the most widespread indigenous saving and credit association in Nigeria. This involves voluntarily mutual aid association in which the members pool their individual savings and have access to credit on favourable term.

(ii) **The period of industrial revolution:** This increase the pace of commercial and production activities thereby bringing about the need for large capital outlays for projects. Many investor at this period were unable to meet up with the sudden upturn in the financial requirements and therefore turn to the banks for assistance. However, the emergence of banks in Nigeria in 1872 with the establishment of the African Banks Corporation (ABC) and later appearance of other banks in the scene during the colonial era witnessed the beginning of banks' lending practice in Nigeria (Olokoyo, 2011). Though, the lending practices of the then colonial banks were biased and discriminatory and could not be said to be a good lending practice as only the expatriates were given loans and advances. This among other reasons led to the establishment of indigenous banks in Nigeria.

(iii) **The period of the advent of Structural Adjustment Programme (SAP) in the country in 1986:** The lending practices of banks were strictly regulated under the close surveillance of the bank's supervisory bodies before this period. The SAP period brought about some relaxation of the stringent rules guiding banking practices. The Bank and Other Financial Act Amendment (BOFIA) 1998, requires banks to report large borrowing to the Central Bank of Nigeria (CBN). The CBN also require that their total value of a loan credit facility or any other liability in respect of a borrower, at any time, should not exceed 20% of the shareholders' funds unimpaired by losses in the case of deposit money banks and

(iv) **The 2004 bank recapitalization revolution:** This brings about unprecedented competition among many financial institutions. This increase competition has result in number of unforeseen difficulties. Many banks find it difficult to lend money to their customers while many were closed done or merged together because they find it difficult to meet the twenty-five-billion-naira target of the CBN

Institution's credit lending is one of the most important financial sources for any credit intensive business both in developing and developed country. In developing countries like Nigeria, bank loan account for the larger percentage of the total loan term. The inability of Deposit money banks and other formal institutions to cater for the credit needs of small scale enterprises was as a result of many factors; the conditions stipulated by most of thefinancial institutions such as copy of the title documents of the landed properties, processing fee of 0.25% per annum and management fees of 0.5% per quarter including perfection charges, certificate of incoporation, detailed profile of the organisation, photocopy of registered title document on of a land among others have pronounced effect on small scale enterprises (Olowofeso and Oyetunji, 2013). Thesehas obstructed the affordability of loan by small scale enterprises

Uduechi (1985) opine that most financial institutions were unable to provide long term funds to small scale enterprises, such institutions prefer to give out short time loan and recover their profit without delay. However, some of the small scale enterprises are unable to meet the conditions stipulated by most of the financial institution for which therefore discourage investment (Adera, 1995). Despite the efforts to overcome the widespread lack of financial services, especially among small scale enterprises in Nigeria, and the expansion of credit to small scale enterprises in the county, majority of the small scale enterprises still have only limited access to bank services to support their private initiatives.

Determinant of deposit money bank lending policies in Nigeria

Lack of access to finance is one of the critical problems facing small scale entrepreneurs in Nigeria for generating persistent income inequality, as well as slower growth of their business. Without inclusion of financial systems, individuals and small enterprises need to rely on their own limited savings and earnings to become entrepreneurs, or take advantage of promising growth opportunities (Olowofeso and Oyetunji, 2013). Financial sector policies that encourage competition, provide the right incentives to individuals, and help overcome access barriers are thus central not only to stability but also to growth, poverty reduction, and more equitable distribution of resources and capacities. A well-functioning financial system has long been recognized as essential for economic development. The work of its financial sector has, over the years, emphasized the importance of financial stability and efficiency. Promoting broader access to financial services, however, has received much less attention despite the emphasis it has received in theory. The access dimension of financial development has often been overlooked, mostly because of serious data gaps in this area. The empirical evidence that links access to financial services to development outcomes has been quite limited, providing at best tentative guidance for public policy initiatives. The increasing emphasis by policy circles in recent years on building more inclusive financial systems thus highlights the need for better data and analysis

The inability of the credit market to provide adequate loan to their creditors have mainly been characterized by the inability to satisfy the existing demand for credit by the creditors. This was as a result of difficulties in loan administration like screening and monitoring, high transaction costs, and the risk of default. Credit markets are characterised by information asymmetry, agency problems and poor contract enforcement mechanisms (Nissanke and Aryeetey, 1995). They are mainly fragmented because different segments serve clients with distinct characteristics. Because of this, lending units are unable to meet the needs of borrowers interested in certain types of credit. This was as a result of credit gap that captures those borrowers who cannot get what they want from the informal market, yet they cannot gain access to the formal sources. Enterprises that want to expand beyond the limits of self-finance but lack access to bank credit demand external finance, which the informal sector is unable to satisfy.

According to Aryeetey et al., (1997) two main theoretical paradigms have been advanced to explain the existence of this fragmentation: the policy-based explanation and the structural-institutional explanations. The policy-based explanation, fragmented credit markets (in which favoured borrowers obtain funds at subsidized interest rates, while others seek funds from expensive informal markets) develop due to repressive policies that raise the demand for funds. Unsatisfied demand for investible funds forces credit rationing using non interest rate criteria, while an informal market develops at uncontrolled interest rates. Removing these restrictive policies should therefore enable the formal sector to expand and thereby eliminate the need for informal finance. The structural-institutional explanations, imperfect information on creditworthiness, as well as cost of screening, monitoring and contract enforcement among lenders, results in market failure due to adverse selection and moral hazard, which undermines the operation of financial markets. As a result, lenders may resort to credit rationing in the face of excess demand, thus establishing equilibrium even in the absence of interest rate ceilings and direct allocations

Aryeetey and Gockel (1991) examine some of the factors that influence demand for formal savings and lending facilities in Ghana and observe that incomes, bank formalities and banks' preference for large transactions were the major ones. Travel costs and time are among other factors that determine transaction costs to the entrepreneurs. Besley (1994) has classified major features of rural credit markets that can be used to explain the existence of formal and informal credit markets in Africa. Among these are the existence of collateral security and covariant risk. Collateral security is often beyond the reach of many borrowers in rural areas. But even where this is not the case, the ability of the lender to foreclose is often limited, making enforcement of loan repayment difficult. Such difficulties help to explain the use of informal financial markets, which use social sanctions to ensure enforcement. In rural areas, shocks in incomes that create borrowers' potential to default will affect the operation of credit markets. In most rural economies, borrowers are faced with risks arising from uncertainties about their incomes. By diversifying their loan portfolios, lenders can avert such risks. However, credit markets in rural areas are segmented, with lenders' loan portfolios being concentrated on borrowers facing common shocks to their incomes. An important cost of segmentation is that funds fail to flow across groups of individuals despite the benefits of doing so. According to Besley (1994), this kind of segmentation may also be reinforced by government regulations. In incomplete markets, rural households could use partially functioning credit markets to provide insurance against income shocks mainly by trading insurance. However, due to incomplete information about the nature of the risk faced by each individual, and possible changes in the private behaviour of other individuals, insurance arrangements are only partial or totally absent ((Aryeetey, 1996, Aryeetey and Udry, 1997). Another important factor of the formal markets relates to penalties is that in the absence of formal contract enforcement mechanisms, the formal institutions rely on lending practices that emphasize loan screening rather than monitoring, which appears to suggest more concern with adverse selection than moral hazard.

Methodology

Akure is a traditional city like other Yoruba towns in the south western part of Nigeria. It lies approximately on latitude 70 171 North of the equator and longitude 50 141 East of the Greenwich Meridan. Akure is the capital of Ondo State, which was created in 1976 out of formal Western State. Been the state capital the town is characterized by many commercial activities. Many inhabitants of the town are involved in small scale enterprises and they need loan to expand their business thereby increase their profit margin.

Questionnaires were administered to the small scale entrepreneurs to collect information on the social economics characteristics of the respondents and other economic variables. According to the Micro Small and Medium Scale Enterprises report (MSMES, 2012) there are 596 registered small scale enterprises in Ondo State, out of which 160 are in Akure - the study area. Simple random sampling was used to choose 96 SME's representing 64% of the entire study population.

Model specification

The profit model formulated for the small scale beneficiary in Ondo State were specified as follows;

Profit = f(Location of the business, Age of the respondents, Educational qualification, Revenue level/ income, Number of family members, number of the staff/ Labour). That is,

$$PROFIT = \beta0 + \beta1LOCAT + \beta2AGE + \beta3EDUCAT + \beta4INCOME + \beta5NUMBER + \beta6LABOUR + l \quad i \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots..(1)$$

Where PROFIT = Profit, LOCAT= Location of the business, AGE= Age of the respondents, EDUCAT= Educational qualification, INCOME= Revenue level/ income, NUMBER= Number of family members, LABOUR= number of the staff/ Labour

Where β0, β1, β2, β3,,,,,,,,,β6 are parameters to be estimated and l i = Error term

Data Analysis and Discussion

Descriptive statistics were used to analyse and

Table 1: **Socio-economics characteristics of the respondents**

Characteristics	Frequency	Percent
Gender		
Male	55	
Female	41	42.7
Total	96	100
Qualification		
Non formal education	7	7.3
Primary school	21	21.9
Secondary school	32	
Post-Secondary school	36	37.5
Total96	100	
Interest rate charge		
Low	15	15.6
Normal	3	3.1
High	78	
Total	96	100
Collateral security		
Landed property	63	
Farm crops	11	11.5
Personal guarantee	1	1.0
Share certificate	6	6.3
Deposit account	1	1.0
Guarantee by recognize person in the community	14	
Total	96	100

Source: Data Analysis, 2015

The social economic characteristics of the respondents were shows in table 1, in which 55 (57.3%) of the respondents were male and 41 (42.7%) were female. This implied that majority of the respondents were male. The table also shows that majority of the respondents have formal education 21(21.9%), 32 (33.3%) and 36 (37.5%) for primary, secondary and post-secondary education respectively. 7 (7.3%) of the respondent were without formal education. The level of interest rate charge from the respondents were also considered, 15 (15.6%) of the respondents agree that the interest rate charged was low, 3 (3.1%) for normal while 78 (81.3%) was with the opinion that the rate was high. The implication of this is that, higher interest rate will discourage the small scale owner in borrow money from the deposit money banks. The finding of this study agree with the study of Olowofeso and Oyetunji (2013), who noted that the higher level of interest rates charge by the financial institutions have negative effect on the price of the product. It was also discovered that the collateral security such as landed property, guarantee by recognise person in the community, farm crops and other were very difficult for small scale business owner to avoid and lead to reduction in the number of people apply for the loan a number of loan granted by the institutions. The findings also concur with that of Chodechai (2004) who noted that charging too high loan rates and collateral may also create an adverse selection situation and moral hazard problems for the borrowers.

Table 2:The OLS result for the profit model

Model	Coefficients	Std. Error	T-value	Sig
(Constant)	.075	.191	.392	.696
Location of the business	.172	.080	2.147	.034
Age of respondents	.168	.120	1.405	.163
Educational qualification	.014	.079	.182	.856
Revenue level/ income	.280	.072	3.883	.000
Number of the family members	-.064	.121	-.530	.598
Number of staff/ Labour	.022	.069	.322	.748

Source**:** Data Analysis, 2015

The model can be re- written as:

PROFIT = 0.075 + 0.172LOCAT + 0.168AGE + 0.014EDUCAT + 280INCOME – 0.064NUMBER + 0.022LABOUR + 1I ……………………. (2)

The independent variables are empirically examined to show which of the variables significant influence on profitability model. The profit model produce R2 = 0.779, indicate that 78% of the variation in the profit of the small scale entrepreneurs is explained by the fitted model. The estimated profit function shows that all the independent variables have positive coefficients except the number of the family member which have negative signs. The variables with positive coefficients implies that an increase in the number of such variable would lead to an increase in the profit model of small scale while an increase in the number of family member would lead to decrease in profit model. Findings of this study agree with the study of Aryeetey and Gockel (1991) whom observe that incomes, bank formalities and banks' preference for large transactions were the major factors that influence demand for formal savings and lending facilities. The findings also concur with those in Mugerwa (2000) who noted that deposit money bank fail to grant loan to some customers because of their low level of income. He also noted that some small scale business owners usually consist of members of the same family with inevitable resources at their disposal. The owners have extended families that eat into the finances of the businesses because of the culture/traditional responsibilities. The monies are pulled out from the business cash sales this automatically reduces on their working capital, business profits and subsequent business growth. The small scale business owners start the businesses as a way of raising income as well as maintaining their families. Given the importance of the small scale business to their owners, they continuously seek for credit especially from the deposit money banks to boost their businesses. However, some of the loan goes to the family problem while some of it goes to the business. The business has to support the family, which may constrain the business performance and the subsequent effectiveness of the loan. The effects of family size on loan repayment may be due to pressure on income generated from the business which can then reduce loan repayment capacity.

Conclusion and recommendations

Financing small scale enterprises is an issue of interest in the effort to raise production and productivity as the implementation of bank lending policies will continue to affect the small scale enterprises. Limited access to credit is seen as a result of supply constraints, and not the demand side because the high interest rate charge on loan and other policies stipulated by the bank make it difficult for small scale entrepreneurs to access loan for Small-Scale Enterprises. Finding from the study identify some variables (Location of the business, Age of the respondents, Educational qualification, Revenue level/ income) as positive contributors that lead to an increase in the profit model of small scale. The higher the level of education of investor, the more the investment opportunities that open to such investor, this will give him an idea of investment portfolio diversification which therefore leads to an increase in income generation. Also for an investor to continue to be in business, while maximising profit, there is need to differentiate between the business and the family. The study therefore recommended that there is a need to re-engineer the finance system to suit the small-scale enterprises. There is a need for financial institutions to make long-term loan accessible to small-scale entrepreneurs and with a reduced interest rate. Also, a viable investment requires certain degree of education (formal or informal). Therefore, investors are encouraged to process the quality and finally family member must be made to pay for whatever services they enjoy in the business. This will prolong the lifespan of the business

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Effects Of Entrepreneurial And Managerial Leadership Styles On Employee Productivity Of Deposit Money Banks In Nigeria

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ABSTRACT

This study examines the Effects of Entrepreneurial and Managerial Leadership Styles on Employee Productivity of Deposit Money Banks (DMBs) in Nigeria, for the period of 2005 – 2014. The leadership styles considered for the study were entrepreneurial and managerial leadership style. A non-financial variable of employee productivity was selected as the performance variable. There was also an attempt to study the organisational factors/variables (demographics, decision making style, external and internal factors) that influence the leadership style to be adopted by managers/supervisors of DMBs. The Multiple regression and correlation analysis were adopted to derive the relationship between the two variables. While relevant data was gathered with an aid of a structured questionnaire adopted from the Multifactor Leadership Questionnaire (MLQ) and Entrepreneurial Orientation Questionnaire. The findings of this study indicate a significant positive relationship between leadership style and employee productivity; In particular, entrepreneurial leadership has a more significant correlation than managerial leadership style on employee productivity.

Keywords: Deposit Money Bank (DMB), Employee Productivity, Entrepreneurial Leadership, Leadership Style, Managerial Leadership,

1.1 Introduction

In recent times, mismanagement, poor leadership and failure of corporate governance have been cited as some of the major contributing factors to the distress of most banks in Nigeria, which was also recognised in the work of Ajayi (2012). In response to the mismanagement of these banks, the Managing Directors of Bank PHB, Equatorial Trust Bank, and Spring Bank were removed. Also sacked by the Central Bank of Nigeria (CBN) were all the Executive Directors of Bank PHB, Equatorial Trust Bank, and Spring Bank. This action was prompted by the lack of good governance and effective leadership in these banks, which is in agreement with Ogubunka (2003). This intervention by CBN was able to show the sensitivity of leadership in the Nigerian banking industry and how, if not applied effectively, could affect the performance of the Deposit Money Banks (DMBs). The leadership style being applied played a vital role in offsetting the various issues that brought about these reforms.

Therefore, DMB's are always searching for new ways to improve their performance in the financial market. This also means, banks have to be willing and able to evolve their leadership styles to be adaptive to the ever changing banking environment. What is not clearly defined in past researches on leadership style, are the organisational factors that mainly determine the use of a particular type of leadership style in an organisation which is apparent in past research works (Rasool et al., 2015; Ejere and Abasilim, 2013; and Voon et al., 2011).

Although leadership is always present in all organisations, the type of leadership style to be adopted has always been one of individual perception. Most organisational leaders get stuck in a particular era and become resistant to change, with the illusion that a particular style of leadership works best in guiding the employees of their organisation, even with the constant environmental changes.

Managerial and entrepreneurial leadership style, which have been making headway in organisations all over the world. Managerial and entrepreneurial leadership styles have elements of various types of leadership style, for example managerial leadership is a combination of authoritative, transactional and delegated leadership styles; while the entrepreneurial leadership is a combination of democratic, charismatic, and transformational leadership approaches. Since a bank's performance is a direct function of the performance of its branches, this research is aimed at giving a comparative analysis on entrepreneurial and managerial leadership styles on the employee productivity of DMBs in Nigeria. We were able to analyse the organisational factors that are considered when determining the type of leadership style to be adopted in Nigerian DMBs.

1.2 Statement of the Problem

It has been observed from past experience that the successes or failure of any Nigerian DMB is apparent in light of the particular leadership style being used during a point in time or situation. Thus Nigerian bank managers/leaders have always been left in turmoil of which leadership style should be applied. Therefore, this research compares the effect of two modern leadership styles in the Nigerian DMBs; entrepreneurial and managerial leadership style, and how they affect employee productivity of DMBs in Nigeria?

1.3 Research Questions

The following research questions have been generated to guide the study:

I) To what extent do organisational factors influence the style of leadership adapted by Managers of DMB's in Nigeria?

ii) What is the relationship between entrepreneurship leadership style and the employee productivity of DMBs in Nigeria?

iii) What is the relationship between managerial leadership style and employee productivity of DMBs in Nigeria?

iv) To what extent are entrepreneurial and managerial leadership behaviours correlated with employee productiveness of DMBs in Nigeria?

1.4 Objectives of the Study

The objectives of this study include:

I) examine the organisational factors that influence leadership style of Managers of DMBs in Nigeria.

ii) assess the relationship between entrepreneurial leadership style and employee productivity of DMBs in Nigeria.

iii) determine the relationship between managerial leadership style and employee productivity of DMBs in Nigeria.

iv) assess the correlation between entrepreneurial and managerial leadership behaviours with employee productiveness, of DMBs in Nigeria.

1.5 Statement of Hypotheses

For the purpose of this study, the following null hypotheses are formulated:

H01 There is no significant and positive relationship between Entrepreneurial leadership style and employee productivity of DMBs in Nigeria.

H02 There is no significant and positive relationship between Managerial leadership style and employee productivity of DMBs in Nigeria.

H03 There is no significant difference of employee productivity with Entrepreneurial and Managerial Leadership Styles in DMBs' in Nigeria

2.1 Historical Background of Nigerian Deposit Money Banks (DMBs)

The phenomenon 'Leadership' has become a stand-alone factor in the success story of any organisation. It has become more critical in the banking industry because of the influence of regulators and the consistent intervention of the Central Bank of Nigeria (CBN).

The leadership of Deposit Money Banks (DMB) has come under immense pressure to perform or to be sacked. There is no doubt that the management of these banks were looking for ways and means of improving performance. It may be associated with the survival instinct. More importantly, the industry is highly competitive that even without the actions of the regulators, the management of banks will want to remain in business. It is also critical to observe that the contribution of every player in the industry is very important for the survival of the business and so a leadership style must ensure full participation of staff and then commitment to the overall objective of the enterprise.

The banking industry plays an essential role in the development of the Nigerian economy. The banking sector promotes economic growth through its role of mediating between the economic units that have surplus funds and those that require such funds to support their investment (Ebong, 2006). Nigeria's banking sector has witnessed significant growth over the last few years as new banks enter the financial market. These growths are due to the various reforms in the banking industry; market liberalization; expansion of savings mobilisation base; promotion of investment and growth through the market-based interest rates; improvement of regulatory surveillance framework, fostering healthy competition; inflation control; and economic growth (Balogun, 2007). Solimon (2001) and Dogon-Daji (2003) observed that weak leadership and poor business practices arising from inexperienced workforce leads to poor credit policy and inadequate internal controls, which are the major reasons why Nigerian banks faced challenges.

The reforms collectively brought about an improved incentive; increased capitalisation, exchange rate stability, and better credit and risk management. Past researches have shown the link between leadership skills and how these skills are able to; build a positive organisational culture; improve the organisational climate; improve communication; and motivate subordinates. The answer lies in the internal environment of the Nigerian deposit money banks. There are so many internal factors that affect the performance of Nigerian money deposit banks which includes; organisational structure, organisational culture, communication, organisational climate, motivation, work environment and availability of resources. Ultimately effective leadership is the driving force that ensures these internal factors are effectively used towards improving the organisational performance of a Deposit Money Bank (DMBs).

2.2 Literature Review

There have been numerous researches that have been identified as contributing to the development of leadership, in which they see leadership as a tool towards achieving organizational objectives. In particular, finding the ideal kind of leadership style that can attain optimal performance from employees is a necessity. In recent years' researchers have critically looked into transformational and transactional leadership style as few of the most modern styles of leadership. Therefore, the review studied past researches that look into leadership style on employee productivity/organizational performance. Analysis and criticism was made of the populations of study, methodologies of study, and findings made by the researchers. This in turn helped us to develop a more refined research. We will study the works of Voon et al. (2011); Rasool et al. (2015); and Ejere & Abasilim (2013).

Voon et al. (2011) were able to explore leadership styles influence on employees' job satisfaction in the public sector organisations in Malaysia. 200 Malaysian executives working in the public sector were randomly selected. The measuring instrument for data collection was in the form of close-ended and open-ended questionnaires. Multiple regression analysis was carried out to test the hypothesized relationships between leadership styles and job satisfaction components. The findings showed that transformational and transactional leadership had a direct relationship with employees' job satisfaction. It further showed that transformational leadership style has a stronger relationship with job satisfaction, than does transactional leadership.

Another research carried out by Ejere and Abasilim (2013) on leadership styles and organisational performance in the Nigerian work context. They adopted Multifactor Leadership Questionnaire (MLQ) to carry out data collection. This was first adopted by Bass and Avolio. The Multifactor Leadership Questionnaire (MLQ) was used due to its consistency, reliability, and validity. (Avolio& Bass, 1997). The employee performance variables were based on three measures of performance; effort, satisfaction and effectiveness. 184 respondents were randomly selected. Regression and correlation statistical techniques were used to analyse the data that were gathered from the respondents. Study showed that that transformational leadership had a strong positive impact on organizational performance, while transactional leadership had a weak positive relationship on organisational performance. It was also concluded that the mixture of the two styles of leadership would be the most appropriate to adopt with due consideration to the situation and nature of the task.

Also in a research carried out by Rasool et al. (2015), they explored the impact of leadership styles on employee's performance in the health sector of Pakistan. The variables considered under this study were employee performance (dependant) and Transformational and Transactional leadership (Independent). The Multifactor Leadership Questionnaire (MLQ), which was used to determine the leadership style and the modified version of the Paul Spector Job Performance Questionnaire, was used to measure employee performance. 80 questionnaires were distributed to health workers, doctors, and nurses; the response rate was 43.75%. The findings of this study concluded that transformational leadership is more dominate. Through correlation and linear regression analysis it further showed that there is a significant and positive relationship between employees' performance and Transformational and Transactional leadership style, although the in the case of transformational leadership the strength in relationship was higher.

The three (3) researches mentioned above were centred on leadership style and organizational performance. The leadership styles under comparison of all three (3) of the research studies were transformational and transactional leadership they are very similar in characteristics with entrepreneurial and managerial leadership. Although this shows us the prominence these styles (transactional and transformational) have on modern leadership, but it also shows us how the researchers are lacking in understudying other leadership styles that are presently making waves in modern management. All three of the researches were conducted no more than 5 years ago (2011, 2013, and 2015). Multifactor Leadership Questionnaire (MLQ) were adopted in the research work of Rasool et al., (2015); and Ejere, and Abasilim, (2013) which justifies the MLQs validity in predicting the leadership style. In terms of measuring employee productivity/performance, Ejere & Abasilim (2013) used effort, satisfaction and effectiveness to measure the extent of performance, while Rasool et al. adopted the Paul Spector Job Performance Questionnaire. The researchers also gave more emphasis to the public sector/government par status, which makes all three researches short of studying other sectors of the economy (for instance the private sector). The regression analyses and correlation statistics were applied to test the hypotheses of all three of the researches mentioned above, which are the statistical tool that are necessary in estimating the relationship between the variables under study, leadership style and employee productivity (satisfaction, effectiveness, effort). The findings were able to conclude that there is a positive relationship between leadership style and performance. But they all established a common fact; that transformational leadership has a more significant relationship to performance more than transactional leadership. Finally, it was concluded that a mixture of both styles were more ideal for a more effective performance from employees. The researchers all lacked the ability to inculcate the need to identify the organisational factors that affect an organisational situation or context, which in turn will affect which leadership style will be/should be adopted in an organisation.

Therefore, this study made a comparative analysis of entrepreneurial and managerial leadership style on employee productivity of Deposit Money Banks (DMBs) in Nigeria. It looked at the correlation of the two styles of leadership to employee productivity of DMBs in Nigeria; and it attempts to identify which leadership style is more correlated to employee productivity of Nigerian DMBs. Multifactor leadership questionnaire (MLQ) was adopted for the questionnaires, the questionnaire was modified. The three (3) employee performance variables of effectiveness, satisfaction and effort were adopted into the MLQ questionnaire. Regression analysis and correlation were also used to measure the relationship between the two variables; leadership style and employee productivity. This research attempted to add value where these researchers were not able. This was done by looking at organisational factors/variables that influence the leadership style to be used by a manager/supervisor or leader.

Also this research looked at the organisational factors/elements (which include structures, systems, decision making style, and external environment) and to determine the style of leadership, a leader, manager, or supervisor is to adapt in an organisation in order to effectively achieve organisational goals and objectives. Therefore, it looked at how these factors play differently in respect to adapting to the style of entrepreneurial leadership and managerial leadership and how they impact significantly on performance of DMB's in Nigeria. Thus, this research looked at the organisational factor(s) that determine management's decision to adopt a particular leadership style. It is also in the interest of the organisation to understand why certain leadership styles are more effective in addressing its environment.

3.1 Research Design

Primary data was used to gather data for the study which includes subjective, self-reported measures of employee performance. This is considered more appropriate as the respondents may be reluctant to provide actual performance data. Moreover, previous studies have used self-reports to gather business performance data and these results have proven to be reliable (De Zoysa & Herath, 2007).

3.2 Population and Sampling Technique

The population of this study consists of all the twenty-one (21) Deposit Money Banks (DMB) in Nigeria as at the end of December 31, 2014. Special attention was given to three management levels of each bank. Top management consists of 'branch managers. The middle management consists of 'assistant branch managers'; and operational management consists of 'supervisors'. A post-banking sector reform era of 10 years (2005 to 2014) is considered for the study which also covers the period of the global financial crisis in most of the DMBs.

From the respondents analysed, 33.3% of a random sample comprises of the top management team members (branch managers) of all the twenty-one (21) DMBs, 33.3% of a random sample of the middle management (assistant branch managers), and 33.3% of a random sample of the operational staff (supervisors). The twenty-one (21) Nigerian DMB's in existence as of 31st December, 2014 under this study includes Access Bank, Citibank Nigeria International Bank, Diamond Bank, Eco Bank Plc, Enterprise Bank, Fidelity Bank, First Bank of Nigeria Plc, First City Monument Bank, Guaranty Trust Bank Plc., Heritage Banking Company Limited, Key Stone Bank, MainStreet Bank., Skye Bank, Stanbic IBTC Bank Nigeria Limited, Standard Chartered Bank, Sterling Bank, Union Bank of Nigeria Plc., United Bank for Africa Plc., Unity Bank Plc., Wema Bank Plc., and Zenith Bank Limited.(www.cenbank.org/Supervision/inst-DM.asp).

Table 3.1 below gives us a comprehensive description of the population and sample of the Banks' respondents:

3.3 Methods of Data Collection

The instrument used to collect data for the study was Manager's Leadership Style Questionnaire (MLSQ) adapted from the Multifactor Leadership Questionnaire (Bass &Avolio, 1997) and Entrepreneurial Orientation Questionnaire (Covin & Slevin 1989). The questionnaire was modified to include demographics of the respondents', organisational factors, and employee productivity indicators.

The MLSQ, which was distributed to branch managers, assistant branch managers and supervisors of each bank under study, were divided into three sections: A, B, C.

'Section A' was elicits demographics which includes, personal and professional information about each respondent/staff such as age, sex, and educational qualification. 'Section B' comprised of the organisational factors (both internal and external) that determines which style of leadership was applied. This was adapted from figure 2.2, 'determinates of leadership style', which include; decision making style; type of structure; type of system being adapted; and external environment. 'Section C' of the questionnaire was concerned with the leadership style/characteristics. This section was further divided into 'Part 1', entrepreneurial characteristics and 'Part 2', managerial characteristics. Since entrepreneurial leadership was associated with transformational leadership approaches and managerial leadership was associated with transactional leadership approach (Brodbeck, Dorfman, &Hanges, 2004). Similar characteristics were used, but the characteristics were extracted from Figure 3.2 seen below.

This study adapted the Multifactor Leadership Questionnaire MLQ (Bass &Avolio, 1997), and Entrepreneurial Orientation Questionnaire (Covin & Slevin 1989) to produce 12 alternative statements to represent leadership style/characteristics; entrepreneurial (6) and managerial (6) leadership styles with a 5-point scale (scored from 1 = not at all to 5 = frequently, if not always). The table 3.2 below shows the items that were extracted from the study scale:

Table 3.2: Items of the Study Scales

Entrepreneurial leadership	Managerial leadership
1) Seeks differing perspectives when solving problems 2) Acts in ways that build staff respect *(Leadership by example)* 3) Goes beyond self-interest for the good of the group 4) Talks optimistically about the future *(Optimist)* 5) Makes great effort to bring out the best in employees *(Interpersonal relationship)* 6) Focuses on strengths *7)* Arouses awareness about important issues *(Pro-activeness)* 8) Emphasises R&D, technological leadership and innovations *(Innovative)* 9) Willing to embark on high-risk projects *(Risk-taker)* 10) Adopts a very competitive posture	*1)* Fails to interfere until problems become serious *(Analyst)* *2)* Focuses attention on irregularities, exceptions, and deviations from standards *(Jobs-worth)* 3) Makes clear what one can expect to receive when performance goals are achieved *(Transact)* 4) Keeps track of all mistakes *(Controlling)* 5) Expresses satisfaction when expectations are met 6) Wears a strict expression most of the time *(Formal Relationship)* 7) Rigid when it comes to implementing rules and regulations 8) Assists based on effort 9) Concentrates on failures *(Cautious)* 10) Puts out fires

Source: Adapted from Bass &Avolio (1997); Covin & Slevin (1989)

Table 3.2 depicts a detailed description of the entrepreneurial and managerial leadership characteristics, for extracting the basic characteristics of both leadership styles. For the sake of this research six (6) characteristics from each leadership style/orientation were highlighted. Entrepreneurial leadership characteristics extracted includes; exemplary leader, optimist, proactive, innovative, interpersonal relationship, and risk taker. The managerial leadership characteristics include; transact, critical analyst, controlling, jobs-worth, formal relationship, and cautiousness. Finally, there were three (3) variables of employee productivity that were selected and aligned to each six (6) characteristics of each leadership style. These employee productivity variables include, effort level, effectiveness level and satisfaction level (Rasool et al., 2013).

3.4 Procedure for Data Analysis and Model Specification

The Statistical Package for the Social Sciences (SPSS 13.0) computer program for windows was used to conduct the statistical analysis of all data in this study. Simple percentages were used to represent the number of respondents who gave particular responses to certain questions in the questionnaire.

The regression equations are specified below:

$$EPEL = f(LE, OP, PA, IN, IR, RT,) \quad \ldots\ldots\ldots (1)$$

$$EPML = f(TR, AN, CO, JW, FO, CA) \quad \ldots\ldots\ldots (2)$$

$$EP = f(SL, VL, OL)$$

Where:

EPEL = Employee Productivity of DMB with Entrepreneurial Leadership Orientation.

EPML = Employee Productivity of DMB with Managerial Leadership Orientation.

EP = Employee Productivity

$$EP = f[SL+VL+OL]$$

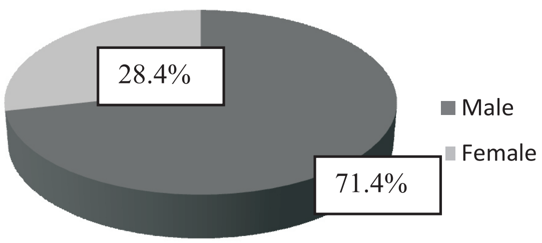
SL = Satisfaction level
VL = Effective level
OL = Effort Level
LE = Leadership by Example
OP = Optimist
PA = Pro-active
IN = Innovative
IR = Interpersonal Relationship
RT = Risk-taker
TR = Transactional
AN = Analyst
CO = Controlling
JW = Jobs-Worth
FO = Formal Relationship
CA = Cautiousness
Models:
SLEL =

Table 4.1: Demographic Variables

Variables	A (21)	B (21)	C (21)	Total (Freq)	(%)
Sex					
Male	16	14	15	45	71.4
Female	5	7	6	18	28.6
Total	**21**	**21**	**21**	**63**	**100**
Age					
26 – 35	6	8	7	21	33.3
36 – 45	13	11	12	36	57.2
46 – 60	2	2	2	6	9.5
Total	**21**	**21**	**21**	**63**	**100**
Educational Qualification					
Diploma	8	10	8	26	41.3
Degree	7	5	8	20	31.7
Masters	5	4	5	14	22.2
PhD	0	1	0	1	1.6
Missing	1	1	0	2	3.2
Total	**21**	**21**	**21**	**63**	**100**

Source: Field Survey, 2014.

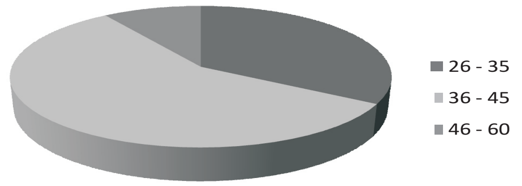
Figure 4.1: Sex Distribution



Source: Computed from Table 4.1

The above Table 4.1 shows the sex characteristics of the respondents within the various DMBs. Just18 (28.6%) make up the female sex, while 45 (71.4%) of the respondents make up the male sex.
The above Table 4.1 shows the age bracket of the respondents. The result shows that 21 respondents which make up 33.3% of the population are of the age bracket of 26 – 35, while the majority of the population sample; make up 57.1% of the

Figure 4.2: Age Distribution

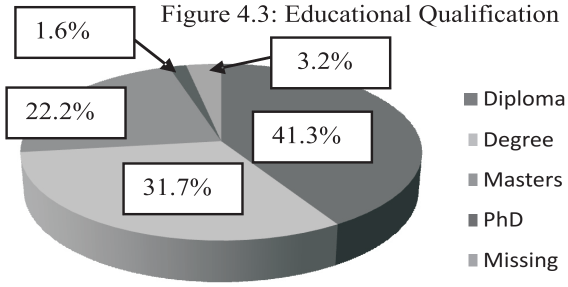


Source: Computed from Table 4.1

respondents, which fall under the age bracket of 36 – 45. The age bracket of 46 – 60 is only 9.6% of the population.

The Table 4.3 below shows the academic qualification of the respondents. The result shows that 26 respondents representing 41.3% are Diploma holders, 20 of them which represents 31.7% are holders of degree, 14 of the respondents which represents 22.2% are master's degree holders, while only 1 respondents representing 1.6% is PhD holder. This shows that, majority of the respondents are well educated to know about leadership and entrepreneurial management.

Figure 4.3: Educational Qualification



Source: Computed from Table 4.1

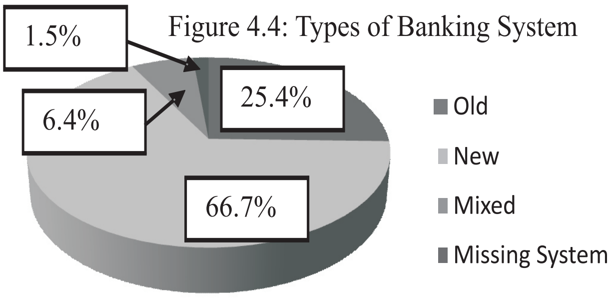
The Table 4.1 above shows the academic qualification of the respondents. The result shows that 26 respondents representing 41.3% are Diploma holders, 20 of them which represents 31.7% are holders of degree, 14 of the respondents which represents 22.2% are master's degree holders, while only 1 respondents representing 1.6% is PhD holder. This shows that, majority of the respondents are well educated to know about leadership and entrepreneurial management.

Table 4.2: Organizational Factors

Variables	A (21)	B (21)	C (21)	Total (Freq)	(%)
Types of Banking System					
Old	4	6	8	16	25.4
New	14	15	13	42	66.7
Mixed	2	0	2	4	6.4
Missing System	1	0	0	1	1.5
Total	**21**	**21**	**21**	**63**	**100**
Decision Making Styles					
Reflective	13	12	14	39	61.9
Reflexive	6	6	6	18	28.6
Consistent	2	3	1	6	9.5
Total	**21**	**21**	**21**	**63**	**100**
Organizational Structures and Choice of Leadership					
Hierarchical	8	7	9	24	38.1
Functional	4	5	3	12	19
Flat	9	9	9	27	42.9
Total	**21**	**21**	**21**	**63**	**100**
External Environment and Choice of Leadership					
Political	3	2	3	8	12.7
Economic	5	5	5	15	23.8
Social	3	2	3	8	12.7
Competition	10	12	10	32	50.8
Total	**21**	**21**	**21**	**63**	

Source: Field Survey, 2014.

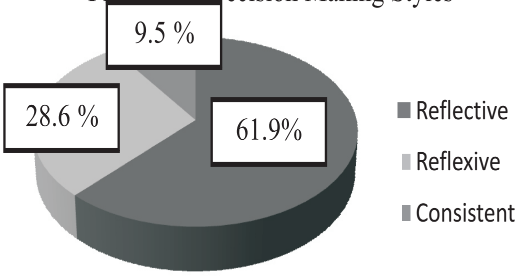
Figure 4.4: Types of Banking System



Source: Computed from Table 4. 2

The above Table 4.2 shows distribution of respondents on the type of bank. 16 (25.4%) of the respondents are from the old generation banks. Majority of the respondents which are 42 (66.7%) are operating as a new generation bank and 4 (6.7%) are operating as a mix of both new and old generation banking system.

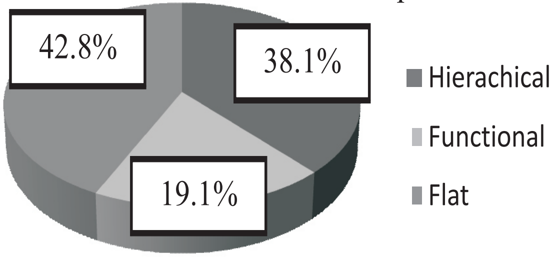
Figure 4.5: Decision Making Styles



Source: Computed from Table 4. 2

From the above Table 4.2 it shows that 61.9% (39) of the respondents' branches''/banks', which are the majority, use the reflective decision making style when making decisions. While 28.6% (18) use the reflexive decision making style, and as few as 9.5% (6) respondents branches'/banks' use consistent decision making style.

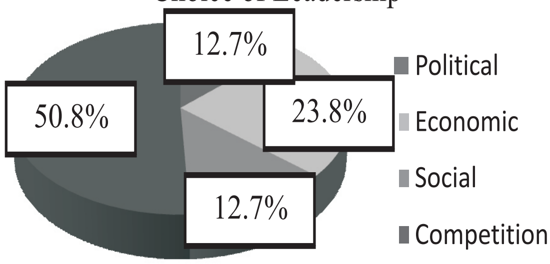
Figure 4.6: Organizational Structures and Choice of Leadership



Source: Computed from Table 4. 2

The above Table 4.2 shows that 38.1% (24) branches'/banks' of the respondents use a hierarchal structure. 19.1% (12) of the respondents' branches'/banks' use functional structure. Finally, 42.8% (27) use flat structure.

Figure 4.7: External Environment and Choice of Leadership



Source: Computed from Table 4. 2

From the above Table 4.2 shows that competitive external environment affects about half of the respondents' branches'/banks' with 50.8% (32); while the next most external factor that affects branches'/banks' are economic external environment with 23.8% (15); social external environment only affects 12.7% (8), as well as political external environment with also 12.7% (8) of the respondents' branches'/banks'.

4.1.2 Entrepreneurial Leadership Style and Employee Productivity of DMBs.

RQ2: What is the relationship between entrepreneurship leadership style and the employee productivity of DMBs in Nigeria?

This section looks at entrepreneurial leadership style and its effect on the organisational performance. Consideration was taken on the non-financial variable of employee productivity.

The study further looks at the entrepreneurial leadership characteristics that determine if a leader/manager is adopting entrepreneurial leadership or not. Six characteristics were extracted from Table 3.2 which include, leadership by example, optimist, pro-activeness, innovative, interpersonal relationship, and risk-taking. All managers/supervisors of the 21 DMBs were asked to what extent they agreed with each of these statements, in which it was determined on a five-point Likert scale (strongly disagree, disagree, undecided, agree strongly disagree.

Table 4.3: Entrepreneurial Leadership Style and Employee Productivity

Variables		**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Leadership by Example Positively brings satisfaction	Strongly Disagree	2	3.2	3.2	3.2
	Disagree	1	1.5	1.5	4.7
	Undecided	4	6.4	6.4	11.1
	Agree	9	14.3	14.3	25.4
	Strongly Agree	47	74.6	74.6	100
	Total	**63**	**100**	**100**	
Optimism with Tasks at Hand Brings about Staff effort at Work	Strongly Disagree	0	0	0	0
	Disagree	2	3.2	3.2	3.2
	Undecided	5	7.9	7.9	11.1
	Agree	28	44.4	44.4	55.6
	Strongly Agree	28	44.4	44.4	100
	Total	**63**	**100**	**100**	
Pro-activeness with Subordinates Helps to improve effectiveness of staff	Strongly Disagree	0	0	0	0
	Disagree	0	0	0	0
	Undecided	4	6.3	6.3	6.3
	Agree	30	47.6	47.6	54
	Strongly Agree	29	46	46	100
	Total	**63**	**100**	**100**	
The Ability to be Innovative with Tasks/Projects helps to Increase staff satisfaction	Strongly Disagree	0	0	0	0
	Disagree	1	1.6	1.6	1.6
	Undecided	8	12.7	12.9	14.5
	Agree	21	33.3	33.9	48.4
	Strongly Agree	32	50.8	51.6	100
	Missing System	1	1.6	1.6	
	Total	**62**	**98.4**	**100**	
Interpersonal relationship established between a leader and a follower brings about an improvement in staff satisfaction	Strongly Disagree	0	0	0	0
	Disagree	0	0	0	0
	Undecided	6	9.5	9.7	9.7
	Agree	18	28.6	29	38.7
	Strongly Agree	38	60.3	61.3	100
	Missing System	1.6	1.6	1.6	
	Total	**63**	**100**	**100**	
Taking risks with projects/tasks increases the effort made employees to work harder	Strongly Disagree	0	0	0	0
	Disagree	0	0	0	0
	Undecided	21	33.3	34.4	34.4
	Agree	25	39.7	41	75.4
	Strongly Agree	15	23.8	24.6	100
	Missing System	2	3.2	3.2	
	Total	**63**	**100**	**100**	

Source: Field Survey, 2014

The Table 4.3 asked question on if Leadership by example affects the work motivation of subordinates. The result shows that a total of 47 respondents representing 74.6% strongly agree. Leadership by example affects the work motivation of subordinates, 9 of the respondents representing 14.3% agree to this assertion. 4 are undecided, while 1 and 2 respondents representing 1.6% and 3.2% respectively are of the opinion of disagree and strongly disagree.

The Table 4.3 asked question on commitment of works. The result shows that a total of 28 respondents representing 44.4% strongly agree and agree respectively that Optimism with tasks at hand brings about commitment of works, 2 and 5 respondents representing 3.2% and 7.9% are undecided and disagree respectively that Optimism with tasks at hand brings about commitment of works.

The Table 4.3 shows that a total of30 and 29 of the respondents representing 47.6 and 46.0% agreed and strongly agree respectively that Pro-activeness with subordinates helps to derive the transfer of skills to workers. However, 4 of the respondents representing 6.3% are undecided on this assertion.

The Table 4.3 asked question on if the ability to be innovative with tasks/projects helps towards increasing customer base. The result shows that a total of 32 respondents representing 50.8% strongly agree that ability to be innovative with tasks/projects helps towards increasing customer base, 21 of the respondents representing 33.3% agree to this assertion. 8 and 1 are respondents representing 12.7% and 1.6% respectively are of the opinion of undecided and disagree.

The Table 4.3 shows that a total of38 and 18 of the respondents representing 60.3 and 28.6% agreed and strongly agree respectively that Interpersonal relationship established between a leader and a follower brings about an increase in the productivity of subordinates. However, 6 of the respondents representing 9.5% are undecided on this assertion.

The Table 4.3 shows that a total of15 and 25 of the respondents representing 23.8% and 39.7% strongly agree and agree respectively that Taking risks with projects/tasks brings about an increase in the deposit liabilities of a bank. 21 of the respondents representing 33.3 % are undecided on this assertion.

4.1.3 Managerial Leadership Style an d Employee Productivity

RQ3: What is the relationship between managerial leadership style and employee productivity of DMBs in Nigeria?

This section looks at managerial leadership style and its effect on the organisational performance. Consideration was taken on the non-financial variable of employee productivity. Finally, the study looks at the managerial leadership characteristics that determine if a leader/manager is adopting managerial leadership or not. Six characteristics were extracted from Table 3.2 which include, transact, analyst, controlling, jobs-worth, formal relationship and cautiousness. All managers/supervisors of the 21 DMBs were asked to what extent they agreed with each of these statements, in which it was determined on a five-point likert scale (strongly disagree, disagree, undecided, agree strongly disagree.

The Table 4.4 overleaf asked question on the Ability to transact (reward or punish) subordinates brings about commitment of workers. The result shows that a total of 24 and 27 of the respondents representing 38.1% and 42.9% strongly agree and agree that Ability to transact (reward or punish) subordinates brings about commitment of workers, 1and 7 of the respondents representing 1.6% and 11.1% strongly, disagree and undecided that Ability to transact (reward or punish) subordinates brings about commitment of workers.

The Table 4.4 shows that a total of 27and 27 respondents representing 45.0 % strongly agree and agree respectively that the Ability to critically analyse and determine the strength and weakness of subordinates helps to derive the transfer of skills to workers, 6 of the respondents representing 9.5% are undecided to this assertion.

The Table 4.4 asked question on if the ability to control staff/tasks at hand brings about an increase in the productivity of subordinates. The result shows that a total of 32 respondents representing 50.8% strongly agree that the ability to control staff/tasks at hand brings about an increase in the productivity of subordinates, 23 of the respondents representing 36.5% agree to this assertion. 5 and 1 are respondents representing 7.9 % and 1.6% respectively are of the opinion of disagree and undecided.

The Table 4.4 asked question on if Following the standards and procedures brings about an increase in the deposit liabilities of a bank. The result shows that a total of 23 respondents representing 36.5% strongly agree that Following the standards and procedures brings about an increase in the deposit liabilities of a bank, 24 of the respondents representing 38.1% agree to this assertion. 11 and 2 are respondents representing 17.5 % and 3.2% respectively are of the opinion of undecided and disagree.

The Table 4.4 show if a formal relationship with workers affects the work motivation of subordinates. The result shows that a total of 29 respondents representing 46.0% agree. 8 of the respondents

Table 4.4: Managerial Leadership Style and Employee Productivity

Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Ability to transact (reward or punish) improves effort of staff to work	Strongly Disagree	1	1.6	1.7	1.7
	Disagree	1	1.6	1.7	3.3
	Undecided	7	11.1	11.7	15
	Agree	27	42.9	45	60
	Strongly Agree	24	38.1	40	100
	Missing System	3	4.8	4.8	
	Total	**63**	**100**	**100**	
The ability to critically analyse and determine the strength and weakness of subordinates helps to increase the effectiveness of staff.	Strongly Disagree	0	0	0	0
	Disagree	0	0	0	0
	Undecided	6	9.5	10	10
	Agree	27	42.9	45	55
	Strongly Agree	27	42.9	45	100
	Missing System	3	4.8	4.8	
	Total	**63**	**100**	**100**	
The ability to control staff/tasks at hand brings about satisfaction of employees.	Strongly Disagree	0	0	0	0
	Disagree	1	1.6	1.6	1.6
	Undecided	5	7.9	8.2	9.8
	Agree	23	36.5	37.7	47.5
	Strongly Agree	32	50.8	52.5	100
	Missing System	2	3.2	3.2	
	Total	**63**	**100**	**100**	
Compliance with standards and procedures brings about effectiveness of workers	Strongly Disagree	0	0	0	0
	Disagree	2	3.2	3.3	3.3
	Undecided	11	17.5	18.3	21.7
	Agree	24	38.1	40	61.7
	Strongly Agree	23	36.5	38.3	100
	Missing System	3	4.8	4.8	
	Total	**63**	**100**	**100**	
A formal relationship with workers positively affects the efforts made by subordinates.	Strongly Disagree	0	0	0	0
	Disagree	7	11.1	11.5	11.5
	Undecided	17	27	27.9	39.3
	Agree	29	46	47.5	86.9
	Strongly Agree	8	12.7	13.1	100
	Missing System	2	3.2	3.2	
	Total	**63**	**100**	**100**	
The ability to be cautious with tasks/projects at hand brings about satisfaction to employees.	Strongly Disagree	0	0	0	0
	Disagree	2	3.2	3.3	3.3
	Undecided	13	20.6	21.3	24.6
	Agree	27	42.9	44.3	68.9
	Strongly Agree	19	30.2	31.1	100
	Missing System	2	3.2	3.2	

representing 12.7%strongly agree to this assertion. 7 and 17 are respondents representing 11.1 % and 27.0% are disagree and undecided respectively.

The Table 4.4 asked question on the ability to be cautious with tasks/projects at hand increase profits in banks. The result shows that a total of 27 respondents representing 42.9% agree. 19 of the respondents representing 30.2%strongly agree to this assertion. 2 and 13 of the respondents representing 3.2 % and 20.6 % are disagree and undecided respectively.

4.1.3 Relationship between Leadership Styles and Employee Productivity

Rq4: To what extent are entrepreneurial and managerial leadership behaviours correlated with employee productiveness of DMBs in Nigeria?

The relationship between leadership styles (entrepreneurial and managerial) and employee productivity was determined by using multiple regression equations that separately regress entrepreneurial and managerial leadership styles (independent variables) on satisfaction level, effectiveness level, and effort level (dependent variables).

The regression equation is stated thus:

$EP = \beta0 + \beta1MLS + \beta2ELS + u$
$SL = \beta0 + \beta1MLS + \beta2ELS + u$
$VL = \beta0 + \beta1MLS + \beta2ELS + u$
$OL = \beta0 + \beta1MLS + \beta2ELS + u$

Where: EP = Employee Productivity
EP = f (SL+VL+OL)
SL = Satisfaction Level
VL = Effective Level
OL = Effort Level
MLS = Managerial leadership style
ELS = Entrepreneurial leadership style
$\beta0$ $\beta1$ and $\beta2$ are parameters
u = error term

The Statistical Package for the Social Sciences (SPSS 13.0) computer program for windows was used to conduct the statistical analysis of all data in this study. The factors that influence leadership styles among branch managers of DMBs in Nigeria was determined by using frequency counts and percentages from the responses elicited from respondents.

The coefficient of multiple determinations R2 is used to test the explanatory power of the independent variables on the dependent variable. The R2 obtained

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.295[a]	.087	.055	.81661

from the regression result is 8.7 %. This implies that 8.7% % of the total variation in the explained (dependent variable) is determined by the explanatory (independent variables).

4.1.5 Entrepreneurial Leadership and Bank

Table 4.6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	2.302	.817		2.819	.007
MLS	.207	.135	.205	1.533	.031
ELS	.203	.169	.160	1.199	.036

Performance

H01: There is no significant relationship between Entrepreneurial leadership style and employee productivity of DMB branches in Nigeria.

The coefficient of Entrepreneurial leadership style is positive this shows a direct relationship between the Entrepreneurial leadership style and employee productivity of DMBs. This means that a unit increases in entrepreneurial leadership style will increase the employee productivity of DMBs in Nigeria by 20.3%. The P-value of Entrepreneurial leadership style is 0.036 which is less than the 5% level of significance. Therefore, accept the hypothesis that there is a significant relationship between Entrepreneurial leadership style and employee productivity of DMBs in Nigeria.

4.1.6 Managerial Leadership and Banks Performance

H02: There is no significant relationship between Managerial leadership style and employee productivity of DMBs in Nigeria.

The coefficient of Managerial leadership style is positive this shows a direct relationship between the Managerial leadership style and employee productivity of DMBs. This means that a unit increases in managerial leadership style will increase the employee performance of DMBs in Nigeria by 20.7%. The P-value of managerial leadership style is 0.031 which is less than the 5% level of significance. Therefore, accept the hypothesis that there is a significant relationship between managerial leadership style and employee productivity of DMBs in Nigeria.

4.1.7 Correlation of Leadership Styles & Banks' Performance

H03: Entrepreneurial leadership behaviour is not correlated with employee productivity more than Managerial leadership behaviour of DMBs in Nigeria.

Table 4.7: Correlations

			DMBs performance	Managerial leadership behaviour	Entrepreneurial leadership behaviour
Spearman's rho	DMBs performance	Correlation Coefficient	1.000	.203	.235
		Sig. (2-tailed)	.	.123	.070
		N	60	59	60
	managerial leadership behaviour	Correlation Coefficient	.203	1.000	.211
		Sig. (2-tailed)	.123	.	.105
		N	59	60	60
	Entrepreneurial leadership behaviour	Correlation Coefficient	.235	.211	1.000
		Sig. (2-tailed)	.070	.105	.
		N	60	60	63

The Table 4.22 shows the value of the correlation coefficient between DMBs employee productivity and managerial leadership behaviour is 20.3% while the value of the correlation coefficient between Entrepreneurial leadership behaviour and employee productivity is 23.5%. This implies that that Entrepreneurial leadership behaviour with correlation value of 23.5% is more correlated than managerial leadership behaviour with correlation value of 20.3%. Therefore, accept the alternate hypothesis that stated Entrepreneurial leadership behaviour is correlated with employee productivity more than managerial leadership behaviour of DMBs in Nigeria.

4.2 Discussion of Findings

From the data collected and analysis made the findings were made in relation to the organisational factors that tend to influence the use of a particular type of leadership style like, demographic, decision making style, external environment, systems and hierarchal structures. It was observed that age plays a major role in determining which leadership style will be used in the DMBs. This is in line with Barbuto et al. (2007) However, age serves as an important factor that influences leadership style as there are important differences in attitudes and behavior between different generations. In this sense, it is argued that younger workers are more adoptable in fast-changing environments, take risks, consider new approaches, etc. therefore it can be said that the younger generation (25 – 39 years) are more adaptable to entrepreneurial leadership style, while the older generation (40 -59 years) are more inclined to managerial leadership style.

There was seen to be relationship between leadership style being adapted and the level of education of the managers/leaders. Those with higher qualification level (B.Sc – Ph.D) tend to be more accepting to entrepreneurial leadership, while those that stopped at the diploma level tend to use managerial leadership. Ali and Ali (2011); Nayak (2011); and Kao (2006), confirmed the significant positive relationships between leadership style and educational level. Consistent with these findings, Shadare (2011) found that a manager with higher education tends to be more efficient on the job than one with a lower educational achievement. Also the leader's level of education can produce a significant effect on followers' perceptions of leadership behaviors. This is due to the fact that the more the educational level the more the knowledge in relation to leadership.

Also there tends to be a pattern in which leadership styles are adapted in relation to the hierarchical level, which the analysis has shown that those managers who are at the top and middle level tend to adopt more of entrepreneurial leadership while those at the lower level of management (supervisors) tend to adopt more of the managerial leadership style. This can be backed by Eagly and Johnson (1990) found strong evidence that does suggest that there are distinct patterns of behavior across different hierarchical levels in organizations (Edwards & Gill, 2012). Kabacoff (1999) found differences in the leadership styles and practices. Ansari and Naeem (2010) showed that lower management applied a significantly higher degree of autocratic style than middle management.

The result which shows that entrepreneurial leadership style has a more significant relationship or effect on employee productivity then managerial leadership style is consist with the work of Lee and Venkataraman (2006) who stated that organisations who adopt the entrepreneurial leadership style perform better than those who are inclined to managerial leadership style. This is very likely due to the fact that entrepreneurial leadership is known for dynamic process of presenting vision, making commitment among followers and risk acceptance when facing opportunities that cause efficient use of available resources along with discovering and utilizing new resources with respect to leader's vision. In fact, entrepreneurial leadership includes all necessary abilities for constant value creation of managers with respect to company's goals. Entrepreneurial leaders consider entrepreneurship as a basis to gain competitive advantage and to outshine rivals. Baliga and Hunt (1987) suggested that when an organisation is at the beginning stage (new generation banks), entrepreneurial leadership is instrumental in creating a vision, allowing the organisation to be bold and taking a few steps, while managerial leadership becomes essential when handling accelerating growth (old generation banks).

Vecchio (2003) also confirms to this statement that entrepreneurial leaders overcome organizational systems and structures, which means there are fewer opportunities in bureaucratic structures to exploit the capabilities of entrepreneurial leaders. Furthermore, in this kind of organizations, most of leaders' endeavour to overcome the structural restrictive factors, while exploiting the capabilities of entrepreneurial leadership in young businesses.

Consequently, given that managerial orientation is associated with transactional leadership approach (Brodbeck, Dorfman, &Hagers, 2004) the result of this study is consistent with findings of McGuire and Kennerly (2006) who reported that transactional leaders (managerial) are only interested in maintaining the "status quo" for their organizations. Transactional leaders are known to establish performance specifications and make sure they are accomplished by a given deadline, limit the contentment of employees and create a low amount of employee commitment. According to Bass (1997) the transactional leadership style is used mostly in organizations dominated by command and control procedures. This can also be seen in the research work of Ojokuku et al. (2012) which shows that transformational, and democratic leadership style of leadership (which have similar characteristics as entrepreneurial leadership) have a positive effect in inducing employees to perform more effectively.

The research work was further able to prove that there is a correlation between leadership style and employee productivity, but the type of leadership style or combination of leadership styles being applied will determine the extent to the effectiveness or lack of effectiveness of the employee productivity. These findings are in agreement with the work of Howell and Frost (1989); and Jeremy et al. (2011) This is also seen in the work of McGarthand MacMillan (2000) who reported that there is s significant relationship between leadership style and organisational performance. This is also supported by Sun (2002) who stated that broadly speaking leadership performance is identical with organisational performance. Business management attributes their successes to leadership efficiency, that is, the ideal leadership style used by administrative supervisor in a particular organisation has a considerable effect on the organisational performance. Other past researches indicated that organisations must have entrepreneurial orientation to yield high performance (Lumpkin &Dess, 1996; Zahra, 1993; Covin & Slevin, 1991; Peters & Waterman, 1982). It is further supported by Chandrakumara et al. (2011) research analysis, which asserts that entrepreneurial orientation (leadership style) tends to produce a more positive contribution to firm performance than managerial orientation (leadership style).

5.1 Summary

Although leadership style varies, it is assumed that the type of leadership style to be adapted by a leader/organisation is dependent on the organisational factors e.g. structure, culture, decision-making style, communication, interpersonal relationship, etc. The combination of these factors and the dynamics of any DMB will give an ideal atmosphere for a particular leadership style to be applied effectively. For instance, a bank that has decentralised system, a flat structure, consistent decision making style, downward communication system, is an ideal climate for entrepreneurial or transformational leadership style to be displayed. While a DMB that has a centralised system, a

hierarchical structure, and upward communication system is ideal for a managerial or transactional leadership style. Thus managers have to be aware of what leadership style will work best with the combination of their organisational factors and apply these leadership style/characteristics.
This research was able to give us a critical and detailed look at two leadership styles which are dominantly being applied by managers and supervisors of deposit money banks in the Nigerian banking sector. From the analysis and gathered data it was observed that entrepreneurial leadership style has a more profound impact on the employee productivity of Nigerian deposit money banks then managerial leadership style, as has the strategic management.

The research was also able to give us insight on a pattern, in respect to the type of leadership style that is more dominate in the new and old generation banks, and how entrepreneurial leadership style was more prominent in the new generation banks, while managerial leadership was more prominent in the old generation banks. The type of organisational structure/orientation (banking system) usually determines which leadership style will be more effective. Thus entrepreneurial leadership style tends to be more effective in new generation banks, while managerial leadership tends to be more inclined or effective in old generation banks. This is conditioned by the fact that new generation banks are characterised by decentralisation, flat structure, open communication and semi-formal relationship etc, which is a conducive atmosphere for the application of entrepreneurial leadership. While old generation banks are characterised by centralization, bureaucracy, and formal relationship, which is adaptive environment for managerial leadership.

Employee productivity was seen to be directly affected by both leadership styles but in particular entrepreneurial leadership style tends to have a more positive impact on employee productivity then managerial leadership.

Cutting across the three management levels (branch managers, assistant branch managers, and supervisors) we were able to see, there was a pattern of adapting a specific leadership style or using a majority of a leadership style characteristic. For example, the supervisors/operational level managers tend to adopt managerial leadership style or characteristics more often than entrepreneurial leadership/characteristics. This is due to the fact that they work directly with lower level employees and need to be more rigid also due to the fact that their job role is more demanding and practical. While the branch managers tend to use more of the entrepreneurial leadership due to the fact that they deal more with their employee counter parts which makes for a calmer atmosphere of work.

5.2 Conclusions

From the summary it can be concluded that leadership style is an essential tool towards running a high performing bank in Nigeria, but the level of performance varies with the various leadership styles. Entrepreneurial and managerial leadership are two leadership styles that are at the end of the stick of each other in terms of characteristics' that are used to steer an organisation. The emphasis here is that, it is not the leadership style in itself that determines successes in performance of deposit money banks in Nigeria but it is the combination of certain organisational factors which includes the type of; organisational structure, decision making style, external environment, and system, that will in itself determine which leadership style should be adapted, which if applied effectively will yield high employee productivity of the deposit money banks in Nigeria.

Therefore, it can be seen that leadership style has a significant impact on the employee productivity of deposit money banks in Nigeria. Considering entrepreneurial and managerial leadership style, managers/supervisors tend to apply more of the entrepreneurial leadership style to their day to day management in comparison to managerial leadership style. It was further realised that entrepreneurial leadership style has a greater impact on performance of deposit money banks more than managerial leadership style.
Therefore, deposit money banks need to give more attention to leadership style and orient their staff in appreciating its relevance towards achieving organisational goals and objectives.

5.3 Recommendations

DMB's need to take steps to create training exercises that gives proper orientation on the more modern approaches of leadership style with particular reference to entrepreneurial and managerial leadership. Once proper training is given to managers and supervisors they will be more enlightened on how these leadership styles will be applied and when they should be used.
The headquarters of the DMB's in Nigeria should imbibe entrepreneurial and managerial leadership styles as a form of culture, processes or procedure, that could be used to achieve organisational

objectives as effectively as possible. Entrepreneurial or managerial leadership style/characteristics should be embedded into organisational standards and procedures. So that clear and precise understanding of how to apply these characteristics or style(s) can be easily identified. If this is applied across all branches across the country, it will give the banks a uniform work ethics and in turn an increase in employee productivity.

A look at the organisational factors and if they fit with the current trend of leadership style which the DMBs will prefer to adopt should be carefully examined and made sure that these organisational variables/factors are able to accommodate the leadership style that is being adopted.

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Entrepreneurial Based Curriculum: Strategic Lever For Repositioning Human Resource Development In Nigeria

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Abstract

The emergence of Human Resource Development and entrepreneurship is spreading around the world at an ever-increasing pace. Entrepreneurship is a catalyst for economic growth both in industrialized and developing countries. No doubt, entrepreneurs establish new businesses, create employment and provide services and products to boost sustainable development. The importance of small business and private enterprise in any economy is now widely recognized as well as the role of human resource management in stimulating these processes. This paper examines the meaning of the key concepts. Why the nation should worry about or encourage entrepreneurship, and human resource development. Recommendations for the way forward and conclusions were made.

Key Words: human resource development, entrepreneurship, private enterprise, small business

Introduction

Human resource is a term that describes the combination of traditionally administrative personnel functions with performance management, employee relations and resource planning. The original usage refers to labour while the more common usage within corporations and business refers to individuals within the firm, and to the portion of the firm's organization that deals with hiring, firing, training and other personnel issues. (Wikipedia, 2006). Human resource could equally refer to the managerial, scientific, engineering, technical, crafts and other skills which are developed and employed in creating, designing and developing organizations and in managing and operating productive and service enterprises and economic institutions. Human resource has been said to be the most valuable asset that any organization possesses. (In terms of individual, families and trade) Madu (2006) stated that human resources imply the personal characteristics, capabilities, talents, skills traits, and physical appearances of the people in the people in an organization. The ability to deal promptly and effectively with problems, decision making style, knowledge, judgement, understanding, creativity, ambition, interest, attitudes, loyalty, and motivation are all attributes of human resources.

Some of these traits equally the characteristics of an entrepreneur. The performance of any organization or enterprise depends to a large extent on the quality of its human resources. This paper therefore looks at the concept of entrepreneurship and the need for it, criteria for successful entrepreneurship and human resource development and the role of education in achieving it.

Concept of Entrepreneurship

Entrepreneurship

This is seen as the process by which an individual or team identifies a business opportunity and acquires and deploys the necessary human or material resources required for its exploitation. Entrepreneurship builds a lasting and successful business that is bigger than just the founder. An entrepreneur grows the business by employing the right team to deal with the work, build the right team and the system that make up the business.

Lankford (2004) defined entrepreneurship as the process of creating something different with value by devoting the necessary time and assuring the accompanying financial, psychic and social risks and reviewing the resulting rewards of most personal satisfactions. Thus, entrepreneurship is about self-reliance in employment, in creativity and in taking risk. Ihekoronye (2006) added that an entrepreneur should be self-confident, that is believe in him/her, be self-reliant, innovative and creative, hardworking, be a goal setter and be able to take risks, similarly, Iromaka (2005) saw an entrepreneur as the individual or person who undertakes the risk of investing in, creating, funding, establishing, managing and operating a business enterprise for the purpose of profitability and growth development. The above mentioned characteristics of entrepreneurship (taking initiative, making decision, making innovations, and risk taking) make it indispensable in a developing country like Nigeria with a myriad of problems ranging from youth restiveness, unemployment, poverty, food insecurity, population explosion, environmental degradation and other societal problems. The present state of the depressed economy with the accompanying measure of unemployment has resulted in the need for every Nigerian to become through self-employment.

Why should Nigeria Encourage Entrepreneurship?

* Entrepreneurship provides means for achieving the level of diversity, innovation and independent decision making required for survival, development and freedom.
* It has become a competent new economic strategy for fostering job creation, not only for the entrepreneurs, but for others also.
* Both the government and the private sector have not been able to employ all the people they have trained.
* There are so many brain drain as a result of both unemployment and underemployment.
* Promotion of entrepreneurship can help to reduce rural urban migration which has given rise to urban congestion and high crime rate.

Criteria for Successful Entrepreneurship

There are several criteria for successful entrepreneurship, Johnson (1990) highlighted the following:

1. Conducive/enabling environment: Beside individual or group entrepreneurial initiative the enabling environment supporting these initiatives is of utmost importance. The environment starts at the national level with foundation policies that support the initiatives down to the local community level. Capital, management, buildings communication and transportation infrastructure distribution channel and skilled labour are all part of the enabling environment needed.

2. Risk taking: No business can thrive without the entrepreneur taking risks. People who do not take risks make mistakes. Sometimes, not taking risk is a risk.

3. Change and uncertainty: Change will always occur and uncertainties surround every business venture.

4. Decision-making: making decision is a criterion for success. A person who cannot reach decisions promptly cannot carry through on decisions made.

5. Government Policies: Government should provide conducive/favourable and user friendly environment that will promote entrepreneurship. It should also enact policy to improve the conditions of SMEs in terms of supportive, implementation and funding.

Ways of Developing Human Resources

The development and utilization of human resources should be of any nation; people are the most valuable. The wealth of a nation, region or community is based on its ability to conserve, develop, and utilize its human resources. A nation's rate of economic progress depends heavily on the quality and quality of available skilled manpower at all levels. Human resources can be developed through the use of interpersonal skills. Through interpersonal relationship, the goals of the family, the individuals and institutions are attained. (Richard and Felder 2001) The various areas to be considered in the task of developing human resources in a group include:

1. Knowledge level and perception of the group members

Richard and Felder (2001) opined that the knowledge and perception of every group vary. They stated that the attitude of members determines whether, a task is well or poorly done and the skills and knowledge which influence the end result, also vary from group to group. Knowledge and perception help to shape the attitude of the people to work. When appropriate sensitivity, perception, knowledge organizational and interpersonal abilities are lacking decision may be pivoted on wrong premises or faulty calculations inevitably leading to faulty decisions result. The standard of interpersonal abilities or skills the group has, what will be transmitted to other members of the group. For instance, if group members that are in charge of decision making have high quality interpersonal skills in knowledge of tasks to be done, other members of the group will have same traits. For proper development of human resources, leaders should strive to acquire quality knowledge of the job/task to be carried out.

2. Use of mixed skills method

In the task of development human resource, Ogwo (2004) posited that mix skill can be applied to quicken understanding of the job to be accomplished. These skills include technical skill, human relationship skills, and managerial skills. An instructor can adopt any two or three of the above skills in the accomplishment of set goal. Monotony kills interest; therefore, variation of kills in job accomplishment in necessary to get the best in the man.

3. Turning group members into effective Team

Collaborative learning activities are very vital in attainment of goals. Here the instructor can turn group members into an effective team. This will facilitate the acquisition of greater communication and team work skills, and help them gain better understanding of the environment in which they work. This will help to develop all areas of human resources thereby enjoying the benefits associated with it.

4. Encouragement of dialogue among members

Felder & Kaufman (2000) stated that dialogue is vital in the group for the dialogic interaction among members. They opined that dialogue and its development are significant in influencing the participant differences in knowledge, power, social status, situational role, gender interpretive frameworks and other social factors which alliance the cognitive resources of the group members.

5. Encouraging learning by doing (Active Learning)

According to Felder, Richard and Brent (2003), in the challenge of developing human resources, learning by doing should be encouraged. The only skills are developed is through looking, writing, critical thinking or solving thermodynamic problems through practice. They maintained that trying something, seeing how well or poorly it works, reflecting on how to do it differently, and then trying it again to see how it works better help group members to develop better in all areas of human potentials.

6. Dealing with problematic group members

Felder, Hawker and Gallagher (2000) posited that in the bid to develop human resources in the group, all and sundry will be involved. In the distribution of activities work or tasks should be assigned according to age of individuals. They pointed out that any sign of abandonment of task by any group member should be confronted by the leaders and the assignment should be reassigned to the person. This will curb the idea of abandonment of tasks thereby missing out in the areas it is meant to develop in the individual.

7. Minimizing interactional problems on cooperative learning

Felder and Kaufman (2000) stated that the process of developing human resources in a group is cooperative learning interaction. Standard references on cooperative learning advice leaders to form team that are heterogenous in abilities. However, they should be organized in such a way that will minimize the impact of such problems.

8. Communication

According to Anyakoha (2004), communication as a process is the most important skill to learn in interpersonal relationship and invariably human resource development. It is used to effect change in behaviour, acquire new skills and unlearn undesirable behaviour. It has the capacity of building up ones' knowledge, skills, values and interest. Effective communication is very important in group related work and other group activities that will contribute to the enhancement of human resources. Adele (1995) however noted that instructions should be step by step and on a clear tone of voice. The message also must be clear and understandable to the receiver; it is the basic requirement for human resource development.

9. Time Consciousness

In the task of developing human resources, leaders should be time conscious in assignment of job. Group members should be taught how to manage related work together to save time and energy. Time management is very essential in resource management because any misuse of time can cause all other arrangement to be faulty or collapse.

The Role of Education In Entrepreneurial and Human Resource Development

Education according to Aminu (1992) is the most important, if not the only tool for human resources development. This implies education at all levels using different models. Education influences the world of work and often determines it. People pursue occupations which they have been trained for. Education trains people for socialization and vocation. The latter means that education in curriculum and concept is tailored to a vocation, to a job. An educated man has three options, to be self-employed, paid employed or not employed. Education is a social service and an economically productive investment. Several institutions of learning are meant to provide avenues for manpower development to satisfy both the general and the specific needs of the economy. These institutions provide formal and non-formal education for professional and technical skill development.

The institutions include primary and secondary levels of education which provide the basic fundamental education for the development of professional and technical skills. Adult and non-formal education is included. The universities, polytechnics, colleges of education that provide the bedrock for the tertiary education. They refine the product of secondary education and produce high and medium level manpower. Tertiary education is a major force of change, the last stage in formal education process. According to Mbat (1992), at the university level, the mind, consciousness, ability to think independently, the capacity to make rational choices etc. are equally developed. If the graduates cannot secure employment, they can acquire entrepreneurship skills through non formal education for specific skills development.

Conclusion

In Nigeria today, the rate of unemployment and underemployment has become alarming. Most industrious cannot absorb the surplus manpower and the unemployed cannot set up their own business. Our education system should be reviewed in line with finding ways of empowering people to become interested in setting up their own business, thus building up the nation's human resources.

Recommendations

The following recommendations will help promote human resource development through entrepreneurship education:

1. Institutionalization of entrepreneurship development programme (EDP) in tertiary institutions by the government.
2. Private sector active participation in public for education, training and employment programmes at the federal, state and local government levels is strongly advocated.
3. In line with Udo-Aka (1992), employer's obligation to develop employee is important. Employers should provide opportunities for the employees at junior, supervisory, and managerial levels to be exposed to a minimum number of days of occupation specific technical, professional and managerial training relevant to their work.
4. Dynamic curriculum development is a pre-requisite. Our tertiary education should reflect in the curriculum the rapid changing socio-economic needs of the society to make the skills and knowledge of the graduates relevant to the needs of the society.
5. Link between the tertiary curriculum, industries and the needs of the nation. This will enhance the relevance of the output of the institutions and promote technological development.
6. Intensification of teacher education and development programmes in the nation. The nation should ensure that sufficient teachers of relevant professional course/subjects are produced for all levels of our educational system.
7. Industrial village policy: multinationals and indigenous entrepreneurs should be encouraged to invest in the development of on-campus industrial village of the concerned institutions to enhance the relevance of our technologists.
8. Education must be efficient and cost-effective at all levels.

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ACCOUNTING THEMES

The Effect of Board and Ownership Structure on the Financial Performance of Listed Firms

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ABSTRACT

An examination of how the financial performance of listed firms is affected by a combination of board structure and institutional ownership is the thrust of this study. To guide this study, hypothesis was formulated and tested (sig. at 0.01 level). Financial data on board structure, ownership and performance for 70 Nigerian listed firms were gotten from the database of MACHAME Ratios. Analysis was done by means of canonical correlation technique and findings indicate that the combination of board and ownership structure had significant association with measures of firm performance. Specifically, individual measures of board structure exert positive effect on firm financial performance, whereas individual measures of ownership structure had no significant positive association with measures of firm performance. On this note, recommendation among others was that given the significance of board structure measures to firms' performance, firms should take considerable measures in ensuring that decisions on the composition of board membership must be mindful of the role which size, independence and diversity (gender diversity) play to the overall organizational success. In effect, the ideal/optimal size, level of independence among others should not be treated with levity.

Keywords: Firm Ownership, Corporate Governance, Best Practice, Performance, Board Structure, Canonical Correlation.

Introduction

The introduction and subsequent revisions of Corporate Governance Codes (CGC) for firms across countries and sectors have raised concerns on the moderating role of measures and mechanisms of such CGC on the performance and survival of firms. With the increasing concern on the subject of corporate governance, studies have generally examined the linkage between the governance of firms and indices like leverage, firm value and of course, firm performance (Guest, 2009; Ongore, 2011; Chandrasekharan, 2016 and Badara, 2016).

No doubt, the increasing interests on corporate governance in firms surfaced due to cases of corporate collapse that questioned the integrity and credibility of corporate reports specifically, and the accounting profession in general. Other questions that surfaced based on reports of investigations borders on ownership and board structure. In Zimbabwe for instance, investigations proved that the collapse of ZIMRE Holdings Ltd. (around 2013) was due to solvency issues and diminishing capital base/threshold which practically resulted from scandalous acts of board members who influenced business/corporate transactions for personal gains/interests (Sandada, Manzanga & Shamhuyenhanzva, 2015). This situation is not different from other cases like Cadbury Plc reported in Nigeria and other developing economies (Jeroh & Okoro, 2014).

However, in arriving at a resolve for the increasing number of corporate failures in both developing and developed economies, experts have canvassed the idea of focusing on how management decisions could be monitored and effectively managed. This has therefore revived arguments on the importance of ownership structure on the efficiency or otherwise of boards'/managements' decisions. Accordingly, AL-Najjar (2015) maintained that ownership structure has increasingly become an important determinant of firm performance since institutional investors (corporate monitors) are now actively involved in monitoring managements' decisions. Managements' decisions on the other hand have direct effect on the overall performance of firms.

Khamis, Hamdan & Elali (2015) maintained that one major additional reason why ownership structure has received considerable attention in recent studies could be attributed to the mixed results of studies within and outside the Anglo Saxon economies which is occasioned by the different dimensions of ownership structure among firms. While some studies focused on institutional, family and government ownership respectively, others focused on managerial ownership and ownership concentration (see AL-Najjar, 2015; Pirzada, Mustapha & Wickramasinghe, 2015; Irshad, Hashmi, Kausar, & Nazir, 2015; Matanda, Oyugi & Lishenga, 2015, Hykaj, 2016 and Tariq & Naveed, 2016).

It is therefore expected that with this new wave of discourse on governance mechanisms, since in addition to the management of firms, firm ownership and the board plays integral roles in the operational activities of firms, researches ought to be conducted to find out the extent to which CG measures (e.g. ownership and board structure) affect the financial performance of firms.

Interestingly, while studies have concentrated on the relationship between CG as a whole and firm performance, disclosure practice and firm value (Fatimoh, 2011; Garba & Abubakar, 2014 and Jeroh & Okoro, 2014), most prior studies in Nigeria and other developing economies have not considered finding out the individual and combined effect which board and ownership structure would have on the financial performance of firms. This therefore creates the knowledge gap which this paper is designed to fill.

Literature and Empirical Review

Several studies have examined the relationship between CG indicators and other firm variables. The general conclusion is that firms with enabling environment and good CG perform better and are able to optimally maximize shareholders' wealth (Hykaj, 2016). This section highlights the concept of CG and the relationship between CG indicators and indices of firm performance.

Corporate Governance (CG)

CG involves every system that governs the management of firms/organizations and the coordination of their relationships with their respective stakeholders and communities such that all concerned experience improved quality of life. Jeroh, Ekwueme & Okoro (2015) defined CG as those methods/systems that organizations may have put in place to effectively and efficiently manage their resources/affairs. In similar vein, Zabri, Ahmad & Wah (2016), viewed CG from an economic standpoint to mean all efforts designed to achieve efficiency in allocating and utilizing scarce resources of entities needed to generate high returns that will maximally satisfy stakeholders' diverse interests. It therefore means that good CG is necessary to achieve accountability, transparency and fairness in the treatment of transactions and in the preparation of corporate reports. This is evident in the assertion of Fatimoh (2011) who opine that the design of CG is premised on the echelon of corporate responsibility on which any company is expected to exhibit vis-a-vis ethical values, accountability, and transparency.

Given the importance of CG to the survival of firms, the relevant regulatory authority in Nigeria (Securities and Exchange Commission – SEC) came up with the needed CGC for enforcement. With the content of the SEC 2011 codes, several mechanisms or measures of CG were highlighted. Just like in other jurisdictions/countries, these measures of CG are either internal or external (Zabri, Ahmad & Wah, 2016). This study focus on some significant CG measures, and are briefly discussed below:

Board Structure

The effectiveness of any board is paramount to the success and governance of firms. Given that board effectiveness depends on its structure, it becomes reasonable for studies to empirically ascertain the influence of measures of board structure on firms' financial performance. This study scrutinizes three (3) dimensions (size, independence, and gender diversity) of board structure to see the effect they may have on firms' financial performance. According to Zabri, Ahmad & Wah (2016), and Jeroh & Okoro (2014), board size connotes the numerical value of directors on a firm's board. Although, there may be no specific rule regarding the universally accepted number of directors every company's board must have (Tariq & Naveed, 2016), it is a clear fact that an optimal size for any board must include executive and non-executive directors.

Generally, the sizes of companies' boards vary across countries depending on culture or legal, political and economic atmosphere among others. Studies (Jensen, 1993; Florackis & Ozkan, 2004 and Hermalin & Weisbach, 2003) have suggested that for boards to be effective, their size should not be more than seven (7) or eight (8) members. However going by the 2011 SEC codes which is applicable to publicly quoted firms in Nigeria, no maximum limit of board size was fixed, but expressly, the code specified that a company's board should have a minimum number of five (5) members and should have a mix of both executive and non-executive directors.

Correspondingly, board independence, usually measured as the total numerical value of independent non-executive directors as a percentage of total board size is used to ascertain the level of independent directors' presence in the board (Zabri, Ahmad & Wah, 2016). This can help to gauge the level of independence of the board. The independence of a board would determine the extent to which independent judgment would be applied in scrutinizing executives' and managements' proposals and actions. The expectation is that a board's level of independence would affect managements' decision which in the long run would also affect the financial performance of firms.

One other CG measure of interest in this study is board diversity. Increasingly, board diversity has raised notable debates in the sphere of CG discourse. Chandrasekharan (2016) reiterated that continuous clamour for improved and better governance measures contributed to the greater concern on board diversity in recent studies. Diversity characteristics according to Zainal, Zulkifli & Saleh (2013) are mostly characterized into two broad groups – cognitive diversity and demographic diversity. While the demographic diversity focus on observable attributes like ethnicity, gender, religion, age, cognitive diversity relates basically to unobservable attributes like experience, educational attainment, etc (Chandrasekharan, 2016). The agitation for a more diverse board resulted from the normative perception for equity and social justice which strongly oppose all forms of discrimination against any group or individual perceived as "minority". The crux of arguments is that where a board comprises of individuals from various backgrounds, educational qualification, gender etc, equitable opportunities would be provided for creativity, innovation and considerable discernment of real market dynamics.

Ownership Structure

Ownership structure describes the proportion of stock ownership/holding by stockholders. It determines the identity and voting capacity of stockholders (Tariq & Naveed, 2016). Ownership structure is deemed significant because the remunerations of management and other staff is mostly a function or outcome of the decisions of the owners of the firm, whereas, staff remunerations significantly influence the productivity and performance of a given workforce. This is why studies on CG (Jensen & Meckling, 1976; Fatimoh, 2011; Garba & Abubakar, 2014; AL-Najjar, 2015 and Tariq & Naveed, 2016) have identified ownership structure as one important mechanism of CG since it can affect performance in both positive and negative magnitudes (Irshad, Hashmi, Kausar, & Nazir, 2015).

Since different dimensions of ownership structure have been identified (Khamis, Hamdan & Elali, 2015) the concern of this study is to focus on ownership structure measures recognized by the SEC 2011 CGC. Specifically, ownership dimension that this study will focus on shall be Chief Executive Officer (CEO) Ownership (managerial ownership) and Board Chairman Ownership (Ownership Concentration). While outcome of studies suggests positive association between ownership concentration (OWNCON) and performance (Javid & Iqbal, 2008), studies have also shown that where the board is dominated by stockholders with deficiency in expertise (as was found in Pakistan), a negative association was found between ownership concentration (OWNCON) and firm performance (Shah, Butt & Saeed, 2011).

Firm Financial Performance

Companies' financial performance has attracted copious debates and researches that had involved academics, companies' management and several other stakeholders. Analysing firms' financial performance may require a careful scrutiny of various indices/measures like sales growth, turnover, dividend growth, profitability, asset base, size, capital employed, returns, earnings, Tobin's Q, market share among others. A company's performance according to Omondi & Muturi (2013) could be measured in 3 dimensions – productivity, profitability and market premium. While productivity focus on input/output mix, market premium focus on market/book value relationship. Conversely, the profitability dimension focuses on the earnings of companies. Most accounting/finance researches on financial performance (Omondi & Muturi, 2013; Zabri, Ahmad & Wah, 2016; and Badara, 2016) were conducted under the purview of the profitability dimension where performance is basically measured by Returns on Asset (ROA) and Returns on Equity (ROE). Sticking to the precepts of prior studies, this study takes ROE and ROA as measures of financial performance of firms in Nigeria. ROA as a measure indicates the percentage of earnings that investments in capital assets may have produced. ROE on its part has the capacity of showing an interested investor the magnitude of profit that a firm can generate through the judicious use/application of shareholders' fund.

Empirical Review

Globally, instances of corporate failures and scandals awakened interests on CG because stakeholders are now aware that even when the financial results of a firm portray high amounts of profitability, the same firm may simultaneously be in a bad state of liquidity. This has further increased research efforts targeted at finding out the link between CG measures and performance generally.

Qasim (2014) sought to know how CG impacts on performance of UAE firms by analyzing 281 (firm/year) observations. Data on ROA, Tobin's Q, ownership, board size, and audit quality from 2007 – 2011 were obtained, collated and analyzed. The pooled regression (OLS) results proved that CG measures impacted significantly on performance of UAE firms.

Matanda, Oyugi & Lishenga (2015) focused on the influence which institutional ownership alone may have on commercial performance, by obtaining survey data from 43 licensed Kenyan banks. Hierarchical panel regression technique was inference base of this study. Findings indicate that institutional ownership does not influence/affect performance of banks licensed in Kenya.

In Bahrain, a study on how the dimensions of ownership structure would affect corporate performance was conducted by Khamis, Hamdan & Elali (2015). Data from 42 Bahrain firms were analyzed with 2SLS statistics. Result show that ownership concentration (owncon) had an inverse effect on companies' performance; whereas, in the event of declining owncon managerial ownership was observed to exhibit positive relation with performance.

AL-Najjar (2015) examined the trend in Jordan, to see whether institutional ownership affects firm performance. Data from 82 firms (non-financial sector) covering periods 2005 – 2013 were collated and analyzed with the pooled, fixed and random effect regression models respectively. Interestingly, no evidence could confirm a statistic positive relation between performance and institutional ownership of Jordanian firms.

In the U.S., Hykaj (2016) examined how financial performance is affected by CG and institutional ownership. Data from 105 firms covering 2007-2012 were analyzed based on two hypotheses formulated. Methods adopted include univariate, multivariate and OLS (pooled) regression. Accordingly, research outcome revealed that CG measures significantly affected performance.

Tariq & Naveed (2016) ascertained the effect which board structure, when combined with ownership structure would have on performance. The study's scope spanned from 2009 – 2014. By adopting OLS and the value added (EVA) approach, data from 100 listed Pakistan firms were analyzed. Evidence indicated a positive correlation between performance and board size, meetings, ownership structure and family ownership. Government ownership was found to have negative effect on performance.

In Nigeria, Chandrasekharan (2016) ascertained the effect which board diversity would have on performance of DMBs. Data from 8 banks were analysed via Fixed Effect (FE) regression with robust SE. Board diversity had significant effect on DMBs' performance as indicated in the results from the tests of hypotheses.

Badara (2016), studied the effect which firm size as a moderator would have on the presumed linkage between board structure and performance of Nigerian DMBs. Financial statements were consulted and relevant data sourced from 2005-2015. Analysis (OLS) was conducted and results convincingly proved that board structure affects performance in significant terms.

Hypothesis

Resulting from the literature, hypotheses were developed and subsequently tested.

HO1: There is no significant association between firms' performance variables and board structure variables.

HO2: There is no significant association between firms' performance variables and ownership structure variables.

HO3: There is no significant association between firms' performance variables and the combination of board and ownership structure variables.

Methods

This empirical study adopts the expost-facto research design. Ten (10) years data (yearly data from 2006 - 2015) on financial performance and measures of board and ownership structure which were extracted from the published accounts of 70 quoted Nigerian firms across different industrial sectors/categories were gotten from MACHAMERATIOS®. The Canonical Correlation technique was deemed appropriate and adopted for analytical purpose. Descriptive and inferential analyses were done via STATA 13.0.

Model Specification

The relationship between specific CG variables and firm performance were modeled in this empirical study. Variables of interest were selected since they were key variables highlighted in the 2011 SEC code of corporate governance for public companies in Nigeria. Analysis of data is based on the composite model specified below:

Firm Performance = f(BDSTRUCT, OWNSTRUCT) eq.1

Firm performance in the above context is measured using two proxies (retoe and retoa) and BDSTRUCT and OWNSTRUCT captures board structure and ownership structure respectively.

Based on hypothesis 1 (HO1), we developed a model to reflect the association between variables of firms' performance and board structure; and specified thus:

Firm Performance = f(BDSTRUCT) eq.2

Similarly, for hypothesis 2 (HO2), a model to reflect the association between variables of firms' performance and ownership structure was developed and specified thus:

Firm Performance = f(OWNSTRUCT) eq.3

To test hypothesis 3 (HO3), the composite model designed to reflect the association between variables of firms' performance and the combination of board and ownership structure (see eq.1) was relied on. Bringing in measures of BDSTRUCT and OWNSTRUCT in Model I (eq.1) is thus re-written to derive the composite model as follows:

Firm Performance = f(bdsiz, bdindep, bgendiv, ceown, bdcown) eq.4

The explicit forms of eq.2, eq.3and eq.4when the measures of all variables are brought in is expressed in the models below:

Model I

FirmPerfit = β0+β1bdsizit +β2bdindepit + β3bgendivit + ε eq.5

Model II

FirmPerfit = β0+ β1ceownit +β2bdcownit+ ε eq.6

Model III

FirmPerfit = β0+β1bdsizit +β2bdindepit + β3bgendivit +β4ceownit +β5bdcownit+ ε eq.7

Where:

FirmPerf = Firm performance (measured as retoe and retoa)

retoe = Return On Equity (measured as Profit After Tax divided by Equity)
retoa = Return On Asset (measured as Profit After Tax divided by Total Assets)
bdsiz = Board Size (measured as number of directors)
bdindep = Board Independence (measured as number of non-executive directors
divided by board size)

bgendiv= Board Gender Diversity (measured as number female board members
divided by board size)

ceown = CEO Ownership (measured as total share of CEO divided by total directors shares)

bdcown = Board Chairman Ownership (measured as total shares of Board Chairman
divided by total shares of board of directors)
i = firm parameter
t = time dimension
$\beta0, \beta1, \ldots \beta5$ = Beta Coefficients
ε = Error Term (variables not captured in the model)

Analyses, Results and Discussion
Analyses in this study were conducted in phases and included descriptive and conjectural/inferential statistics. Analysis for each phase/section is presented along with results and the respective discussions.

Descriptive Statistics
The results for the descriptive statistics is summarized in Table 1

Table 1: Summary of Results For Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
retoe	700	15.37723	175.2756	-2087.7	2897.94
retoa	700	3.401586	19.3313	-188.95	232.62
bdsiz	700	8.989771	2.504961	4	17
bdindep	700	.6481429	.159718	0	1
bgendiv	700	.0765571	.0894155	0	.4
ceown	700	3.620586	10.66983	0	63.67
bdcown	700	4.461171	10.26229	0	60

Source: Computations from Stata.13.0 output, 2017

The number of observations evidenced in Table 1 totaled 700. This is a confirmation that data for 70 firms for 10 years (2006 – 2015) was deployed for use in the analyses. Also indicated in the table are results for the mean, standard deviation and the minimum and maximum values for all variables of concern in this study.

Correlation Analysis

Table 2: Result For Correlation Analysis

	retoe	retoa	bdsiz	bdindep	bgendiv	ceown	bdcown
retoe	1.0000						
retoa	0.0446	1.0000					
bdsiz	0.0446	0.1239	1.0000				
bdindep	-0.0133	-0.0480	0.1124	1.0000			
bgendiv	0.0058	0.1104	0.0212	-0.0039	1.0000		
ceown	-0.0424	-0.0330	-0.2224	-0.0755	0.0072	1.0000	
bdcown	-0.0222	-0.0442	-0.0052	0.0408	0.0850	0.0916	1.0000

Source: Computations from Stata.13.0 output, 2017

Table 3: Result For Variance Inflator Factor Test

Variable	VIF	1/VIF
ceown	1.06	0.939332
bdsiz	1.06	0.940718
bdcown	1.02	0.982094
bdindep	1.02	0.982437
bgendiv	1.01	0.992191
Mean VIF	1.03	

Source: Computations from Stata.13.0 output, 2017

As indicated in Table 3, the computed mean VIF (1.03) is below the maximum allowable benchmark (10); thereby confirming the absence of multicollinearity among the independent/explanatory variables (ceown, bdsiz, bdcown, bdindep, and bgendiv).

Test of Hypotheses
All three hypotheses earlier formulated were tested by means of the Canonical Correlation Analysis (CCA).Note that CCA, though similar to multiple regression analysis, except that under CCA, we regress several independent variables against multiple dependent variables. Impliedly, under CCA, we have more than one (1) dependent variable. In essence, we are able to establish the composite association between pairs of dependent variables and measures of several independent variables. The results of the CCA are summarised thus:

Hypothesis I

Table 4: Summary of CCA Result For Test of Hypothesis I

```
. canon (retoe retoa) (bdsiz bdindep bgendiv)
 Number of obs =      700
Canonical correlation analysis
Raw coefficients for the first variable set
```

	1	2
retoe	0.0011	-0.0056
retoa	0.0504	0.0121

Raw coefficients for the second variable set

	1	2
bdsiz	0.2995	-0.2465
bdindep	-2.2395	0.9125
bgendiv	6.6076	8.9440

Canonical correlations:
0.1786 0.0255

Tests of significance of all canonical correlations

	Statistic	df1	df2	F	Prob>F
Wilks' lambda	.967479	6	1390	3.8614	0.0008 e
Pillai's trace	.0325416	6	1392	3.8373	0.0008 a
Lawley-Hotelling trace	.0335926	6	1388	3.8855	0.0007 a
Roy's largest root	.0329417	3	696	7.6425	0.0000 u

e = exact, a = approximate, u = upper bound on F

Source: Computations from Stata.13.0 output, 2017

Evidence from Table 4 suggest that with a higher raw coefficient (performance variables only), return on asset (retoa) is more relevant than return on equity (retoe). Also indicated from the table is that by holding other variables constant, a unit increase in the standard deviation of retoa will culminate into 0.0504 increase in the standard deviation scores of the first canonical variate among the sets of independent (board structure) variables. Similarly, by holding other variables as constant, any unit increase in the standard deviation of retoe will result to 0.0011 increase in the standard deviation scores of the first canonical variate among the sets of independent (board structure) variables.

A cautious scrutiny of the displayed results in Table 4, further reveals that bgendiv (6.6076) stood as the most important board structure variable. This was followed by bdindep (2.2395); whereas, bdsiz (0.2995) stood as the least important among these sets of independent variables (board structure variables).

Furthermore, the CCA also revealed that apart from bdindep, bothbsiz (0.2995) and bgendiv (6.6076) had positive association with performance variables. This means that a more diversified board would guarantee better strategic decisions, improvement and innovation which ultimately would improve performance. The result also support the argument where the board size is too small or is reduced, the level of performance is negatively affected. This is because with a positive sign, size and performance move in the same direction.

Interestingly, from the tests of significance for all canonical correlations, the statistics for the Wilks' lambda (0.967479), Pillai's trace (0.0325416), Lawley-Hotelling trace (0.335926) and Roy's largest root (0.329417), had f-values of 3.8614 (p-value = 0.0008), 3.8373 (p-value = 0.0008), 3.8855 (p-value = 0.0007), and 7.6425 (p-value = 0.0000) respectively. These results are significant at 1% significance level ($p<0.001$).

The above clearly demonstrates that there is a significant association between performance variables (retoa and retoe) and those of board structure (bsiz, bdindep and bgendiv). Thus, the hypothesis that there is no significant association between firm financial performance and board structure is rejected. Hence, this study concludes that there is a significant association between the financial performance of Nigerian firms and their board structure.

Hypothesis II

The results for the test of hypothesis 2 is summarized in Tables 5a and 5b below:

Table 5a: Summary of Raw Coefficients For First and Second Variable Sets

Raw Coefficients for the First Variable Set

	1	2
retoe	-0.0036	0.0044
retoa	-0.0387	-0.0344

Raw Coefficients for the Second Variable Set

	1	2
ceown	0.0667	-0.0664
bdcown	0.0623	0.0754

Source: Computations from Stata.13.0 output, 2017

Table 5b: Summary of CCA Result For Test of Hypothesis II

Canonical correlations:
0.0668 0.0172

Tests of significance of all canonical correlations

	Statistic	df1	df2	F	Prob>F
Wilks' lambda	.995247	4	1392	0.8300	0.5060 e
Pillai's trace	.00475417	4	1394	0.8304	0.5058 a
Lawley-Hotelling trace	.00477422	4	1390	0.8295	0.5063 a
Roy's largest root	.00447779	2	697	1.5605	0.2108 u

e = exact, a = approximate, u = upper bound on F

Source: Computations from Stata.13.0 output, 2017

Results in Table 5a clearly suggest that with a slightly higher raw coefficient (ownership variables only), CEO ownership (ceown) appeared to be more relevant than board chairman ownership (bdcown). Although, by holding other variables constant, a unit increase in the standard deviation of ceown will lead to 0.0667 increase in the standard deviation scores of the first canonical variate among the sets of dependent variables (retoa and retoe). Similarly, by holding other variables constant, any unit increase in the standard deviation of bdcown will result to 0.0623 increase in the standard deviation scores of the first canonical variate among the sets of dependent variables.

Further examination of the displayed results in Table 5a revealed that retoe (0.0036) and retoa (0.0387) had negative association with ownership structure variables. Impliedly, any increase in the stockholding of the CEO or the Board Chairman would impact negatively on performance. However, from the tests of significance for all canonical correlations (Table 5b), the statistics for the Wilks' lambda (0.995247), Pillai's trace (0.00475417), Lawley-Hotelling trace (0.00477422) and Roy's largest root (0.0047779), had f-values of 0.8300 (p-value = 0.5060), 0.8304 (p-value = 0.5058), 0.8295 (p-value = 0.5063), and 1.5605 (p-value = 0.2108) respectively. This demonstrates in clear terms that there is no significant association between performance variables (retoa and retoe) and those of ownership structure alone (ceown and bdcown). Thus, the hypothesis that there is no significant association between firm financial performance and ownership structure is accepted. Hence, this study concludes that there is no significant positive association between the financial performance of Nigerian firms and their ownership structure.

Hypothesis III

Table 6: Summary of CCA Result For Test of Hypothesis III

```
. canon (retoe retoa) (bdsiz bdindep bgendiv

Canonical correlation analysis
  Number of obs =      700
Raw coefficients for the first variable set
```

	1	2
retoe	0.0012	-0.0056
retoa	0.0500	0.0134

Raw coefficients for the second variable set

	1	2
bdsiz	0.2800	-0.0530
bdindep	-2.0912	0.5283
bgendiv	6.5626	6.1189
ceown	-0.0063	0.0721
bdcown	-0.0274	0.0127

Canonical correlations:
0.1867 0.0408

Tests of significance of all canonical correlations

	Statistic	df1	df2	F	Prob>F
Wilks' lambda	.963526	10	1386	2.5990	0.0040 e
Pillai's trace	.0365321	10	1388	2.5825	0.0042 a
Lawley-Hotelling trace	.0377948	10	1384	2.6154	0.0038 a
Roy's largest root	.0361309	5	694	5.0150	0.0002 u

e = exact, a = approximate, u = upper bound on F

Source: Computations from Stata.13.0 output, 2017

Again, evidence from Table 6 suggest that with a higher raw coefficient (performance variables only), return on asset (retoa) proved to be more relevant than return on equity (retoe). By holding other variables constant, a unit increase in the standard deviation of retoa will initiate 0.0500 increase in the standard deviation scores of the first canonical variate among the combined sets of independent variables (board and ownership structure). In likewise manner, by holding other variables constant, any unit increase in the standard deviation of retoe will result to 0.0012 increase in the standard deviation scores of the first canonical variate among the combined sets of independent variables.

A careful analysis of the displayed results in Table 6, further depict that bgendiv (6.5626) also remained the most important independent variable. This was followed by bdindep (2.0912); and bdsiz (0.2800). Ownership variables (ceown and bdcown) stood as the least important when all sets of independent variables were combined.

Furthermore, the CCA also revealed the results from the tests of significance for all canonical correlations with the statistics for the Wilks' lambda (0.963526), Pillai's trace (0.0365321), Lawley-Hotelling trace (0.0377948) and Roy's largest root (0.0361309), having f-values of 2.5990 (p-value = 0.0040), 2.5825 (p-value = 0.0042), 2.6154 (p-value = 0.0038), and 5.0150 (p-value = 0.0002) respectively. These results are significant at 1% significance level (p<0.001). This is a clear demonstrates that there is a significant association between performance variables (retoa and retoe) and a combination of those of board and ownership structure (bsiz, bdindep, bgendiv, ceown, bdcown). Thus, the hypothesis that there is no significant association between firm financial performance and a combination of board and ownership structure is rejected. Hence, this study concludes that there is a significant association between the financial performance of Nigerian firms and a combination of their board and ownership structure.

Conclusion

Evidence has shown that interests in CG discourse surfaced in increasing numbers following emerging cases of corporate collapse/scandals, globally. While the need for focusing on governance issues that will monitor managements' decisions and effectively guarantee the achievement of organizational goals in stakeholders' best interests have been canvassed, studies have also shown that even when firms declare high profits in the financial year end (on the premise of good management and effectiveness), liquidity problems still abound in such firms, maybe as a result of inefficiency. This study therefore pondered on how board and ownership structure could affect the financial performance of firms individually and collectively. Achieving this resulted in the collection of date from 70 listed firms in Nigeria and analyses were done with canonical correlation technique. The results from our analyses proved that the combination of board and ownership structure had significant association with measures of firm performance. Interestingly, individual measures of board structure had significant positive effect on firm financial performance, whereas individual measures of ownership structure had no significant positive association with measures of firm performance. These findings had far reaching implication resulting to the recommendations in the next section.

Recommendations

Recommendations include:

1. SEC must endeavour to guarantee unassailable investment environment that will cause stockholders to be involved in the monitoring of management. This will translate ownership structure to an admirable governance measure.
2. Given the significance of board structure measures to firms' performance, firms should take considerable measures in ensuring that decisions on the composition of board membership must be mindful of the role which size, independence and diversity (gender diversity) play to the overall organizational success. In effect, the ideal/optimal size, level of independence among others should not be treated with levity.
3. As part of reported data, quoted firms in Nigeria should endeavour to report information on family and other ownership measures. These were not included in this study due to inconsistencies and unavailability of complete dataset in this regard. Where reports on family and other ownership measures are available in annual reports/accounts, further studies can enlarge our scope to include such measures. Analysis of same would either confirm or refute our findings.
4. Other studies can be conducted with Pairwise Analysis within industry given the number of our dependent variable. In like manner, other studies should confirm which among our dependent variable has stronger correlation with governance variables.

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Auditor Independence in Government Parastatal in Nigeria

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ABSTRACT

The objective of this study is to ascertain the determinants of auditor independence in government parastatal in Nigeria. The study employed ordinary least square regression technique to analyse the data gathered from the field. The results show that ethical consideration has negative relationship with auditor independence while rendering of non-audit has positive relationship with auditor independence. This study recommended that statutory bodies should formulate policies that will not forbids an external auditor from rendering audit and non-audit services to the same client. The study also recommended that audit engagement should be base on competence and not on political affiliation of the auditor.

Keywords: Determinants, auditors, independence, perceptions and opinions.

INTRODUCTION

One of the vital aspects of public sector finance in Nigeria is the concern of government financial reports. It is nevertheless gloomy to point out that a lot government parastatal do not maintain proper financial records. This abnormality unlocked the door for the high level of corruption that becomes the order of day in the public sector today. Anecdotal evidence reveals that wealth is unevenly distributed in most emerging economies and they do not have good infrastructural and social amenities due misappropriation of funds by some duplicitous civil servants. The need for accountability and probity in the public sector has attracted the attention of researchers in modern times. These abnormalities can be attributed to weak audit process and slack internal control. Nwaorgu (2003) and Johnson (2004) argue that auditors in the public sector ought to be objective when performing their duties in order to ensure that government funds are properly appropriated and also to ensure that accounts have been properly prepared. Some scholars are of opinion that lack of regular audit exercise coupled with impaired auditor independence in the Nigerian public sector created the loophole through which fraudsters siphon money from public treasury.

Izedonmi (2009) opines the separation of the electorate from those elected into various offices in public sector can be liken to the separation of the shareholders from the board in the private sector. The author further stresses that it is expedient for government parastatal to periodically prepare account of stewardship but this is not being case in real life. Osisima (2013) asserts that audit is one of the mechanisms for checkmating the activities of fraudulent of public office holders. However, event revealed that most government agencies are not audited periodically. A good example of this is the Nigerian National Petroleum Corporation which events revealed to Nigerians that it has not been audited for pass 10 years.

In an attempt to enhance credibility and transparency of the financial system and accounts prepared by management, auditor's independence becomes imperative. This will enable the auditor to give objective audit opinion on the financial statement placed before him. Okoli (2007) opines that auditor independence is the heart of the any meaningful audit exercisebecause it gives credibility to audit report. The quality of any audit report is a function of the independence of the auditor.

Some scholars argue that connection of auditors with politicians has been a major factor that affects auditor independence in the public sector. Kershaw (2006) reports that the recent evolution of audit firm revenue streams has provided auditors with a substantial incentive to compromise their independence and provide management with credible sanctions to mount pressure on them to do so. Kleinman and Palmon (2001) assert that the personal features that affect auditor independence audit judgment include; individualisms, incentives, ethics, phase of life/profession, and extent of ambition. While organisation-ranking features include; traditions of the firm, configuration of the firm and checks and balance mechanisms and the most important factor is the macro-ranking feature which comprises the client's controlling power-broad ecological factors and the duration of client/auditor relationship.

The audit failures that took place across globe have put auditor independence in the accounting spotlight in recent times and have also made it subject for discuss in auditing researcher. (Otusanya & Lauwo, 2010). The confidence placed on audit report depends ultimately on the user's perceptions of the credibility of the auditor. Credibility of the auditor is a function of the auditors' independence.

Previous studies focused mainly on audit in the private sector, while few studies looked at audit and corruption in the public sector. However, nothing was mentioned about factor that effect the credibility of the auditor in the public sector. This study is different from previous because it focuses on the determinants of auditor independence in government parastatal in Nigeria.

Literature Review

The meaning of audit independence is essentially based on theoretical construct. Audit independence is the absence of interests that create an intolerable threat of significance prejudice with respect to the reliability on the financial statements (Shuetze, 1994). Auditor independence is the feature that is concerned with the auditor's readiness to report areas where laid down principles are violated when they are discovered. This suggests that independence of the auditor is synonymous with impartiality and his capacity to refuse to give in to pressure mounted by client on him to report poor quality financial report as quality financial report. Shuetze (1994) argues that independence is an abstract concept, being defined by a state of mind partly synonymous with honesty, integrity, courage and character. This definition has the mark of statistical concepts. In statistical sampling, one is required to be familiar with the assurance level and the accuracy of objects being investigated at intermission because they stand for the bias risks and the materiality bias respectively of the audit exercise. It is importance for the auditor to be acquainted with both the likelihood of an event taking place and the enormity of the effect when it occurs in order to know the risk it represents.

The definition of independence places no limit on the types of concern that can form bias opinion. The concern could be financial or nonfinancial, as in the situation where a family member of the auditor is a director in the auditor's firm. In clear terms biasness could be motivated by monetary or psychological rewards.

De Angelo (1981) defines auditor independence as the unconditional chances of an auditor disclosing any mistake in financial statements knowing that this mistake has previously been spotted out. Soltani (2007) defines auditor independence as the ability of the auditor to uphold an impartial and unprejudiced mind-set throughout the engagement while Hayes, et.al (2004) defines auditor independence of the auditor as a situation whereby the auditor is in a position to take an unbiased viewpoint in the performing an audit tests, analyzing the results, and reporting the analyzed results objectively. Furthermore, Arens, et.al (2012) report that auditor independence requires an attitude of responsibility that is separate from the client's concern. The auditor must uphold an approach of healthy professional scepticism.

Schuetze (1994) defines audit independence as the ability of the audit to refuse to give in to client's pressure. Knapp (1985) reports that auditor's independence is an attitude/state of mind. Magill and Previts, (1991) define auditor independence as the nonexistence of interests which generates an intolerable threat of being influenced. ISB (2000) defines auditor independence as auditor's ability to give an opinion that is influenced by external parties and is aptitude to refuse to submit to pressures that will make him to compromise audit ethics. Moizer (1991) argues that the independence of the auditors depends on his personality and his manner of mind. Only those who uphold deontological outlook to life and consider acting in a particular way as being compulsory undermining the consequences that may arise as a result acting in that way are said to be independence in the mind.

According to Dunmore and Falk (2001) all the definitions given in extant literature reflect the significance of objectivity (ability to restrain oneself from being biased) and integrity (eagerness to give a judgment that truthfully reflects the assessment of what was discovered during the audit) as these two factors are the major components of auditor independence. Extant literature suggests that independence is not in absolute term but rather exists in levels.

Employing Kohlberg's (1969) stage model of moral improvement and ethical cognition, Ponemon and Gabhart (1990) find out the thinking pattern of the auditor when he is resolving a conflict that arises from independence. Their finding unveils the existence of reasonable relationship between hypothetical and ethical cognition (ethical cognition is used as a proxy for auditor independence). Their study further shows that unbiased audit opinion is directly related to features that lead to punishment and partially related to attachment features. The author in addition, elucidates that the auditor's ethical cognition is correlated with the methodical preference of the auditor on rating the variables that affect his unbiased judgment. The authors use the model to validate the four levels of ethical cognition namely: first, pre-conventional level of ethical cognition is categorized by freedom from pressure to retain client and presence of legal liability that is appreciably higher than the subjects at the conventional level. Second, pre-unconventional, a situation whereby the individual sets self-interest well above the general interests of society and is responsive to penalty elements. Third, conventional- a situation whereby the individual conforms to the rules of society and is receptive to affiliation attributes; and fourth, post-conventional. A situation whereby the individual expresses an opinion that is in line with ethical principles and not to society's rules.

Windsor and Ashkanasy (1995) replicate the work Ponemon and Gabhart (1990) works by inculcating both individualism and financial gains into the existing model. This model helps to classify auditor into three groups namely: accommodating auditor – auditor in this category aligns with individualism and respond to both individual beliefs and client management supremacy; autonomous auditors- these category of auditors strictly uphold individualism and align themselves with client management supremacy with caution; and pragmatic auditors- auditors in this category are those who by no mean submit themselves to client management supremacy. The types of auditors aforementioned simply explain the degree at a person is receptive to low, mid and high moral reasoning in that order.

An auditor does not only have to be independent in fact, but independent in appearance also. Woolf (1978) noted that to proffer solution to the issue of audit independence, the auditors should be allowed to discharge their duties without any fear or intimidation or threat in removal attempt from the directors. The auditor will be independent only when he is assured that his job security is beyond the Directors. De Angelo (1981) opined that the ability of the auditor to avoid biases has to do with his integrity and willingness to report a truthful opinion that captures the issues discovered in the course of the audit. Therefore, Ayvaz and Pehlivanli (2010) are comfortable with the fact that objectivity or independence of mind is crucial in order to have a professional judgment. According to Gupta (1999), if an auditor is not independent of management, his opinion would mean nothing to shareholders, prospective investors, bankers, government agencies, and others who are concerned with the financial statement of the company.

Ye Carson and Simnett, (2006) opine that the economic dependence of auditors on non-audit services, lengthy audit tenure and personal relationships built through alumni employees have contributed to the erosion of auditor independence. The work of Hayes, et al. (2005) suggests that there exists a potential for the impairment of auditor independence in appearance when they render non-audit services.

Sharma (2006), and Sharma and Sidhu (2001) are of the opinion that for us to proffer solution to the issues of auditor independence, it is necessary to verify the opinion the auditor ought to have given as compared to the actual opinion eventually given. If it discovers that the auditor ought to have given a qualified audit opinion, but gave a clean opinion; the brain behind the deviation could be traced to independence impairment after controlling for other explanations.

Numerous threats attributed to auditors' independence discovered may include; self - interest, advocacy, familiarity, and intimidation (Erah &Izedonmi, 2012).Blay (2005) finds out that auditors that are exposed to high independence threats (loss of client fear) were more likely to suggest an unmodified audit report which is consistent with client preferences. In contrast, auditors facing high litigation risk evaluated information as more suggestive opinion of a failing client, and were more likely to advocate modified audit report.

The risks of punishments have been shown to enhance audit independence; risk of damage to auditor's reputation, disciplinary action by government, litigation against the auditor, and disciplinary action by the professional associations. While efforts are being made to address the lapses in the audit systems in developed countries, there have been little or no efforts at positively addressing the challenges posed by non-adherence to corporate governance principles and ethical guidelines in developing countries (Adeyemi & Fagbemi, 2011).

Quick and Warming-Rasmussen (2005) found that German investors perceived non-audit services to impair audit independence. Ojo (2009) argues that the provision of non-audit services does not necessarily impairs auditor independence especially when the fees from such services are less than the fees from audit services

In terms of ethics, Gowthorpe and Amat (2005) conclude that the breach of ethical considerations in the practice of corporate financial reporting is not fair to users and such action can jeopardize the main objective of the reports. As an integral part of the corporate financial statements, auditor's report is required to clearly state whether the financial statements are true and fair or not.

Methodology

The study used primary source. The primary source consisted of information we elucidated directly from the sampled auditors through the administration of questionnaires. Questionnaire was administered to 125 civil servants in selected government parastatal in Abuja. The survey instrument utilized in this study was adapted from the one used in many studies of the perceptions of auditor independence in previous studies (Uchenna & Young 2012; Alleyne & Devonish, 2006; Al-Ajmi, 2010). The statements were adapted to suite the unique characteristics of the Nigerian situation. Thirty-five statements were included in the questionnaire, representing the areas of importance of this study. A Likert type scale was used for this study in which respondents were asked to express their personal views about how the statements on the questionnaire affected auditor independence. The response options are: strongly increases independence, agree undecided, disagree and strongly disagree.

Table 1 Presentation and interpretation of results

REGRESSION RESULT				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	16.34987	1.979015	8.261620	0.0000
CT	0.017254	0.056577	0.304964	0.7608
EC	-0.096974	0.046539	-2.083730	0.0387
NAS	0.085737	0.041793	2.051439	0.0418
LR	0.014272	0.046869	0.304516	0.7611
PCA	0.005518	0.045760	0.120593	0.9042
R-squared	0.752165	Mean dependent var		16.78235
Adjusted R-squared	0.744803	S.D. dependent var		1.968610
F-statistic	5.769219	Durbin-Watson stat		2.120245
Prob (F-statistic)	0.000018			

Source: Researcher's computation (2017)

AIND = 6.349 + 0.017CT -0.097EC + 0.086NAS + 0.014LR + 0.006PCA

(8.2616) (0.3049) (-2.084) (2.0514) (0.3045) (0.1205)

The regression result presented in table 1 show that client threat (CT) has no significant relationship with auditor independence (AIND) as depicted by coefficient value of 0.017 and p-value of 0.761. This relationship is not significant at 5%. The result shows that ethical consideration (EC) has a negative relationship with auditor independence as depicted by coefficient of value of -0.097 and p-value of 0.039. This relationship was significant at 5% level of significance.

Furthermore, the result shows that rendering of non-audit services (NAS) has positive relationship auditor independence as depicted coefficient 0.085 and p-value of 0.042. This relationship is significant at 5%. In the same vein ligation risk (LR) shows a positive relationship with auditor independence. This relationship is not significant at 5%.
Finally, the result shows that political affiliation of auditor has a positive relationship with auditor independence. This relationship is not significant at 5%.

Conclusion and Recommendations

This paper seeks to ascertain the determinants of auditor independence in government parastatal in Nigeria. The study shows that first, client threat has no significant relationship with auditor independence. This implies that any form of threat from client employees has no potential of affecting auditor independence.

Secondly, the result shows that when ethical standards set by professional bodies are violated, auditor independence is drastically impaired. Ethical value, rules, conducts; guidelines and provides the foundation that prevents impairment of auditor independence.

Thirdly, the result shows that rendering of non-audit services has positive relationship with auditor independence. This implies that rendering of non-audit services increases the familiarity of auditor with client hence threat from clients reduces.

Finally, it shows that risk of ligation and political affiliation has no significant relationship with auditor independence. This implies that connection of auditor to politicians does affect the auditor independence.

This study recommended that statutory bodies should formulate policies that will not forbids an external auditor from rendering audit and non-audit services to the same client. The study also recommended that audit engagement should base on competence and not on political affiliation of the auditor.

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Table 1: Questionnaire

	Question
	Bio data
1	Gender
2	Age
3	Educational Qualification
4	Years of Auditing
5	Audit of Government business entity
	Statement Questions
6	Auditor exercising credibility in auditing can influence auditor independence
7	Accountability of the auditor enhances independence
8	Transparency and integrity in undertaking of audit function influences auditor independence
9	Objectivity of the auditor has effect in determination of audit independence
10	When auditor is no longer trustworthy and fair in judgement can impair independence
11	Undue independence of the auditor on the client affects auditor independence
12	Auditor or audit team benefiting from the client financial interest has effect on auditor independence
13	The auditor or audit member previously being a top officer of government business to be audited can affect auditor independence
14	An auditor having close relationship in government enterprise to be audited has effect on auditor independence
15	Restriction, safe guides and policies of government enterprises have effect on auditor independence
16	Introduction of auditor section in Companies and Allied Matters Act on businesses was to facilitate auditor independence
17	Nigerian standards on auditing are aimed at ensuring auditor independence
18	Rules on professional conduct were to enhance auditor independence
19	Auditing guidelines and standards can influence auditor independence
20	Application of moral values in auditing in government business entity can influence auditor independence
21	Non-audit services by big 4 auditor government businesses can impair auditor independence
22	Non-audit services by local auditor to government businesses can impair auditor independence
23	Level of audit market competition on non-audit services to government businesses entityimpair auditor independence

24	The type of non-audit services to government entity has effect on auditor independence
25	High level of audit market competition in non-audit service government entity impair auditor independence
26	Auditor personal interest present risks which can impair auditor independence
27	Action of litigation can have influence on auditor independence
28	Adverse publication about auditor can have influence on auditor independence
29	Auditor report choice has influence on auditor independence
30	Bias in audit reporting pattern of the auditor has influence on auditor independence
31	Politically connected auditors are bias in opinion and can affect auditor independence
32	Politically connected auditors are easily manipulated in auditing government business entity
33	Politically connected auditors in government business entity are subjected in their opinion
34	Politically connected auditors in government business entity are objective in their opinion
35	Politically connected auditors can influence auditor report and its independence

APPENDIX 1

AIND	CT	EC	NAS	RLP	PCA
20	23	21	17	15	11
16	22	24	11	12	12
14	23	23	21	23	22
17	22	25	25	23	20
16	22	25	25	23	21
14	20	20	12	16	17
15	25	24	25	20	12
18	24	24	19	19	22
20	23	18	18	17	17
15	23	18	18	17	17

APPENDIX 3

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	3.556744	Prob. F(5,119)	0.0029
Obs*R-squared	2.857239	Prob. Chi-Square(5)	0.0030
Scaled explained SS	2.373221	Prob. Chi-Square(5)	0.0072

Dependent Variable: AIND
Method: Least Squares
Date: 05/08/17 Time: 23:27
Sample: 1 172
Included observations: 172

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	15.38145	2.128610	7.226052	0.0000
CT	0.055302	0.061716	0.896070	0.3715
EC	-0.082804	0.055018	-1.505033	0.1342
NAS	0.066898	0.047287	1.414716	0.1590
RLP	0.041986	0.055848	0.751790	0.4532
PCA	-0.008384	0.050076	-0.167424	0.8672

R-squared	0.474014	Mean dependent var	16.79651
Adjusted R-squared	0.458722	S.D. dependent var	1.973328
S.E. of regression	1.954769	Akaike info criterion	4.212682
Sum squared resid	634.3060	Schwarz criterion	4.322478
Log likelihood	-356.2906	Hannan-Quinn criter.	4.257229
F-statistic	1.652494	Durbin-Watson stat	2.074029
Prob(F-statistic)	0.148912		

Dependent Variable: AIND
Method: Least Squares
Date: 05/08/17 Time: 23:27
Sample (adjusted): 3 172
Included observations: 170 after adjustments
Convergence achieved after 7 iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	16.34987	1.979015	8.261620	0.0000
CT	0.017254	0.056577	0.304964	0.7608
EC	-0.096974	0.046539	-2.083730	0.0387
NAS	0.066898	0.047287	1.414716	0.0418
RLP	0.041986	0.055848	0.751790	0.7611
PCA	-0.008384	0.050076	-0.167424	0.9042

R-squared	0.752165	Mean dependent var	16.78235
Adjusted R-squared	0.744803	S.D. dependent var	1.968610
S.E. of regression	1.820509	Akaike info criterion	4.076414
Sum squared resid	540.2232	Schwarz criterion	4.205535
Log likelihood	-339.4952	Hannan-Quinn criter.	4.128810
F-statistic	5.769219	Durbin-Watson stat	2.120245
Prob(F-statistic)	0.000018		

Effect of Creative Accounting on the Performance of Deposit Money Banks in Nigeria

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ABSTRACT

This research study investigates the effect of creative accounting on the performance of deposit money banks in Nigeria. A sample consisting of five deposit money banks in Nigeria for the period of ten years from 2007-2016 was used. The results of the study using multiple regressions revealed that, non- performing loans do not significantly affect banks performance. It also revealed that total accrual has no significant effect on performance of Nigeria deposit money banks while Gross earnings has a significant positive effect on the performance of Nigeria deposit money banks. It would be unrealistic to think that creative accounting practices among banks do not have any positive effect at all, but it is possible to minimize at least its negative effects by adopting International Financial Reporting Standard (a new standard), which gives more importance to ethical considerations and decrease the flexibility of bank managers in deciding among different accounting methods. This would improve the quality and further reduce misstatements of financial statements.

Keywords: Creative Accounting, Bank Performance, Non-Performing Loans, Total Accrual, Gross Earnings

1. Introduction

Financial reporting is a crucial element necessary for corporate governance system to function effectively. Financial accounting reports are produced to show the true and fair state of affairs of business entities so that stakeholders and other users of such information can take informed decisions. However, current accounting practices allow a degree of choice of policies and professional judgment in determining the method of measurement, criteria for recognition, and even the definition of the accounting entity. The exercise of this choice can involve a deliberate non-disclosure of information and manipulation of accounting figures, thereby making the business appear to be more profitable (or less profitable for tax purposes) and financially stronger than it is supposed to be.

Mulford and Comiskey (2002) identified creative accounting practices to include: recognizing premature or fictitious revenue, aggressive capitalization and extended amortization policies, misreported assets and liabilities, getting creative with income statement and problems with cash flow reporting. They added that managers play this game for rewards as favourable effect on share prices, lower corporate borrowing costs due to an improved credit rating, incentive compensation plans for officers and key employees and or political gains. The basic questions put forward to address this are: Can a firm increase its market value by creative accounting? Do shareholders and investors take the accounting figures at face value? Or are the firm's shares traded in efficient, well functional markets in which investors can see through such financial illusion? With this practice, users of accounting information are being misled and this constitutes a threat to corporate investment and growth (Osisioma & Enahoro, 2006; Akenbor & Ibanichuka, 2012)

While the financial number game may have different labels, participation in it has a singular ultimate objective namely creating an altered impression of a firm's business performance (Niskanem & Kebharju, 2000). Thus, Mathew and Perera (1996) look at creative accounting in both positive and negative light. They opined that creative accounting has positive effect if it enhances the development of accounting practices and negative effect when it is meant to mislead and defraud investors, creditors, bankers and other users of financial statements.

The list of recent cases of creative accounting practices seem to be growing as many financial institutions in Nigeria are being investigated in this regard. The change of board members of 5 deposit money banks by the Central Bank of Nigeria (CBN) governor, Sanusi Lamido Sanusi in August 2009 and a more recent one by Godwin Emefiele, the current governor of CBN in July 2016 affecting skye bank Plc, were all as a result of doctoring of accounts to cover up certain inadequacies or some unscrupulous deals perpetuated by the bank management. The corporate failures of most Nigerian banks today and the arrest of some banks CEOs by the Economic and Financial Crimes Commission (EFCC) are as a result of fraudulent financial reporting, which has affected the stability of the financial system (Akenbor and Ibanichuka, 2012). Creative accounting practice has been increasing in recent years in the Nigerian banking industry to attract unsuspecting investors, or obtain undeserved accounting-based rewards by presenting an exaggerated misleading or deceptive state of bank financial affairs. It is evident that the extent of window-dressing of banks' Financial Statements in Nigeria has greatly violated all known ethical standards of the accounting and auditing profession (Osazevbaru, 2012).

There are many reports of price manipulation, profit overstatement, and accounts falsification by some dubious stewards which render financial reporting ineffective. The business failures of the past decade however, have been closely associated with corporate governance failure which involves a number of parties, management, board of directors, auditors and some investors (Ezeani, 2010). Most business organizations have always been connected with fraud and have always been affected by financial collapses. Accounting scandals like Enron, World Com, Xerox Parmalat, Tyco, Cadbury Plc, Afribank Plc, etc. have cost not only billions of naira to the stakeholders but also have damaged the image of the accounting profession as a result of financial mis-representation.

According to Osisioma and Enahoro (2006), accounting processes and choice of policies resulting from many judgments at the same time are capable of manipulation, which have resulted in creative accounting. The differences observed in financial reporting are legitimately prepared from choice of varied accounting policies of the same organization for the same period, which have brought about challenges of credibility to accounting (financial statements and reporting). However, communications between entities and shareholders may be deliberately distorted by the activities of financial statement preparers who wish to alter the content of the message being transmitted. It is upon this backdrop that this study investigates whether creative accounting practices affect financial reporting and the performance of deposit money banks in Nigeria.

2. Review of Related Literature

Theoretical framework

A number of competing theories combine to guide discussions on creative accounting and firm performance. The competing theories resonate in the agency theory, resource dependency theory, information theory and ethical theory.

Agency Theory

Agency theory propounded by Berle and Means (1932) suggests that owners are concerned that manager' interests are not in congruence with their own and that managers will act in ways that will prevent profit maximization. This will potentially threaten the company's existence, thus owners believe that such managers have a great deal of control over the firm. This study is anchored on the Agency theory which states that problems are bound to arise in any cooperative exchange when one party (principal) contracts with another (the agent) to make decisions on behalf of the principal (Michael, Peter, Sven-Olaf & Philippe, 2005). According to agency theory, the firm is a legal fiction which serves as a focus for complex process in which the conflicting objectives of individuals are brought into equilibrium within a framework of contractual relations (Meckling and Jensen, 1976). Agency, as widely known, is a consensual relationship existing between two parties by which the agent (manager) is authorized to act on behalf of another, the principal (Stakeholders).

Application of agency theory on creative accounting shows that the informational perspective is a key element underpinning the study of creative accounting phenomenon. A conflict is created by information asymmetry that exists in complex corporate structures between a privileged management and a more remote body of stakeholders (Shipper, 1989). However, the accountant or manager (agent) who is employed and delegated to prepare the financial statements for the organization is responsible to the management/stakeholders to present the accounts of stewardship of the organization. Managers may choose to exploit their privileged position for private interest, by managing financial reporting disclosures in their own favour. The informational perspective assumes that accounting disclosures have an information content that possesses value to stakeholders in providing useful signals. The manager (agent) therefore, must prepare an accounting statement that depicts true and fair view of the various transactions carried out by the organization according to the accounting principles, policies and standards. The relevance of the agency theory to this study is that accountants at times corroborate with the management either to increase or decrease (inflate) the financial statement at the detriment of the shareholders.

Resource Dependency Theory

In contrast to the agency theory perspective, resource dependency theory, propounded by Pfeffer and Salancik (1990) is hinged on the notion of independence. Managers are quite dependent on shareholders because managerial compensation is frequently tied to stock price, and investors have a great deal of discretion over where they invest their capital. If shareholders were concerned with whether managers had sufficient control over their firms, this might affect how managers account for firm performance. Although managers are limited by their dependencies, they can try to address the concern themselves by increasing their perceived amount of control (Pfeffer, 1981). Following Schlachter and Meindl's (1990) argument, managers can construct an illusion of control by not only taking credit for success but by accepting blame for negative outcomes. This not only address investors' worries that managers lack control but also addresses the dependency the firm has on the shareholders by boosting their perceived power.

Ethical Theory

Ruland (1984) opined that companies generally prefer to report a steady trend of growth in profit rather than to show volatile profits with a series of dramatic rise and falls. This is achieved by making unnecessary high provisions for liabilities and against assets values in good years so that these provisions can be reduced, thereby improving reported profits, in bad years. Advocates of this approach argue that it is a measure against the 'short-termism' of judging an investment on the basis of the yield achieved in the immediate following years. It also avoids raising expectations so high in good years that the company is unable to deliver what is required subsequently.

Against this is argued that if the trading conditions of a business are in fact volatile then investors have a right to know this and that income smoothing may conceal long-term changes in the profit trend. Revinse (1991) considers the problem in relation to both managers and shareholders and argues that each can draw benefits from 'loose' accounting standards that provide manager with latitude in timing the reporting of income. He thinks that the prime role of accounting is a mechanism for monitoring contracts between managers and other groups that provided finance. Also market mechanisms will operate efficiently, identifying the prospect of accounting manipulation and reflecting the appropriateness in pricing and contracting decisions.

Creative Accounting and Bank Performance in Nigeria

Creative Accounting refers to the use of accounting knowledge to influence the reported figures, while remaining within the jurisdiction of accounting rules and laws, so that instead of showing the actual performance or position of the company, they reflect what the management wants to tell the stakeholders. Creative accounting comprises earnings manipulation and other forms of accounting manipulation that can be implemented within or outside of the procedures allowed by GAAP. Accounting manipulation within GAAP limits is known as “creative accounting” but when it is implemented outside of GAAP boundaries, it is considered accounting fraud. According to Jones (2011), Creative Accounting is simply using the flexibility in accounting within the regulatory framework to manage the measurement and presentation of the accounts so that they give primacy to the interest of the preparers not the users.

In agreement with Jones (1991), Jorion, Shi and Zhang (2009) among others attest that earnings management can be achieve by various means such as the use of accruals, changes in accounting methods and changes in capital structure (e.g debt, equity, debt-equity swaps). More specifically, Jones (1991) reported that discretionary accruals are used as measures of managers' earnings manipulations during import relief investigations. Previous studies such as Healy (1985), DeAngelo (1986), McNichols and Wilson (1988), Jones (1991) which use some type of discretionary accruals measure, discuss the partitioning of total accruals into discretionary and nondiscretionary components. Consequently, this study focuses on total accruals as the source of earnings management.

Bank performance entails whether a bank has fared well within a trading period to realize its objectives. The only document that explains this is presumably the published financial statements. According to Rose (2001) a fair evaluation of any bank's performance should start by evaluating whether it has been able to achieve the objectives set by management and stockholders. Certainly, many banks have their own unique objectives. Some wish to grow faster and achieve some long-range growth objective, others seem to prefer minimizing risk and conveying the image of a sound bank, but with modest rewards to their shareholders.

The Nigerian banking consolidation resulted in a decrease in the number of nonperforming banks. Decrease in non-performing loans, increase in bank branches, increase in total asset of banks, increase in total deposits, and increase in net interest margin were the major achievements arising from the consolidation. The huge recapitalization capital inflow to banks did not guarantee banking sector stability for a reasonable period. Despite all the admitted improvements, return on equity (ROE) was lower in Nigerian banks than what obtained in some other countries (IMF, 2008). These and other problems led to a major banking reform in August 2009, when eight of the 24 banks were found to be in grave conditions of illiquidity, capital inadequacy and poor corporate governance (Sanusi, 2009).

In executing the 2009 reform programme, the CBN injected the sum of N620 billion into the eight banks found to be non-performing in a bid to stabilize their operations. The banks that made some profits obviously were not affected. For instance, Zenith Bank Plc reported N20.6 million profit after tax in 2009 (Zenith Bank Annual Report, 2009), and First Bank Plc reported up to N35.074 billion in the same period (First Bank Annual Report, 2009). The issues raised above underscore the need for a thorough evaluation of the performance of the banking industry in Nigeria.

One key indicator of bank performance is the net margin on loans and advances. Since interest on loans and advances constitute the major turnover of banks, the net margin on loans and advances has direct impact on bank profit performance. Other performance indicators are return on equity (ROE), which is a relevant measure of equity investors 'residual claims of corporate income. It is a relevant profit indicator which assesses overall profit performance. Other indicators include, the return on assets (ROA), return on investment (ROI), and banks ranking on the CAMEL rating system. The CAMEL rating system, which is adopted by banks for international settlement, is an acronym for capital adequacy, asset quality, management efficiency, earnings strength (profitability) and liquidity.

Empirical Review

Studies that have investigated the effect creative accounting on financial reporting and firm performance are rather sparse, the few notable exceptions are summarized in Table 1 below.

Table 1: Results of prior studies on impact of creative accounting on firm performance.

Author (s)	Year of Study	Title of Study	Findings of Study
Sanusi & Izedonmi	2016	Nigerian Commercial Banks and Creative Accounting	Users of accounting information are adversely affected by creative accounting practice; Streamlining accounting principles and rules to reduce diversities of professional judgment in financial reporting will help minimize creative accounting practices in Nigeria.
Osemene, Muritala & olawale	2014	Impact of creative accounting on firm performance in Nigeria	Non-performing loan is positively related to return on equity and dividend pay-out while gearing ratio and net income before tax is negatively related to both return on equity and dividend pay-out
Chen	2007	Do organizations that employ creative accounting practices report higher earnings before and after tax?	Firms employing creative accounting practices reported smaller EBIT values and smaller changes in EAIT
Desai &Dharmapala	2006	Relationship between creative accounting and corporate tax avoidance.	Tax shelter products enable managers to manipulate reported earnings to mask true economic performance of their companies.
Osisioma & Enahoro	2006	Creative Accounting and Option of Total Quality Accounting in Nigeria	Creative accounting has positively affected information users and in Nigeria it is believed that the practice of creative accounting is constructive to the benefit of the manipulator of accounts
Sen & Inanga	2005	Creative Accounting in Banglasesh and global perspectives	creative accounting include: concealment of financial risk, circumventing borrowing restrictions, escaping shareholder control, boosting reported profits/ minimizing reported losses, manipulating key ratios used in market analysis, enhancing management performance and gaining access to finance which would otherwise be impossible to raise

Sources: Authors Compilation 2017

Hypotheses

The hypotheses for this study are stated as follows:

***$H0_1$*:** Non-performing loans has no significant effect on performance of the Nigeria deposit money banks.

***$H0_2$*:** Total accrual does not have significant effect on performance of the Nigeria deposit money banks.

***$H0_3$*:** There is no significant effect of Gross Earnings on the performance of Nigeria deposit money banks.

Methodology

Research Design

This study utilized ex post-facto research design. The use of ex post-facto design for this study is justified on the premise that the study aims at measuring and determining the effect of creative accounting on banks' performance.

Population and Sample Size

The population of this research work comprises of all the 15 deposit money banks in Nigeria from 2007-2016 that are listed on the Nigerian Stock Exchange and retain their brand name. Croswell (2007) asserts that purposive sampling means that the inquirer selects individuals/respondents and sites for the study because they can purposefully inform an understanding of the research problem and central phenomenon in the study. Drawing from Croswell assertion, the non-probability purposive quota sampling technique is used in the selection of sample for this study; where banks were chosen based on availability of data needed for the purpose of the study.

Thus, the sample size for this study consists of five (5) deposit money banks in Nigeria. These banks include: Diamond Bank Plc, First Bank of Nigeria Plc, Guarantee Trust Bank Plc, United Bank for Africa and Access Bank Plc. These banks were purposively selected for the analysis due to data availability and their financial statements are consistent for the period without breaking a year or giving a gap.

Sources of Data

For the purpose of this study, only secondary source of data collection were utilized. The main objective of this study requires secondary data which was obtained from the sampled deposit money banks in Nigeria i.e. annual financial statements and other records with the CBN, research and academic journals, dailies, and other relevant publications. The data obtained was subjected to statistical test to address research questions and affirm whether creative accounting has significant effect on bank performance.

Variable/Model Specification

To determine the effect of Creative Accounting on bank performance, this study adopts the modified Jones model. Consistent with Jones (1991) the discretionary portion of total accruals is used in this study to capture creative earnings management rather than the discretionary portion of a single accrual account (as used in McNichols and Wilson (1988) because total accruals should capture a larger portion of managers' manipulation. Also consistent with Collins and Hribar, (2002); William (2004), Dechow and Ge (2006), Ilanit (2007), Dabor and Adeyemi (2009), and Keefe (2012) Total Accruals (TA) are calculated by subtracting operating cash flows from profit before tax and extraordinary items for bank b at time t using details from cash flow and income statements of banks.

We first estimate total accruals and subsequently modify and employ the Jones model to investigate creative accounting. Clearly, measures of creative accounting based on the Jones (1991) model need to be modified for banks or other financial institutions that are not engaged in sales-based businesses. Thus, given consideration to the standard Jones (1991) model and modifications by Dechow, Sloan and Sweeny (1995) this study modify the Jones model by introducing gross earnings (GE) to replace SALE/REV. This is because what sales or revenue is on the financial statement of manufacturing firms are gross earnings to banks. Banks total gross earnings are the sum of interest and similar income, fee and commission, foreign exchange income, trusteeship income, income from investments and other income. In addition, what goods are to manufacturing industry are loans to banking sector. While manufacturing firms sell goods, banks sell loans. Therefore, there is every possibility for loans to go bad. Thus, to estimate these variables, the following formula applies: Gross Earnings (GE) = Interest Income (IINC) + Fee Commissions (FCOM) + Foreign Exchange Income (FOREXINC) + Trusteeship Income (TINC) + Investments Income (INVINC) + Other Income (OINC).

The introduction of Gross Earnings (GE) and nonperforming loans is to enable the model investigate discretionary accruals accurately as managers have discretions over accruals accounts and transactions like loans, nonperforming loans, and loan loss provision (Gebhardt & Novotny-Farkas, 2010; Tianran, 2011; Marton & Runesson, 2012; Rolland, 2012; Samadi & Valahzaghard, 2013). The dependent variable is Bank performance (BP) which is indicated by Return on Assets (ROA), Return on Equity (ROE) and Dividend Payout (DIVPO) as proxies; while the independent variable (Creative accounting) is proxied by: Non- Performing Loan (NPL), Total Accrual (TA) and Gross Earnings (GE). This is represented as: BP = *f* (NPL, TA, GE).

Thus, the regression equation for the prediction expressed in its econometric form is the cross-sectional version of the Jones model, modified by Kothari *et al*., (2005) as follows:

$BP_{it} = a_0 + b_1TA_{bt} + b_2? NPL_{bt} + b_3GE_{bt} + U_.$

Where:

BP = Bank performance

a_0 = Intercept,

$b_1 – b_3$ = Partial regression coefficient of slope,

? $\mathbf{NPL}_{bt}$= Change in non-performing loans of bank b in time t,

$\mathbf{TA}_{bt}$ = Total Accruals of bank b in time t,

$\mathbf{GE}_{bt}$ = Gross Earnings of bank b in time t,

U_{bt} = Error term.

To estimate creative accounting practices of the sampled population, we substitute BP for the dependent variables (ROA**,** ROE**,** DIVPO**) and present the results in the following section.**

4. Results and Discussion

Results

As may be observed from table 2 below, the descriptive statistics shows that ROA has the lowest mean value of 0.4520 with standard deviation of 0.90. It minimum value is 0.2 with maximum value of 2.90. The mean value of return on equity is

0.6840 with standard deviation of 0.68. It has the minimum and maximum values of 0.13 and 2.01 respectively. While the mean value of dividend payout of the sampled banks is **4.12 with standard deviation of 1.18. Its minimum and maximum values are 2.25 and 6.15 respectively.**

Table 2: Summary Descriptive Statistics of the Variables

Variables		Minimum	Maximum	Mean	S.D
Dependent	ROA	0.2	2.90	0.4520	0.90047
	ROE	0.13	2.01	0.6840	0.68266
	DIVPO	2.25	6.15	4.1150	1.18222
Independent	NPL	8.43	16.33	10.4270	2.31992
	TA	111	659	295.90	178.533
	GE	106	298	213.10	68.530

Sources: Authors Computation 2017

The descriptive statistics for the three proxies of measuring creative accounting such as Non-performing loan, total accrual and gross earnings are shown in the table 2 above with TA having the highest mean value of 295.90, standard deviation of 178.5 where the minimum and maximum values are 111 and 659 respectively. Whereas the mean values of NPL and GE are 10.4270 and 213.10 with standard deviation of 2.32 and 68.5. There minimum and maximum values are 8.43, 106 and 16.33, 298 respectively.

Table 3: Results of Variance Inflation Factors (VIF)

Variable	VIF
NPL	1.913
TA	1.935
GE	1.018

Sources: Authors Computation 2017

The results of Variance Inflation Factors (VIF) are shown in table 3 above. The decision rule is that, if the VIF coefficient for any independent variable is equal to one, that variable is independent of other variables i.e. has no collinearity and no significant effect on the relationship between the independent and dependent variable. The independent variable is considered to be dependent and in collinearity with other independent variables if the VIF coefficient of the variable is greater than five. A collinearity test was carried out for the independent variables using the Statistical Package for Social Sciences (SPSS 20) to examine the possibility of collinearity between the independent variables. The result from table 3 above shows that the values of the VIF range from 1.935 to 1.018 and are within the acceptable range and hence there are no collinearity problems with the data set and it fits the regression model.

Test of Hypotheses

***$H0_1$*:** Non-performing loans has no significant effect on performance of the Nigeria deposit money banks.

Table 4a: Regression Result for ROA

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.976	2.215		.441	.675
	NPL	-.143	.258	-.369	-.555	.599
	TA	.001	.003	-.243	-.364	.728
	GE	.003	.005	-.217	.552	.601

Sources: Authors Computation 2017

Table 4b: Model Summaryfor ROA

Model	R	R^2	F Statistics	SIG	Durbin-Watson
	0.879	0.773	0.198	0.894	1.231

Sources: Authors Computation 2017

The research hypothesis one is tested and the regression result in table 4 shows that coefficient of NPL has a negative relationship with ROA. There p-value of 0.599 is greater than 0.05 significant level which indicates that it is not statistically significant. This means that we accept the null hypothesis by rejecting the alternative hypothesis and conclude that Non-performing loans has no significant effect on performance (proxied by return on assets) of Nigeria deposit money banks

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.278	1.681		.166	.874
	NPL	-.046	.196	.155	.233	.824
	TA	-.001	.003	-.345	-.516	.624
	GE	.002	.004	.151	.384	.714

Sources: Authors Computation 2017

Table 5b: Model Summaryfor ROE

Model	R	R^2	F Statistics	SIG	Durbin-Watson
	0.296	0.88	0.193	0.898	1.786

Sources: Authors Computation 2017

Hypothesis two is tested and the regression result in table 5 shows that coefficient of NPL and GE has a positive effect on ROE whereas TA has a negative effect on ROE. There p-values of 0.824, 0.624 and 0.714 are greater than 0.05 significant levels which indicate that it is not statistically significant. This means that we reject the alternative hypothesis by accepting the null hypothesis and conclude that Total accrual does not have significant effect on performance of Nigerian deposit money banks proxied by return on equity.

***$H0_3$*:** There is no significant effect of Gross Earnings on the performa nce of Nigeria deposit money banks.

Table 6a: Regression Resultfor DIVPO

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.096	1.503		.064	.951
NPL	.488	.175	.957	2.786	.032
TA	-.008	.002	-1.248	-3.619	.011
GE	.006	.004	.375	1.846	.114

Sources: Authors Computation 2017

Table 6b: Model Summaryfor DIVPO

Model	R	R^2	F Statistics	SIG	Durbin-Watson
	0.870	0.757	6.221	0.028	2.082

Sources: Authors Computation 2017

Hypothesis three is tested and the regression result in table 6 shows that, the coefficient of NPL and GE has a positive effect on DIVPO whereas TA has negative effect on DIVPO. Result also shows that there is a statistical significance between dividend payout, Non-performing loans and total accrual because the p-values of 0.032 and 0.011 are less than 0.05 significant levels. Since the p-values of 0.032 and 0.011 are less than 0.05 significant level, we reject the null hypothesis and accept the alternate hypothesis and conclude that Gross earnings has a significant effect on performance/dividend payout of Nigeria deposit money banks.

Discussion

The regression result for ROA shows that the coefficient of NPL, TA and GE has negative relationship with ROA. There p-values of 0.599, 0.728 and 0.601 are greater than 0.05 significant levels which indicates that it is not statistically significant. This means that we accept the null hypothesis by rejecting the alternative hypothesis and conclude that creative accounting has no significant effect on return on assets of Nigerian Deposit money banks. The result obtained from the model indicated in table 4b shows that the overall co-efficient of determination R^2 show that 77% of ROA is explained by the variables in the equation which is a good fit because its significance is above the bench mark of 50%. As adjusted (R^2) tends to purge the influence of the number of the included explanatory variables, the R^2 of 0.565 shows that having removed the influence of the explanatory variables, the dependent variable is explained in the equation by 57%. The ***F-Statistic (F-ratio)*** shows the overall significance of the model and evaluates the goodness of fit model by testing its explanatory power of the model. The model is insignificant because the p-value of 0.894 is greater than 5% levels of significance. The Durbin Watson statistics of 1.231 shows that serial correlation is not a problem to the validity statistical inferences derivable from the regression result of the study. This result is in consonance with findings of Osemene, Muritala and Olawale, (2014), Akenbor and Ibanichuka, (2012) and Chen, (2007).

The ROE regression result shows that coefficient of NPL and GE has a positive relationship with ROE whereas TA have negative effect on ROE. There p-values of 0.824, 0.624 and 0.714 are greater than 0.05 significant levels which indicates that it is not statistically significant. This means that we reject the alternative hypothesis by accepting the null hypothesis and conclude that creative accounting has no significant effect on return on equity of Nigerian deposit money banks. The result obtained from the model in table 5b indicates that the overall co-efficient of determination R^2 show that 88% of ROE is explained by the variables in the equation which is a good fit because its significance is above the bench mark of 50%. As adjusted (R^2) tends to purge the influence of the number of the included explanatory variables, the R^2 of 0.296 shows having removed the influence of the explanatory variables, the dependent variable is explained in the equation by 29.6%. The ***F-Statistic (F-ratio)*** shows the overall significance of the model and evaluates the goodness of fit model by testing its explanatory power of the model. The model is insignificant because the p-value of 0.898 is greater than 5% levels of significance. The Durbin Watson statistics of 1.786 shows that serial correlation is not a problem to the validity statistical inferences derivable from the regression result of the study. This finding is consistent with the result obtained from previous studies such as Osemene, Muritala and Olawale, (2014) and Chen, (2007).

The Dividend Payout regression result shows that the coefficient of NPL and GE has a positive relationship with DIVPO whereas TA has negative effect on DIVPO. Result also shows that there is a statistical significant between dividend payout and Non-performing loan and total accrual because the p-values of 0.032 and 0.011 are less than 0.05 significance level which indicates that it is statistically significant. The coefficient of Gross earnings is insignificant because p-value of 0.114 is greater than 0.05 percent significant levels. The result obtained from the model indicate that the overall co-efficient of determination R^2 shows that 76% of DIVPO is explained by the variables in the equation which is a good fit because its significance is above the bench mark of 50%. As adjusted (R^2) tends to purge the influence of the number of the included explanatory variables, the R^2 of 0.635 shows having removed the influence of the explanatory variables, the dependent variable is explained in the equation by 63.5%. The ***F-Statistic (F-ratio)*** shows the overall significance of the model and evaluates the goodness of fit model by testing its explanatory power of the model. The model is significant because the p- value of 0.028 is less than 5% level of significance. The Durbin Watson statistics of 2.082 shows that serial correlation is not a problem to the validity statistical inferences derivable from the regression result of the study. This finding agrees with the results of previous studies conducted by Osemene, Muritala and Olawale, (2014), Akenbor and Ibanichuka, (2012) and Chen, (2007).

4. Conclusion and Recommendation

Conclusion

The findings of the study revealed that DIVPO has a significant and positive effect on bank performance while ROA and ROE have insignificant effect on performance of deposit money banks in Nigeria. Also, ROA is negatively associated with NPL, while TA and GE are positively associated with ROA indicating the possible existence of income increasing earnings management. Whereas the NPLs and GE are positively associated with ROE indicating that creative accounting exists in banks when operational risk is high, ROE is negatively related to TA. The conclusion of this study is important to banks because if the value of the shareholders' equity goes down, ROE goes up. Thus, write-downs and share buybacks can artificially boost ROE of the banks. Likewise, a high level of debt can artificially boost ROE; after all, the more debt a bank has, the less shareholders' equity it has (as a percentage of total assets), and the higher its ROE is, likewise ROA. Investors may also calculate the change in ROE and ROA for a period by first using the shareholders' equity figure from the beginning of a period as a denominator to determine the beginning ROE. However, a bank with high gearing ratio (high leverage) is more vulnerable to downturns in the business cycle because the bank must continue to service its debt regardless of how bad NPLs are. The higher a bank's degree of leverage, the more the bank is considered risky.

Recommendation

Based on the findings of this study, it is recommended that the negative effects of creative accounting among deposit money banks should be minimized by adopting a more principles-based accounting standard (IFRS 9) that will give more importance to ethical considerations and decrease the flexibility of bank managers in deciding among different accounting methods. This is hoped to improve quality of banks financial statements as misstatements of financial reports will be drastically reduced.

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APPENDIX

NIGERIAN STOCK EXCHANGE FACT BOOK
AUDITED FINANCIAL STATEMENT OF THE SELECTED BANKS FROM 2007 - 2016

FINANCIAL YEAR	NET PROFIT AFTER TAX (IN NAIRA)	TOTAL ASSETS (IN NAIRA)	NET WORTH (IN NAIRA)	TOTAL ACCRUAL (IN NAIRA)	GROSS EARNINGS (IN NAIRA)
2007	5, 682, 724	210, 527, 415	76, 558, 955	24, 595, 896	106, 375, 420
2008	8, 464, 018	383,444, 965	50, 293, 556	31, 529, 239	124, 322, 322
2009	13, 333,406	712, 298, 723	73, 516, 976	44, 653, 681	152, 367, 740
2010	28, 373, 855	1, 137, 628, 141	83, 015, 922	65, 919, 457	277, 368, 222
2011	44, 370, 692	2, 102, 295, 910	338, 422, 093	111, 406, 956	293,236, 855
2012	128, 037, 990	44, 370, 692	93, 537,776	32, 725, 523	224, 019, 605
2013	213, 130, 079	2, 436, 624, 984	226, 186, 381	112, 491, 740	298, 398, 740
2014	36, 030, 029	2, 810, 527, 055	149, 365, 741	129, 660, 394	191, 057, 892
2015	89, 325,574	2, 426, 759, 761	44, 370, 692	17, 660, 455	238, 165, 896
2016	568, 274, 000	44, 370, 692	128, 037, 990	43, 355, 640	228, 335, 966

Source: Nigerian Stock Exchange Fact Book, 2016

FINANCIAL YEAR	TOTAL LOANS (IN NAIRA)	NON- PERFORMING LOANS (IN NAIRA)
2007	1, 796, 229, 885	141, 611, 852
2008	766, 860, 526	88, 612, 928
2009	159, 777, 447	16, 183, 353
2010	887, 034, 640	54, 111, 173
2011	868, 879, 740	100, 930, 514
2012	115, 892, 579	11, 461, 571
2013	1, 481, 420	177, 303
2014	377, 662, 370	42, 573, 403
2015	149, 064, 164	15, 487, 200
2016	887, 261, 516	84, 200, 695

Source: Nigerian Stock Exchange Fact Book, 2016

Determinants of Internet Financial Reporting of Listed Deposit Money Banks In Nigeria

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ABSTRACT

Internet financial reporting is gradually removing the paper-based report and increases the number of audience that could access the reports. The reporting entity can benefit from cost saving and improve their financial reporting strategies. Financial statements users can benefit by getting financial information in more breadth and depth that is, information consumers can obtain financial information more easily than before. In Nigeria collecting annual reports from companies have not been easy; hard copies of annual reports were rarely dispensed, and when dispense not everybody can get them. The internet as a unique information dissemination tool in recent time encourages flexible forms of presentation and permits communication with an unlimited number of potential and existing shareholders.This study examined the determinants of internet financial reporting of deposit money banks in Nigeria. Secondary sources of data was used, and checklist technique was employed to measure internet financial reporting index of the sample banks, for a period of 5 years (2010-2014). Correlation research design and the panel regression technique of data analysis were adopted. The study found a significant positive association between firm size, auditor type and profitability and internet financial reporting proxy. The study concludes that bank profitability and size are a significant determinants of internet financial reporting (in terms of contents and presentation) in the Nigerian banking industry during the period covered by the study. The study on the other hand concludes that the type of auditor did not significantly determine the contents and presentation of financial reports on internet by Nigerian banks. Specifically, the study is of the opinion that profitability and size of the firms are a critical factor in promoting reporting on internet, which improve transparency of the reports and minimizes information asymmetry as well as the agency cost. The study recommends that the regulators of the Nigerian banking industry should make policy that could encourage reporting on internet and possible regulations of internet financial reporting. Managements of the deposit money banks in Nigeria should increase efforts towards creating a user friendly website for reporting financial and corporate activities for the wider audience.

Keywords: Internet Financial Reporting, Financial Information, Deposit Money Banks.

1.1 INTRODUCTION

Financial reporting as an act of making financial statements and other relevant corporate information. Public has been affected by the emergence of Information and Communication Technology (ICT). One of the attributes of the present information era is the real time accounting needs by financial statements users, which ICT tends to provide. The main objective of accounting has been to provide adequate relevant information to the users for credit, investment and other economic decisions. For instance, investors and financial analysts rely heavily on corporate financial reports to carry out their duties effectively. Moreover, adequate provision of corporate information affects capital market liquidity, reduces information asymmetry and makes the market to be efficient.

Howard and Kanya (2004) state that due to the dynamic business world, traditional paper-based corporate reporting is becoming less timely and thus less useful to decision makers. Therefore, firms must improve their communication strategy to be more efficient. In order to achieve efficient communication of financial reports listed companies in some countries are required to provide audited quarterly and annual financial statements on the Web. The internet has recently provided accountants with an incredible opportunity to tell the corporate stories in ways previously unimaginable. Thus, the manner in which accounting profession faces this system will determine its role in the financial reporting on the web in the future.

Internet financial reporting (IFR) has gradually removed the paper-based report and increases the number of audience that could access the reports. Moreover, the reporting entity can benefit from cost saving and improve their financial reporting strategies. Financial statements users can benefit by getting financial information in more breadth and depth. Additionally, information consumers can obtain financial information more easily than before. For instance, in Nigeria collecting annual reports from companies was not easy; hard copies of annual reports were rarely dispensed, and when dispensed not everybody could get them.

In contrast, the internet as one of the information dissemination tool in recent time encourages flexible forms of presentation and permits communication with an unlimited number of potential and existing shareholders. Although, majority of IFR practice is voluntary globally and is unregulated mostly, financial information provided on corporate websites varies across companies and ranges widely from required Securities and Exchange Commission (SEC) filings to various unaudited and forward-looking voluntary disclosures (K**han and** I**smail, 2011)**. According to them, IFR supports presentation methods that are not available in traditional, paper-based financial reporting, such as hypertext, multiple file formats (i.e. pdf, text-based), and multimedia.

Most corporate organizations in Nigeria have websites usedto deliver corporate information to inventors, to promote corporate identity, distribute information regarding an organization and its activities, and presenting financial information to shareholders, investors and other important parties. However, in spite of the tremendous benefit if IFR companies in Nigeria are still lagging behind compared to those in other economies in communicating with stakeholders via the internet. It is on this light that researchers argue on which factors that determine the IFR in terms of contents, timeliness, presentation, technology and user-friendly/support.

For instance, Khan and Ismail (2012) states that in view of the Internet as a cheap but powerful communication device, disclosure of financial and non-financial information on the Internet is becoming an increasingly popular subject of research. Hence, companies that report financial information on their websites are larger, more leveraged, have more concentrated ownership, have more international investors, and more recent than check-web-based companies (Momany and Al-Shorman, 2006). As to the questions on what determine IFR, Ismail (2002) states that the probability of a firm to publish financial information on the Internet does not only depend on individual characteristic, but on a combination of interaction effects among firm characteristics (size, leverage, and profitability), industry type, and country. It is against this background that this study attempt to examine the determinants of internet financial reporting of deposit money banks in Nigeria.

STATEMENT OF THE PROBLEM

Internet financial reporting has been the major platform of information dissemination among the corporations and its use is getting broader. This has changed the method in which a company delivers information to their shareholders, clients, suppliers and other customers (Bonson& Escobar 2006). This makes companies' websites an important medium for corporate reporting and distributing information regarding an organization and its activities. Previous studies have shown that many companies worldwide have published their financial information via the Internet; and that the increase in the number of companies reporting their financial report through the Internet had a big impact on legislation, financial framework and information systems (Khan 2006). Internet-based reporting has also been dubbed as more influential than paper-based reporting (Debreceny, Gray &Rahman 2002) and has turned out to be more important and interesting, thus, providing a wider opportunity for deeper exploration.

While several researches have been conducted in relation to **IFR**, there are still enquiries that need to be addressed, especially in the context of Nigerian banking industry, which is in the forefront of internet financial reporting in Nigeria. Among the outstanding research questions, is the question concerning current **IFR** status in Nigeria and the possible factors that determine the IFR. So far in Nigeria, issues related to **IFR** have not received much attention from researchers, therefore presentinga gap for this study to fill.

This is because, most companies in Nigeria did not take full advantage of the computer technologies to add value to the financial disclosures. For instance, companies employ a rather conventional web presentation, with text and static graphics, equivalent to a paper presentation. In addition, some companies provide a full set of annual reports, while some ones present only summary financial statements. Other issues that need research attention include the quality pertaining to timeliness, which also varied with just as many firms providing timely data, as those who present outdated information. Moreover, there is substantial variation in the quality and extent of firms' IFR practices, which could be explained by investigating the determinants of IFR by firms. Understanding the determinants of IFR could address the issue of lack of formal guidance and the huge differences in the nature and extent of reporting on the web, which are likely to raise issues concerning the comparability and reliability of financial reports. This study therefore intends to provide answers to the following research questions: what are the determinants of IFR of the deposit money banks in Nigeria?

OBJECTIVES OF THE STUDY

The main objective of the study is to examine the determinants of internet financial reporting of deposit money banks in Nigeria. The specific objectives of the study are:

i. To assess the effect of firm size on the Internet Financial Reporting of Deposit money banks in Nigeria.

ii. To examine the effect of profitability on the Internet Financial Reporting of Deposit money banks in Nigeria.

iii. To determine the effect of auditor type on the Internet Financial Reporting of Deposit money banks in Nigeria.

HYPOTHESES OF THE STUDY

In line with the research objective and problem, the following research hypotheses are formulated in null form for the study;

H_{01}: Firm size has no significant effects on the internet financial reporting of deposit money banks in Nigeria.

H_{02}: Profitability has no significant effects on the internet financial reporting of deposit money banks in Nigeria.

H_{03}: Auditor type size has no significant effects on the internet financial reporting of deposit money banks in Nigeria.

SCOPE AND SIGNIFICANCE OF THE STUDY

This study investigated the determinants of IFR of banks in Nigeria. The need for real-time information on corporate activities makes this study a significant and necessity. One of the major benefits of this research is that, it contributes to the existing IFR literature in Nigeria, and information presentation literature in several ways. As there are no any prior studies that test the impact of firm specific characteristics on IFR in Nigeria. As IFR disclosure are considered necessary measures to protect shareholders, the findings of this study will provide empirical evidence to policy makers and regulators for implementing new requirements and IFR guidelines and regulations. Moreover, the study will be beneficial to shareholders, investors, creditors, managers, students and researchers. Specifically, the findings from the research is important motivation for future research on the effects of Internet presentation formats and also to standard setters who must monitor the financial reporting process and protect the interests of financial information users.

The study is restricted to deposit money banks listed on the Nigerian Stock Exchange (NSE) market through 2010 to 2014. The determinants of IFR investigated in the context of this research are the firm size, firm profitability and auditor type or size, while IFR considered in the study are the contents and presentation items. The contents and presentations are considered because prior research has shown that the manner in which information is presented to, can influence the judgment and decision-making process and decision outcomes (Dull et al. 2003, and Rose et al. 2004). The study covers a period of five years (2010-2014).

2.1 LITERATURE REVIEW

Prior empirical research has examined the incentives and determinants of the level of information provided on a firm's web site and the format in which the information is presented. Different dimensions and framework have been used in the analysis; Xiao at el., (2005) argued that a four dimensional framework are the nature of change in financial reporting (content, form or both), the role of the Internet (as problem solver, problem creator or both), the determinant of change (technology, non-technology, or both) and the pace of change (little or no change, progressive change and radical change).

Ashbaugh et al. (1999) as one of the first studies to examine the IFR issue document IFR practices and provide preliminary evidence on why some firms disseminate financial information on their corporate web sites, while others do not. The results indicate that firms engaging in IFR are larger and more profitable than those not engaging in IFR. Furthermore, firms responding to their survey indicated that disseminating information to shareholders was an important reason for establishing an Internet presence. A study by Debreceny et al. (2002) using a cross-country analysis found that firm size, listing on U.S. securities market and the level of technology are significantly positively associated with the level of Internet financial reporting. Ettredge et al. (2002) examined the characteristics of IFR firms and document a significant positive association between voluntary Internet financial disclosures and factors such as firm size, demand for external capital, information asymmetry, and disclosure quality ratings. Xiao et al. (2004) find significant association between Internet-based disclosure choices and the multiclass of ownership structure, such as government agencies ownership, state-owned corporations' ownership, and legal person ownership. Debreceny et al. (2002) and Ettredge et al. (2002) examine both the internet content and presentation methods of disclosure, while Xiao et al. (2004) measure IFR in multiple dimensions (i.e., content, presentation methods, mandatory items, and voluntary items).Kelton and Yang (2004) investigates the effect of corporate governance mechanisms on Internet financial reporting (IFR) behavior. They rely upon agency theory to predict an association between the extent of a firm's Internet disclosure behavior and its corporate governance structures. Specifically, they measure IFR by disclosure content, presentation format, required filings, voluntary disclosures, and corporate governance disclosures. The study found that firms with weak shareholder rights and a higher percentage of independent directors are more likely to engage in IFR. Interestingly, these firms are also more likely to provide disclosure regarding their corporate governance structures on their corporate web sites.Pervan (2006) showedthat the IFR score was statistically significantly and positively correlated with size, profitability, number of shareholders, and amount of traffic on the stock markets. AllamandLymer (2003) used the internet financial reporting index to test the existence of a relationship between the size and the IFR level of companies and their study show that no relationship was found to be significant in any of the five countries with exception to Australia. Alanezi (2009) shows that internet financial report is significantly influenced by the auditor type, company size and industry type. Al-Moghaiwli (2009) also shows that there is a significant relationship between the engagement of IFR and company size, profitability, and ownership structure. Lai at el (2010) shown that the cumulative abnormal return of the firms with IFR is significantly higher than those of the firms without IFR.Damaso and Lourenco (2011) show that empirical evidence supporting the importance of the company size in the determinants of internet financial report. However, it was found a negative relationship between the IFR and the leverage and ownership concentration. But this is inconsistent with Mensah (2012) who found that profitability and leverage are important determinants of internet financial reporting.Firm size, liquidity and auditor size are not significant explanatory variables for the internet reporting index.

The review of the existing empirical studies on the determinants of IFR revealed that most of the researches are conducted abroad, no attempt was made in Nigeria to investigate the determinants of internet financial reporting. This has provided a gap in literature to use a Nigerian data and investigate the determinants of internet financial reporting.

THEORETICAL FRAMEWORK

Several recent studies have attempted to address and provide theoretical framework of internet financial reporting by using theories on voluntary disclosure (Ettredge et al. 2002; Debreceny et al. 2002; Xiao et al. 2004) to generate hypotheses. For instance, Ettredge et al. (2002) classify IFR into required filings (disclosures that are required by the SEC) and voluntary disclosures and investigate whether Internet dissemination of both types of data can be explained by theories of incentives for voluntary disclosure by traditional methods. The results show that the presence of required items on a company's web site is associated with size and information asymmetry while the presence of voluntary disclosures is associated with size, information asymmetry, demand for external capital, and disclosure reputation.

In addition to voluntary disclosure theory, Kelton and Yang (2004) argue about agency theory as a framework of IFR. They rely upon agency theory to predict an association between the extent of a firm's Internet disclosure behaviour and its corporate governance structures. According to the agency theory, IFR is a mechanism through which agency problem and information asymmetry could be minimized, due to transparency and timely information through internet. Kelton and Yang (2004) indicate that firms with weak shareholder rights and a higherpercentage of independent directors are more likely to engage in IFR. Therefore, this study is underpinned by the theory of voluntary disclosure and agency theory.

3.1 RESEARCH METHODOLOGY

This study employed correlation research design to examine the determinants of internet financial reporting of deposit money banks in Nigeria. The design is chosen because of its effectiveness in the cause and effect researches. The study used secondary data from the financial statements of the sampled deposit money banks for the period of 5 years (2010-2014).

The population of this study comprises of all the 17 most traded deposit money banks listed on the floor of the Nigerian Stock Exchange (NSE) as at 31st December, 2014. However, three banks were not selected due to difficulties in accessing their data. Based on this, the population was reduced to 14 banks, and hence the sample size of the study.

The study adopted panel multiple regression technique of data analysis. Tests for like heteroceskedasticity and colinearity were conducted, because their presence they lead to spurious regression problem which can lead to statistical bias. Testing of heteroscekedasticity is also informed by the classical traditional regression assumptions which among others require that the variance of the error term has to be constant and the same for all observations (homoscedastic) and the explanatory variables are not perfectly correlated. Failure to ensure that may cause the usual standard error terms of the estimated parameters to be biased and inconsistent. Therefore, robustness tests help produce estimators that are BLUE (Best Linear Unbiased Estimators). The analysis is conducted using Statistics/Data Analysis Software (STATA 11.2).

VARIABLES MEASUREMENT AND MODEL SPECIFICATION

The definitions and measurements of the variables used in this study are presented in Table 1 below;

Table 1: Variables Measurements

Variables	Definition/Measurements
Dependent Variable	
Internet Financial Reporting (IFR)	Defined as the contents and presentation of corporate financial reports and accounts on web. Measured by IFR index in line with Khan and Ismail (2012), Oyelere et al. (2003) Xiao et al. (2004), Aly et al. (2010). See appendix for the checklist items.
Independent Variables	
Firm Size (FSIZE)	Is measured by the natural logarithm of total assets
Profitability (PROF)	is measured by the returns on assets (profit before tax over total assets)
Auditor Type (AUDTYP)	Defined a s big4 and non -big4 audit firm. Measured by dichotomous variable (1 and 0); 1 if a firm is audited by a BIG4 audit firm (Deloitte and Touch, Ernst and Young, KPMG, Pricewaterhousecoopers), and 0 for otherwise.

Therefore IFR index is determined as follows

$$IFR = \frac{\text{Total real score obtained by a bank}}{\text{Total Maximum Scores}}$$

The total maximum scores is 50, comprises of 32 internet contents items and 18 internet presentation items.

MODEL SPECIFICATION

To measure the determinants of internet financial reporting of deposit money banks in Nigeria, the following model is estimated:

$IFR_{it} = \beta_0 + \beta_1 FSIZE_{it} + \beta_2 PROF_{it} + \beta_3 AUDTYP_{it} + \mu_{it}$……………………….………………..i

Where;

IFR_{it}	=	Internet financial reporting of bank I in year t
$FSIZE_{it}$	=	Firm size of bank I in year t
$PROF_{it}$	=	Profitability of bank I in year t
$AUDTYP_{it}$	=	Auditor type of bank I in year t
β_0	=	the intercept/constant;
$\beta_1 - \beta_3$	=	are the parameters;
μ_{it}	=	the residual/error term of bank I in year t

4.1 RESULTS AND DISCUSSIONS

This section presents and discusses the results obtained from the tests conducted on the data collected for the study. The section begins with the description of the data collected for the study and then the inferential statistics.

Descriptive Statistics

The descriptive statistics of the data collected for the study is presented in Table 2;

Table 2: Descriptive Statistics

Variables	Mean	SD	Min	Max	skew	Kur	N
IFR	0.6911	0.1482	0.40	0.92	-0.1205	1.8366	70
FSIZE	20.7429	0.7557	19.11	22.19	-0.1602	2.2942	70
PROF	0.0121	0.0396	-0.24	0.065	-4.2450	26.00	70
AUDTYP	0.8143	0.3917	0.00	1.00	-1.6164	3.6127	70

Source: STATA Output (Appendix)

Table 2 presents the summary statistics of determinant of internet financial reporting (IFR) of deposit banks in Nigeria. The Table shows that our measures of IFR, has a minimum value of 0.40 (40%) and 0.92(92%) as the maximum value. The average value of the IFR is 0.6911 with standard deviation of 0.1482, signifying that the data deviate from the mean value from both sides by 14.82. This implies that the data for the investment growth variable is not widely dispersed among the sample banks. The mean value suggested that the sample banks have score 69.11% of the contents and presentation of internet items, while the maximum is 92% and the minimum of 40%. Moreover, the coefficient of skewness of -0.1205 shows that the data is negatively skewed, while the value of kurtosis of 1.8366 indicate the peakedness of the data, that the data did not follow normal distribution.

The table also indicates that the minimum and maximum values of the firm size (FSIZE) are 19.11 and 22.19 respectively, with the mean value of 20.7429 and standard deviation of 0.7557. This indicates that the data which is the natural logarithm of total assets deviate from the mean by 0.7557. While the coefficient of skewness of -0.1602 shows that the data is negatively skewed, and did not follow the normal curve, the value of kurtosis of 2.2942 indicate the peakedness of the data, that the data did not follow normal distribution. The summary statistics from the table shows an average profitability of 0.0121 (1.21% returns on total assets) of the sample deposit money banks in Nigeria, with standard deviation of 0.0396. This implies that the deviation from the mean is 3.96%, suggesting a high dispersion among the sampled banks. The minimum value of profitability is -0.24(loss) and 0.065 (6.5%) as the maximum value. The coefficient of skewness of -4.2450 shows that the data is negatively skewed, while the value of kurtosis of 26.00 indicate the peakedness of the data, that the data did not follow normal distribution.

Table 2 also indicates that, the minimum and maximum values of the measure of auditor type (AUDTYP) which is dichotomous are 0 and 1 respectively. The mean value of AUDTYP is 0.8143 and standard deviation of 0.3917. This implies that on average 81.43% of the sample deposit money banks are audited by the BIG4 audit firms during the period of the study, while the deviation from the mean is 39.17. The coefficient of skewness of -1.6164 shows that the data is negatively skewed, while the value of kurtosis of 3.6127 indicate the peakedness of the data, that the data did not follow normal distribution. However, the analysis of the descriptive statistics of the data collected for the study suggested that the data is widely dispersed which is an indication of non-normally distributed, as pointed by the higher values of standard deviation of most of the variables and the coefficients of kurtosis and skewness. The study employs the Shapiro Wilk Test for Normal Data.

Table 3: Normal Data Test

VARIABLES	W	V	Z	P-Values	N
IFR	0.9697	1.866	1.357	0.0875	70
FSIZE	0.9813	1.154	0.311	0.3777	70
PROF	0.5841	25.602	7.052	0.0000	70
AUDTYP	0.9191	4.980	3.491	0.0002	70

Source: STATA OUTPUT (Appendix)

The study uses Shapiro-WIlk (W) test for normal data, under this technique, null hypothesis principle is used to check a variable that came from a normally distributed population. The null hypothesis of the test is that; the data is normally distributed. Table 3 indicates that data from IFR, and FSIZE are normally distributed because the P-values are not statistically significant (p-values of 0.0875 and 0.3777 respectively), thus, the null hypothesis (that, the data is normally distributed) is not rejected. On the other hand, the table show that data from PROF and AUDTYP not normally distributed because the P-values are statistically significant at 1% level of significance (p-values of 0.0000 and 0.0002 respectively), thus, the null hypothesis (that, the data is normally distributed) is rejected. This may have effects on the results, as most of the parametric tools of analysis including regression assumed that the data is normally distributed. Following the analyses of the descriptive statistics and normality of the data for the variables of the study, the results of the correlation among the variables is discussed in the following section.

Correlation Results

The summary of the Pearson correlation Coefficients of the variables of the study are presented in Table 4 as follows;

Table 4: Correlation Matrix

VAR	IFR	FSIZE	PROF	AUDTYP
IFR	1.0000			
FSIZE	0.6841	1.0000		
	(0.0000)			
PROF	0.3451	0.1381	1.0000	
	(0.0034)	(0.2543)		
AUDTYP	0.3608	0.4233	0.0181	1.0000
	(0.0022)	(0.0003)	(0.8820)	

P-Values in Parentheses
Source: STATA Output (Appendix)

The correlation result in table 4 presents the results of the degree of associations between the determinants of internet financial reporting and internet financial reporting of listed deposit money banks in Nigeria. The table shows that there is a significant statistical positive relationship between firm size (FSIZE) and internet financial reporting of the sample deposit money banks in Nigeria, from the correlation coefficient of 0.6841, which is statistically significant at 1% level of significance (p-value of 0.0000). This implies that contents and presentation on internet likely increases as the size of bank increases. The result from the table also indicates that there is a significant positive association between profitability (PROF) and internet financial reporting of the sample deposit money banks in Nigeria, from the correlation coefficient of 0.3451 which is statistically significant at 1% level of significance (p-value of 0.0034). This relationship implies that, the contents and presentation on internet likely increases with an increase in firms' profitability. Moreover, table 4 shows a significant positive relationship between the type of external auditor (AUDTYP) and internet financial reporting of the sample deposit money banks in Nigeria, from the correlation coefficient of 0.3608, which is statistically significant at 1% level of significance (p-value of 0.0022). This implies that internet financial reporting likely increases with the use of BIG4 auditor type.

Table 5: OLS Regression Model Summary

Variables	Statistics	Prob.
R Square	0.5401	
Adj. R square	0.5192	
F-Statistic	25.84	0.0000
Mean VIF	1.16	
Hettest: Chi2	1.81	0.1785
Random Effect (LM) Test	1.60	0.1027

Source: STATA Output (Appendix)

The results from table 5 indicate that the explanatory variables of the study (firm size, auditor type and firm profitability) explained 51.92% of the total variations in the internet financial reporting of the listed deposit money banks in Nigeria, from the coefficient of multiple determination (Adjusted R square of 0.5192). The table also shows that the model of the study is fitted at 1% level of significance as indicated by the F-Statistic of 25.84 with the Probability value of 0. 0000.However**, the** Breuch Pagan/Cook-Weisberg test for heteroskedasticity (Hettest) Chi2 of 1.81 with p-value of 0.1785 confirms the absence of the effects of heteroskedasticity, that is, there is constant variance in the residuals (i.e the error terms are homocesdatic). The VIF results on the other hand, show the absence of perfect multicollinearity among the independent variables, because the mean Variance Inflation Factor (VIF) is 1.16. This is far below the benchmark of 10, which is an indication of perfect multicollinearity. Moreover, the Breusch and Pagan Lagrangian Multiplier Test for Random Effects indicated that there is no significant statistical variance in the panel, from the Chi2 of 1.60 with p-value of 0.1027, implying that OLS regression model is the most appropriate model for the study. Therefore, the hypotheses of the study are tested in the following section.

Hypotheses Testing

In this section, the hypotheses formulated are tested to conclude the determinants of internet financial reporting of listed deposit money banks in Nigeria. Table 6 present the regression coefficient for the analysis;

Table 6: OLS Regression Coefficients

Variables	Coefficients	t-values	Prob.
FSIZE	0.1188	6.51	0.000
PROF	0.9690	3.08	0.003
AUDTYP	0.0377	1.08	0.284
CONSTANT	-1.8159	-4.95	0.000

Source: STATA Output (Appendix)

The results in table 6 shows that firm size (FSIZE) in the sample deposit money banks in Nigeria has a significant statistical positive impact on the internet financial reporting of the sample banks, from the coefficient of 0.1188 and t-value of 6.51 which is statistically significant at 1% level of significance (p-value of 0.000). This signifies that size of bank significantly influenced the reporting on internet in the deposit money banks in Nigeria. This implies a direct relationship between the size and internet financial reporting during the period. This result is statistically significance and therefore, the study rejects the null hypothesis one (H_{01}), which states thatfirm size has no significant effect on Internet financial reporting of listed deposit money banks in Nigeria. The study therefore, infers that the size of the banks significantly determined the contents and presentation of financial reports on internets by listed deposit money banks in Nigeria, during the period covered by the study.

The table also show that profitability (PROF) of the sample listed deposit money banks in Nigeria has a significant positive impact on the internet reporting of the banks, from the coefficients of 0.9690 with t-value of 3.08 which is statistically significant at 1% level of significance (p-value of 0.003). This signifies that profitability has significantly influenced the internet financial reporting of listed deposit money banks in Nigeria. This also indicated a direct relationship between the profitability and reporting on internet. Based on this, the study rejects the null hypothesis two (H_{02}), which states that profitability has no significant effect on the internet financial reporting of listed deposit money banks in Nigeria. The study infers that profitability is a significant determinants of internet financial reporting of listed deposit money banks in Nigeria, during the period covered by the study.

Similarly, the table show that external auditor type (AUDTYP) in the sample listed deposit money banks in Nigeria has positive impact on internet financial reporting of the banks, from the coefficients of 0.0379 with t-value of 1.08 which is not statistically significant at all levelsof significance (p-value of 0.284). It implies that internet financial reporting likely increases with the type of external auditor used by banks, but the result lack statistical significance. Based on this, the study failed to rejects the null hypothesis three (H_{03}), which states that auditor type has no significant effect on Internet financial reporting of listed deposit money banks in Nigeria. The study therefore, infers that the type of auditor does not significantly influenced the internet financial reporting of deposit money banks in Nigeria, during the period covered by the study.

5.1 CONCLUSION AND RECOMMENDATIONS

This study examined the determinants of internet financial reporting of deposit money banks in Nigeria. Emanating from the analysis conducted on the data, together with the hypotheses testing, the study found a significant positive association between firm size, auditor type and profitability and internet financial reporting proxy. The study therefore concludes that bank profitability and sizeare a significant determinants of internet financial reporting (in terms of contents and presentation) in the Nigerian banking industry during the period covered by the study. The study on the other hand concludes that the type of auditor did not significantly determine the contents and presentation of financial reports on internet by Nigerian banks. Specifically, the study is of the opinion that profitability and size of the firms are a critical factor in promoting reporting on internet, which improve transparency of the reports and minimizes information asymmetry as well as the agency cost.

Based on the findings and conclusions from this research, the study recommends that the regulators of the Nigerian banking industry should make policy that could encourage reporting on internet and possible regulations of internet financial reporting. Managements of the deposit money banks in Nigeria should increase efforts towards creating a user friendly website for reporting financial and corporate activities for the wider audience.

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APPENDICES

The names of the banks listed on the floor of the Nigerian Stock Exchange (NSE) as well as their websites are:

S/N	NAME	WEBSITE
1.	ACCESS	www.accessbankplc.com
2.	DIAMOND BANK	www.diamondbank.com
3.	FBN	www.firstbanknigeria.com
4.	FCMB	www.fcmb-ltd.com
5.	FIDELITY	www.fidelitybank.ng
6.	GTB	www.gtbplc.com
7.	SKYE	www.skyebank.com
8.	STANBIC	www.stanbicibtc.com
9.	STERLING	www.sterlingbankng.com
10.	UBA	www.ubagroup.com
11.	UBN	www.unionbankng.com
12.	UNITY BANK	www.unitybankng.com
13.	WEMA	www.wemabank.com
14.	ZENITH BANK	www.zenithbank.com

Check List of Items Appearing in the IFR **Index: Score 1 (disclosure) and 0 (no disclosure) is given for each item of reporting)**

S/N	**CONTENTS**
1	Income statement of current year
2	Balance sheet of current year
3	Cash flow statement of current year
4	Auditor report of current year
5	Annual report of current year (full text)
6	Notes to financial statements of current year
7	Income statement of past years
8	Accounting policy
9	Notes to financial statements of past years
10	Dividend information
11	Quarterly report of current year
12	Segmental reporting by line of business in current year
13	Corporate information
14	Half-year report of current year
15	Management report/analysis in current year
16	Members of the Board of Directors
17	Changes in stockholders' equity in the current year
18	Chairman's report
19	Analyses of main business risks
20	Summary of financial data over a period of at least five years
21	Sales of key products
22	**CEO** signature in the report
23	Annual general meetings information
24	Summary of key ratios over a period of at least five years
25	Users quickly find the financial information
26	Shareholder information
27	Corporate social responsibility report
28	Directors shareholding information
39	Information on corporate strategy
30	Company address
31	Company's charter in the current year
32	Financial ratios

S/N	**PRESENTATIONS**
1	Loading time of the website below 10 seconds
2	Internal search engine
3	Table of content/sitemap
4	Annual report in PDF format
5	Hyperlinks to financial analysts
6	Hyperlinks inside the annual report
7	Change to printing friendly format possible
8	Annual report in **HTML** format
9	Format of reports suitable for calculations
10	Menu pull-down
11	Ability to download reports
12	Use of multimedia technology (in general)
13	Financial data in processable format (such as Excel)
14	Direct e-mail contacts (feedback) available
15	Link to table of contents
16	Hyperlinks texts
17	Hyperlinks to data on a third-party's website
18	Clear boundaries for annual reports

RESULTS/OUTPUT

```
. xtset id year, yearly
       panel variable:  id (strongly balanced)
        time variable:  year, 2010 to 2014
                delta:  1 year

. su ifr fsize prof audtyp, detail

                             ifr
-------------------------------------------------------------
      Percentiles      Smallest
 1%           .4             .4
 5%          .46            .46
10%          .48            .46       Obs                  70
25%          .54            .46       Sum of Wgt.          70

50%          .69                      Mean           .6911429
                        Largest       Std. Dev.      .1481729
75%          .82            .92
90%          .88            .92       Variance       .0219552
95%          .92            .92       Skewness      -.1205159
99%          .92            .92       Kurtosis       1.836639

                            fsize
-------------------------------------------------------------
      Percentiles      Smallest
 1%     19.11056       19.11056
 5%     19.37885       19.21438
10%     19.74965       19.31964       Obs                  70
25%     20.20045       19.37885       Sum of Wgt.          70

50%     20.73474                      Mean            20.7429
                        Largest       Std. Dev.      .7557894
75%     21.36844       21.89462
90%     21.71717       22.04642       Variance       .5712177
95%     21.89462       22.07626       Skewness       -.160169
99%     22.19175       22.19175       Kurtosis       2.294214

                            prof
-------------------------------------------------------------
      Percentiles      Smallest
 1%    -.2410481      -.2410481
 5%    -.0225624      -.1028236
10%    -.0154489      -.0833422       Obs                  70
25%     .0083498      -.0225624       Sum of Wgt.          70

50%     .0168252                      Mean           .0120963
                        Largest       Std. Dev.      .0396951
75%     .0262883       .0494024
90%     .0394094       .0509268       Variance       .0015757
95%     .0494024       .0593863       Skewness      -4.245022
99%     .0650325       .0650325       Kurtosis       26.00009

                           audtyp
-------------------------------------------------------------
      Percentiles      Smallest
 1%            0              0
 5%            0              0
10%            0              0       Obs                  70
25%            1              0       Sum of Wgt.          70

50%            1                      Mean           .8142857
                        Largest       Std. Dev.      .3916837
75%            1              1
90%            1              1       Variance       .1534161
95%            1              1       Skewness       -1.61638
99%            1              1       Kurtosis       3.612686
```

```
. swilk ifr fsize prof audtyp

                   Shapiro-Wilk W test for normal data

    Variable |    Obs       W           V         z       Prob>z
-------------+--------------------------------------------------
         ifr |     70    0.96968      1.866     1.357    0.08745
       fsize |     70    0.98125      1.154     0.311    0.37771
        prof |     70    0.58405     25.602     7.052    0.00000
      audtyp |     70    0.91910      4.980     3.491    0.00024
```

```
. pwcorr ifr fsize prof audtyp, star (0.05) sig

             |      ifr    fsize     prof   audtyp
-------------+------------------------------------
         ifr |   1.0000
             |
             |
       fsize |   0.6841*  1.0000
             |   0.0000
             |
        prof |   0.3451*  0.1381   1.0000
             |   0.0034   0.2543
             |
      audtyp |   0.3608*  0.4233*  0.0181   1.0000
             |   0.0022   0.0003   0.8820
```

```
. reg ifr fsize prof audtyp

      Source |       SS       df       MS              Number of obs =      70
-------------+------------------------------           F(  3,    66) =   25.84
       Model |  .81820379     3  .272734597           Prob > F      =  0.0000
    Residual | .696704796    66  .010556133           R-squared     =  0.5401
-------------+------------------------------           Adj R-squared =  0.5192
       Total |  1.5149085    69  .021955197           Root MSE      =  .10274

------------------------------------------------------------------------------
         ifr |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
       fsize |   .1188212   .0182539     6.51   0.000     .0823762    .1552663
        prof |   .9690093   .3149291     3.08   0.003     .3402331    1.597786
      audtyp |   .0376636   .0348908     1.08   0.284    -.0319981    .1073253
       _cons |  -1.815945   .3671393    -4.95   0.000    -2.548962   -1.082927
------------------------------------------------------------------------------
```

```
. hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of ifr

         chi2(1)      =     1.81
         Prob > chi2  =   0.1785
```


```
. hettest

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of ifr

         chi2(1)      =     1.81
         Prob > chi2  =   0.1785
```

```
. vif

    Variable |       VIF       1/VIF
-------------+----------------------
       fsize |      1.24    0.803791
      audtyp |      1.22    0.819150
        prof |      1.02    0.978942
-------------+----------------------
    Mean VIF |      1.16

. xtreg ifr fsize prof audtyp, fe

Fixed-effects (within) regression               Number of obs      =        70
Group variable: id                              Number of groups   =        14

R-sq:  within  = 0.6318                         Obs per group: min =         5
       between = 0.6089                                        avg =       5.0
       overall = 0.4961                                        max =         5

                                                F(3,53)            =     30.32
corr(u_i, Xb)  = -0.8551                        Prob > F           =    0.0000

------------------------------------------------------------------------------
         ifr |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
       fsize |   .2906138   .0335802     8.65   0.000     .2232604    .3579672
        prof |   .4141216   .2812372     1.47   0.147    -.1499688     .978212
      audtyp |   .0887663   .0403731     2.20   0.032     .0077881    .1697445
       _cons |  -5.414321    .691883    -7.83   0.000    -6.802063    -4.02658
-------------+----------------------------------------------------------------
     sigma_u |  .16243688
     sigma_e |  .07550866
         rho |  .82231106   (fraction of variance due to u_i)
------------------------------------------------------------------------------
F test that all u_i=0:     F(13, 53) =     5.32              Prob > F = 0.0000

. xtreg ifr fsize prof audtyp, re

Random-effects GLS regression                   Number of obs      =        70
Group variable: id                              Number of groups   =        14

R-sq:  within  = 0.5535                         Obs per group: min =         5
       between = 0.6820                                        avg =       5.0
       overall = 0.5324                                        max =         5

                                                Wald chi2(3)       =     66.61
corr(u_i, X)   = 0 (assumed)                    Prob > chi2        =    0.0000

------------------------------------------------------------------------------
         ifr |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
       fsize |   .1388244   .0214916     6.46   0.000     .0967016    .1809472
        prof |    .726636   .3142337     2.31   0.021     .1107493    1.342523
      audtyp |    .046268   .0379616     1.22   0.223    -.0281354    .1206714
       _cons |  -2.234943   .4350218    -5.14   0.000     -3.08757   -1.382316
-------------+----------------------------------------------------------------
     sigma_u |   .0333379
     sigma_e |  .07550866
         rho |  .16313219   (fraction of variance due to u_i)
------------------------------------------------------------------------------

. est store random
```

```
. hausman fixed random

                 ---- Coefficients ----
             |      (b)          (B)            (b-B)     sqrt(diag(V_b-V_B))
             |     fixed        random        Difference          S.E.
-------------+----------------------------------------------------------------
       fsize |    .2906138     .1388244        .1517894          .025802
        prof |    .4141216      .726636       -.3125143                .
      audtyp |    .0887663      .046268        .0424983         .0137442
------------------------------------------------------------------------------
                           b = consistent under Ho and Ha; obtained from xtreg
            B = inconsistent under Ha, efficient under Ho; obtained from xtreg

    Test:  Ho:  difference in coefficients not systematic

                  chi2(3) = (b-B)'[(V_b-V_B)^(-1)](b-B)
                          =       29.34
                Prob>chi2 =      0.0000
                (V_b-V_B is not positive definite)


. xttest0

Breusch and Pagan Lagrangian multiplier test for random effects

        ifr[id,t] = Xb + u[id] + e[id,t]

        Estimated results:
                         |       Var     sd = sqrt(Var)
                ---------+-----------------------------
                     ifr |   .0219552       .1481729
                       e |   .0057016       .0755087
                       u |   .0011114       .0333379

        Test:   Var(u) = 0
                             chibar2(01) =     1.60
                          Prob > chibar2 =   0.1027
```

Effect of the Marriage between Accounting Practices and Global Events

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ABSTRACT

The main thrust of this paper is to see from the critical review of accounting literature the relationship between the accounting practices and global events. To achieve this objective, the paper explores developments that gave impetus to recent accounting practices. Unarguably, accounting is the language of business and which has evolved overtime. The practice of accounting which has existed since the history of civilization has undergone several changes. The manifestation of these metamorphoses which accounting has gone through would be determined by establishing the link between accounting practices and global events with a view to ascertaining the extent in which each of them has affected another, and also which has exerted more influence on another. The methodology used for the study is the eclectic desk research approach which relies chiefly on secondary sources of data to accomplish this task. From the descriptive analysis, it is established that though there is marriage between accounting practices and global events, global events exert greater influence onaccounting practices more than accounting practices to global events. This discovery is consistent with the previous studies undertaken by other people. In conclusion therefore, accounting practices are seen to be more reactive than proactive to global events. It is therefore recommended that accounting practice should precede global events rather than follow up of events.

Keywords: Accounting practices, Global events, Environment, Marriage.

1.0 Introduction

The Macmillan English Dictionary for Advanced Learners defines practice as "a way of doing something, especially as a result of habit, custom, or tradition". Practice can also be looked at as a customary action, habit or behavior, a manner or routine. On the other hand, Belkauoi (2004, p.365) defined events as any "actions that may be portrayed by one or more basic dimensions or attributes". In the same vein, accounting is defined by the American Accounting Association (1966, p.1) as the "process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information". This entails that accounting provides a framework for the collection, preparation and recording of financial data from which information can be drawn so that informed decisions can be made, implemented and evaluated. The information provided meets the needs of different categories of users. Accounting practices, therefore, relate to this process of providing useful information to various user groups. According to Muhammad (2009), the information needs of various categories of users vary from user to user and from time to time and consequently, this makes accounting principles and practices not to remain static but move with the tide of the changing needs and expectations of the people.

No aspect of life is static. In fact, all human activities and behavior are amenable to change. Social change according to Moore (1967) represents a significant alteration over time in behavioral pattern and culture. This change has notable social consequences as evident in significant alterations on people's way of life. The global events, which are the focal point of this paper do not also remain static but keep changing with time; hence the marriage of convenience between accounting practices and global events. The aim of this paper therefore is to investigate the relationship between accounting practices and global events with a view to ascertaining the influence of each on the other, and in the main, see which one has exerted more influence on the other. Previous works on the relationship between accounting practices and global events have been reviewed with the purpose of contributing to the existing body of knowledge on the subject matter.

The paper is collapsed into six sections. section one gives the preamble; section two which is on review of related literature discusses the evolution of accounting thoughts and accounting practices and also relates accounting practices with global events; section three defines the methodology used while section four outlines the findings from the reviewed works.Section five draws conclusion on the paper; while section six gives recommendation.

2.0 Review of Related Literature

2.1 The Evolution of Accounting Thoughts and Accounting Practices

Though the practice of accounting has undergone several changes, its history can be traced to the history of civilization. Voina (1932) and Demetrescu (1972) cited inFarcas (2013), stated that accounting as a practice, obviously, not in the current form, can be looked back to the Egyptians and Babylonians, the first cultures that used the writing, used the first form of bookkeeping notes. Accounting thought has come later, together with the evolution of the society. It is obvious that like in any other discipline, the dynamism in the socio-economic environment within which accounting operates might not only necessitate but could also greatly influence changes in its principles, practices and procedures (Glautier & Underdown, 1986). Accounting thought is about accounting ideas or rules which may also be described as accounting theory, principles or standards that lay the foundation for the practice of accounting (Muhammad, 2009).

Accounting history involves the study of evolution in accounting thought, practices and institutions in response to changes in the environment and societal needs, as well as the effects of accounting on the environment (AAA, 1966). However, many notable accounting historians have failed in their various studies to evaluate the accounting practices of the past in the context of the socio-economic environment of the time. Therefore, calls have been made that a new accounting history should place emphasis on the interpretational understanding of the intertwining of accounting with its social, economic and political environments (Uche, 2002). Krikpe (1985) described accounting as an art and technique by which economic events are abstracted into figures that can be classified by periods through arithmetical addition and subtraction, and compared with the number of the same economic entity for different periods and with the number of other entities for the same and different periods. He also argues that accounting is not a discovery but a creation that is, an agreed set of techniques, whose selection legislates its meaning and thus determine how people are permitted to see the world. Furthermore, he believes that the usefulness and correctness of accounting information depends on what one intends to achieve. Thus, the diversity of users' needs necessitates a timely review to the socio-economic changes and legislative provisions. All these suggest that there is an interrelationship between accounting and its larger environment.

Meanwhile, Hoopwood (1976) argued that the purposes, processes and techniques of accounting, is organizational and social roles as well as the way in which the result (that is, accounting information) is used has never remained static. He opines that accounting has evolved and would continue to evolve in relation to changes in economic, social, technological and political environments of organizations. Thus, Hoopwood (1976) described accounting as having had, and hopefully still having the potential of being responsive and adaptive calculative technology that can relate to and facilitate broader processes of enterprise and social development. In the same vein, Napier (2006) opined that accounting has changed, is changing, and is likely to keep changing in the future. He posits that accounting methods, techniques, ideas and practices as well as the role and significance of accounting within and between individuals and organizations have never remained static. However, Hoopwood (1976) allayed the fear of some people that accounting is a rigid discipline, protected and shielded from the pressures of the world by professional conservatism and an inadequate knowledge.

Napier (2006) asserted that accounting changes is essentially a function of environmental change. Thus, he continues, accounting may have an effect on its environment, but the predominant direction of influence is from the environment to accounting. Similarly, Jones & Mellet (2007) described accounting as an instrument of change that reflects the changing pattern of societal forces. However, Napier (2006) noted that accounting is not only reflective but also constructive as it works to shape the environment and not just a mere effect thereon. In Napier's (2006) view, accounting impacts on the environment by making possible particular modes of actions such as budgeting, identification of cost centres, and pursuit of other economic goals. Accounting also plays the role of making things visible in an organization through records that are kept containing events and transactions which create the possibility of an ever present observability (Hoopwood & Underdown (1976).

The history of accounting in the view of Glautier & Underdown (1986) reflects the evolutionary pattern of social developments that show the extent to which accounting is a product of its environment and at the same time a force for changing it. This implies that though accounting practices are influenced by environmental changes, accounting also impacts on the behaviors of the various users of its information thereby contributing in reshaping the society. Littleton (1933, p.361) captures the influence of environmental changes on accounting thus:

> Accounting is relative and progressive. The phenomena which form its subject matter are constantly changing. Older methods become less effective under altered conditions; earlier ideas become irrelevant in the face of new problems. Thus surrounding conditions generate fresh ideas and stimulate the ingenious to devise new methods. And as such ideas and methods prove successful; they in turn begin to modify surrounding conditions. The result we call progress.

Littleton's (1933) emphasis was on the extent to which accounting methods and practices are responsive to the environment in which such methods and practices emerged. Similarly, Broadbent & Guthrie (1992) looked at change in practice as the manifestation of functional or useful progress and system improvements. That accounting is progressive implies that present practices are better than the past practices or present practices originate from past practices.

In his own contribution, Lister (1984) described accounting history as a series of disconnected episodes rather than a coherent development. However, Napier (2001) argued that it is not the disconnections in the events or episodes that matter but a systematic investigation of such episodes. The disconnection may be attributable to the fact that historical events do not take place consistently. And one event may not be determined by the other. Since these events are not interdependent, developments in accounting history cannot follow a logical order. Miller, Hopper & Laughlin (1991) observed that rather than considering the history of accounting as a natural evolution of administrative technology, it is increasingly viewed as the formation of a particular complex of rationalities and modes of intervention. They see such a complex as originating out of diverse materials and in relation to heterogeneous range of issues and events. These events are the socio-economic or environmental circumstances that influence accounting practices and methods and form the basis of developments in accounting history.

Accounting Research Study (ARS) No. 11 in Hendriksen &Van Breda (2001), described accounting postulates as basic assumptions or fundamental propositions concerning the economic, political and sociological environments in which accounting must operate. These postulates are basic assumptions on which principles rest, and they are necessarily derived from the economic and political environments as well as the modes of thoughts and customs of all segments of the business community. All these relate accounting to its socio-economic and cultural environments.

2.2 Global Events and Accounting Practices

The little disagreed statement in accounting literature is that accounting is a service function, and for it to remain useful and relevant it needs to respond to and reflect the cultural, social, economic and political environments in which it operates (Choi & Mueller, 1991). Similarly, Demski (2005) opined that accounting is an important source of economic data (events) and a collection of institutional regularities that provide research economists yet another venue for documentation and exploration of economic forces.

Sorter (1969) proposed the events approach as a dissenting opinion from other members of the American Accounting Association's Committee Statement of Basic Accounting Theory. Other members favored the value approach to the preparation of financial statements. Events and value approaches differ on what the responsibility of accountants should be or what they should be reporting. Value approach considers the needs of users of accounting statements being known sufficiently to allow a deduction of accounting theory that provides optional input to specified decision models. Events approach on the other hand prescribes that accountants should provide all information about relevant economic events, not just the monetary aspects, thereby allowing users to generate their own information input to fit their decision models. Supporting this view, Belkauoi (2004, p.365) posited that "the purpose of accounting is to provide information about relevant economic events that might be useful in a variety of decision models". The role of the accountant therefore is to provide information about these events, while the users have the task of fitting them to their decision models.

In the opinion of Muhammad (2009), accounting practices and methods would remain inseparable from events in the environment, as such, in order to remain relevant; accounting has been responding to them and must continue to respond. To this end, it can be observed that several countries of the world enact laws to regulate the practice of accounting according to their peculiarities. In Nigeria, the Companies and Allied Matters Act (CAMA) 1990 (as amended), the Banks and Other Financial Institutions Act (BOFIA) 1999 (as amended), and several other legislations were enacted to make provisions to govern the practice of accounting in the light of changing circumstances. Similarly, the accounting standards setting bodies set and review standards when situations demand. In recognition of the influence of such changes on the practice of accounting, the Nigerian Accounting Standards Board (NASB), now, the Financial Reporting Council of Nigeria (FRCN) constitution and operating procedures (1982) specifically states that the Board is established to, among other things, review from time to time, standards developed by it in the light of changes in the social, economic and political environments (Dandago, 2001).

This section highlights some significant global events and examines how such events have impacted on accounting practices on one hand and how accounting practices impacted on them on the other hand. The section focuses mainly on events such as the development of double entry bookkeeping, the invention of money, the industrial revolution, the emergence of management accounting, the rise of investors, the Arabic influence, the great depression of the 1930s and the current economic melt-down, and the advent of the computer.

2.2.1 The Development of Double Entry Bookkeeping

The idea of double entry emanated from the twofold aspect of every transaction. This is premised on the fact that there are two sides to every transaction, which are the giving side and the receiving side. Yamey & Littleton (1963)cited in Dandago (Ed.) (2009) stated that the practice of bookkeeping had existed for several years but only achieved perfection in recent times. The practice of double entry book-keeping, according to Hendriksen &Van Breda (2001) began during the 13th and 14th centuries in several trading centers in Northern Italy. They report that the first codifier of accounting was a Franciscan Frias by name Luca Pacioli who was a teacher and scholar at Universities for most of his life. He was a mathematician, who published a book in 1494 titled "Summa de Arithmetica, Geometrica, Proportioni et Proportionalita" (Everything about Arithmetic, Geometry and Proportions). Though the book was essentially on mathematics, it included a section on double entry book-keeping called "Particularis de Computis et Scriptures" (Details of Accounting and Recording). Hatfield (1924) also traced the history of accounting leading from Pacioli's Suma to contemporary record keeping. Yamey (1980) considered the introduction of the double entry as the last significant historical event, that is, it marks the end of history. In the same vein, Littleton (1993) also observed that accounting has never been static and it originated from a definite cause and also moves towards a definite destiny. However, as a result of the dynamism of accounting, being mostly influenced by the volatility of its environment, socio-cultural and otherwise, accounting history is a continuous exercise that seems to have no foreseeable end.

The rebirth of Italy is a turning point in the history of accounting. Gautier &Underdown (1986) posited that though the practice of book-keeping existed as early as 4500BC, it remained primitive until the introduction of the Italian method, which became known as double entry system. Similarly, Carnegie & Napier (1996) opined that the origin of the accounting procedures and concepts being applied today in the orderly recording of business transactions is traceable to the practice during the early part of the Italian renaissance, whose economic expansion provided the conditions for the emergence of double entry. It is important to note that some words used in accounting today have Italian origin. They include debits, credits, journals and balance sheet.

2.2.2 The Invention of Money

Though both trade and accounting predate the invention of money, money unlike trade by barter, encourages and facilitates the expansion of trade among different communities (Glautier & Underdown, 1986). Monetary unit provides the best basis for measurements in accounting, particularly where aggregation is necessary (Hendriksen &Van Breda, 2001). The use of money as a common denominator for measurement necessitates the emergence of monetary unit as a fundamental concept in accounting. Glautier &Underdown (1986) further posited that this concept limits the type of accounting information that would be needed about an enterprise as it provides that only quantifiable information should be identified and communicated. The communication of information about a business entity in monetary terms is the basis of modern financial accounting theory and practice(Muhammad, 2009).

2.2.3 The Industrial Revolution

In theiropinion, Hendriksen &Van Breda (2001) asserted that, probably a period of good weather in Britain permitted a series of good harvest that made food prices to fall and therefore, enabled people to enjoy better nutrition and health. This led to an increased life expectancy of the people. The increased population brought about increased demand for goods. Consequently, production increased significantly to meet rising demand and old technologies were replaced with new ones.

In a like manner, Alexander (2002) observed that even after the Civil War, the United States of America was still predominantly a farming based economy. It was some few decades after that enormous economic growth took place as industry began to overtake agriculture in financial importance.

The industrial revolution necessitated mass production of goods, and as a result, management of companies needed detailed accounting information to be able to determine the costs of production and also provide guide in valuation of inventory, pricing of finished goods, as well as cost control. Therefore, cost and management accounting is largely a product of the industrial revolution. It also created a demand for financial statements, external audits and professional accountants (Glautier & Underdown, 1986; Fleischman & Tyson, 1993). The industrial revolution covered a period of ninety years 1760-1850 (Muhammad, 2009).

2.2.4 The Emergence of Management Accounting

According to Glautier & Underdown (1986), the emergence of management accounting is associated with the advent of industrial capitalism as a result of the industrial revolution. The emergence is necessitated by the need to develop an accounting technique that could assist in the management of companies. According to them, management needed much more detailed accounting information than the summarized results often found in financial statement. Mass production brought about the need for management of corporations to device costing techniques that could be applied in determining cost of production which would serve as guide in decision making, particularly in the areas of pricing and cost control. In this respect, the goal of management accounting has been the provision of accounting information exclusively for consumption of management (Dandago (Ed.), 2009).

2.2.5 The Influence of Investors

Hendriksen &Van Breda (2001) observed that the rise of investors necessitated the change in the objective of accounting from that of providing information to management and creditors to that of providing financial information for investors and stockholders. The change in the objective of accounting (that is, financial statement), led to an increased emphasis on the income statement; a need for full disclosure of relevant financial information, by presenting a more comprehensive and complete financial statement and increasing the use of footnotes (that is, notes to the accounts); as well as placing emphasis on consistency in reporting, especially with regards to income statement (Muhammad, 2009).

2.2.6 The Arabic Influence

The contribution of the Arabs is in their numbering system. The Arabic numerals (as against the Roman numerals) makes possible the expression and recording of accounting items in figures or numbers. Hendriksen & VanBreda (2001) traced the origin of Arabic numerals to the Arabs, which they said, was spread to Europe by Arab scholars and some Europeans who stayed among the Arabs. The numerals are generally used by most countries of the world today for recording events, transactions and activities, whether in financial or cost and management accounting(Muhammad, 2009).

2.2.7 The Great Depression of the 1930s and The Current Economic Melt-down

The New York Stock Exchange continued to make progress up to 1929. The performance of many American companies was above average and the economy was in a boom up to 1929. Many new industries were established thereby reducing unemployment rate. However, by the last quarter of 1929, events in the stock market took a new but unfavorable turn as stockholders within the period lost not less than $15 billion (Malkiel, 1985). This development dragged the US economy from boom to doom, the depression of the 1930s thereby causing a decline in private investment of up to90% as well as a fall in production by 56% (Hendriksen &Van Breda 2001).

Though several factors could be and were responsible for the depression, Hendriksen &Van Breda (2001) believed that the lack of uniformity in the accounting practices of the period was responsible for the downfall. They also claimed that where the applications of accounting standards are not strict, and there are no rules imposed by law directors and accountants may create figures in a manner they choose. Firms were also accused of making excessive charges for depreciation and too conservative in undervaluing inventory. These developments brought about series of regulations designed to govern accounting practices. Examples of such regulations included the Emergency Banking Act of 1933 and the Glass Steagal Banking Act creating the federal Deposit Insurance Corporation in 1933. In addition, by 1936, the committee on Accounting Procedures was created to issue pronouncements on matters of accounting principles and procedures (Muhammad, 2009).

More recently, there came the financial crisis of 2007 (the effects of which are far from being over), which significantly led the international community to focus on the need for a credible financial reporting which has been championed by the International Accounting Standards Board (IASB). The current melt-down is greatly blamed on the replacement of the traditional principle of prudence with fair value which has been used by all parties interested in inflating book values in order to bring them closer to supposedly more objective stock-market values (de Soto, 2009). The IASB on the other hand, advocated the adoption of International Financial Reporting Standards (IFRS) by countries to reduce the impact of the melt-down on their economies.

2.2.8 The Development of the Computer

The development of the computer has brought about a revolution in information technology. This development has also impacted on accounting practices. The emergence of computers has refined the procedures for applications of earlier developed accounting principles and has significantly facilitated accounting practices. E-accounting and e-auditing techniques are today practiced by organizations and professional firms in preparing accounts and conducting auditing exercises (Muhammad, 2009). These techniques facilitate timely and accurate processing of financial data for the production of required accounting information. Examples include Computer Aided Manufacturing (CAM) for manufacturing firms and Computer Aided Auditing Techniques (CAAT for professional firms.

3.0 Methodology

The study adopts a descriptive methodology which made use of eclectic desk research approach which relies chiefly on secondary sources of data to investigate the effect of the link between global events and accounting practices. These data are mainly from textbooks, journals and internet.

4.0 Summary of findings

Based on the review of the related literature, the following findings are made:

1) That accounting has never remained static and being mostly influenced by the volatility of its environment, accounting history is a continuous exercise that seems to have no foreseeable end.

2) The communication of information about a business entity in monetary terms is the basis of modern financial accounting theory.

3) The industrial revolution necessitated mass production which brought about the need by management for detailed accounting information to be able to determine the costs of production and also provide guide to inventory valuation, pricing of finished goods and cost control. Consequently, cost and management accounting is largely a product of industrial revolution.

4) The rise of investors triggered the change in the objective of accounting from that of providing information to management and creditors to that of providing information to investors and stockholders.

5) The Arabic numerals are used in recording events, transactions and activities in financial or cost and management accounting.

6) The great depression of the 1930s was blamed on lack of uniformity in the accounting practices. Also, the very recent financial crisis of 2007 is seriously blamed on the replacement of the traditional principle of prudence with fair value which gives room for inflation of book values in order to approximate to more objective market values.

7) The advent of computer has revolutionized information technology and has also impacted on accounting practices.

5.0 Conclusion

This paper attempted to establish the effect of the link between accounting practices and global events with a view of determining which of them has exerted more influence on the other. In addition to the views of several scholars, who see a positive relationship between accounting and its environment, social or economic, the paper identified major global events such as the development of double entry bookkeeping, the invention of money, the industrial revolution, the emergence of management accounting, the rise of investors, the Arabic influence, the great depression of the 1930s and the current economic melt-down, and the development of the computer and then assessed the impact of each of these events on accounting practices on one hand, and on the other hand, the impact of accounting practices on them.

Most studies identified in the paper agreed that though accounting practices affected global events, the greater depth of influence is from global events to accounting practices than from the latter to the former. Consequently, they concluded that global events have given rise and will continue to give rise to most accounting practices. Contrarily, Carmona, Ezzemel & Gutierrez (2004) opined that this position may not also be the case. They cited the case of the Royal Tobacco Factory (RTF) of Servile, Spain in which they noted that the cost accounting system put in place in the factory, contributed to the promotion of a strict work discipline rather than responding to any particular event of the moment. They however recognize the possibility that, once invented, accounting practices can be deployed for purposes other than those that gave rise to them in the first instance. Other instances in which accounting practices influenced global events were the practices that led to the great depression of the 1930s and those of the 2007 credit crunch.

This paper therefore posited that, though there is a marriage between accounting practices and global events, and that certain accounting practices developed independently of some particularly global events (or even led to certain events), global events affect accounting practices more than do accounting practices to global events. This view is consistent with the previous studies identified in the work.

6.0 Recommendation

The study therefore recommended that rather than wait for events to unfold themselves before accounting would follow, accounting practices should be more proactive to discern happenings of events and take prescriptive rather than remediation stance.

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Implementing Treasury Single Account Among Federal Governments' Ministries, Departments And Agencies In Nigeria

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Abstract

The federal governments' ministries, departments and agencies operating multiple accounts with various deposit money banks all over the country has led to alleged fund leakages and corruption. However, Treasury Single Account (TSA) introduced to correct the anomalies seems to create liquidity problem for deposit money banks in Nigeria due to cash mopped up from the system. This study examined the relationship between Treasury Single Accounts and liquidity of deposit money banks in Nigeria. The descriptive cross-sectional survey research design was adopted and 441management staffs and customers of twenty-one banks were purposively selected for the study. One-way- Analysis of Variance and Pearson Correlation Coefficients were adopted for data analysis and hypothesis confirmation. The results of the study confirmed that treasury single account has a positive and significant impact on liquidity performance of deposit money banks in Nigeria ($r = 0.8596; p < .05$). This showed that funds moped up from deposit money banks would generate liquidity crisis and would have spill-over effects on Nigerian economy in general. The study therefore recommended that deposit money banks should concentrate on their core mandate of financial intermediation.

Keywords: Treasury Single Account; Liquidity; Money deposit banks; multiple accounts

INTRODUCTION

Over the years, multiple accounts were operated by the federal governments' Ministries, Departments and Agencies (MDAs) all over the country. These multiple accounts with various deposit money banks have resulted in alleged leakages, massive corruption and idle cash for extended period without proper accountability (Adebisi and Okike, 2016; Okey and Eduno, 2014). Government spending agencies continue to borrow money from both internal and external sources to finance projects when indeed available funds are not properly and effectively harnessed (Emmanuel, 2016). The challenge of multiplicity of MDAs revenue bank accounts coupled with the refusal of some agencies to declare and remit 25 per cent of annual revenue generated into the treasury as required by law led to the introduction of Treasury Single Account (TSA). The TSA enables consolidation of all cash inflows from the federal government MDAs at various designated deposit money banks traceable into a single account maintained with the Central Bank of Nigeria (Kanu, 2016). The policy is in line with the directive issued by the National Economic Council of Nigeria to all MDAs to comply with relevant laws governing allocation and disbursements of funds. The commencement of the exercise mandated all MDAs to close down all the revenue accounts being operated with different deposit money banks and remit the balance to the TSA. The primary aim of TSA is to centralize cash resources accounting to ensure proper treasury management by the Ministry of Finance. The TSA enhances efficient cash utilization and hitch free funding of government operations, effective national economic planning and proper budgetary implementation. It also eradicates corruption and closes leakages associated with government revenue multiple accounts, improves data collection and provides timely aggregation of federal government revenue to minimize external borrowing and reduce the consequence of debt servicing (Okey and Eduno, 2014). This in turn enhances the country's economic, political and social economic development (Kanu, 2016). However, in spite of obvious merits of TSA, the policy led to cash mopped-up from the deposit money banks by the Central Bank of Nigeria as the TSA authorized depository. According to the CBN (2016), the Federal Government withdrew more than N2 trillion from various revenue accounts maintained by MDAs with different deposit money banks and transferred same to TSA. The huge cash withdrawn from deposit money banks led to the reduction in cash flow in circulation.

The TSA implementation has resulted into inability of deposit money banks to create credit, increase bank rates, grow productive sector and consequently aggravates unemployment situation in the country currently standing at 14.2% (CBN - Bulletin, 2017; Okpala, 2017). Therefore, the question this study attempts to answer is what relationship exists between treasury single account and liquidity level in deposit money banks? Most previous studies focus on TSA and public sector activities. Relatively few studies have been conducted on the liquidity of deposit money banks in Nigeria and this has prevented logical and absolute conclusion about the relationship between the variables. Hence, the objective of this study is to evaluate the consequence of adopting treasury single account on liquidity of deposit money banks. This study is of utmost importance to the banks and the regulatory bodies as it informs the concerned sectors of the immediate and long run liquidity effect of treasury single account. This study intends to provide empirical evidence that serves as a possible decision template for government policy amendments.

LITERATURE REVIEW

Concept of Treasury Single Accounts (TSA)

Sailendraand Israel (2010), describe a Treasury Single Account (TSA) as an essential tool for consolidating and managing governments' resources, thus minimizing the possibility of borrowing. In countries with uneven government banking arrangements, the establishment of TSA receives priority in the public financial management reform agenda. TSA is a unified structured bank account that gives a consolidated view of government cash resources at every point in time. Adeolu (2015)specified that treasury single account is a public accounting system in which all revenue of the government are collected and paid into a designated single account maintained by the Central Bank and payments are done through the same account. TSA refers to a public accounting system using a single account or a set of linked accounts by the government to ensure that all revenue receipts and payments are done through a consolidated revenue account at the Central Bank of Nigeria. To lodge money into TSA, the depositors make payment to a transit account in a commercial bank and funds are automatically remitted to the consolidated revenue account with the CBN at the end of business day or at more frequent intervals as determined by government (Odewole, 2016).

Previous studies such as Chukwu, (2015); Yusuf, Abdulahi, Emmanuel, and Emmanuel, (2015) and Taiwo (2015) documented benefits of TSA to include enhancing government banking to be unified which enables relevant stakeholders such as Ministry of Finance, Accountant General of the

Federation, Central Bank of Nigeria to have full oversight functions over cash resources in the bank account. Also, TSA improves monitoring of government revenue receipts and expenditure that assists the authorities to block financial leakages associated with MDAs' multiple operations of bank accounts. In addition, TSA is an effective means of controlling government revenues and supporting the provision of complete and timely information of government cash position. TSA has a comprehensive coverage, encompasses all government cash resources, both budgetary and extra-budgetary and all public funds are brought under ministry of finance whether they are above or below the line receipt (The Stalwart Report, 2016).

The provision of TSA began in 1954 with Oliver Littleton constitution (Macpherson Constitution) which empowered the central government of Nigeria to operate a single revenue account for the country. The constitution was adopted by the country until 1967 and was interrupted by the Nigerian civil war. Under General Yakubu Gowon administration, the government saw the need to operate multiple accounts to meet various agencies financial obligations. The MDAs multiple accounts operation continued with other government regimes even during the democratic dispensations without any recourse to section 80(1) and section 162(1) of the 1999 constitution of the Federal Republic of Nigeria as amended (Onyekpere, 2015). The TSA policy was re-introduced in 2004 under Olusegun Obasanjo Federal Government Economic Reform and Governance Programme. As a result of the intense pressure from the banking industry, on the probable adverse effects of the policy on the effectiveness and efficiency of their operation, the policy was dumped in 2005 (Pronto, 2016). In 2012, the policy was reintroduced by the former President Goodluck Jonathan administration through a Remita platform. The Remita contract was awarded to System Specs in 2011 during the TSA underground work with a letter of Contract Award Referencing System Specs/CBNMOA 2011. TSA pilot scheme commenced in 2012 using 217 government Ministries, Departments and Agencies (MDAs)to test run the accountability and transparency in public fund management (Eme and Chukwurah, 2015). In February 2015, the Central Bank of Nigeria (CBN) issued a circular directing all deposit money banks to implement the e-collection platform using a Remitta e-collection technology (Fatile and Adejuwon, 2017). As at today, TSA policy is fully operational by the Federal Government of Nigeria (FGN) harvesting the dividends of the consolidated bank account.

Ekubiat and Ime (2016) assert that the legal framework backing theTSAinclude Fiscal Responsibility Acts 2007. The Act is an economic tools used to enhance fiscal prudence in an economy, by placing statutory obligations on Federal, State and Local governments to implement a transparent fiscal, budgetary practice and economic objective that can be evaluated overtime. Section 162(1) of 1999 constitution of the Federal Republic of Nigeria (as amended) states that the Federation shall maintain a special account called "The Federation Account" into which shall be paid all revenues collected by the government of the federation, except the proceeds from the personal income tax of the personnel of the armed forces of the Federation. The Nigeria police force, the ministry or department of government charged with the responsibility for foreign affairs and residents of Federal Capital Territory (FCT) Abuja (Fatile and Adejuwon, 2017).

Liquidity

Liquidity is a measure of relative amount of cash asset or cash equivalent that can be easily converted into cash without any loss in its value to meet short-term liabilities (Olagunju, Adeyanju and Olabode 2011). Bank liquidity is the amount of resources that is available to the banks for investment and spending. High liquidity means a lot of capital or deposits. To be précised, bank liquidity means that a bank has money where they need it particularly to meet depositors' withdrawal needs. It is also used to describe bank's ability to meet demand for cash in exchange for deposit. Okpala (2014) posits that, the more effective a deposit money bank is in managing its liquidity, the stronger its ability to pay depositors on demand and provide loanable funds. The study opined that liquidity adequacy enables a bank to meet three risks namely time risk which is the bank's ability to compensate for non-repayment of funds if the borrower defaults on their commitment at a specific time. In addition, the fund risk which implies the ability to replace net outflows of funds, either via the usual withdrawal of retail deposits or non-renewal of wholesale funds. The third one is Lending risk which denotes bank's ability to meet occasional withdrawals of funds from cogent customers. Monitoring deposit money banks' liquidity reduces the possibility of raising loans under unfavourable loan agreements, restricting and at a high interest bearing costs as well as meeting depositors' random demand.

Treasury Single Account (TSA) and Liquidity of Deposit Money Banks

According to Senate Report (2016), TSA kicked off under the administration of President Mohammadu Buhari in March, 2015. All the accounts maintained by the Federal Government with deposit money banks were mandated to be transferred to TSA with effect from September, 2015. This led to a massive surge especially between September and October, 2015. The exercise became fully operational with treasury circular No TRY/A7 and B7/2015 OAGF/CAD/026/V 11/240 providing guidelines on TSA and e-collection Remita implementation modalities. This marked the beginning of implementation of TSA system in Nigeria (Udoma, 2015). The directive by the President on 17th August, 2015 witnessed a high level of compliance, which in turn produced a huge harvest in TSA e-collection efforts. Between March 2015 and November 19, 2015, the CBN confirmed that the sum of One trillion, five Hundred and Fifty Three Trillion (N1,553t) was transferred from deposit money banks out of which One trillion, Three Hundred and Thirty Two Trillion (N1.32t) came into TSA through Remita application platform. 1% service charge was deducted at source and was shared among the three operators (System Specs 50%; Deposit Money Banks 40% and Central Bank of Nigeria 10%). As at February 9,2016, 98% of MDAs have fully complied with government's directive and almostN2.3 trillion have been remitted into the TSA (Magaji, 2016). However, the short time allowed for the implementation of the TSA coupled with the huge amount mopped from deposit money banks prompts liquidity crises**.**

Liquidity Preference Theory

In finance motive debate, Keynes (1936) refers to liquidity Preference Theory as the coping-stone which buttresses the proposed theory against savings theory of interest. It follows that, liquidity preferences of the public as distinct from the entrepreneurial investors and banks are unchanged. An excess in the finance required by current ex ante output, is not necessary to improve investment, since the same is true of any output that leads to a rise in the rate of interest; and a decrease that leads to a decline in investment(Onuorah, 2016). Keynes argued that this point should not be overlooked; since it is the coping-stone of the liquidity theory of the rate of interest. The finance motive debate focuses on the rise-in-investment case, an earlier debate on the same matter that followed the publication of the Treatise on Money that focused on the case of a rise in thrift. In the earlier buckets-in-the-well controversy, Keynes had already proved his critics wrong about their idea that a rise in thrift would directly and immediately depress interest rates. Turning back to the earlier version of liquidity preference theory has at least two advantages. First, the Treatise apparatus was designed to investigate disequilibrium processes as characterizing business cycles and the loanable funds issue concerns the disequilibrium adjustment process of the market rate of interest in response to changes in productivity and thrift. Secondly, Keynes analysed the role of the banking system as provider of liquidity in far more detail than in his later book when the whole question of monetary policy control and endogenous money hinges on banks' behaviour. Keynes Treatise analysis pinpoints that an unforeseen rise in thrift implies a corresponding revenue shortfall on the part of the firms confronted with the rise in thrift i.e. drop in sales. Essentially, saving does not lead to a rise in wealth, but redistribution in wealth. Keynesian analysis makes it clear that loanable funds theories are mistaken in focusing on one side of the transaction only, namely the savers who may either hoard (hold deposit) or supply their savings in the loanable funds market. Psychological law that men are disposed, as a rule and on the average, to increase their consumption as their income increases, but not by as much as the increase in their income (Panico 2008); which as a practical rule, prevented the economic system from being wildly unstable and, intellectually, was a key insight in Keynes development towards the theory of effective demand. Accordingly, the vision of capitalism underlying the general theory is one of the finance rather than saving as the precondition for entrepreneurial investment activity.

Empirical Review

Eme and Chukwurah (2015) investigated the pros and cons of treasury single account policy in Nigeria. The study explores various array of TSA and concludes that for an administration to deliver on her promises and achieve her objective to the people, government's resources must be aggregated. Kanu (2016) assessed the effect of treasury single account on the liquidity base and performance of banking sector in Nigeria. The results of the study revealed that the implementation of TSA has impacted negatively on the liquidity performance of banks in Nigeria.Isa (2016) carried out a research on the treasury single accounts and concludes that the system requires political will, honesty and determination to overcome challenges of TSA and achieve the expected benefits of the system. Oguntodu, Alalade, Adekunle, and Adegbie (2016) investigated treasury single account and Nigeria's economy between 1995 and 2015. The result showed that the TSA has a positive significant impact on the country's economic growth. Vahyala, Pwafeyeno and Minnessi, (2016)investigated a survey on TSA policy in Nigeria. The study concluded that except proper monitoring of government institutions with strong punitive measure are instituted against defaulters and corrupt officers is assured; TSA will be a failure in Nigeria.Yusuf(2016) examined theimpact of TSA policyon accountability of MDAs. The objective was to evaluate a TSA as a tool toblock financialleakages and promote transparency of government's revenue.Both the primary and secondary data were employed and the population consists of federal MDAs within Bauchi metropolis. Thestudy concluded that TSA is capable of blocking financial wastages and promoting transparency and accountability in the public financial system. Udo and Esara (2016) conducted a research on the adoption of TSA by the state government: Benefits, challenges and prospects. Findings revealed that there would be challenges in the short-run but much benefit in the long run. The study concluded that TSA would stop the leakages in revenue generation and utilization in Nigeria.

From the previous studies reviewed and the emanating gaps, the hypothesis and its rationale were developed to enable researcher explore the relationship between TSA and liquidity of DMBs in Nigeria. Few previous studies stated that TSA has significant relationship with liquidity of deposit money banks in Nigeria. Due to insufficient studies, the relationship between the variables is inconclusive. Therefore, further research to confirm the relationship. It is hypothesized that there is no significant relationship between treasury single account and liquidity of deposit money banks. This was measured by the linear equation.

$$Y = \beta_{0} + \beta_1 X_1 + \varepsilon_1$$

Where Y= DMBs liquidity and X = TSA.

A priori expectation = DMBs Liquidity > 0

METHODOLOGY

The descriptive cross-sectional survey research design was adopted for the study and the population of the study comprised twenty one (21) deposit money banks currently operating in Nigeria. Four hundred and forty-one respondents were randomly selected from the twenty-one (21) deposit money banks irrespectively of age and sex. A structured questionnaire was administered among four hundred and forty-one banks' Chief Executive Officers, Executive Directors, General Managers, Head of Operations, Heads of Corporate Finance, Heads of Credit and Marketing. In addition, part of the questionnaires was also administered to customers of each bank who were purposively identified and served on the spot. The instrument was a 15-item survey questionnaire with a 7-point Likert scale. In order to convert the ordinal scale to Interval Scale, a weight was assigned to each point in a 7-point Scale 1-7. Data was processed with aid of SPSS- IBM version 21. Pearson's Correlation Co-efficient was used to compare the liquidity position and significant change in liquidity of deposit money banks after the implementation of TSA among governments' ministries departments and agencies. A one way analysis of variance (ANOVA) was conducted to determine the relationship that exists between the dependent and independent variables. The hypothesis was tested using regression analysis and correlation co-efficient statistical technique. The probability is 0.05 that a null hypothesis be rejected.

DATA ANALYSIS, RESULTS AND DISCUSSION

Out of 441 copies of questionnaire distributed, 362 valid responses were returned and analyzed, giving a response rate of 82%. The 18% non-response was attributed to busy schedule of some of the banks management staff who were on official assignments during the period of the exercise and bank customers whose questionnaire were invalid. Probability value was an effective way of testing significance (Awoniyi, Aderanti and Tayo, 2011).If the relationship between variables is significant ($p < 0.05$) and the decision is reject null hypothesis otherwise accepted. The correlation coefficient (r^2) ranges from -1 to +1 signifying the strength of either negative or positive relationship between variables.

ONE WAY ANALYSIS OF VARIANCE (ANOVA)

Table 2: One - way ANOVA results

Participants	N	Mean	Standard Deviation
Chief Executive/ CEO	14	5.9321	1.2519
Executive Director,	18	6.7401	1.1987
General Manager	11	5.6572	1.5001
Head of Operations	20	6.7845	1.3211
Head of Corporate Finance	19	5.8142	1.2111
Head Credit and marketing	9	6.4678	1.1011
Customers	271	5.8545	1.0021
Total	**362**	**6.2886**	**1.3112**
F- statistics	**10.7124**		
P-value	**0.005**		

SPSS output (2017)

Test of hypothesis

H_0: There is no significant relationship between treasury single account and Liquidity of deposit money banks.

The result of this correlation analysis is presented in Table 1 and 2

Table 2 shows that the average perception of each staff category were 5.9321, 6.7401, 5.6572, 6.7845, 5.8142, and 6.4678 while the customers was 5.8545respectively signifying high rate of perception in each population strata on the relationship between TSA and liquidity of deposit money banks. The overall average perception of all DMBs respondents gave a mean score of about 6.2886 with the F-statistics of 10.7124. The P-value is .005< .05. The differences in means perception of the twenty one banks were statistically significant. This result shows that TSA has strong positive relationship with DMBs liquidity in Nigeria. The overall mean score of respondents' opinion between the independent and dependent variables of 6.2886 are within 'strongly agreed' in the scale of 1 to 7 on the research instrument. The ANOVA result enabled the researcher to achieve the study objective.

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Table 3: Pearson Correlation Coefficients

Variable	TSA	Liquidity
Treasury Single Account (TSA)	1.0000	0. 0.8596 <.0001
Liquidity	0.8596<.0001	1.0000

Prob > |r| under H0: Rho=0. P-value (probability) = < .0001
r (coefficient correlation) = 0.8596
Source: SPSS (2017)

The correlation analysis result in table 3, indicated that the relationships between the TSA and liquidity of deposit money banks is positive and statistically significant (r = .8596, p = 001 < .05). Therefore, the null hypothesis which states that there is no significant relationship between treasury single account and liquidity of deposit money banks is hereby rejected and the alternate not rejected. The result of this test is in agreement the empirical findings reported by Kanu, (2016); Oti, et al., 2016); Onuoha (2016). The significance of the relationship accounted for the reason why most of the DMBs had liquidity crisis in 2015 after the TSA cash mopped up. Some of the banks with high government cash deposit cut down the size of their work force (Isa, 2016; Onuoha, 2016; Utsu, et al., 2016)

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The result of the study showed that ministries, multiple accounts kept by Federal Ministries, Departments and Agencies have encouraged financial leakages and embezzlement of public funds. The introduction of TSA in Nigeria has harmonized various revenue accounts maintained in deposit money banks. The multiple bank accounts with various deposit money banks in Nigeria were closed down to TSA being managed by Central Bank of Nigeria. TSA implementation timetable coupled with huge amount of funds withdrawn from deposit money banks prompted liquidity problem in most of deposit money banks in Nigeria. The TSA exercise has realigned banks to their traditional roles of savings aggregation and financial intermediation in other to avert the threat of TSA and waiting for free government cash deposit. In conclusion, the relationship between TSA and liquidity of deposit money banks is significant. The study recommended that the implementation could further strengthen and repositioned banking industry in Nigeria. The policy consideration is that Banks should source funds from other sectors of the economy. It was observed that more than 50%of the Nigerian population does not have access to financial services. It therefore recommended that savings and investment should be preferred to keeping money outside the banking system.

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APPENDIX

Table 1: DEPOSIT MONEY BANKS

S/N	BANK	COPIES OF QUESTIONNAIRE DISTRIBUTED		TOTAL
		Management staff	Bank Customers	
1	Access Bank	6	15	25
2	Citibank	6	15	25
3	Diamond Bank	6	15	25
4	Ecobank Nigeria	6	15	25
5	Enterprise Bank Limited	6	15	25
6	Fidelity Bank Nigeria	6	15	25
7	First Bank of Nigeria	6	15	25
8	First City Monument Bank	6	15	25
9	Guaranty Trust Bank	6	15	25
10	Heritage Bank Plc	6	15	25
11	Keystone Bank Limited	6	15	25
12	Mainstreet Bank	6	15	25
13	Skye Bank	6	15	25
14	Stanbic IBTC Bank	6	15	25
15	Standard Chartered Bank	6	15	25
16	Sterling Bank	6	15	25
17	Union Bank	6	15	25
18	United Bank for Africa	6	15	25
19	Unity Bank Plc	6	15	25
20	Wema Bank	6	15	25
21	Zenith Bank	6	15	25
	Total	**126**	**315**	**441**

Researcher field Work, 2017

Table 2: Categories of Ministries, Departments and Agencies

S/N	CATEGORY	INSTITUTIONS	REMARKS
1	MDAs fully funded through the FGN budget	All ministries, departments, agencies and foreign missions.	All collections are paid directly into the TSA (through e-collection) and expenditure are made from CRF based on annual budget
2.	MDAs partially funded through FGN budget, but generate another revenue	Teaching Hospitals, Medical Centre, Federal Tertiary Institutions.	All revenue except (union dues) is paid into TSA through sub-accounts maintained DMBs. Access to the funds are based on approved budget.
3	MDAs not funded through FGN budget but are expected to pay 25% of gross earnings to the CRF	SEC, CBN, FAAN, NCC, NCAA, NPA, NIMASA, NDIC, NSC, CAC	All revenue except (union dues) should be collected and paid into TSA. Sub-accounts linked to TSA should be maintained. They will be allowed access to funds based on approved budget.
4	MDAs that are funded through the FGN account	NNPC, NCS, FIRS, MMSD, DPR	All federation revenue from these agencies is paid into the federation account less approved cost of collections while all independent revenue is paid into the TSA. FGN statutory allocation is kept in the CRF.
5	Agencies funded through special accounts (levies)	NSC, RMRDC, PTDF, NITDA, etc.	Sub-accounts are linked to TSA at CBN. Access to funds should be allowed based on approved budget.
6	Government business units (profit oriented)	BOI, NEXIM, BOA, Transcorp Hilton, TCN	Dividends from these agencies should be paid into the TSA.
7	Revenue generated under public private partnership	international passports payment seaport concession	FGN portion of the revenue collected is paid into TSA. The partner's portion is paid to the partner's account
8	MDAs with revolving fund and project accounts	Fertilizer funds, Drug funds for teaching hospitals, universities.	Project account should be maintained at CBN. Revenue collected from these agencies is paid into TSA. Access to fund should be allowed based on approved budget.

Source: Central Bank of Nigeria (2015)

Effect Of Indirect Cost On The Profitability Of Listed Firms In Nigeria

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ABSTRACT

This study examined the effect of indirect cost on the profitability of listed brewery firms in Nigeria, the scope of the study in relation to time covers a period between 2010-2015. The study used ex post factor research design and the secondary data gathered were analyzed using regression analysis. The regression result show a strong relationship between (COR,SAW,ADC) and PROF at 75.5%. Also the R2 stood at 0.570.Findings revealed that there exist a significant effect of Cost of rent on profitability of firms, there is no significant effect of Salary and wages on the profitability of firms and there exist a significant effect of Administrative Cost on the profitability of firms. In consonance with this study's findings, it is recommended that Listed firms in Nigeria should incorporate a cost reduction policy that enables cost efficiency and effectiveness these will enhance the profitability of the firms.

Keywords: Cost of rent, Salaries and wages, Administrative cost and Profitability.

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The main goal of a business organization as stated in Lucey (1993) is to make and maximize profit while other secondary goals include going concern, growth, corporate social responsibility, benefits to employees and so on. Lucey (1993) holds an opinion that a business objective is the starting point for any business organization to thrive and it provides direction for action. It is also a way of measuring the effectiveness or otherwise of the actions taken by the management of the organization. Though other objectives are also considered very important as listed above, but profit maximization is usually the ultimate because it maximizes the shareholders wealth which is the ultimate aim of investing in a business. People will naturally prefer to invest in a highly profitable business (Charles,1998). Therefore, in the long run only the profit maximizers survive in the business environment.

However, for proper profit to be recorded from a business there is a need for adequate control of cost. As stated in Robert (2007) a company with adequate cost structure possess the higher chance of attaining its profit target. Innes, John, Mitchell and Sinclair (2000) assert that the survival triplet today for any company is how to manage product/service cost, quality, and performance. The shareholders are demanding a required rate of return on their investment from the company. Thus cost has become a residual. The challenge is being able to manufacture products or provide services within the acceptable cost framework. Innes, John, Mitchell and Sinclair (2000) concluded in their study with a recommendation that cost has to be managed in an ongoing and continuous improvement activity within the company so as to enhance profitability and survival.

There have been substantial research efforts made by different scholars using different approaches in determining what seems to be the optimal cost reduction strategy or trying to explore the theories of indirect cost for firms and the effect on the reported profit, yet there is no universally accepted findings, for example:

Okwo and Ugwunta (2012) studied the impact of input costs on firm profitability of the breweries industry in Nigeria. they among others found that general administrative expenses (overhead) had no significant relationship with profitability while, Ezekiel, Michael and Solomon (2014) who their resultt indicates that a positive significant relationship exists between cost management practices and firm's performance in the manufacturing organization.It is therefore recommended that a cost reduction strategy with emphasis on production overhead cost and administrative overhead cost should be embarked upon if their profit maximization and wealth creation objective must be achieved. In regards to this contradicting findings of authors on the effect of indirect cost on the profitabibilty of firms in Nigeria, there is a need for a further research to be carried out to ascertain the effect of indirect cost on the profitabibilty of firms in order to fetch of more findings than the already existing one thus given rise to this research

1.2 OBJECTIVES OF THE STUDY

The main objective of the study is to examine the effect of indirect cost on the profitability of firms in Nigeria and its specific objectives include;

i. To examine the effect of Cost of Rents on the profitability of firms in Nigeria.
ii. To ascertain the Effect of Salaries and wages on the profitability of firms in Nigeria.
iii. To examine the effect of Administrative expenses on the profitability of firms in Nigeria.

1.3RESEARCH HYPOTHESES

The following research null hypotheses are set to be tested during the course of the study;

HO_1: Cost of Rents has no significant effect on the profitability of firms in Nigeria

HO_2: Salaries and wages has no significant effect on profitability of firms in Nigeria.

HO_3: Administrative expenses has no significant effect on the profitability of firms in Nigeria.

1.4 SCOPE OF THE STUDY

This study specifically restricts itself to the brewery manufacturing sector as a result of it been one of the sector with the highest record of sales volume and consistency on the Nigerian stock exchange (NSE) market, this study covers all the 8 listed brewery firms on the NSE, of which four selected brewery firms will be used. The scope of this study in relation to time covers a period between 2010-2015 (i.e. a period of six years) in regards to the availability of financial statements to be used during the course of this work.

REVIEW OF RELATED LITERATURE

2.1 The Conceptual framework

Studying Cost behavior as stated in Asaolu and Nassar (2007) involves ways in which costs vary or do not vary with the level of activity in an organization. The level of activity is described as the amount of work done or the number of events that have occurred. Also, Drury (2005) on the other hand, defines cost as expenses, which have been consumed in earning revenue. Profitability was however defined by lucey (1997) as the excess of revenue and cost. In other word, profit is determined by deducting cost from revenue. This shows the linearity ofprofit and cost. The term “variable” and fixed cost otherwise known as indirect and direct expenses have been traditionally used in the management accounting literature to describe how costs react to changes in activity level. Short-term variable costs vary in direct proportion to the volume of activity that is, doubling the level of activity double the total variable costs. This was assumed by Fischer and Schmitz (1998) to lead to increase in profit. Consequently, total variable costs are linear and unit variable cost is constant (Adeniji, 2011).In like manner, Horngren (2006), pointed out that a fixed costs remains unchanged in total for a given time period despite wide changes in the related level of total activity or volume. Furthermore, Horngren et al. (2009), added that costs are defined as variable or fixed with respect to a specific cost object and for a given time. More argument was brought up by Adeniji (2011) who reported that over a sufficiently long period of time, virtually, all costs are variable. During such a long period of time, contraction in demand will be accompanied by reductions in virtually all categories of costs. For example, senior managers can be relieved of their jobs, machinery may not be replaced and buildings and land may be sold. Similarly, large expansions in activity will eventually cause all categories of costs being incurred by enterprise to increase. According to Olabisi et al. (2012) Step fixed costs are fixed within specific levels of activity within a given time period. Many items of cost are fixed costs in nature within certain levels of activity i.e. relevance range exists (Asaolu & Nassar, 2007). Step fixed costs are actually increased or decreased by a constant amount at various activity levels. Semi-variable costs include both fixed and variable components. The cost of maintenance is a semi-variable cost consisting of planned maintenance that is undertaken whatever the level of activity, and variable element that is directly related to the level of activity (Horngren, 2006).

2.3 Theoretical framework

This study is anchored on the Kaizen costing theory but other theories that are relevant to the study are also discussed here.

2.3.1 Kaizen Costing Theory

According to Rof (2012) Kaizen a term with Japanese origin was propounded by Masaaki Imai, the concept is a coinage of two Japanese words: KAI (Change) and ZEN (for better) (Rof, 2012). Thereafter, Yashuhiro Monden from Japan developed Kaizen Costing as the costing counterpart to the Kaizen approach(Sani & Allahverdizadeh, 2012). This concept refers to the process of 'continuous improvement' (Rof,2012).The principle behind Kaizen Costing application is on achieving small, gradual but continuous improvements in the production process at minimal cost (Rof, 2012).

2.3.2 The Tradeoff Theory

The tradeoff theory refers to the idea that a company chooses how much debt finance and how much equity finance to use by balancing the cost and benefits. The classical version of the hypothesis goes back to Kraus and Litzenbreger (1973) who consider a balance between debt weight costs of bankruptcy and the tax saving benefits of capital structure. It states that there is an advantage to financing with debts and there a cost for financing with debts. The cost of financing with debts results mostly from financial distress i.e. bankruptcy cost of debts and non-bankruptcy cost of debts. Examples of non-bankruptcy cost include: staff leaving, suppliers, demanding disadvantageous payment terms, bond/stock holders in fighting etc.

2.4 Empirical review

The following works of various authors are reviewed in other to ascertain the effect of Indirect cost on profitability of firms in Nigeria.

Ezekiel, Michael and Solomon (2014) Investigates the relationship that exists between cost management practices and firm's performance in the manufacturing organizations using data from 40 manufacturing companies listed on the Nigeria stock exchange during the period of 2003 to 2012. Four hypotheses were formulated for the study and tested using t-statistic. The study relied on secondary data extracted from the audited financial statement of the selected companies. Direct material cost, direct labour cost, production overhead cost and administrative overhead cost were taken as independent cost management variables while profitability (Operating profit) was taken as dependent variable representing the firm's performance. The result indicates that a positive significant relationship exists between cost management practices and firm's performance in the manufacturing organization. It is therefore recommended that a cost reduction strategy with emphasis on production overhead cost and administrative overhead cost should be embarked upon if their profit maximization and wealth creation objective emust be achieved.

Etale and Bingilar (2016) Examined the effect of cost management on the profitability of listed brewery companies in Nigeria. Cost management proxy by raw materials cost, work in progress cost and finished goods cost was regressed against profitability proxy by gross profit margin.

Secondary time series data was collected from the annual reports and accounts of selected brewery companies from the Nigeria Stock Exchange from 2005 to 2014. A multiple regression technique using the computer software statistical package Windows SPSS 20 version to analyse the data obtained from NSE. The study revealed that efficient cost management have positive influence on the profitability of brewery companies in Nigeria. Based on the findings, the study recommended that brewery companies should adopt effective and efficient inventory cost management practices; deploy appropriate modern technology for effective inventory cost management; and employ capable and qualified staff who should be trained regularly on proper and efficient inventory cost management

Kim and Robert(2014) Took a study to integrate research from strategy, economics, and applied psychology to examine how organizations may leverage their human resources to enhance firm performance and competitive advantage. Little research has examined whether and why staffing and training influence *firm-level* financial performance (profit) *growth* under different environmental (economic) conditions. Using 359 firms with over 12 years of longitudinal firm-level profit data, we suggest that selective staffing and internal training directly and interactively influence firm profit growth through their effects on firm labor productivity, implying that staffing and training contribute to the generation of slack resources that help buffer and then recover from the effects of the Great Recession. Further, internal training that creates specific human capital resources is more beneficial for prerecession profitability, but staffing is more beneficial for post-recession recovery, apparently because staffing creates generic human capital resources that enable firm flexibility and adaptation. Thus, the theory and findings presented in this article have implications for the way staffing and training may be used strategically to weather economic uncertainty (recession effects). They also have important practical implications by demonstrating that firms that more effectively staff and train will outperform competitors throughout all pre- and post-recessionary periods, even after controlling for prior profitability.

Abowd, Kramarz and Margolis (1999) show that while worker- "quality" is most important in explaining overall individual wage variation, firm specific effects are also significant and the two are not highly correlated. What are these firm-specific effects? There is evidence that part of the effect is related to the profitability of the firm. Firms that have more profits appear to pay higher wages than otherwise identical firms. Manning (2011) reviews this literature. There are two key difficulties with this body of evidence. First, most studies use data on the average wage in a firm, so the panel is at the firm-level rather than the individual-level. This then raises the concern that more profitable firms hire more-able workers and that the positive correlation is capturing this effect.

METHODOLOGY

3.1 Research Design

The study adopts ex-post facto research design. Ex-post facto research design involves the ascertaining of the impact of past factors on the present happening or event.

3.2 Data Analysis Technique

The descriptive statistics is used to summarize the collected data in a clear and understandable way using numerical approach. The multiple regression technique using ordinary least square regression (OLS) method is adopted in investigating the relationship between the dependent and independent variables. The study adopts the preliminary test for incidences of co linearity in the model are also necessary. To do this, the variance inflation factor (VIF) statistics and the tolerance level statistics were deployed to be used. The main advantage of these two statistics is that it filters out variables that might distort the result of regression analysis.

3.3 Model Specification

$$PAT_{ft} = \alpha + \beta_1 COR_{ft} + \beta_2 SW_{ft} + \beta_3 AEX + U_{ft}$$

α = Constant

COR = Cost of rent (The natural log of Cost of rent of the firm at that time)

SW = Salaries and Wages (The natural log of Salaries and wages of the firm at that time)

AEX = Administrative expenses (The natural log of administrative expenses of the firm at that time)

PAT = Profit after tax (The natural log of Profit after tax of the firm at that time)

FT= Firm ($_F$) at time ($_T$)

U = Error term used in the model.

β_1-β_4= Beta coefficient of the independent variables.

Decision Rule

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

DATA PRESENTATION AND ANALYSIS

4.1 Data Analysis

4.1.1 Data Validity Test

In order to ensure that the results are robust, several diagnostic tests such as variance inflation factor (VIF) and Tolerance statistics were computed as shown in Table 4.1, 4.3 & 4.4.

The Variance Inflation Factor (VIF) statistics for all the independent variables consistently fall below 2.520. This indicates the absence of multi collinearity problems among the variables under investigation (Berenson and Levine, 1999). This statistics ensures that the independent variables are not so correlated to the point of distorting the results and assists in filtering out those ones which are likely to impede the robustness of the model. There is no formal VIF value for determining presence of multi collinearity. Values of VIF that exceed 10 are often regarded as indicating multi collinearity, but in weaker models values above 2.5 may be a cause for concern (Kouisoyiannis, 1977: Gujarati and Sangeetha, 2007). Thus, this model exhibit low risk of potential multi collinearity problems as all the independent variables have a variance inflation factor (VIF) below 5 (Myers, 1990). This shows the appropriateness of fitting of the model of the study with the three independent variables.

In addition the tolerance values consistently lie between 0.940 and 0.397 (see table 4.4). Menard (1995) suggests that a tolerance value of less than 0.1 almost certainly indicates a serious collinearity problem. In this study, the tolerance values are more than 0.1; this further substantiates the absence of multicollinearity problems among the explanatory variables.

4.1.2 Descriptive Statistics

The descriptive statistics for both the dependent and independent variables are presented in table 4.1 below:

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
PROF	24	5.46	7.63	6.8077	.12537	.61419
COR	24	5.33	7.18	6.5600	.11893	.58265
SAW	24	.00	7.32	6.4960	.29269	1.43386
ADC	24	.00	7.48	6.3032	.40440	1.98117
Valid N (listwise)	24					

Table 4.1 presents the descriptive statistics of all the variables. N represents the number of paired observations and therefore the number of paired observation for the study is 24.

Profitability reflects a mean of 6.8077 and a standard deviation of 0.61419, it has a minimum value of 5.46 and a maximum value of 7.63. The Cost of rent (COR) has a mean of 6.5600 with a deviation of 0.58265 also, with a minimum and maximum value of 5.33 and 7.18 respectively. The result also reveals that, Salaries and wages (SAW) has a minimum and maximum value of 0.00 and 7.32 respectively and reflects a mean of 6.4960 with a deviation of 1.43386 and Administrative expenses (ADC) with a mean of 6.3032 with a deviation of 1.98117 while it reflects a minimum and maximum value of 0.00 and 7.48.

The result of the descriptive statistics in respect to the study's independent variables indicates that Nigerian brewery firms consider the Cost of rent more as a major variable of indirect cost that influence the financial performance of firms as a result of its high mean, the reason for this could be due to the fact that firms incur more cost on rent on different facilities which enhances their performance and in turn burst their profitability.

4.1.3 Regression of the Estimated Model Summary

This section of the chapter presents the results produced by the model summaries for further analysis.

Table 4.2: Model Summary[b]

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	.755[a]	.570	.505	.43208	.570	8.824	3	20	.001	.883

a. Predictors: (Constant), ADC, COR, SAW

b. Dependent Variable: PROF

Table 4.2, presents the regression result between COR, SAW, ADC and PROF. From the model summary table above, the following information can be distilled.

The R value of 0.755 shows that, there is a strong relationship between (COR,SAW,ADC) and PROF at 75.5%. Also the R^2 stood at 0.570.The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (PROF) that can be explained by the independent or explanatory variables (COR,SAW and ADC). Thus the R^2 value of 0.570 indicates that 57.0% of the variation in the PROF of listed brewery firms can be explained by a variation in the independent variables: (COR,SAW and ADC) while the remaining 43% (i.e. 100-R^2) could be accounted by other variables not included in this model.

The adjusted R^2 of 0.505 indicates that if the entire population is considered for this study, this result will deviate from it by only 0.065 (i.e. 0.570 – 0.505). This result shows that there is a deviation of the sample examined and the total population by 6.5%.

The table further shows the significant change of 0.01 with a variation of change at 57.0% indicate that the set of independent variables were as a whole contributing to the variance in the dependent.

The results of the model summary revealed that, other factors other than COR, SAW and ADC can affect the profitability of listed firms. According to Ezekiel, Michael and Solomon (2014) this factors include Direct material cost, direct labour cost, production overhead

4.1.4 Regression Results

Regression analysis is the main tool used for data analysis in this study. Regression analysis shows how one variable relates with another. The result of the regression is here by presented in this section.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.587	1.208		2.142	.045					
	COR	.473	.159	.449	2.965	.008	.287	.553	.435	.940	1.064
	SAW	-.087	.099	-.204	-.881	.389	.365	-.193	-.129	.401	2.494
	ADC	.267	.072	.863	3.704	.001	.598	.638	.543	.397	2.520

a. Dependent Variable: PROF

The regression result as presented in table 4.3 above to determine the relationship between COR, SAW, ADC and PROF shows that when the independent variables are held stationary; the PROF variable is estimated at 2.587. This simply implies that when all variables are held constant, there will be a significant increase in the *PROF* of listed firms up to the tune of 2.587 units occasioned by factors not incorporated in this study. Thus, a unit increase in COR will lead to a significant increase in the PROF by 0.449. Similarly a unit increase in SAW will lead to a significant decrease in PROF by 0.204. Also a unit increase in ADC will lead to a significant increase in PROF by 0.863.

4.2 Test of Research Hypotheses

The hypothesis formulated in chapter one will be tested in this section inline with the decision rule.
Accept the Null hypothesis if the calculated value is greather than the significant level of 0.05.

4.2.1.Test of Research Hypothesis One

Ho_1: *Cost of rent has no significant effect on the Profitability of listed firms.*
Given that the significant level is 0.05 and the calculated value for Cost of rent (0.008) is less than the significant level, we therefore reject the Null hypothesis.

4.2.2. Test of Research Hypothesis Two

Ho_2: *Salaries and wages has no significant effect on the Profitability of listed firms*
Given that the calculated significance level for Salary and wages is 0.389 which is greater than the accepted significance level of 0.05, therefore the null hypothesis accepted and the alternative accepted.

4.2.3. Test of Research Hypothesis Three

Ho_3: *Administrative cost has no significant effect on the Profitability of listed firms.*
Given that the significant level is 0.05 and the calculated value for Administrative cost (0.001) is less than the significant level, we therefore reject the Null hypothesis.

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The following are the summary of the major findings of this study arrived at through the test of the research hypotheses earlier formulated in this study.

- There is a significant effect of Cost of rent on profitability of firms.

• There is no significant effect of Salary and wages on the profitability of firms.

• There is a significant effect of Administrative Cost on the profitability of firms.

5.2 Conclusions

The study made the following conclusions in line with the findings:

- Cost of rent has a significant effect on the profitability of firms.
- Salary and wages has no significant effect on the profitability of listed firms.
- Administrative cost has a significant effect on the profitability of listed firms.

5.3 Recommendations

In consonance with this study's findings, it is recommended that Listed firms in Nigeria should incorporate a cost reduction policy that enables cost efficiency and effectiveness these will enhance the profitability of the firms this assertion is supported by the findings of The comparative study conducted by Joshi (2001) revealed that Indian manufacturing companies rely heavily on the traditional management accounting techniques such as variable costing, budget for day-to-day operations, capital budgeting tools, return on investment based performance evaluation, and performance evaluation.

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Effect of Multiple Taxation on The Financial Performance of Smes In Benue State

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ABSTRACT

The objective of the study is to ascertain the effect of multiple taxation on financial performance of Small and Medium Enterprises (SMEs) in Benue State. The population of the study was 816 and the sample size of 268 respondents was adopted using the Taro Yamane formula at a 5% error margin. The study adopted a survey design via questionnaire. Multiple regression was used for analysis in the study. The study found out that duplication of Business Premises Registration Tax, Development Levy and Market Taxes have a significant negative effect on financial performance of SMEs and as a result affects their profitability negatively. The study therefore, recommends that government should ensure that activities of touts in collecting illegal taxes from SMEs is stopped, and also government should desist from collecting similar taxes under different names and collapse all taxes of such nature into one form of tax. Finally, government should ensure that only the amount stipulated by law is collected as tax and a clear jurisdiction of each tax should be expressly stated.

Keywords: Multiple Taxation, Small and Medium Enterprises, Financial Performance, Benue State. Nigeria.

Introduction

Over the years, Small and Medium Enterprises (SMEs) has been an avenue for job creation and the empowerment of Nigeria's citizens providing about 50% of all jobs in Nigeria and also for local capital formation. Being highly innovative, they lead to the utilization of our natural resources which in turn translates to increasing the country's wealth through higher productivity. SMEs have undoubtedly improved the standard of living of so many people especially those in the rural areas. However, the mortality rate of these small firms is very high. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) Nigeria, 80% of SMES die before their 5th anniversary. Among the factors responsible for these untimely close-ups are tax-related issues ranging from multiple taxation to enormous tax burdens. In many government policies, SMEs are usually viewed and treated in the same light as large corporations. However, their size and nature makes them unique. Therefore, in dealing with SMEs, these unique qualities need to be considered. Taxation of SMEs must be imposed in such a way that puts their income and need for survival into consideration. It is expedient that enough profit is allowed them for the purpose of expanding their businesses.

A study carried out by the Federal Office of Statistics shows that in Nigeria, SMEs make up 97% of the economy (Ariyo, 2005). Although smaller in size, they are the most important enterprises in the economy due to the fact that when all their individual effects are aggregated, they surpass that of the larger companies. The social and economic advantages of SMEs cannot be overstated.

Most large companies have their roots in SMEs and started out as SMEs before expanding. This means that the future large corporations are the SMEs today that should be nurtured to ensure their growth. Furthermore, they are generally perceived to be the seedbed for indigenous entrepreneurship and generate many small investments, which would otherwise not have taken place (Aryeetey & Ahene, 2004).

SMEs in developing countries are struggling to survive under intense competitive environments both domestic and international. In developing countries like Nigeria, there is an urgent need to provide the required enabling environment for the development of SMEs, so that they could adequately play the role expected of them in economic transformation. Such role includes mobilization of domestic savings for investment, appreciable contribution to gross domestic product, increased harnessing of local raw materials, employment generation, and significant contribution to poverty reduction and enhancement in personnel income, technological development and export diversification (Smatrakalev, 2006).

Financial Performance in broader sense refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

1.1 Statement of the Problem

Although there is a general perception that tax is an important source of fund for development of the economy and provision of social services, the problems faced are in the area of negative relationship between taxes and the business' ability to operate at a profit and sustain itself as a result and consequently expand. SMES are faced with the problem of high tax rates, multiple taxation, complex tax regulations and lack of proper enlightenment or education about tax related issues. Not minding other challenges that SMEs are facing in developing countries such as Nigeria which include; inadequate capital, poor technical and managerial skills, environmental effects and government regulations which affect the operation of SMEs. In Nigeria, the issue of multiple taxation which is most prominent among the challenges facing SMEs is a worm eating deeply out of the profit generated by these SMEs which invariably would have been used for their growth and survival. This has led to increase in record of death of SMEs. Most SMEs in Nigeria die within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to maturity.

Many researchers have written about the effect of multiple taxation on SMEs in Nigeria. However, most research works are focused on the effect of multiple taxation on SMEs growth, survival and investment. This study therefore, seeks to investigate the effect of multiple taxation on financial performance of SMEs which has been neglected over time.

REVIEW OF RELATED LITERATURE

2.1. Conceptual framework

2.1.1 Small and Medium Scale Enterprises (SMEs)

SMEs have been defined along a broad continuum of size and type. In terms of size, measures used to classify SMEs include employment, assets and revenue. Definitions of SMEs vary from one organization to another, from country to country, industry to industry and from one financial institution to another. The Multilateral Investment Guarantee Agency (MIGA) and the International

Finance Corporation (IFC) defined small enterprises as those that meet two of the following three conditions: 1. Less than 50 employees 2. Less than $3 million total assets 3. Less than $3 million total annual sales. Meanwhile, medium enterprises are those that meet two of the following three conditions: 1. Less than 300 employees 2. Less than $15 million total assets 3. Less than $15 million total annual sales, (Iwuji, 2003).

The Monetary Policy Circular No. 22 of 1988 of the Central Bank of Nigeria defined SMEs as enterprises whose annual turnover was not more than N500, 000. The National Economic Reconstruction Fund (NERFUND) put the ceiling for small-scale industries at N10 million. Section 37b(2) of the Companies and Allied Matters Decree of 1990 defines a small company as one with an annual turnover of not more than N2 million and net asset value of not more than 1 million naira. The Small and Medium Enterprise Equity Investment Scheme (SMEEIS) sees the SME as any enterprise with a maximum asset base of N500 million (excluding land and working capital), and with no lower or upper limit of staff. For tax purposes, Section 40(6) of the Companies Income Tax Act Cap C21 LFN 2004 alludes to companies with a turnover of N1 million and below operating in the manufacturing, agricultural production, solid mineral mining, and export trade sectors as SMEs; While subsection 8 states that as from 1988 all companies engaged in trade or business with a turnover of N500,000.00 and below qualify as SMEs (Iwuji, 2003).

The concept of SMEs is relative and dynamic (Olorunshola, 2003). SMEs are characterized by uncertainty, innovation and evolution. A firm understanding of SMEs would require a good knowledge of its features. Aderemi (2003) noted that the SMEs in Nigeria are usually small, owner or family managed business offering basic goods and services, which tend to lack organizational and management structures with the urban ones tending to be more structural than their rural counterparts.

2.1.2 Multiplicity of Taxes

According to the National Tax Policy Document, Multiple taxation occurs where the tax, fee or rate is imposed on the same person in respect of the same liability by more than one state or local government council. Oseni (2014) identified the following ways in which multiplicity of taxes manifest.

First, it refers to the various unlawful compulsory payments being collected by different tiers of government without appropriate legal backing through intimidation and harassment of the payers. Collection of it is characterized by the use of stickers, mounting of road blocks, use of revenue agents/Consultants including Motor Park tout.

Second, it refers to situations where a tax payer is faced with demands from two or more different levels of government for the same or similar taxes. A good example is the restaurant business and bars which are taxed within 21 subheads.

Multiple taxation is the levying of tax by two or more jurisdictions on the same declared income (in the case of income taxes), assets (in the case of capital gains taxes), or financial transactions (in the case of stamp duties). Multiple taxation is a situation in which the same earnings are taxed more than once. Adam (1989) defines multiple taxation as the taxing of a person by two or more government authorities demanding the same kind of tax. Put differently, multiple taxation in relation to a company or individual is a situation where the same profit or income which is liable for tax in Nigeria has been subjected to tax by another tax authority in Nigeria or country outside Nigeria (Osita, 2004).

Researchers have shown that over 500 different taxes and levies are being imposed by various tiers of government in Nigeria as against the only 39 approved by Taxes and Levies (Approved list of collection) Act (Fasoto, 2007). For instance, the more a taxpayer transports his goods and service across many local governments in the country, the more he is confronted with incidents of multiple taxes, legally and illegally imposed (Izedonmi, 2010). Ifeuko (2008) asserted that multiple tax practices in Nigeria came as a result of the absence of a national policy document that defines who has the right to collect tax and what amount to collect by each tier.

2.1.3 Financial Performance

The word Performance is derived from the word 'parfourmen', which means 'to do', 'to carry out' or 'to render'. It refers to the act of performing; execution, accomplishment, fulfillment, etc. In border sense, performance refers to the accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed. In other words, it refers to the degree to which an achievement is being or has been accomplished. Thus, not just the presentation, but the quality of results achieved refers to the performance. Performance is used to indicate firm's success, conditions, and compliance.

In broader sense, financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Measurement of financial performance include an analysis of the firm's production and productivity performance (total business performance), profitability performance, liquidity performance, working capital performance, fixed assets performance, fund flow performance and social performance. However, the profitability performance is adopted for this study.

2.2 Theoretical Framework

2.2.1 Ability to Pay Principle

Ability to pay principle as the name imply says that the taxation should be levied according to an individual's ability to pay. It says that public expenditure should come from "him that hath" instead of "him that hath not". The principle originated from the sixteenth century, the ability-to-pay principle was scientifically extended by the Swiss philosopher Jean Jacques Rousseau (1712-1778), the French political economist Jean Baptist Say (1767-1832) and the English economist John Stuart Mill (1806-1873). This is indeed the basis of 'progressive tax,' as the tax rate increases by the increase of the taxable amount. This principle is indeed the most equitable tax system, and has been widely used in industrialized economics. The usual and most supported justification of ability to pay is on grounds of sacrifice. The payment of taxes is viewed as a deprivation to the taxpayer because he surrendered money to the government which he would have used for his own personal use. However, there is no solid approach for the measurement of the equity of sacrifice in this theory, as it can be measured in absolute, proportional or marginal terms. Thus, equal sacrifice can be measured as (i) each taxpayer surrenders the same absolute degree of utility that s/he obtains from her/his income, or (ii) each sacrifices the same proportion of utility s/he obtains from her/his income, or (iii) each gives up the same utility for the last unit of income; respectively (Stern, 2005).

2.3 Empirical Review

Adebisi and Gbegi (2013) carried out a study on effect of multiple taxation on performance of SMEs. Questionnaire was adopted for the study with a sample size of 74 respondents out. Simple percentages were used in analyzing the data and hypothesis were tested using ANOVA. Findings revealed that Multiple Taxation has negative effect on SMEs survival and the relationship between SMEs size and its ability to pay taxes is significant. They recommended that government should come up with a uniform tax policy that will favor the development of SMEs in Nigeria and should put into consideration the size of SMEs when setting tax policies.

Monteiro and Assuncar (2012) examined the effect of business registration tax on formal economy using micro and small enterprises in Brazil. Based on a cross sectional survey on firms in Brazilian state capitals and metropolitan areas, the study estimated the impact of business registration taxes through natural experiments that compare firms in the informal sector. The findings indicate that business licensing among retail firms rose by 8% after relaxation of registration taxes indicating that tax simplification help expand the formal economy.
Karl and Andrei (2011) conducted a study on the effect of market taxes on the performance of businesses in the informal sector. The study made use of panel data. The finding revealed that after the government increased rates on market taxes from 1 percent in 1986, 60 percent of the active small businesses showed a negative performance. It was reported that out of these SMEs only a marginal fraction survived after five years, the result found the abuse to be statistically significant.

Ocheni and Gemade (2015) investigated the effect of multiple taxation on the performance of small and medium scale business enterprises in Benue State. The study involved a survey research design with a population of 91. The researchers derived their sample size of74 respondents. Questionnaire was used to collect data. The data was analyzed with simple percentages and the research hypotheses were tested with ANOVA. Finding revealed that multiple taxation has negative effect on SMEs survival and the relationship between SMEs size and its ability to pay taxes is significant. The research commends that government should come up with uniform tax policies that will favor the development of SMEs in Nigeria and government should put into consideration the size of SMEs when formulating tax policies.

Table 1: Respondents' View on Business Premises Registration Tax

Business Premises Registration Tax										
QUE	SD	%	D	%	UD	%	A	%	SA	%
1.	65	28.4	96	41.9	31	13.5	21	9.2	16	7.0
2.	97	42.4	44	19.2	34	14.8	32	14.0	22	9.6
3.	72	31.4	85	37.1	33	14.4	19	8.3	20	8.7

Source: Researcher's computation, 2018

METHODOLOGY

3.1 Population and Sample Size of the Study

The population of the study is eight hundred and sixteen (816) SMEs in Benue State. The sample size is 268 respondents derived at a 5% error margin. The study adopted questionnaire for data collection and used Multiple Regression for analysis.

RESULTS AND DISCUSSION

4.1 Presentation of the Results Based on the Specific Objective

This section presents the result of analysis from the retrieved questionnaire totaling 229.

Objective One: To determine the effect of Business Premises Registration tax on the financial performance of small and medium scale enterprises in Benue State.

In ascertaining if the amount collected as Business Premises Registration tax is exact as the amount

Table 2: Respondents' View on Development Levy

Development Levy

QUE	SD	%	D	%	UD	%	A	%	SA	%
1.	86	37.6	87	38.0	27	11.8	13	5.7	16	7.0
2.	62	27.1	106	46.3	29	12.7	19	8.3	13	5.7
3.	63	27.5	103	45.0	30	13.1	17	7.4	16	7.0

Source: Researcher's computation, 2018

stipulated by law, 28.4% of respondents strongly disagreed, and 41.9% disagreed, 13.5% where undecided while 9.2% agreed and 7.1% strongly agreed. The however showed that the amount collected by government and their agencies exceed that which the law stipulated. This could be because some of the laws are outdated and are not emended yet to reflect the present economic situation or it is the government quest to increase the internal generated revenue.

Finding out if operational permit is collected after business premises registration tax are paid, 42.4% strongly disagreed, 19.2% disagreed, while 14.8% were undecided. Respondents that agreed represented 14.0% and strongly agreed were 9.6%. This shows that operational permits which is stipulated to be collected only from kiosk and shops is now been levied on bigger outfits after paying for business premises registration tax.

Considering whether business registration tax is paid to one tier of government and if it is collected only at the inception of the business, the results, showed that 31.4% strongly disagree, 37.1% disagree, 14.4% were undecided while some respondents agreed given their figure at 8.3%, 8.7% strongly agreed. This implied that SMEs pays business registration to more than one tier of government and also pays at different times in the life of the business.

Objective Two: To investigate the extent to which Development Levy affect the financial performance of small and medium scale enterprises in Benue State.

Inquiring on whether after payment of development levy, taxes are not levied on sunk boreholes within the business premises, 37.6% of the respondents strongly disagreed, 38.0% disagreed, 11.8% were undecided. Those who agreed were to 5.7% while 7.0% strongly agreed. This indicates that SMEs after paying for development levy which is supposed to be used for the provision of basic utilities like water are still taxed for borehole sunked to be used in the absence of water.

Finding out if the amount paid as development levy is exactly what is prescribed by law, the result showed that 27.1% of the respondents strongly disagreed, 46.3% disagreed, 12.7% were undecided. Respondent who agreed were 8.3% and strongly agreed were 5.7%. This implies that the amount charged is more than what is stipulated by law. This could be as the result of the quest to boost government revenue.

Assessing whether the taxes collected as development levy are used to provide infrastructures that help reduce that cost of doing business and invariably increase profitability, 27.5% strongly disagreed, 45.0% disagreed, 13.1% were undecided, 7.4% of the respondents agreed while 7.0% strong agreed. This explains that taxes collected as development levy are not used for the provision of infrastructure which would have helped reduce the cost of doing business and this affects profitability negatively.

Objective three: To ascertain the effect of Market taxes on the financial performance of small and medium small enterprises in Benue State.

Table 3: Respondents' View on Market Taxes

Market Taxes

QUE	SD	%	D	%	UD	%	A	%	SA	%
1.	61	26.6	78	34.1	31	13.5	31	13.5	28	12.
2.	67	29.3	81	35.4	38	16.6	24	10.5	19	8.3
3.	97	42.4	66	28.8	31	13.5	19	8.3	16	7.0

Source: Researcher's computation, 2018

In finding out whether different tiers of government strictly adhere to collection of taxes within their jurisdiction, the responses show that 26.6% strongly disagreed, 34.1% disagreed, 13.5% were undecided, 13.5% of the respondents agreed while 12.2% strongly agreed. This is an indication that the various tiers of government do collect taxes outside their jurisdiction and as a result collect the same type of taxes from SMEs. In ascertaining whether touts and unauthorized personnel do not unlawfully quiz money from businesses in the guise of fees and levies, 29.3% strongly disagreed, 35.4% disagreed, 16.6% were undecided, 10.5% agreed while 8.3% of the respondents strongly agreed. This however showed that different forms of taxes are unlawfully duplicated and collected by tout and no action is being taken to avert it.

Inquiring from respondents whether government does not indiscriminately introduce levies, fees and taxes in a bid to boost revenue, the result shows that 42.4% representing 97 respondents strongly disagreed, 28.8% representing 66 respondents disagreed, 13.5% representing 31 respondents were undecided and the percentage of respondents who agreed stood at 8.3% while 7.0% strongly agreed. This implied that so many levies are being introduced by government in a bid to boost revenue to the detriment of small and medium scale enterprises. When asked whether the multiplicity of tax imposed under the guise of business premises registration tax have no effect on the financial performance of SMEs, 32.8% of the respondents strongly disagreed that 26.4% of respondents disagreed, 19.4% were undecided while 11.0% agreed and 10.4% strongly agreed. With the majority of respondents disagreeing it shows that multiple taxes which fall under business premises registration tax have a negative effect on financial performance of SMEs in Benue State.

Assessing whether multiple names used to duplicate development levy imposed on SMEs do not affect their profitability, 35.8% strongly disagreed, 33.1% disagreed, 23.7% were undecided while 4.0% of respondents agreed and 3.3% strongly agreed. This shows that the different names used to duplicate development levy imposed on SMEs have a negative effect on their financial performance.

Investigating if duplication of market taxes in form of levies, fees, collections and tolls, do not significantly affect profit of SMEs,21.1% strongly disagreed, 33.8% disagreed, 30.8% were undecided while 7.7% of respondents agreed and 6.6% strongly agreed. This clearly shows that the duplication of market taxes in form of fees, levies and stickers have a negative effect on SMEs performance by reducing their profit. It means that if these fees are eliminated their profitability will increase.

4.2. Financial performance analysis

Table 4: Respondents' View on Financial Perf ormance

Financial Performance										
QUE	SD	%	D	%	UD	%	A	%	SA	%
1.	98	32.8	79	26.4	58	19.4	33	11.0	31	10.
2.	104	35.8	99	33.1	71	23.7	12	4.0	10	3.3
3.	63	21.1	101	33.8	92	30.8	23	7.7	20	6.6

Source: Researcher's computation, 2018

4.3 Results from Multiple Regression Analysis

Multiple regression analyses were conducted to examine the relationship between the dependent variable (Financial Performance) and various potential predictors-BPRT, DVL and MKT. The estimation and analysis of the multiple linear regressions was done using SPSS (version 20).

The regression result shows a multiple Correlation (R = .603), the multiple Correlation squared (R^2 = 641), the adjusted Multiple Correlation squared (adj. R^2 =. 628.) and the Standard Error of the Estimate (.680). A value of 0.603 indicates a good level of prediction. From the Table, the value of R^2 (.641) shows that the independent variable explains 64.1% of the variability of the dependent variable. Financial Performance (FINper). The multiple correlations squared represents the amount of variance in the outcome which is accounted for by the predictors; here, 62.8% of the variance in Financial Performance is accounted for by both Business Premises Registration tax (BPRT), Development (DVL), and Market Taxes (MKT).

The ANOVA summary Table indicated that the model is significantly different from zero, F (3,225) = 35,228, P = .000 (regression model is a good fit of the data). The model is highly significant and we can conclude that these three independent variables together predict the changes in the dependent variable (financial performance).

The estimated model coefficients table showed that the general form of the equation to predict Financial Performance (FINper) from BPRT, DVL, and MKT is: FINper = 4,403 = .004(BPRT) - .029 (DVL) - .105 (MKT). Unstandardized coefficients indicate how much the dependent variable varies with the independent variables. The standardized coefficient table also indicated the statistical significance of the independent variables. According to the Standardized Coefficients Table BPRT is.-004 and the t-value is -.100 and Sig. is .004 that is less than 95% confidence level. This means that business registration tax negatively affects the financial performance of SMEs in Benue State. The Standardized Coefficients for DVLis .-029 and the t-value is -.674 and Sig .001 and this implies that development levy negatively affect the financial performance of SMEs in Benue State. Standardized Coefficients for MKT is -.105 and the t-value is -.2.813 and Sig. 003 is less than .005 significant level. This indicated that market taxes negatively affect the financial performance of Small and Medium Scale Enterprises (SMEs) in Benue State.

4.4 Test of Hypotheses

Three hypotheses tested in this study revealed that Financial Performance has a significant relationship with Business Premises Registration tax, Stamp

Table 5: Regression Analysis Result

Variable	Std. Error	t-Statistics	Prob.	Decision
Constant	.150	29.331	0.000	
BPRT	.039	-.100	0.04	Rejected
DVL	.043	-.674	.001	Rejected
MKT	.037	-2.183	.003	Rejected

R = 0.603
R^2 = 0.641
STD. Error of the Est. = .680
Adjusted R^2 = 0.628
F (3,225) = 35.228
P = 0.000
Durbin Watson = 2.694

Source: SPSS Result

Duties, and market taxes. The results from the multiple regression analysis, showed that Business Premises Registration tax have a significant relationship with Financial Performance (P-value: .004). Development Levy have a significant relationship with Financial Performance (p-value: .001). Market taxes recorded a significant relationship with Financial Performance (P-value .003).

H_{01}: Business Premises Registration Tax has no significant effect on the Financial Performance of SMEs in Benue State.

Table 6: Business Premises Registration Tax and Financial Performance

Variable	Std. Error	Beta	T	Sig.
BPRT	.039	-.123	-.100	.004
R^2 = 0.641				
R = 0.603				

FINper = -.123 BPRT -.146DVL-188MKT
$S(b_i)$ = [0.039] [0.043] [0.037]
From the regression equation (3) we have:
b_i = 123
Standard Deviation of b_i = 0.039
H0: bi = 0
H1: bi ≠0
½ b_i equals 0.61

Using the Standard error test, S (b_i) < ½b_i (0.039 < 0.61). Thus, we reject the null hypothesis. That is, we accept that the estimate b_i is statistically Significant at the 5% (0.05) level of significant. This implies that Business Premises Registration tax (BPRT) has significant effect on Financial Performance of SMEs in Benue State.

H_{02}: Development Levy have no Significant effect on the Financial Performance of SMEs in Benue State.

Table 7: Development Levy and Financial Performance

Variable	Std. Error	Beta	T	Sig.
DVL	.043	-.146	-.674	.001
R^2 = 0.641				
R = 0.603				

b_i = 0.146
Standard deviation of b_i = 0.043
½ b_i equals 0.73

Using the standard error test, S (b_i) < ½ b_i (0.043 < 0.73). Thus, we reject the null hypothesis, in other words, we accept that the estimate b_i is statistically at the 5% (0.05) level of significant. This means that there is significant effect of Development Levy on Financial Performance of SMEs in Benue State.

H_{03}: Market taxes have no significant effect on financial performance of SMEs in Benue State.

Table 8: Market Taxes and Financial Performance

Variable	Std. Error	Beta	T	Sig.
MKT	.037	-.188	-.2.813	.003
R^2 = 0.641				
R = 0.603				

$b_i = 0.188$
Standard deviation of $b_i = 0.037$
½ b_i equals 0.94

Using the standard error test, S (b_i) < ½ b_i (0.037 < 0.94). Thus, we reject the null hypothesis, in other words, we accept that the estimate b_i is statistically at the 5% (0.05) level of significant. This means that there is significant relationship between market taxes and financial performance of SMEs in Benue State.

4.5 Discussion of Findings

The multiple regression results clearly showed that there is a significant relationship between Business Premises Registration tax and Financial Performance of SMEs in Benue State. This result is in line with the research work carried out by Adebisi and Gbegi (2013) their findings revealed that multiple taxation has negative effect on SMEs survival and the relationship between SMEs size and ability to pay taxes is significant. Also the result is also in line with the study of Monteiro and Assuncar (2012). The result implies that duplicated Business Premises Registration tax collected by more than one tier of government or in more than one form of tax affects negatively financial performance of SMEs.

Result of the second hypothesis revealed that there is a significant relationship between Development Levy and Financial Performance of SMEs. This result is also in line with the work of Ocheni and Gemade (2015) who found out that multiple taxation has a negative effect on SMEs investments and growth.

The third hypothesis recorded a significant relationship between Market taxes and financial performance of SMEs. This finding as shown by the linear regression implies that market taxes have effect on financial performance suggesting that if SMEs are over burden with market fees and levies it will add to the cost of doing business and at the same time reduce profitability. The result is in line with the research work of Karl and Andrei (2011).

The result of the study backs the ability to pay principle as it deemphasizes the high tax burden on SMEs and allows them to pay a lower rate of tax in order to operate profitably and grow or expand.
The results of the study call for the need to scale down the taxes, fees and levies, tolls that put disproportionate effect on SMEs thereby making their financial performance abysmal.

CONCLUSION AND RECOMMENDATIONS

In line with the findings of the study, it is pertinent to conclude that multiple taxation has a significant negative effect on financial performance of SMEs in Benue State.

The study therefore, recommends that government should repeal its tax laws and include special laws and policies that are favorable to SMEs in order to enhance their performance. Giving them opportunity to grow, stabilize and expand. These new or amended laws should state clearly and realistically the amount to be collected as various taxes. Taxes should be levied proportionately according to size of businesses.

Also, efforts should be made by the government to eliminate the activities of fake tax official and touts from collecting fees, levies and taxes. Government should also develop a road map on the harmonization of the taxes at different tier of government.

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Role of Accounting Information on Enterprise Management Decision: A Study of Federal Inland Revenue Service Kaduna

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Abstract

The major problem of most organization is obtaining the right information for their decision-making. For an organization adjudged successful, it is not only necessary to make decision, but what is imperative is implementing the right decisions. A decision is concerned with the selection of an action often out of a number of alternatives. To be able to choose the one, decision makers need some guidance, which is usually provided by information gatherer through managerial and financial accounting. Therefore, tools used in these areas are consequently considered as helpful support. The purpose of this paper is to identify the usefulness of accounting information as a tool for enterprise management decision making. To achieve this objective the paper collected information through questionnaires, personal interview, and related literatures. The tools for analysis used in the study are the chi-square method, a non-parametric statistical technique. It was found out that there is no effective decision making without greater consideration for accounting information. It is recommended that management should emphasize on the use of accounting information for effectiveness and efficiency of operations of their organizations.

Keywords: Accounting, Information, Enterprise, Management Decision, Revenue

I. INTRODUCTION

The statement of Accounting N0.2 issued by the Nigeria Accounting standard board (NASB) describes Accounting information as data (quantitative and qualitative) that are found in financial statement. These statements provide a continuing history qualified in monetary terms of economic resources and obligations of a business enterprise. Accounting information therefore is the yardstick for measuring the performance of the business organization and it is also serves as an instrument against which management compares actual result with established standard (SAS.2).

However, Harrison and Horngren (1995) defined Accounting information as the combination of personnel records and procedures that a business uses to meets its need for financial data. Thus, the information communicated by accounting records serves as a basis for corrective actions when actual outcome deviates outstandingly from predetermined goals.

Accounting information is not used by the organization but also needed by outsiders, creditors, potential investors, the Government and the public who have invested in one way or the other in to the business or have some other interest such as buying of shares that will be served by information concerning the financial position and operating result.

The type of Accounting information that a specific user require depends upon the kind of decision that the person intends to make, for example Managers need detailed information about daily operation cost for the purpose of controlling the business.

Outsiders, on the other hand usually need good information concerning resources in hand and information on operating results for the past years to be used in making investments decisions, levying income tax, and or making regular decisions. This information is been conveyed in a verity of reports and schedules which are quantitative and qualitative in nature to aid their users in making informed economic decision. Financial statements therefore are meant to be simple and concise for easy understanding by it users.

Although, the importance of Accounting information in decision cannot be under estimated, nevertheless, the extent and the degree to which Accounting information influences management decision making does not lead easily to any quantifiable statistical analysis. Because, the major limitations of Accounting information in its bid to solve management problems lies with relevant Accounting information to use for management decision. Associated with these, also there are problems of misappropriation of funds, failure to employ adequate and competent Accounting information expert or specialist.

The main objective of this paper is to evaluate the impact of Accounting information on management decision. To explore whether or how well the management functions will assist in the enhancement of the efficiency and effectiveness of management with reference to Federal Inland Revenue Service, Kaduna. The paper seeks to test the hypothesis that; accounting information is not effectively used in assessing management decisions.

It is against this backdrop that the study is undertaken and is limited to evaluating the impact of accounting information as a tool for effective management decision making at the Federal Inland Revenue Service Kaduna, between 2007 and 2013. The first part of the paper comprises of introductory section, followed by the review of related literature both conceptual and empirical are done in chapter two, while the third section is the methodology section, and section four is the discussions of results and findings. The last section captures conclusions and recommendations.

II. LITERATURE REVIEW

This section discusses some of the conceptual; and theoretical reviews on the topic and a careful empirical review on the topic, further we deemed it is necessary to look at different sets of postulates and concepts including assumptions regarding the nature of accounting information

Meaning of Accounting Information

Accounting information as provided in 1941 by

American Institute of Accounting (AIA) now known as the American Institute of Certified Public Accountants (AICPA) describes the accounting information as the act of recording, classifying and summarizing more transactions in a significant manner and terms. Accounting information is either from Financial Accounting or Management Accounting.

Financial accounting consists of public information while, management accounting consists of private information. Financial accounting includes information disseminated to parties that are not part of the enterprise proper, such as; stakeholders, creditors, customers, suppliers, regulatory authorities, financial analysts, trade associations and researchers. Such information relates to the earning/profitability, liquidity/solvency and overall financial position of an enterprise.

Managerial accounting on the other hand deals with information that is not generally disseminated outside a company such as salary costs, profit target and cost of material per unit produce. Conversely, the general purpose of the financial statement and financial accounting are assumed to meet basic information needs of most external users and the Management accounting provides a wide variety of specialized reports for divisional managers, departmental heads, projects directors, section supervisors and other managers within a company.

Objectives of Financial Reporting and Accounting Information

Landison (1989) identifies the objectives of financial reporting as enunciated by Financial Accounting Standard Board to include: -

a. To provide information that is useful to present to potential investors and creditors and other users in making rational investment, credit and similar decisions.
b. To provide information about the economic resources of an enterprise, the claims to this resources and the effects of transactions, events and circumstances that change the resources and claims to this resources.

Statement of Accounting Standard (SAS) stressed that the information expected to be provided in financial statements are those that are quantitative and qualitative in nature to aid their users informed economic decision.

On the other hand, Meigns and Meigns (1987) added that the underlying purpose of accounting is to provide information about an economic entity. They went further to state that accounting provide information that is needed as a basis for making decisions which will enable management to guide the company on a profitable and a solvent cause. Accounting does not only provide information for past data but also predictive information for making important business decision in a changing world.
Nanina (2012) opined that the aim of organizations is profitability and that accounting information is indispensable to achieving this goal. Therefore, it studies how effective and efficient the instrument of good accounting information is in decision making in an organization. The study uses both primary and secondary data; the statistical instrument used was the analysis of variance (ANOVA) model. The findings reveal that a good accounting system results in higher profit margin over the years.

Features of Accounting Information

Statement of Accounting Standard (SAS) stressed that financial statement are expected to be simple, clear and easy to understand by all users. In the same vein, Omolehinwa (2001) outlined some qualities that make accounting information useful which are in harmony with SAS, these includes; relevance, completeness, accuracy, clarity, understandable, timeliness, objectivity, volume and reliability.

Uses of Accounting Information

According to Pandy, (1999) Management Accounting is concern with the provision of information to managers to aid them in decision making for planning and controlling whereas Financial Accounting is concern with the provision of information to external parties outside the organization. These various users could be categorized broadly as follows:

a. **Investors Group:** Potentials investors are generally interested in dividend and growth trend of the firm.
b. **Creditors Group:** Creditors are interested in the continuing profitable performance of the firm so that they may regularly receive the interest and payment of principal and to evaluate the firms'

performance and to determine the degree of risk to which they are exposed.

c. **Employee Group:** They make use of financial statement during bargains of matters relating salary determination, bonus fridge, and benefits and working condition on the basis of accounting information.
d. **Business contact group:** Customers may well have little influence in markets.
e. Increasingly dominated by large business organization and it is difficult to see how even if more information were made available customers are interested in information indicating fairness of pricing policies.
f. **The Government:** Government and their agencies are interested in the allocation of resources and therefore the activities off enterprises. They also require information in order to regulate the activities off the enterprises, determine taxation policies and as the basis for national income and similar statistics.

COMPONENTS OF FINANCIAL STATEMENTS

The Nigeria Accounting Board in statement No.3 identified financial statement as consisting of the balance sheet, profit and loss account or income statement, valued added statement and historical summary. These will be discussed below.

The Balance Sheet

Of the two traditional types of financial statement, the balance sheet relates to an entity's financial position at a point in time and the income statement relates to its activities over an interval of time. The balance sheet provides information about an organization's assets, liabilities and owners' equity as of a particular data – namely, the last day of the accounting or fiscal period. The format of the balance sheet reflects the basic accounting equation: Assets equal equities. Assets and economic resources that are expected to provide future services to the organization. Equity consists of the organization's liabilities which are its obligations together with the equity interest of its owners.

Assets are categorized as current or fixed. Current assets are usually those that management could reasonably be expected to convert into cash with one year. They include cash; receivables (money due from customers, clients or borrowers) merchandise inventory and short-term investments in stock and bonds. Fixed assets include the land, buildings, machinery, motor vehicles belonging to the company.

Liabilities are obligations that the organization must remit to other parties such as vendors, creditors and employees, current liabilities generally are amounts that are expected to be paid within one year, including salaries and wages, taxes, short-term loans and money owed to suppliers of goods and services, when an organization is a corporation, the balance sheet shows the equity of the owners (the stakeholders) as consisting of two elements (SEC, 2007).

The Income Statement

The traditional activity-oriented financial statement issued by business enterprises is the income statement. It is prepared for a well-defined time interval, such as three months or one year.

This statement summarizes the enterprises revenues, expenses gains and losses revenues are transactions that represent the inflow of assets as a result of operations – that is, assets received from selling goods and rendering services. Expenses are transactions involving the outflow of assets in order to generate revenue, such as wages, rent, interest and taxes.

A revenue transaction is recorded during the fiscal period in which it occurs. An expense appears on the income statement of the period in which revenues presumably resulted from the particular expense. In addition to disclosing revenues and expenses (the principle components of income) the income statement also identifies gains and losses from other kinds of transactions, such as the sale of plant assets (for example, a factor building) or the early repayment of long-term debt. Gains or losses that are deemed to be extraordinary that is both unusual and infrequent are so labeled.

Other Financial Statement Components

A third importance activity-oriented financial statement is the statement of cash flows. This statement provides information not otherwise available in either an income statement or a balance sheet. The statement of cash flow represents the sources and the uses of the enterprises cash by classifying each type of cash inflow and cash outflow according to the nature of the type of activity such as operating activities, investing activities, and financing activities. The statements operating activities section identifies the cash generated or used by operations. Investing activities include the cash exchanged to buy and sell long-lived assets such as plant and equipment. Financing activities consist of the cash proceeds from stock issuances and loans and the cash used to pay dividends to purchase the company's outstanding shares of its own stock and to pay off debts.

Accounting information may be distorted where efficient and effective system of control is not in operation in an organization. A good system of internal control therefore, will serve to ensure an adequate procedure for the recording of monetary and all other transactions of an organization and appropriate arrangement for the safe custody of money sores and other assets of the organization, ensure an appropriate supervisory procedure by senior staffs to ensure that work of subordinate are supervised on a continuous basis and an appropriate system of management review of operating results by use of budgeting control, interim account and special report.

Measuring Effectiveness of Management using Accounting Information

Information produced by management accounts must be judged in the light of its ultimate effect on the outcome of decisions. The best way to communicate any accounting information is to do it in writing and in a report format with line descriptions on left side of the pages, columns headed by a date or description and report title. Effective communication is important in an organization that deals with employees and outsiders such as vendors and clients because accounting is an intrinsic part of any business good communication skills are vital in this area. Important financial tasks such as budget preparation and reporting bill paying payroll and recording income need to be presented properly to management and others to be useful and meaningful.

The most important use of accounting data is to communicate meaningful information, allowing management to make good decision. To be effective, accounting information must make sense and be understood or else it is just a list of number with no real significance. The effectiveness of accounting information can be received providing management information to assist concerned decisions. The effectiveness of accounting information can be evaluated as added value of benefits. The effectiveness of accounting information is a measure of success to meet the established goals. The success of accounting information of the management is implementation and is defined as profitably applied to area of major concern to the organization, is widely used by one or more satisfied users and improves the quality of their performance.

Limitations of Accounting Information

Accounting information is accumulated with several methods to choose from,
therefore, person using it need to understand financial analysis to best use the data. It fairly reflects the condition of an entity but may not reflect the effectiveness of the operation and the market condition. It is better to accompany accounting information with market information, auditor's note and disclosure from the management.

Accounting is only one source of information and primarily provides information based on financial terms although this information is vital, decisions cannot be based on solely on a monetary basis. Various decisions depend upon a diverse range of issues being considered. A unique combination of quantitative as well as qualitative factors should be considered to ensure as effective decisions making process.

The historical perspective of financial accounting in order to obtain a recent estimate of an entity's financial performance. The corporate managers carefully scrutinize financial accounting information in retrospect, this information is based on performance the information does provide clarity on the monetary issues but does not provide a definite insight into the strategic future, as the future holds various changes in terms of technology economic situations as well as political scenarios etc such factors in relation to accounting are unpredictable. Therefore, a careful balance between historical accounting as well as the future forecasted outlook is required.

Challenges of Accounting Information

The challenges faced by accounting information are that at any point in the communication process barrier can occur. These barriers keep employees from understanding other ideas, and it can occur at any point in communication loop. It can be internal barriers: These barriers could be caused by fatigue, poor listening skills, attitudes towards the sender of the information and lack of interest in the message mistrust past experiences and emotions. Or; External barriers: These include bad communication means bad network, etc. because of the changes in technology, some individual may find it difficult to interpret financial statement because of the changes that have occurred. Also employees find it difficult to adapt to the new technology.

III. METHODOLOGY

The research design for this paper is the survey design and stratified sampling techniques were used because it enables the researcher to select samples relevant to the study using Federal Inland Revenue Service Kaduna as the case study.

Population of the study comprises of the staff of the Federal Inland Revenue Service which is sixty four (64). The sample selected for this research is thirty, from the finance department. The simple random sampling technique was used to ensure that every departmental member of staff has an equal chance of being represented in the sample. The method for data collection employed includes both primary and secondary sources using the instrumentations of questionnaire and personal interview.

The statistical tool for analysis adopted is the Chi-square method. The theoretical model for computing the chi-square test is as follows:

$$\chi^2 = \frac{(Fo\text{-}Fe)^2}{Fe}$$

Where: F_0= Obsevation frequencies in a given category; F_e = Expected frequencies estimated int hat category; F_0 - F_e = The difference between the observed and expected

IV. DISCUSSIONS OF RESULTS

For a research work to be useful it must be interpreted in the light of condition under which it was done. The analysis is and interpretation of raw data of a research, whereby the problems are answered on the stated hypothesis. In this section, an attempt has been made to present, analyse and interpret the data collected from the primary sources by the use of questionnaire for the usefulness of this research.

The presentation of data is based on the response of the respondents and it is presented in frequencies and percentage for easy understanding. A total number of 30 questionnaires were administered to the finance and accounts department which comprises of the treasury division, payroll section, E-payment section, cash office and pension and taxes section of the Federal Inland Revenue Service Kaduna. A number of 23 questionnaires were properly filled and leaving out 7 note returned i.e. 92% returned.

As to what is the role of accounting information? Two respondents, 9% indicate 5 to evaluate and measure performance, 4 respondents representing 17% indicated controls the activity of the organization, 3 respondents, 13% indicated guide management decision making while 14 respondents, 61% indicated all of the above. This shows that the role of accounting information includes evaluation and measurement of performance, controls the activity of the organization, guide management decision making.

Whether accounting information is effective in assessing the mismanagement of the FIRS? 22 respondents, 96% indicated yes, while 1 respondent, 4% indicated No, and this shows that accounting information is effective in assessing the management of the organization

TEST OF HYPOTHESIS

For the purpose of ascertaining the relationship between the tentative statements of hypothesis and the analysis of the chi-square test will be used to test the hypothesis aimed at testing the effectiveness and otherwise of accounting information in assessing the management decision in Federal Inland Revenue

Service Kaduna.

H_{01}: Accounting information is not effective in assessing the management decision

The critical value of X^2 at 5% level of sisgnificance and at 1 degree of freedom is 3.85

Decision Rule

Reject H_0 if the critical value of X^2 at 5% level of significance and (r-1) (c-1) degree of freedom is lower than the calculated value. Otherwise do not reject null hypothesis H_0 **Decision:**

The compound value of X^2 =1.9417 is less than the critical value X^2 = 3.84 aet 1 degree of freedom. Hence we fail to reject the null hypothesis H_0 that accounting information is not effective in assessing management decision.

Findings

The analysis of the response provided through the questionnaire formed the basis of research findings. They have also helped in providing meaningful conclusion to the research questions.

The following are the findings from the research work carried out in Federal Inland Revenue Service, Kaduna that accounting information helps in evaluation and measurement of performance, controlling the activities of the organization and guide management in decision making. However, it is not being utilized in assessing the effectiveness of management decisions of the organization.

V. CONCLUSIONS AND RECOMMENDATIONS

The study was conducted on the role of accounting information as a tool for management decision making at the Federal Inland Revenue Service Kaduna. The paper found out that the null hypothesis would hold, that is to say accounting information is not effectively being used in assessing the effectiveness of management decisions. Based on the findings, the following recommendations are made that, all supervisors and Management should emphasize on the use of accounting information for assessing staff performance and they should also use it in assessing the quality and effectiveness of decision making of their organizations.

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Governance Structures And Earnings Quality In An Oil Driven Economy: A Study Of Nigerian Oil And Gas Firms

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ABSTRACT

This paper analyses the concept of governance structures/attributes and examines how firm-level governance structure affects the quality of accounting earnings of firms in an oil driven economy (Nigeria). Hypothesis was postulated and data from nine (9) firms listed in the oil and gas sector in Nigeria were obtained and subjected to analysis. The formulated hypothesis was tested based on the specified multiple regression model; and with the F-Statistics from the OLS regression output. The governance attributes analysed (CEO ownership, managerial ownership, board size, board independence, board meetings, gender diversity, audit committee size, independence and expertise) were found to have significant effect on earnings quality of the sampled listed oil and gas firms. Consequent on the findings, it was recommended among others that the pristine roles of governance attributes and internal controls through board committees should be activated by management, the board and their respective committees. Also, board committee members should be made to undergo compulsory training programmes/courses with a view to defining their responsibilities and respectively increase the level of integrity in financial reporting and investor protection.

Keywords: Corporate governance, earnings management, accounting, financial reporting, agency theory, stakeholders' theory, oil and gas.
JEL Classification: G34, G38, L21, L25, M41

Introduction

Broadly speaking, governance has two dimensions – firm level and country level dimensions. According to Aggarwal, Erel, Stulz & Williamson (2007), country-level mechanism or dimensions of governance includes the laws, culture, norms and all established institutions charged with the tasks of enforcing instituted laws within the country. In contrast, governance at firm levels are internal mechanisms or governance attributes within individual firms and across industries. Such attributes within firms are usually expensive investments whose payoffs differ across firms, industries and jurisdictions (John & Kedia, 2006; Doidge, Karolyi & Stulz, 2007).

However, like prior studies in accounting, this study's focus is on firm-level governance attributes which is hinged on the arguments of the agency theory that conflict of interests mostly arise between principals and their agents due to divergent attitudes to risks, expectations, intents and rewards systems. While executives and managements (agents) have overly been accused of manipulating records of earnings and other financial measures for personal interests, the shareholders (principals) on their part have continuously clamoured for measures to checkmate the activities of their agents (executives and managements). The creeps on the aforesaid largely heightened debates on the duo concepts of *"corporate governance"* and *"earnings quality"* of firms.

Problem Statement and Hypothesis Development

Studies on managements' reporting discretion have contentious and elusive substantiations (Athanasakou & Olsson, 2013). This assertion can be confirmed by the results of previous researches which so far, have continuously evidenced inconsistencies and disagreements on the relation between earnings quality and governance dimensions of entities (Larcker, Richardson & Tuna, 2007). While agreeing that no general consensus have been reached on the effect of governance structures/dimensions on earnings quality among firms, we must note that researches in this area have remained scarce in Nigeria (Ibikunle, 2013; and Shehu & Musa,2014).

Despite the aforesaid, documented cases of scandals and corporate failure abound within and outside Nigeria and copious questions on reporting credibility and earnings quality have also been raised (Jeroh, 2017). The report of cosmetic accounting/scandal drafted in the accounts of African Petroleum (AP) Plc revealed among others, the fact that audited financial reports sometimes failed to faithfully represent the financial position and earnings of reporting companies (Oyejide & Soyibo, 2001). Acts of earnings manipulation through earnings management have continued to increase in Nigeria, the world over despite regulatory efforts to checkmate the activities of management and executives of corporations (Demaki & Jeroh, 2016). These tendencies have generated much worries and skepticism in the minds of potential investors and shareholders on the relevance and credibility of financial reports and earnings quality given that regulatory agencies have instituted and updated several governance codes to discourage and eliminate such practices by managers/executives of entities. This study's build-up stems from the argument that earnings quality is a product of earnings management, while the later is a reflection of the scope for ethical hazards and the outcomes of such ethical hazards (management's discretionary choices for reporting).

Apart from the aforesaid, one known fact about Nigeria is that she earns her principal share of foreign earnings from the exportation of crude oil and related products (Uzonwanne, 2015; Adams, 2016). This accounts for why the activities of the oil and gas industry tend to affect policies, budgets, plans and primary performance indices of the economy over time (Anyaehie & Areji, 2015). Given the importance of the oil and gas sector to the country, this study therefore sought to examine the statistical link between governance structures and earnings quality with particular focus on listed oil and gas firms in Nigeria. Thus we hypothesize as follows:

Ho: There is no significant relationship between governance structures and earnings quality among listed oil and gas firms in Nigeria

Conceptual Underpinnings

Corporate Governance and Earnings Quality Conceptualized

Corporate governance defines firm-level complexities and systems designed to govern the manner and directions in which entities can be controlled and/or managed given its complex or other dealings and relationships with stakeholders (Akeju & Babatunde, 2017; Demaki & Jeroh, 2016; Jeroh & Okoro, 2015; Jeroh, Ekwueme & Okoro, 2015). Extant studies on corporate governance within and outside Nigeria abound. Considerable researches on the concept resulted from the dire need to answer increasing questions that trailed accounting scandals and corporate collapses which threatened the integrity of accountancy and the credibility of corporate reporting at national and global scenes (Jeroh, 2017).

Conversely, earnings quality can be defined on the basis of the level of informativeness of the reported earnings of firms. This is why arguments of prior studies (Kamarudin & Ismail, 2014) indicate that earnings quality as a concept is sometimes vague in its definition. Notwithstanding, earnings quality is generally seen as the extent to which reported earnings reflect actual performance of firms (Dechow & Schrand, 2004; Hassan, 2015). Prior studies (Kamarudin & Ismail, 2014; Bodie, Kane & Marcus, 2002; Ayres, 1994; Chan, Chan, Jegadeesh, & Lakonishok, 2006) also defined earnings quality on the basis of sustainability and persistence. Emphasis here is on the level of permanence and sustainability of earnings; such that where accounting treatments produce unsustainable earnings, reported earnings are assumed to have low quality.

However, earnings quality has respectively been viewed from two broad accounting perspectives – economic-based viewpoint and decision-usefulness viewpoint. Under the decision-usefulness viewpoint, earnings quality is deemed high when earnings numbers can alter investors' and other users' decisions (Fettry, 2017). This makes users of accounting reports to define earnings quality on the basis of its relevance to their respective decisions (investment or otherwise). Thus, investors will generally agree that the quality of earnings is high where earnings accurately reflect the actual current estimates of firms' operating performance (Dechow & Schrand, 2004). Similarly, creditors will define high earnings quality on the basis of its ability to be easily converted into cash or; on the extent to which it clearly approximates the real performance of managers/executives (Shipper & Vincent, 2003). Other users define high quality as earnings devoid of all forms of cosmetics or earnings management. This forms the crux on studies on earnings persistence.

Empirical Review

Given the recent concerns on ethics, integrity, sustainability, survival, and governance of firms, venerated studies have examined related issues on governance, earnings management and earnings quality among firms. This section is devoted to the review of prior empirical studies in this area.

Peni & Vähämaa (2010) assessed the relative association between the gender of firms' executives and earnings management. The study further analysed the quality of earnings using discretionary accruals inherent in the reported earnings of 391 sampled firms. The analysed data covered a 5-year period spanning from 2003 -2007. Analysis was based on the panel data regression estimate. Considerable evidence provided by the results indicate that income-decreasing discretionary accruals were highly associated with firms that had female chief financial officers (CFOs); thereby suggesting that the gender of CFOs has implications for earnings quality and management strategies.

Hassan (2013) examined the extent in which monitoring characteristics affect reporting quality. By analyzing 160 observations (5 years data) from 32 firms using OLS technique controlled for fixed and random effects, the study noticed a significant relationship between monitoring characteristics and reporting quality among the sampled firms drawn from the manufacturing sector in Nigeria. Suggestions among others were that without compromising standards, integrity, and independence, diversity within corporate boards should be encouraged especially with reference to experience and expertise.

Ibadin & Dabor (2015) argued that quality decisions are consequent on the informativeness of available accounting information. Thus, an analysis of how corporate governance affects accounting quality (proxied by reporting timeliness) was the thrust of their study. Governance measures were CEO duality, board size, independence of audit committee, disclosure and risk management constructs. Data from 2006 to 2009 for 150 listed companies in Nigeria were analysed via multiple (OLS) regression technique. Results showed that CEO duality, board size and disclosures were negatively related with accounting quality, whereas, independence of audit committee and risk management had positive link with accounting quality. The study thus recommends the sustenance of independence of firms' audit committees and risk management practices, while appropriate steps should be taken to increase board size to a minimum of 9 members for listed companies.

Akeju & Babatunde (2017) analysed by means of statistical techniques, the relationship between reporting quality and corporate governance. 40 listed companies in Nigeria constituted the sample and data from 2006 to 2015 were obtained for board characteristics, independence, size, growth and audit committee. Analysis was based on multiple (OLS) regression technique while hypotheses' testing was premised on the F-Statistics. Findings indicate a strong positive link between reporting quality and governance measures within firms.

Juhmani (2017) investigated audit committees' effectiveness in monitoring management's intent to manipulate earnings. Measurement variables for the characteristics of audit committees are size, independence, financial expertise and meetings, whereas, earnings quality was proxied by discretionary accruals. Data were therefore obtained from 31 listed firms in Bahrain from 2012 to 2014. Analysis was done using bivariate and multivariate regression respectively. Findings indicated that earnings manipulation reduces the quality of earnings. Similarly, earnings manipulation has a negative association with the size and financial expertise of audit committees, although, no significant relationship was found between earnings management and the level of independence and meetings of audit committees.

Methods and Procedures

Earnings from the exportation of crude oil and related products accounts for the principal share of foreign earnings to Nigeria (Uzonwanne, 2015; Anyaehie & Areji, 2015; and Adams, 2016). This is why the wheels of the economy are driven by the activities of the oil and gas sector over time. However, this study's population comprise of the 15 listed firms in the oil and gas sector of the Nigerian Stock Exchange as at 31st December, 2016. Nine (9) firms were selected as sample using the purposive sampling technique due to cases of missing data for some of the firms in the sector. Data for the variables of interest were therefore pooled from the annual reports of the sampled firms from 2009 – 2016 (8 years). The multiple regression technique is adopted to analyse the specified model of this study. To confirm the fitness of the model, data for this study were also subjected to preliminary tests (correlation analysis and test for multicollinearity using VIF).

Model Specification

Following prior empirical studies (Beneish & Press, 1998; Xie, Davidson & Dadalt, 2003; Kothari, Leone & Wasley, 2005; González & Garcia-Meca, 2014), the model of this study focused on applicable measures of earnings quality (discretionary accruals). Additionally, 9 dimensions of governance structures (managerial ownership, CEO ownership, board size, board independence, board meetings, board gender diversity, audit committee expertise, audit committee size and independence of audit committee) were employed to test the relationship between governance structures and earnings quality of the sampled firms. The sizes of the sampled firms were used as a control variable for this study.

Note that in estimating discretionary accruals, we relied on the modified Jones model since it is preferred by most prior studies (Dechow, Sloan & Sweeney, 1995; Wang, 2006; Bartov, Gul & Tsui, 2000 and González & Garcia-Meca, 2014). The model of this study is specified as follows:

$$EQ_{it} = a_0 + a_1CEOW_{it} + a_2MANOW_{it} + a_3BODSZ_{it} + a_4BODIND_{it} + a_5BODMEET_{it} + a_6BODGDV_{it} + a_7ACOMSZ_{it} + a_8ACOMIND_{it} + a_9ACEXP_{it} + a_{10}FSIZE_{it} + \mu_t \quad \text{eq.1}$$

Where:

EQ_{it} = Earnings Quality (measured by discretionary accruals of firm *i* in year *t*

$CEOW_{it}$ = *CEO Ownership* (Measured by total shares of CEO divided by total shares of directors of firm *i* innyear *t*)

$MANOW_{it}$ = *Managerial Ownership* ((Measured as chairman shares divided by shares of board of directors of firm *i* in year *t*)

$BODSZ_{it}$ = *Board Size (*measured by the number of Board members of firm *i* in year *t*)

$BODIND_{it}$ = *Board Independence (*measured by the percentage of non-executive directors in the board to total number of Board members of firm *i* in year *t*)

$BODMEET_{it}$ = *Board Meetings (*measured by the number of board meeting held by the Board members of firm *i* in year *t*)

$BODGDV_{it}$ = *Board Gender Diversity (*measured by the number of female board members divided by the total number of board members of firm *i* in year *t*)

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
eq	68	.3891176	.262995	.04	1.32
ceow	68	.3391176	1.331687	0	5.63
manow	68	13.16559	20.4923	0	60.02
bodsz	68	8.823529	3.046609	4	16
bodgdv	68	.0873529	.0748654	0	.25
bodind	68	56.85765	16.12195	25	90
bodmeet	68	4.838235	1.680532	2	10
acomsz	68	5.558824	.8354524	4	7
acomind	68	36.25618	12.47475	16.67	60
acomexp	68	.6764706	.471301	0	1
fsize	68	7.668529	.6234456	6.12	9

Source: Researcher's Computation From STATA13.0 Version, 2018.

$ACOMSZ_{it}$ = Audit Committee Size (measured by the number of audit committee members of firm *i* in year *t*)

$ACOMIND_{it}$ = Audit Committee Independence (measured by the number of non-executive directors in audit committee divided by total number of audit committee members of firm *i* in year *t*)

$ACOMEXP_{it}$ = Audit Committee Expertise (measured by the presence of members with financial expertise in audit committee of firm *i* in year *t* given by 1 if persons with financial expertise are in the committee otherwise 0)

$FSIZE_{it}$ = Firm Size – Control Variable (measured by the log of total assets of firm *i* in year *t*)

U_t = Error Terms.

Table 2: Correlation Analysis

	eq	ceow	manow	bodsz	bodgdv	bodind	bodmeet	acomsz	acomind	acomexp	fsize
eq	1.0000										
ceow	0.4416	1.0000									
manow	0.1825	-0.1172	1.0000								
bodsz	-0.0503	0.0458	-0.0503	1.0000							
bodgdv	-0.1920	-0.2937	0.1238	-0.1395	1.0000						
bodind	-0.0283	0.1603	0.1714	-0.2451	-0.1292	1.0000					
bodmeet	0.1726	-0.1276	-0.0395	-0.2330	0.0677	-0.1024	1.0000				
acomsz	0.0247	0.1363	0.2148	0.6374	0.0025	-0.1580	-0.3599	1.0000			
acomind	0.0400	-0.3900	0.2102	0.2751	0.2492	-0.3058	0.4085	-0.0074	1.0000		
acomexp	-0.4924	-0.3584	-0.1008	0.0740	0.2080	-0.0768	-0.3686	0.0491	-0.1934	1.0000	
fsize	-0.1711	-0.0843	0.1432	0.7554	0.1065	-0.1133	-0.3977	0.6784	0.1750	0.3676	1.0000

Source: Researcher's Computation From STATA 13.0 Version, 2018.

$a_1, a_2 \ldots a_{10}$ = *Regressors.*

Results and Discussion

Descriptive Statistics

Results for the descriptive statistics for the entire variable set are presented in Table 1. As indicated, average earnings quality amounts to 0.389 while its standard deviation approximates 0.263, with values of 0.04 and 1.32 and minimum and maximum values respectively. Average values of governance measures ranged from 0.087 (for gender diversity) to 56.867 (for board independence), so that the mean values obtained for CEOW, MANOW, BODSIZ, BODMEET, ACOMSZ, ACOMIND, ACOMEXP are exclusively within the brackets of 0.087 to 56.867. Also, CEOW, MANOW, BODGDV, and ACOMEXP simultaneously had 0 as minimum value, with respective maximum values of 5.63, 60.02, 0.25 and 1. The results of the standard deviation ranged from 0.0748 to 16.122 approximately, an indication that the data for the respective variable set for the sampled firms had values clustering around the mean with very slight dispersion.

Analysis of Pearson Correlation and VIF Results

Table 2 presents the results of the correlation analysis for the entire variable set. Board size (BODSZ), gender diversity (BODGDV), independence (BODIND) and audit committee expertise (ACOMEXP) recorded negative relationship with earnings while CEOW, MANOW, BODMEET, ACOMSZ, and ACOMIND had positive statistical association with EQ (earnings quality). The control variable (FSIZE) is negatively associated with EQ.

Table 3: VIF Result

Variable	VIF	1/VIF
fsize	4.57	0.218985
bodsz	4.04	0.247315
acomsz	2.75	0.363083
acomind	2.59	0.386547
acomexp	2.14	0.467173
bodmeet	1.73	0.576900
ceow	1.68	0.596931
manow	1.44	0.692054
bodgdv	1.37	0.728746
bodind	1.34	0.747683
Mean VIF	2.37	

Source: Researcher's Computation From STATA 13.0 Version, 2018.

Further indications in Table 2 reveal that the correlation coefficient recorded for each pairs of independent variables had values between -0.3900 and 0.6374. Similarly, the respective correlation coefficients between the control and independent variables ranged from -0.3977 to 0.7554. The highest coefficient of 0.7554 was between SIZE and BODSZ. Since no correlation coefficient exceeded the threshold of 0.80, the model for this

Table 4: Summary of Regression Result

Source	SS	df	MS
Model	1.84678611	10	.184678611
Residual	2.7873611	57	.048901072
Total	4.63414721	67	.069166376

Number of obs =	68
F(10, 57) =	3.78
Prob > F =	0.0006
R-squared =	0.3985
Adj R-squared =	0.2930
Root MSE =	.22114

eq	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
ceow	.0812282	.0262578	3.09	0.003	.028648	.1338085
manow	.0029038	.0015848	1.83	0.072	-.0002696	.0060772
bodsz	-.0096942	.0178312	-0.54	0.589	-.0454004	.0260121
bodgdv	-.3669868	.4227197	-0.87	0.389	-1.213468	.4794949
bodind	-.0027117	.001938	-1.40	0.167	-.0065924	.001169
bodmeet	.0123287	.0211653	0.58	0.563	-.0300541	.0547116
acomsz	-.0076389	.0536658	-0.14	0.887	-.1151028	.0998249
acomind	.0013521	.0034833	0.39	0.699	-.005623	.0083273
acomexp	-.1561784	.0838657	-1.86	0.068	-.3241166	.0117597
fsize	.0201529	.0926012	0.22	0.828	-.1652778	.2055835
_cons	.4800133	.5631292	0.85	0.398	-.6476335	1.60766

Source: Researcher's Computation From STATA13.0 Version, 2018.

Table 4 reveals an R-squared of 0.3985 while the adjusted R-squared is 0.2930. This suggests that governance structures explain about 30% - 40% of the systematic variation in the quality of earnings recorded by firms in the oil and gas sector in Nigeria. The F-statistics is 3.78 (df=10, 57), while the p-value (Prob > F) is 0.0006 suggesting the existence of a significant relationship between governance structures of firms and the quality of earnings ($f_{crit} = x > 1.99 < 2.08$). This implies that at 5% level, the null hypothesis that there is no significant relationship between governance structures and earnings quality among listed oil and gas firms in Nigeria is rejected. This study therefore concludes that the governance structures have significant relationship with earnings quality among oil and gas firms in Nigeria.

Conclusion

This study focused on two key variables – governance structures and earnings quality. As suggested by prior studies, the term "governance" has two dimensions – firm level and country level dimensions (Aggarwal, Erel, Stulz & Williamson, 2007). This study however concentrated on the firm level dimension of governance which basically concerns itself with the internal mechanisms or governance attributes within individual firms and across industries. On the other hand, the quality of reported earnings of firms has triggered several debates among professionals, academics and the likes. Thus, hinged on the arguments of the agency theory that conflict of interests mostly arise between principals and their agents due to divergent attitudes to risks, expectations, intents and rewards systems, this study examined the relationship between measures of firm level governance attributes and the quality of earnings of quoted oil and gas firms in Nigeria. The focus on this sector was because of its importance to the overall economy of the country.

The justification of this study stems from the fact that while findings from previous researches remained inconsistent and divergent on the presumed relation between earnings quality and governance dimensions of entities (Larcker, Richardson & Tuna, 2007; Athanasakou & Olsson, 2013), research outcomes in this area have been scarce in Nigeria (Ibikunle, 2013; and Shehu & Musa,2014). In achieving the objective set out in this study, yearly data (2009 – 2016) on the variables of interest was obtained from a sample of 9 firms from the population of the 15 listed oil and gas firms in Nigeria. The results from the multiple regression analysis indicate among others that governance attributes have significant relationship with earnings quality among oil and gas firms in Nigeria.

Recommendations

The above findings and conclusion has far reaching allusions thus ensuing the following recommendations:

1. The independence of board and audit committee members should be sustained and protected.

2. To guarantee appreciable quality of earnings through the elimination and/or reduction of earnings management, auditors with the requisite expertise should me engaged by firms.

3. The pristine roles of governance attributes and internal controls through board committees should be activated by management, the board and their respective committees. Hence, the enhancement of the skills of board committee members should be taken seriously through compulsory training programmes/courses with a view to defining the responsibilities of boards and their committee members towards increasing the level of integrity in financial reporting, while increasing the level of awareness and importance of investor protection.

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Impact of Interest and Exchange Rates on the Performance of the Nigerian manufacturing sector

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ABSTRACT

The main focus of this study is to evaluate the impact of interest and exchange rates on the performance of the manufacturing sector and in pursuance of this; the multiple regression analysis was used to evaluate the impact of interest rate and exchange rate on the performance of the manufacturing sector. According to the result of the analysis, interest rates do not have a significant impact on the performance of the manufacturing sector. But this is contrary to economic reasoning and so we advocated for more extensive study on this area. Exchange rates showed a significant inverse relationship with the performance of the manufacturing sector within the period covered.

Keywords: Interest Rate, Exchange Rates, manufacturing sector

1. Introduction

Manufacturing involves the conversion of raw materials into finished consumer goods or intermediate goods or producer goods. The manufacturing sector is a subset of the industrial sector, others being processing, craft and mining sub-sectors. Manufacturing like other industrial activities, creates opportunity for employment, helps to boast agriculture, help to diversify the economy, while helping the nation to increase its foreign exchange earnings. It also minimizes the risk of overdependence on foreign trade and leads to the fullest utilization of available resources.

Nigeria is endowed with numerous natural resources which could be used as raw materials for manufacturing to serve her domestic needs and also for exports. These resources include minerals such as petroleum, limestone, tin, columbites, kaoline, coal zinc, gypsum, clay, shale, marble, graphite, iron ore, stone etc. Nigerian is also an agrarian society. Nigeria has the capacity to produce a wise range of agricultural products which could be food crops or cash crops. These include oil palm, cocoa, cotton, maize, guinea corn, yam, rice etc. all these can be used in the manufacturing industry as raw materials.

In the 1960's, there was a vigorous policy of import substitution. But this marked the beginning of decline for the export oriented processing of raw materials. The policy of import substitution was mostly initially meant to reduce over-dependence on foreign trade and save foreign exchange. However, it turned out to be a mere assemblage of those items rather than manufacturing. The original aim of import substitution was defeated since almost every item needed by the so-called manufacturing industry was imported. During this time, foreign ownership of manufacturing facilities reached its peak.

In the 1970's, the advent of oil and the enormous resources it provided for direct government investment in manufacturing made the government exercise almost a complete monopoly in the following sub-sectors of manufacturing; basic steel production, petroleum refining, petrochemicals, liquefied natural gas, edible salt, flat steel plants, machine tools, pulp and paper (basic), yeast and alcohol and fertilizer (Nitrogenous phosphates). During the period, the indigenization programme was also initiated; however, the results were poor.

In the 1980's, due to the dwindling government revenue as a result of all in oil prices at the word market, many attempts to stimulate the economy was made. This includes the adoption of export promotion strategy on the realization of the pitfalls of the import substitution strategy. The structural adjustment programme which began in July 1986 emphasized this strategy especially as it relates to non-oil exports, hence the extension of export promotion, incentive of various descriptions. When Nigeria's economic crisis deepened, the plight of the industrial sector became more apparent. This is clearly shown by the negative growth of the industrial output in 1985. it thus became glaring that the so-called big industrial base was built on a very weak foundation. Structurally, most of the industries were plants for the assembly of foreign products for Nigerian market while the domestic resources content of the products of these industries were very low. Moreover, due to the capital-intensive nature of most of these industries, little scope existed for them to explore and efficiently utilize the abundant labour and other local resources in the country. What was observed was the establishment of large plants with huge installed capacities and an import-dependent raw materials requirement. Exchange rate is simply the price of one currency in terms of another. It is the amount of the foreign currency that may be bought in terms of the domestic currency. Ochejele (2010) . One of the distinguishing features of international trade is the involvement of foreign currencies. Nigerian manufacturing is highly dependent on imports of inputs and capital goods. These are paid for in foreign exchange rate and manufacturing output sector. Also, it follows logical reasoning that reduction (depreciation) of the exchange rate will increase foreign direct investment and this may in turn affect manufacturing output positively and vice versa. This provides a link between manufacturing output and the exchange rate.

Interest rate is the percentage of the principal that is paid as a fee over a certain period of time; to the lender of the fund. In economics, it is often referred to as the cost of credit or cost of capital. en.wikipedia.org/wiki/interest, Manufacturing is a capital intensive venture. One of the major sources of financing capital venture such as manufacturing is borrowing from financial institutions, thus, the link between interest rate and manufacturing output.

2. Conceptual Clarifications

Industrialization plays a significant role in economic development. But industrialization includes the development of the manufacturing sector. Industrialization acts as a catalyst that accelerates the pace of structural transformation and diversification of the economy. It enables a country to fully utilizes its factor endowment and to depend less on foreign supply of finished goods or raw material for its economic growth, development and sustainability, Obasan and Adediran (2010)

The contribution of the manufacturing industries in the economy cannot be overemphasized when considering its employment potential and financial impact on the economy. Apart from its building ground for development by laying solid foundation for the economy, it also serves as import substituting industry and provide ready market for intermediate goods Adediran,(2008) According to Aderibigbe (2010), manufacturing industry contributes significantly to the nations economic development in the following ways:

Increase in government revenue through tax

Manufacturing no doubt leads to industrialization: the bigger the number of manufacturing industries, the better industrialized the society will be. Improvement in the standard of living: With manufacturing potentials, more of the people will be gainfully employed in various manufacturing activities, per capita income may increase and the general standard of living improved.

Infrastructural Growth: Construction of good roads to areas where raw materials are exploited and citing of manufacturing industries to these sources of raw materials may help improve the growth of basic infrastructural requirements.

Contribution to Gross National Product: The manufacturing sector in Nigeria being next to oil has through their operations contributed to the Gross national Product of the country through earning from exportation of manufactured goods.

Employment Generation: Manufacturing industry performs the major role of employment generation at all levels i.e. skilled, semi-skilled and unskilled labour and thereby fulfilling one of the nations ultimate macroeconomic goods. Okejiri (2008) revealed that one of the largest constraints to the high productivity of Nigeria's manufacturing is the low level of technology.

3. Methodology and Analysis

To satisfy the objectives of this study, it is important to determine the relationship existing between the performance of Nigeria manufacturing sector (measured by the percentage contribution of manufacturing to GDP) and the interest and exchange rate. Secondary data will be employed in this work. Data will be collected for X1 (Exchange rate), X2 (interest rate) and Y (The percentage contribution of manufacturing to the Gross Domestic Product) from the year 2011-2014. Y is a dependent variable while X1 and X2 are independent variables. The study is quantitative in nature.

This therefore, requires the regression analysis as a tool to determine this relationship. The percentage contribution of manufacturing to GDP is a dependent variable while the interest rates and exchange rates are explanatory variables. The multiple regression model is to be used as shown below $Y=F(X_1, X_2) + £$Y is the dependent variable representing the percentage contribution of manufacturing to GDP; X_1 is an explanatory variable representing interest rates and X_2 is also an explanatory variable representing exchange rate. £ Is assumed to be the random error representing the discrepancy in the approximation. It accounts for the failure of the model to fit the data exactly. The function f(X1, X2) describes the relationship between X1, X2 and Y. The function $f(X_1, X_2)$ that best fit the data will be used in this work. Assuming a multiple linear regression model $Y= B_0+B_1+B_2+£$ Bo, B_1 and B_2 are called regression parameters or coefficients. They are the unknown constants to be estimated from the data.

The coefficient of determination, R_a^2 of the model will be determined. This value shows how much the explanatory variables explain the outcome of the dependent variable.

It is estimated thus:

$$R_a^{2=1}\frac{SSE/n\text{-}p\text{-})}{SST/(n\text{-}1)}$$

The R_a^2 measures the extent of fit in percentage.

Analysis of variances for the regression model will be carried out. It will measure the significance of fitness of the model to the data using the F-test. The F-test is given as:

$$F= \frac{MSR}{MSE}$$

SSE is the sum of square errors, SST is the sum of square total, MSR is the mean square of regression and MSE is the mean square of error. The significance of the individual coefficient estimated shall be determined. This is done by using the t-test.

$$t_j= \frac{B_j\text{-}B_j^{0}}{S.E(B^j)}$$

With (n-p-1) degree of freedom, where P is the number of the explanatory variables and n is the number of observations.

The Durbin Watson D. value will be determined. This detects the presence of autocorrelation in the residuals. Once autocorrelation in the residuals is detected, then the regression model has violated one of its fundamental assumptions, and therefore cannot be used. D is calculated as:

$$D = \Sigma \quad \frac{\Sigma et^2}{t\text{-}2}$$

Results and Discussions

The regression model employed that fits the data is the quadratic form with only the explanatory variable (exchange rate) taking the second order, while the other explanatory variables (interest rate) remains in the first order.

$$Y_t = B_o+B_1X_{1t}+B_2X_{2t}+B_3X_2+Ct3t$$

Time	Total GDP	Manufacturing	Interest Rate	Exchange Rate	% Contribution of Manufacturing to GDP
2011	23842171	543259.4	18.71	118.8605	2.28
2012	23952171	553469.4	19.72	128.8805	2.34
2013	25883172	663568.5	22.82	137.899	3.28
2014	36886164	773467.6	24.86	149.798	3.40

Source: Central Bank Statistical Bulleting 2014

Table 1: Model Summary

Model	R	R Square	Adjusted Square	Std. Error of the Estimate	Durbin Watson
1	0.950	0.902	0.875	0.49111	1.112

Predictors: (Constant) Sqr-Exchange, Interest, Exchange
Dependent Variable: Percentage contribution of manufacturing sector to total GDP

From table 1, adjusted R^2 is 0.875. This implies that 87.5% of the explanatory variables (exchange and interest rates) explained the outcomes of the response variable (percentage contribution of manufacturing sector to the total GDP).

The Durbin Watson, D, value is 1.112. Testing for the significance of the D value, the critical lower and the upper limit values of the Durbin Watson are 0.814 and 1.730 respectively. Since D_L (=0.814) = D = 1.112) = Du (=1.730), the test is inconclusive, therefore, we say there is no sufficient evidence that the residuals of the regression model are auto correlated. This implies that the regression model can be for the study.

Testing the significance of the model of the data, we test the following hypothesis:

Ho: B = 0 (model is inadequate)

H1: B ≠0 (model is adequate)

Table 2. ANOVA

Source Variation	Sum of Squares	df	Mean Square	F	F-Table
Regression	24.409	3	8.136	33.734	3.59
Residual	2.653	11	0.241		
Total	27.062	14			

a. *Predictors: (Constant) Sqr-Exchange, Interest, Exchange*
b. *Dependent Variable: Percentage contribution of manufacturing sector to total GDP*

From table 2, the F-statistic is 33. 734 while the critical value $F_{3,11;0.025}$ = 3.59 . Since the F (=33.734) > F-table (=3.59), we reject Ho and conclude that the regression model employed is adequate. Testing for the significance of the interest rate estimate of the regression coefficient (parameters);

Ho: B1 = 0 (interest rate insignificant)

H1: B1 ≠0 (interest rate significant)

Table 3: Coefficient

	Un-Standardized Coefficients		Standardized Coefficients	t	t-table
	B	Std. Error	Beta		
(Constant)	27.898	5.925	0.169	4.709	2.20
Interest	0.73	0.041	-7.004	1.772	2.20
Exchange	0.444	0.116	6.143	-3.833	2.20
Square Exchange	0.002	0.001		3.361	2.20

a. *Dependent Variable: Percentage contribution of manufacturing sector to total GDP*

From table 3, t-statistic test for the significance of the estimate of the parameter. Interest rate is 1.772. The critical value is $t_{15-3-1, 0.025}$(2.20).

Since t_{cal} (=1.772) < tt_{ab} (= 2.20). We do not reject Ho and conclude that the estimate for the parameter interest rate is not significant.

Testing for significance of the parameter of exchange rate estimate in the regression model,

Ho: B_2 = 0 (exchange is insignificance)

H1: B_2 ≠0 (exchange rate is significance)

From table 3, the t-statistic testing the significance of the estimate of the exchange parameter is -3.833. The critical value $t_{15-3-1, 0.025}$(2.20).

Since T_{cal} (= 3.833) > T_{tab} (= 2.20), we reject **Ho** and conclude that the estimate for the parameter exchange rate is significance. Testing for the significance of the estimate of the parameter Square of exchange rate in the regression model,

Ho: B3 = 0 (square of exchange rate is insignificant)
H1: B3 ≠ 0 (square of exchange rate is significant)
From table 3, the t-statistic testing significance of the estimate of the square of exchange rate is 3.361. The critical value $t_{15-3-1, 0.025}$(2.20).
Since t_{cal} (3.361) > T_{tab} (= 2.20) we reject Ho and conclude that the estimate for the parameter square of exchange rate is significant.
Therefore, the regression equation is,
Y = 27.898+0.073 interest – 0.444 exchange + 0.002 square of exchange,Y is the percentage contribution the Nigeria manufacturing sector to the total GDP.

Interpretation of Results

It therefore implies that, keeping exchange rate fixed, for every unit increase in interest rate, the percentage contribution of manufacturing sector to the total GDP increases by 0.073 units. Also, keeping interest and the square of exchange rates fixed, for every unit increase in exchange rate, the percentage contribution of manufacturing sector to the GDP decreases by 0.444 units.

Furthermore, Keeping interest rate and exchange rated fixed, for every unit increase in the square of exchange rate, the percentage contribution of manufacturing sector to the total GDP increases by 0.002 units.

Economic Implication

Logically, it is expected that the level of interest rate should significantly affect the performance of the manufacturing sector. This is because interest represents the cost of capital to manufacturing. According to economic theory, it is also expected that the higher the price, the higher the supply, and the lower the demand. This implies that a high interest rate which translates to high cost of capital will discourage the demand for capital for manufacturing. This will pose the problem of inadequate capital as a result of its exorbitant price. This will lead to poor performance of the manufacturing sector. The result of this study does not support these.

According to the result, interest rate has an insignificant impact on the performance of the manufacturing sector. More research is needed to identify the reason for this. However, possible explanations for this include:
The model does not include all the factors that affect the performance of the manufacturing sector. This suggests that the level of interest rates may actually have a significant relationship with the performance of the manufacturing sector but the impact of other factors affecting the performance the manufacturing sector may have countered this. For instance, if CBN enforces a lower rate of interest but power supply becomes hopelessly erratic, the fall in interest rate may not have a significant impact on the performance of the manufacturing sector. Investors may not be taking adequate advantage of reduction in interest rates because of the collateral requirement demanded by commercial banks before granting loan.

It is possible that the manufacturing sector is being excluded and does no benefit from reduction in interest rate. This is because the CBN do not permit preferential treatment to be accorded to any sector since 1986 and the commercial banks which are driven by profit motive will prefer to loan capital to sectors with higher returns and, or lower risks. As a result funds may not flow to the manufacturing sector in adequate measure. This study covers 2008 to 2012 during which the CBN pursued a market-determined interest rates regime.

The result of the regression analysis shows the exchange rate has a significant inverse relationship with percentage contribution of manufacturing to total GDP. This in line with what is expected. This is because as exchange rates increases, it will be more expensive to procure manufacturing raw materials and equipment from foreign countries. This will result to a negative impact on the performance of the manufacturing sector. This is especially true for Nigeria considering the fact that she is import-dependent.

Recommendation

Based on the discussions and the results of this study, the following are recommended.

a. The Central Bank of Nigeria should take into proper consideration the idiosyncrasies of the economy before adopting any exchange rate policy as this can have serious implications for the manufacturing sector.

b. Researchers should embark on a more extensive research on the impact of interest rates on manufacturing and factors that determine the flow of capital to the manufacturing sector.

Conclusion

From the foregoing regression analysis, the interest rate does not significantly affect the performance of Nigeria manufacturing sector. But this is not expected and so, further studies need to be conducted in this area.

According to the result of the regression analysis, exchange rate significantly affects the performance of Nigeria manufacturing sector. Exchange rate and the percentage contribution of manufacturing to the total GDP exhibit an inverse relationship.

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Retrenchment In Nigeria And Its Socio-Economic Effects

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Abstract

The article examined the socio-economic consequences of retrenchment on the affected individuals, their families and the nation. Since retrenchment more often than not takes place suddenly, retrenched workers are ill equipped to face the unforeseen challenges that befall them after the incidence. Their plight is worsened by the fact that a sizeable proportion of them are relatively "too old" to find suitable job placement, learn or begin new ventures. Consequently, many of them become incapacitated, idle, unproductive, and sometimes stressed, frustrated and may eventually die prematurely. This paper reviews extant literature on the socio-economic effects and their implications on the nation, besides the individuals directly affected and makes far reaching suggestions for positive outcomes.

Keywords: Retrenchment, Socio-Economic Effects, Nigeria

Introduction

Certain developments within the global economy have affected human capital to varying degrees in virtually all economies. In an environment of heightened financial crises and global competition, resulting in mass lay-offs, waves of mergers and acquisitions, privatization, the emergence of recession in some countries, and general weak economic growth in most sub- Saharan African countries for about a decade, the subject of retrenchment becomes rather topical and one which policy makers need to address speedily in order to mitigate its adverse effects on the society (Phillips, 2000)

"Retrenchment" or "Staff Rationalization" or "organizational restructuring" or "delaying" normally results in a number of people being thrown back into the labour market, with a sizeable proportion of them being relatively "too old" to find suitable job placement, learn or begin new ventures. Among these retrenched individuals are a sizeable proportion of semi-skilled or "uniquely skilled" individuals that may not easily find suitable paid employment, making life unbearable for them and their families (Zersch & Jolley, 2012)

Retrenchment, from a legal standpoint, is a dismissal that is attributable entirely or primarily to an real or planned cessation of business or an actual or anticipated reduction in the requirements of the business for workers to carry out work of a particular kind, either generally or in the place in which the employee is employed. In order words, retrenchment is the unintentional cessation of employment, job or occupation by the employer through no fault of the employee (Lewis, 1992; Wandera, 2013). Its essence is to have a slim workforce that the employer can cope with in its operations as well as fulfill her obligations. Organizations use retrenchment or right-sizing as cost reduction mechanism to deplete personnel cost; other cost reduction strategies employed by firms include cancellation of overtime cost, shift work arrangement, out-sourcing functions etc. (Huka, 2003).

In Nigeria, retrenchment of employees has become a common phenomenon in the administrative routines of high/medium performing and distressed public and private organizations with the banking industry topping the list of retrenchers (Ahmed, Kakkar, Sharma, 2016). It is often the natural thing to do whenever an organization wishes to reduce its operational costs to remain competitive. More often than not, little effort is deployed in order to ascertain if the problems are attributed to employees' skill deficiencies or other compelling administrative or policy issues, such as ineffective processes and procedures that the organization needs to change.

The introduction of the structural adjustment program (SAP) in Nigeria in 1986, brought about the incidence of retrenchment and redundancy more forcefully in virtually all sectors of the economy and especially in the manufacturing and financial services sectors. Even after SAP was formally concluded, because economic recovery was slow, massive layoffs continued with it attendants' socio-economic implications, while youth unemployment rate tended to increase over time as well.

The economic and social settings in Nigeria are such that the growth indicators have stagnated while the poverty indices worsened. For example, the infant and maternal mortality rate at 84 per 1,000 live births and 8 per 1,000 live births far exceed the average for developing countries at 70 and 4 respectively, in the late 1990s and even presently. There is increasing de-industrialization, with capacity utilization rate down to 27% from 30% in 1998, while the Human Development Index (HDI) had deteriorated to 0.5 %.

Retrenchment in Nigeria: Conceptual Clarification.

Retrenchment is simply workforce reduction. It is laying off of workers as a result of restructuring exercise in an organization, leading to redundancy of some of the workforce. According to Yemin (1983) workforce reduction is a long term strategy of laying off of workers due to economic, technological or structural changes, proposed either to reduce the number of employees in an enterprise or to change the composition of the workforce (Odufowokan, 2014). Redundancy, according to Section 20 (2) of the Nigerian Labour Act, 1974 is defined as "an involuntary and permanent loss of employment caused by excess manpower".

Where the cause of retrenchment is redundancy, employers in general apply either of the following strategies: an ad hoc approach where there are no prescribed procedures, a formal policy that spells out the strategy to be adopted by the employer; applying the rules of a formal agreement that spells out the procedures to be followed when redundancies have been considered. Coffie (2016) categorised retrenchment into three types: involuntary separation where the decision to retrench is solely the employer's and employee makes no input in the resolution leading to his retrenchment; voluntary separation is where the opinion of the employee is sought and considered before any decision is made and the worker chooses without pressure to leave; and lastly mutual separation where the decision to retrench is jointly agreed upon by both the employer and employee.

Some organisations endeavour at any time possible to avoid retrenchment situations and would rather allow normal attrition reduce the labour force steadily. This is meant to evade the adversity that comes with retrenchment as far as victims as concerned as well as the disruptions in production and resentful industrial relations. Indeed, workers find the threat of retrenchment demoralizing and extremely bothersome. With their source of revenue threatened, employees in unionized companies may inflict sanctions on the organization ranging from working to rule, strikes, and sometime picketing factory in an effort to keep their jobs (Bottomley, 1990).

Review of Extant Literature

Why Retrench?

Retrenchment is a term commonly used in Nigeria to describe massive layoffs. Retrenchment could be a response to the demand for higher wages and salaries, dwindling fortune. An example is the case of State Governments trimming down staff in order to pay the stipulated minimum wage/allowances. It could be a reaction to narrower profit margins or performance in a particular organization or a group of companies in a particular sector facing survival difficulties. Examples abound in the manufacturing and financial sector like banks and insurance institutions particularly during the period of financial distress in the early 1990s and the recent new banking reforms of 2004; and some manufacturing enterprises that had to grapple with the adverse effects of the structural Adjustment Program of 1986 under General Ibrahim Babangida Military rule (Phillips, 2002).

There are a number of reasons given for retrenchment. These could include low level of business activity requiring a decrease in the number of employees, possibly the number of workers employed for a particular job may exceed what is required, the job itself may have lost its usefulness and relevance, there may be major changes in the content of a job or work procedures (Bell, 1981).

Retrenchment could also arise as a result of corporate politics or merger or acquisitions or take - over. Examples abound in many banking institutions where a group buys over the majority shares and lay off virtually all the top management staff to pave way for other "loyal" staff that will be trainable and introduced to a new corporate culture. Retrenchment also can arise as a result of technological progress and the displacement of vast human resources with techno-how machines and computers.

Generally, retrenchment is more common in situations of economic downturn or recession and it could be wide range (cutting across various sectors) or merely sectorial, that is, restricted to only a particular industry or a group of industries). In Nigeria for example, many textile firms in 1980s faced sudden but stiff competitions from imported textiles materials. Quite a number of them had to trim down their work force. The foot ware industry also faced similar situation and responded likewise. Almost weekly, employers sack their workers without batting an eyelid. Phillips, (2002)

According to Udeme (2013), one hundred and thirty firms closed down in Nigeria in a few years. With studies showing that the Nigeria economy is not investment friendly and that the environment is not conducive enough for doing business, industries or factories operate at minimal installed capacity due to epileptic power supply, multiple taxation by different state regulatory agencies, dilapidated infrastructures, community restiveness etc (IMF, 2005; Owonibi, 2012). Hence, some firms are forced to fold up or relocate to other countries where business environment is more friendly and favourable (Samuel, Joshi; & Demory, 2008). This situation also makes it virtually impossibility for these retrenched persons to get back into paid employment.

Just a few years back, Nigeria witnessed a massive downsizing in the work force, employees' remuneration and other benefits (Ajede, 2011). The retrenchment programme also cut across government corporations like Nigerian Railway Corporation; Nigerian Ports Authority; Nigerian Airways; Nigerian Telecommunications Service; and other blue chip corporate institutions like Flour Mills Nigeria Plc; Nigeria Bottling Co. Plc and construction industries as well as service industries like Banking and Insurance sectors which increased the number of unemployment in the country (Cleary, 1989; Odeh, 2012).

Published academic discourse on organization's retrenchment decisions on employees and the effects on their families discloses that the management of organizations only evaluates employee's output during downsizing exercises, undermining employees' performances and limitations. This is due to the increased pressure from excessive workload (Sharp & Lewis, 1992; Cameron, 1994; Borowski, 1998; Harnois & Gabriel, 2000).

In Nigeria, work in government and even private organisations officially begins on Monday through Friday from 8 am to 5 pm daily. These 40 hours per-week constitute the regular working hours. Majority of the employees, whose residences are far from their places of work, commute two to three hours daily to get to their offices on time. They also return home late at night, around 9 pm or later on a daily basis. Invariably, they are worn-out, grossly constrained by time and are unable to acquire new skills or manage other businesses to augment their income for survival after retrenchment. They are often confronted with financial burdens as a result of trying to sustain previous lifestyles (Anaf, Newmorn, Baum, Zersch & Jolley, (2012). Also they are barely able to afford basic family needs and as such began to deplete any savings they had ever made (Bamwonjobora, 1995; Fashakin, Odumade & Goran, 2007).

The consequences of retrenchment can also be negative for firms concerned. The decision to retrench costs organisations a great deal of money and other valuable resources. Compensation cost is incurred and trade unions are very much concerned about other factors such as the personal and social impact of retrenchment.

Modalities for Retrenchment

Some institutions carry it out in piecemeal over a period of time so that they do not attract undue public attention. Others do it on a “once - and – for –all basis". Some institutions are known for their regular retrenchment exercise. They issue letters to affected staff or those rendered redundant are usually in the form of “termination of employment” or “dismissal” (in cases of gross misconduct) or “withdrawal of services”. Where the services are “withdrawn” or “terminated”, the worker usually goes home with all his entitlements (gratuity and pension where applicable). Where the employee is dismissed for gross misconduct, he/she goes home with much less, although in accordance with the terms of employment contract. Oftentimes, the letters of retrenchment are rather “cold” stating to the disengaged staff “your services are no longer required.” Such retrenched staff may have spent 10, 15 or even 25 years in such employment, and would have gone home psychologically demoralized and confused.

The modality of retrenchment in many Nigerian establishments is to target a percentage or number for workforce reduction, and to list the names for instance on the basis of (i) those over a particular age bracket (e.g. 40 years and above); (ii) those who had been queried or warned for one misdemeanor or other (whether frivolously or not); (iii) those with non-academic or professional qualifications; (iv) those with low productivity; (v) those with high rate of absenteeism (as a result of some accident or illness), and (vi) others with less well defined criteria, ranging from trivial to genuine reasons for laying off workers (Phillips, 2000). There are cases of efficient workers being laid off along with others for reasons of friendliness or closeness with previous regime or top management.

Where the reason for laying-off is economic, it is not uncommon to lay off performing managers, senior managers, and even general managers or executive directors in other to make the organization less “top-heavy” and in effect, reduce substantially the size of the salary or wage bill. In the private sector, sometimes the reason for lay-off is quite frivolous with a number of people being laid off, and a corresponding number being hired almost immediately with no discernible improvement in the quality or caliber of those employed. Indeed, many of the newly-recruited have to undergo serious training before they could fit in to the firm and make meaningful impact or contributions on the organization.

In Nigeria generally, the retrenched worker, whether in the private or public sector receives his/her retrenchment letter (along with others and usually on a Friday) unexpectedly, packs his/her stuff from the drawers and goes home – just like that. Some see it as an opportunity for new venture; others remain confused, stressed and psychologically frustrated for a long time and remain unemployed, while a very small percentage, probably one percent or less, go to the courts to fight sudden termination of employment. Statistics are unavailable to show how many win their cases or how many employers get the upper hand (Phillips, 2000). Even in unionized establishments, retrenchment goes on in Nigeria on a regular basis, with the hapless employees trying to resettle him or herself on to another job, with about half of them unable to do so over a very long period of time. The overall outcome is increased joblessness and underemployment with the attendant anti-social outcomes.

The Regulatory Infrastructures on Termination of Employment in Nigeria.

At the Federal Level, there is the Ministry of Employment, Labour and Productivity. Other notable government labour agencies promoting employment relationships in number and quality or welfare of the employed include the National Directorate of Employment (NDE), the Chartered Institute of Personnel Management of Nigeria (CIPMN), the defunct National Social Insurance Trust Fund (NSITF) now (PENCOM), the National Manpower Board, the Nigeria Employers Consultative Association (NECA), the Nigeria Labour Congress (NLC), and the National Industrial Court (NIC).

Nigeria's legal system is based on the English common law, with certain modifications with regards to retrenchment and termination of employment. The most important statues are the Labour Acts of 1974 as amended and the trade Disputes Acts of 1976. The Labour Acts is restrictive in scope and excludes, for instance, person exercising administrative, executive, technical or professional functions.

Nigeria has no general statutory principle against unjust dismissal or on retrenchment. Dismissal is largely governed by common law, as affected by the Labour Acts. The Labour Acts, 1974 (Section 11(5) and 20) retains the common law right of an employer to dismiss a worker for serious misdemeanors and to lay - off or retrench workers on grounds of redundancy. There are, however, certain procedural steps for redundancy or retrenchment. The statutory minimum period of notification (under section 1 of the Labour Acts, 1974) varies from one day's notice for an employee of less than three months' notice for an employee that has done five years or more. Payment in lieu of notice is permissible. The following procedural steps are supposedly mandatory. Section 20 of the Labour Acts, 1974, in cases of redundancy or retrenchment stipulates that:

- The principle of last in, first out (LIFO), subject to factors of skill, ability, merit and reliability is to be applied when considering retrenchment or redundancy;
- The employer is to inform the trade union or workers representatives of the reasons for the exercise and the anticipated extent of the redundancies;
- The employer is to use his /her best endeavours to negotiate redundancy payments. (Labour Acts, 1974). Except in cases where there are strong trade unions, most employers in the public and private sectors retrench when deemed fit and the criteria for this together with the severance pay made are usually not questionable. Even where there are strong trade unions, retrenchment is still carried out after discussions with the unions.

On many occasions, however, the National Industrial Court (NIC) has awarded severance pay as additional compensation to "unfairly dismissed" workers. Claims for wrongful dismissal are usually taken to the civil courts, with claims usually limited to damages.

While many employers are mindful of the need to treat retrenched workers fairly, some show total disregard on ways and manner in which their long and attached employees are retrenched. Owing to the considerable delay in the judicial process, aggrieved retrenched workers do not often bother to dissipate their limited financial resources to what turns out to be unproductive litigations due to our weak legal system. In general, people who are retrenched accept their fate and re-emerge in the labour market or commence new businesses or remain idle or get depressed, worn-out and eventually died untimely.

Socio-economic implications of retrenchment

The social implications of retrenchment are far reaching, having multiplier effects not only on the individuals retrenched but their nuclear families, friends and also the society at large. These effects are outlined and explained below:

1. **Poverty in the Land.**

A major socio-economic outcome of retrenchment is that almost half of the population today is faced with the paradox of poverty in the midst of plenty, in spite of the plethora of poverty alleviation programmes introduced since the 80s and in which billions of Naira are invested.

According to a world Bank Report in1997, 57.7 percent of Nigeria's urban population was poor in 1994 and 66.2 percent of the rural population lived below the poverty line. The socio-economic setting is as follows;

- Low doctor/ patient ratio;
- 50 percent of Nigerians live below the poverty line in spite of the country's enormous resources;
- Poor health delivery system, with only 62 percent having access to primary healthcare;
- High level of malnutrition with most Nigerians consuming less than one third minimum required

protein and vitamin in-take due to low purchasing power;

- High infant mortality rate;
- Low life expectancy (54 years);
- High maternal mortality rate;
- Inadequate access to safe water, (only 40 percent has access to safe water);
- Low purchasing power because of generally low real wages;
- High inflation rate;
- High unemployment rate;
- Frequent retrenchment exercises;
- Absence of social welfare facilities for the unemployed, the retrenched or the aged;
- About 85 per cent of the urban population resides in single rooms with about 8 residents per room on the average.

The retrenched faces a harsh economic climate where his terminal benefits if not wisely invested or deployed are eroded by inflation and although in recent times, there emerged job placement agencies and "job fairs," those who really need these have restricted access to information in the sense that they can no longer afford to buy the daily newspaper or internet data with which to access the necessary information. There are now also, some websites that the retrenched can subscribe to and showcase their curriculum vitae (CV) for possible employment. However, applicants are sometimes requested to register their CVs for a fee without certainty that they will be invited for interview thereby depleting their very scarce and limited resources.

2. Manpower Drainage.

"In the past, movement of people used to be restricted almost exclusively to intra-city but the movement of people from developing to developed countries has assumed a regenerated momentum in the 80s and 90 respectively" (Fajana, 2000:174). The 1990s witnessed an unprecedented exodus of many Nigerians into the developed and even developing neighboring countries. Apart from the harsh political climate, sudden retrenchment and inability to retain good jobs led many to "check out" of the country with their entire nuclear families. Many of those that "checked out" included teachers, nurses, doctors, university professors, top class civil servants, bankers, industrialists, many university graduates as well as skilled and semi-skilled labour. Many productive Nigerians are therefore providing a boost to the labour force of other countries, particularly in some specialized areas such as neuro-surgery and aeronautics thereby causing s serious national brain drain. Fajana, (2000).

3. Unemployment and Underemployment

A good number of those retrenched go into "cosmetic employment" that translates to doing nothing. Some do door-to-door marketing of unpopular products and talk about getting "good" commissions, Net-work marketers on physical and nonphysical products, while others print business cards that indicates "jack of all trades". Having worked in paid employment for decades, many are not versatile to retrain themselves or flow into other types of ventures. The result is underemployment or in some areas cases unemployment is a heavy social cost to society.

4. Decline in Social Values and the Emergence of Advance fee Fraudsters "419ers"

Prior to the era of wide scale retrenchment in the late 80s and 90s, the incidence of advance fee fraud, popularly known as 419, was negligible. Retrenchment, unemployment and redundancy of able bodied men and women have led to a general decline in social values and Machiavellian approach towards earning a living by all means even including kidnapping, internet fraudsters, ritual killings and sundry. It should be noted that the manner in which most 419 frauds is perpetrated shows some level of intelligence, skill and a lot of homework. The 419ers usually know a bit about their target market and they study his or her business interests and background before they strike. Oftentimes, they are patient and many of them work under the law of possibility that if they fail eight times of ten, for example, they will succeed two times. Furthermore, they have studied the laws of the land and the slow judicial process, realizing that they cannot be jailed outrightly and may even be adjudged "not guilty" for lack of evidence "beyond reasonable doubt". They also rely on the fact that many of their high profile victims would rather suffer in silence than admit being a prey to 419ers.

5. Fall in the Standard of living.

In 1995, Nigeria was ranked 19th in the list of poor countries in the world with a per capita income of about US$260, which was what Nigerians earned in 1972! Although there are no hard statistics to show direct correlation of retrenchment with the fall in the standard of living, the 1990s represented a period of mass retrenchment throughout Nigeria. Nigeria in the late 1990s suffered reversals in terms of income generation, growth in productivity, and economic development. Manufacturing capacity utilization rate which was an average of 70 percent in 1980 had fallen to 40 percent in 1990 and to 27 percent as at end of year 2000. This phenomenon coupled with mass retrenchment in other sectors of the economy impinged seriously on living standards. The era of the 1990s brought with it the "tokunbo cars" or fairly and well used vehicles, second hand machinery and equipment, a proliferation of what is known as "bend down markets" for virtually every commodity ranging from under wear, dresses, suits, plates, to furniture, electronics and spare parts. The 1990s represented also the period of the emergence of many fake products, fake values and fake individuals. Retrenchment and high unemployment level among youths and fresh university graduates impoverished many families. In some cases, both husband and wife lost their jobs at the same time, whilst child labour became more common with everyone fending for him/herself. For those retrenched and unable to source commensurate employment, fall in standard of living was inevitable.

6. Resurgence of Social Vices and Crimes.

The period of mass retrenchment and high unemployment rate also coincided with increase wave of armed robbery, devious means of waylaying vehicles on express roads, robbery at sea and airports, insurgencies like Boko-Haram attack, oil theft, youth restiveness in some coastal areas, daylight and midnight robberies. Prostitutions (direct and veiled or hidden) grew as the breadwinners became bread-takers, whilst ritual killings also increased. These unsavory developments did not arise solely because of retrenchment, but no doubt retrenchment has been a contributory factor. Some families split involuntarily with the husband working in one country, the wife in another country and the children elsewhere with mother or father in-law. Where the burden of bread winning fell too heavy on either the husband or the wife, in some cases, one of the parties opted for separation. The rise in costs and the poor state of infrastructural facilities has also not made adjustment easy. The government also does not have in place, programmes or policies to rehabilitate workers who lost their jobs during their productive years (60 years and below)

7. Depression/Death

Examples abound of some individuals who could not adjust to forced retirement or retrenchment (in some cases announced on radios, televisions or in newspapers) and who spent their remaining productive lives either pursuing their perceived enemies or falling into several depressions. In some cases, a few died suddenly of seemingly simple medical conditions and there are cases of suicide (where top officials who had served dutifully for years were retrenched or forced to retire overnight for no known offences, forced to vacate official quarters, and because they had hired out their private houses, or had nowhere to go). There are also incidents of where a top official or manager had borrowed to build or buy a house and his/her total entitlements were netted out against the loan, thus sending him or her into the labour market with paltry amount to fend for himself or herself and the nuclear family.

8. Lack of Commitment to Work Ethics.

Owing to the incidence of mass retrenchment from time to time in both public and private sectors and in the public and private sectors and in the universities and polytechnics, many employees became less committed to their employers due to real job security. The result is that many top civil servants, managers, distinguished professors, engineers and doctors in government hospitals and others use "official time" and sometimes "official resources" to run their businesses as a guarantee against unexpected workforce reduction. The absence of clear regulations to protect workers/employees from unexpected layoffs is partly the cause. Unfortunately, this is the legacy that this present generation are passing on to its youth. The implications are quite serious in terms of social values of dedication and commitment to work, and unalloyed loyalty in return for wages or salaries paid.

9. Growth in Entrepreneurship.

One positive outcome of the series of retrenchment is the evidence of capacity and growth in entrepreneurship. Today, many young men and women run thriving businesses which they built from the scratch by their own efforts. Such businesses include manufacturing, non-oil exports, food processing, trading, financial intermediation, management and financial consultancy, private educational institutions, oil and gas related businesses, to mention a few

On balance, however, the negative social implications appear to far outweigh the positive effects of sudden workforce reduction, particularly under harsh economic climate. The policy makers may wish to conduct studies on how some countries handle workforce reductions, with the aim of mitigating the undesirable and unwanted negative spin-off of retrenchment.

Conclusion and Recommendations

Many factors including massive retrenchment worsened the economic difficulties experienced in Nigeria. The value system which Nigerian has been known for has been misplaced with ill behaviors. Honesty and hard work are no longer valued or rewarded. Instead mediocrity and incompetence are tolerated and celebrated. Moral decadence and bankruptcy characterised by greed, selfishness, dishonesty, craftiness, corruption, indiscipline, injustice, immorality and our short-term-return mind set constitute hindrances to the attainment of national development plans.

Retrenchment and growing unemployment have no doubt contributed greatly to the breakdown in family and societal values. The emergence of advance fee fraud (419) worsened the state of bribery and corruption, abysmal level of poverty for about half the population, increase crime and consequently greater threat to life and property are not unconnected with unemployment, under-employment and retrenchment.

In order to curb the sufferings of the retrenched, the research recommends the adoption of valuable strategies like pre-retirement training for all category of staff; Inclusion of pre-retirement education (capacity building) during induction for new staff in preparation for retirement date in future both in government and private sector to enable them to prepare in advance on how to abate the effects of retrenchment. It also suggests strict regulation and improvement in the management of Pension Funds by the regulatory Authority and the PFA. Bulk payment of retrenched accrued pension savings rather than meagre monthly stipend of the accrued pension savings to the retrenched to enable each retrenched to start up small business of his/her choice for sustainability. Government also can give assistance to organizations in difficulty due to harsh business environment.

From the studies carried out by the ILO and the OCED, it was established that employment security stimulates investment and does not create bottleneck in the labour market. It encourages employers to invest in training and up-skilling their workers. According to ILO labour market regulation has some economic benefits, which imply that economic flexibility can be facilitated by the existence of relatively extensive regulation of the labour market. It is on this premise that job security is desirable within reasonable limits and that the pains of retrenchment or dismissal should be reduced with protective regulation on workforce reduction, dismissal or retrenchment such as embedded in the PENCOM Act, of 2004; inclusion of unemployment benefits or social security scheme with regards to collective redundancies.

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Usage Pattern Of Social Networking Sites Among Students Of Delta State Polytechnic, Ozoro

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ABSTRACT

The coming of Information and Communication Technologies (ICTs) has altered human communication patterns as they have by one click of button connected millions of people all over the world. This irreversible change in communication pattern has engaged researchers ever since. Being a developing country, the usage pattern of social networking sites (SNSs), a part of ICTs differs significantly from what obtains in the developed countries because of infrastructural as well other problems. The usage pattern of the SNSs has equally engaged the minds of researchers. This study therefore examines: "Usage Pattern of Social Networking Sites among Students of Delta State Polytechnic, Ozoro". Anchored on the Uses and Gratification theory, this study surveyed selected students of the institution on their usage pattern of social networking sites. This study found that students of Delta State Polytechnic, Ozoro, use social networking sites (SNSs) and their level of usage is marginally high. Also, Facebook topped the list of mostly used social networking sites(SNSs) among students of Delta State Polytechnic, Ozoro; and various purposes of usage of SNSs have created a usage pattern that is both positive and negative. The study then recommended among others that management of Delta State Polytechnic, Ozoro, should integrate Facebook into the official channels of communication with students.

Keywords: Human Communication; Information and Communication Technologies (ICTs); Internet; Social Networking Sites; Usage Pattern

Introduction

The coming of Information and Communication Technologies (ICTs) has altered human communication patterns as they have by one click of button connected millions of people all over the world. The functionality of the ICTs was made possible through the Internet and worldwide web (www). Both innovations have made easy the usage of ICTs by millions of people all over the world. Ijeh, Umukoro and Amune (2015) posit that the Internet offers many opportunities to seek, process, share, and store information. The Internet allows millions of people around the world to send and receive messages in form of text, pictures, graphics, and film strips, thus creating a network of users. Agba (2001) as cited by Ijeh etal (2015) asserts that social media and social networking sites are websites which enable people ranging from two persons to millions of persons using aliases (account names), to exchange messages in form of texts, graphics, pictures, audio and audio-visuals at the same time. Agba's assertion implies that everybody who joins a social networking site has access to messages sent and received by other people in the network. It is believed that social networking sites have enormous influence of users. Baran (2004) exemplifies the power of social networks on the Internet when he points out that the massive gathering of protesters from scores of different groups around the world to protest against World Trade Organisation in Seattle in 1999 was engineered by social media and social networking sites on the Internet. Another example is the Arab Spring of 2011 that swept through the Middle East and part of Africa. Baran further argues while citing Taylor (2003) that the ability of social networking sites to achieve impact and influence is getting higher; and geographically dispersed groups, connected only by this thread of communication technology are drawn together at a moment's notice to perform some collective actions. Users of social networking sites engage in a variety of purposes. Ufuoplu-Biri (2013) highlights purposes of using social networking sites as ranging from making friendship, chatting, courtship, commerce, education, to mass communication. In the same vein, Udende and Azeez (2010) say that academic users of the Internet use it for academic and other allied purposes. This means that users of social networking sites use these sites for different purposes depending on their needs for accessing the sites.

This study seeks to find usage pattern of social networking sites among students of Delta State Polytechnic, Ozoro and its findings will be relevant in several ways. The findings are significant as it will help researchers and scholars know the usage pattern of social networking sites (SNSs) among students of Delta State Polytechnic, Ozoro. Among other objectives, this study will ascertain which social networking site is mostly used by students of Delta State Polytechnic, Ozoro and this finding will help social crusaders and mobilisers who are interested in reaching Nigerian students generally and students of Delta State Polytechnic, Ozoro, particularly,to know which social networking site to use for effective communication campaign. The study will equally determine what students of Delta State Polytechnic, Ozoro, use social networking sites for. This knowledge will provide perspectives on the basic concepts of media uses and gratifications. This will serve as a barometer to measure the tastes and preferences of students of Delta State Polytechnic, Ozoro, in particular and Nigerian students in general. This, no doubt, will facilitate interventions where the needs arise. Significantly, this study will make contributions to existing literature on usage pattern of social networking sites by students as well as the uses and gratifications the students obtain from using SNSs. Lastly, this study will provoke further researches into its perspective, themes, findings and limitations. Delta State Polytechnic, Ozoro, was established in 2002 by the Delta State Government of South-South region of Nigeria. The polytechnic is situated in Ozoro town in Isoko North Local Government Area in the South senatorial district of Delta state. The polytechnic runs both Ordinary National Diploma (OND) and Higher National Diploma (HND) programmes with students 'population of 10,000 according to the Public Relations Unit of the Polytechnic. The polytechnic has five schools (faculties) viz School of Agriculture, School of Business Studies, School of Engineering, School of Environmental Studies, as well as School of Science and Technology.

Statement of the Problem

Several studies have been carried out on usage of social networking sites/social media by students. Bulus (2015) studied uses and gratification of social networking sites among students of University of Jos. Scholars (Umukoro, Okechukwu, Ekwe and Amune, 2012; Udende and Azeez, 2010; Acholonu, 2013; Omenugha, 2010) have studied the influence of SNS among students in different universities. However, there exist no studies on the uses of SNSs among students of polytechnic, particularly, Delta State Polytechnic, Ozoro, to determine similarities and difference and the gratifications they obtain from them going by available literature. This study aims to fill this gap in literature by using students of

Delta State Polytechnic, Ozoro. It is these gaps in knowledge that necessitates this study which is on the usage pattern of social networking sites among students of Delta State Polytechnic, Ozoro. The study will generally look at the usage pattern of social networking sites among students of Delta State Polytechnic, Ozoro. The study will specifically examine three areas. Firstly, the study will find out the level of usage of the social networking sites among students of Delta State Polytechnic, Ozoro. Secondly, the study will ascertain which social networking site is mostly used by students of Delta State Polytechnic, Ozoro. Thirdly and lastly, the study will unravel what students of Delta State Polytechnic, Ozoro, use the social networking sites for.

Research Objectives:

The specific objectives of this study are:

(1) To determine the level of usage of social networking sites (SNSs) among students of Delta State Polytechnic, Ozoro.

(2) To ascertain the social networking site mostly used by students of Delta State Polytechnic, Ozoro.

(3) To find out the gratifications students of Delta State Polytechnic, Ozoro, derive from using social networking sites.

Research Questions

Based on the above objectives, the study raised the following questions:

(1) What is the level of usage of social networking sites among students of Delta State Polytechnic, Ozoro?

(2) Which social networking site is mostly used by students of Delta State Polytechnic, Ozoro?

(3) What are the gratifications of using the social networking sites by students of Delta State Polytechnic, Ozoro?

Theoretical Framework: Uses and Gratification Theory

Uses and Gratification media theory was introduced in the 1940s. Blumler and Katz (1974) state that the theory was derived from the *Functionalist* paradigm in the social sciences. West and Turner (2004) see the theory as an extension of Abraham Maslow's hierarchy of needs pointing out that Katz, Blumler and Gurenvitch were motivated by Maslow's hierarchy of needs to study how and why people use a particular medium. Uses and Gratification theory focus on why people use a medium and what they use it for. It also centres on how users deliberately select a medium that will satisfy their needs. These needs can be knowledge, information, entertainment and relaxation among others. Users specifically and consciously select the medium that will satisfy their needs at a given period. However, this gratification can be obtained only from the content of the media. According to Folarin (1998), Uses and Gratification theory centre on the questions of whom, which media, which content, which condition and what gratification a user stands to get by using a particular medium. Severin and Tankard (1997) hold that this theory emphasizes audience choice for using a particular medium over others as well as the gratifications derived from the use of it , which is mostly based on an individual's psychological and social needs.Katz, Blumler and Gurevitch (1974) mention five components of this theory viz: the audience is active; the gratification derived from using a medium is determined by the user's choice of the said medium; different media compete to satisfy people's needs; most of the gratification derived from using a medium can be known from the data supplied by users; and the cultural significance of mass communication is suspended, thereby exploring audience orientations. Over the years, the proliferation of these new media has provided an outlet for audience to make their choices from the different social networking sites available. Technology has also simplified things as one can now interact with friends and families at their comfort zones from their cell phones which now come with internet services. Also users do not have to use multiple outlets to satisfy their needs. They can now have access to more social networking sites from one outlet (Internet or cell phones).

This theory has a heuristic value to this study because social media users have the choice to make from numerous social networking sites available to them. They (audience) consciously select the site that will satisfy their online needs. Users now subscribe to more than one social networking site at a time. They are free to change from one site to the other as many times they wish to as long as they get satisfaction (gratification) from the site.

Literature Review

Evolution of Social Networking Sites/Social Media

It remains an undisputable fact that technology has revolutionized human activities most especially the communication sector. Advanced technology (digitization) has made things easier, as cell phones, computers are now programmed in such a way that information can be encoded into "off" and "on" which is denoted as zeros and ones. The social networking sites function on Web 2.0 platform. This Web 2.0 software supports group interaction and allows people to communicate with each other on these sites irrespective of their geographical locations.

Social media are Internet sites which allow people to interact freely, exchange information, ideas, views, pictures and lots more with friends. These sites are users friendly as they allow users to generate their own content and consume these contents as well as others from friends. However, what differentiates the social networking sites from the traditional media is the flexibility of these sites. Users are free to create, edit, distribute, update and remove their own customized contents. They are also free to share information with friends/ other users privately or publicly. This flexible nature of the new media can be referred to as the "democratization" of the new media (Obiageli, Onyike Chiaha & Daniel: 2013). These social networking sites (SNS) are in different forms such as blogs, micro-blogs, virtual worlds, e.t.c. Facebook, Twitter, YouTube, 2go, Myspace, Flicker and others are prominent examples of these new media (social networking sites).

Tracing the evolution of these social media, Nyekwere, (2009) opined that the social media has been in existence for more than 3 decades. Dominick, 2009 cited in Nwammuo (2012, p.15) similarly linked the evolution of the social media to the "development of language, writing, telephone and telegraphs, radio and television, digital media and the mobile media". It is noted that some symbols used in the early time are common among the present day social networking sites and that, the concept of connectivity which started with telephone is presently being used by social networking sites.

Boyd and Ellison (2007) trace the first social networking site to Six Degree. This site which was launched in 1997 allowed users to create their own profiles. Users could share information with other users and this has become common features with the Internet. However, Six Degree has become moribund and other sites such as Black Planet, Friendster, Live Journal, Facebook, Twitter, Skype, YouTube among others have evolved and taken over.

In 2008, Friendster became the first modern general social networking site. This site was founded by Jonathan Abrams and Peter Chin in California. The uniqueness of this site makes it popular as it allows people to interact with friends and friends of friends on a safe platform. This site also matches friends with friends since acquaintances have common or shared qualities and as such, interaction becomes easier (Boyd, 2004). This site has over 90 million registered users and over 60 million or more visitors each month and most of her users are from Asia continent.

Prior to Friendster, Myspace was founded in 2003. This site allowed teenagers to interact/customized their profile to their taste. Boyd and Ellison (2007, p.13) contend that three years after Myspace was created, it became the most popular social networking site in the world.

Another popular perhaps the most popular social networking site is the Facebook. This site was created in 2004 by Mark Zuckerberg, Eduardo Saverin, Andrew McCollum, Dustin Moskovitz and Chris Hughes (Nnaane, 2011). Facebook allows users to post customized comments, videos, photos and a host of other materials online. Over the years it has grown both in invention and popularity. In 2008, its users overtook Myspace and it has also added instant messaging/chat, private/public messaging as well as posting messages on other people's walls.

Chad Hurley, Steve Chen and Jaweed Karim founded YouTube in 2005. This site is a video hosting and sharing site. The site allows users to upload videos and share them with friends. It also allows users to upload High Definition (HD) videos. This site uploads more than 65,000 new videos on a daily bases and has received more than 100 million video viewers per day (Richard, 2006). YouTube remains the most popular and dominant provider of online videos in the globe. A similar site to YouTube is the Revver, while in YouTube, video contents are posted for free, in Revver the reverse is the case as the contents are paid for. The site splits the revenue generated from every video into two between the site and the creator(s) of the content.

Twitter was also founded in 2006 by Dorsey Jack, Biz Stone and Evan Williams. This site enables users to tweet (post messages) more than 140 characters at a time. This site has more than 200 million users worldwide with more than 65 million tweets a day (Nnaane, 2011). In 2009, Flicker was created by Ludicorp. It is an image hosting and video hosting site. It allows users to create profiles, add friends, and organize images and videos into photo sets/albums. It also allows the owner to retain the copy right of any content. In 2009, the site had more than 3.6 billion images (Dominick, 2011).

Presently, blogs are becoming very popular. It is another form of social networking sites that many people use these days. Blog authors write about anything they wish to and post on their blogs (they communicate their opinion/interest to the masses). The contents can be in the form of news, business advertisements, sports, videos, e.t.c. They also allow users to have online conversation with the owners of the blog. In 2005, there were 22 million blogs and in 2010 the number increased to over 100 million blogs (Adelakun, 2011). Other social networking sites include Digg founded in 2004 by Kelvin Rose, Kon Grodetzky, Jay Adelson and Owen Byrne; Reddit founded in 2005; Ustream.tv founded in 2006; and more are expected to emerge with time.

Review of Empirical Studies: Uses of Social Networking Sites/Social Media by Students

Bulus (2015) in her study found that most undergraduate students of University of Jos in Plateau state, use Facebook. Students of University of Jos, use social networking sites to keep strong ties with friends, strengthen ties with new acquaintances and to a lesser degree to meet people online. The study also indicated the gratifications that students of University of Jos get from using the social networking sites, which are their ability to share their photos and videos, access information about films, music, sports, politics, and other interests. The study equally revealed that the UniJos students prefer sharing information about their interests and hobbies, information about their school life and others, through social networking sites. Since use of social networking sites is an integral part of the social culture of students of UniJos, the study thereafter recommended among others, the use of social networking sites to promote academic activities between lecturers/administration and students of UniJos.

Kingdom and Nnabuike (2015) in their research revealed that students of Federal Polytechnic, Bida in Niger state, use social media/social networking sites. The study also showed that usage level of social networking sites among the students is high and this cuts across gender and age demographics as well as academic programmes. The study yet found that the Bida Polytechnic students use the social media/social networking sites for various purposes, and these uses have enormous impact or influence on their academic performance. The impact is more positive (86.3%) than negative (13.7%). The study then recommended among others that popular social media/social networking sites should be enriched with academic programmes to help students users improve learning and research.

Ufuophu-Biri (2013) in his work revealed that students of higher institutions of learning in Delta State have positive perception about the social media, and they use the social media frequently. The study also showed that the students use the social media for various purposes such as flirting, exchanging massages, making new friend, among others. The yet found that Facebook is the most preferred social media of students of higher institution of learning in Delta State. The study then recommended among others that authorities of institutions of higher learning in Delta state should formulate and implement ICT policies that will encourage students to use social media for positive and productive purposes.

Udende and Azeez (2010) in their study found that students of University of Ilorin, Kwara state, do not use the Internet as frequently as expected. This is due to inability to own laptops, desktop computers and other devices that can enable them access the Internet and the social media. The work also identified lack of power supply as another hindrance to Internet and social media access by students of University of Ilorin. The study thereafter recommended that authorities of University of Ilorin and other Nigerian universities should provide the right and enabling environment (tools and ICT gadgets) for students to access the Internet.

Mohammed and Suleiman (2013) in their research revealed that majority of Higher National Diploma (HND) students of Nuhu Bamalli Polytechnic, Zaria, Kaduna state, got to know about the social media through friends. The study also found that awareness level of the social media among the students is high which results in daily usage of the social media by majority of them. The study yet indicated that students of Nuhu Bamalli Polytechnic, Zaria, use the social media for academic, socialization, networking, and friendship purposes. Thereafter, the research recommended among others that management of tertiary institutions should formulate policy that will incorporate formal training and guidance on social media usage and their implications to students' academic activities.

Agboola (2013) in his work revealed that students of University of Ilorin do not use the Internet and social media for political campaigns as expected. The study also found that Internet penetration is low because it is limited to students, academics, and middle-class income earners only, that is, those who are literate and financially capable to acquire ICTs. The study thereafter concluded that the current state of Internet penetration cannot support widespread political campaigns.

Danladi (2015) in his study found that majority of students of secondary schools in Zaria, Kaduna state, access social media and they do so through their mobile phones. The study also showed that WhatsApp is the most popular social media platform among secondary school students in Zaria. The research yet indicated that most students use the social media to keep in touch with friends and discuss class exercises given to them by their teachers. The study thereafter recommended the harnessing of WhatsApp to enhance learning abilities of students of secondary schools in Zaria, Kaduna state.

Acholonu (2013) in her research revealed that majority of students of Caritas University, Amorji-Nike, Enugu, Enugu state, are aware of the social media, and have also benefitted from them. The study also found that students of Caritas University, Amorji-Nike, Enugu, use the social media to keep in touch with old friends, make new friends, and enhance their academic knowledge, among others. However, it was revealed in the research that students of Caritas University, Amorji-Nike, Enugu, tell lies on social media to enhance their personality profiles, thus, creating a culture of fake identity or profile. The study then recommended among others that students of Caritas University, Amorji-Nike, Enugu, should be responsible, sensible and respectful digital citizens.

Omenugha (2010) in her study found that most students of Mass Communication Department of Nnamdi Azikiwe University (UniZik), Awka, used mobile phones to access the Internet and the social media. The study also revealed that Facebook is the most utilized social media among the students. The study equally indicated that Mass Communication students of UniZik used the Internet often for entertainment and rarely for academic work. The work further showed that the use of Internet has created “unhealthy addictions and habits” such as loss of concentration on studies, lying or engaging in fraud, cheating during examination, and use of computer language which is ungrammatical and full of spelling errors, in formal writing. The study thereafter concluded that students of Mass Communication Department of UniZik, Awka, should disengage from the negative applications of the Information and Communication Technologies (ICTs). They should rather engage in their positive applications.

Umukoro, Okechukwu, Ekwe and Amune (2012) in their work found that students use the social networking sites to perpetuate cyber-crimes, pornography, academic fraud, and lots more. These unscrupulous users hack into the social media accounts of celebrities and famous personalities and use same to dupe their fans and followers. The study therefore recommended security consciousness and alertness in the use of social networking sites.

Going beyond Nigeria and the African continent, Mehmood and Taswir (2013) in their research found that students of College of Applied Sciences, Nizwa, Oman, used social networking sites and social media for downloading and uploading of music and videos, posting photos, chatting, logging, creating polls and quizzes, submitting articles to website and communicating with teachers and classmates. The study also indicated that the students basically used social networking sites for entertainment and academic purposes.

Helou and Abraham (2014) in their study revealed that Malaysian students used social networking sites for making friends, receiving and sending messages, charting with friends, playing games, sharing files and communicating with supervisors and lecturers.

Boyd and Ellison (2007) in their work found that there is a difference in terms of learning culture between students who use social networking sites and those who do not use them. The study concluded that the usage of social networking sites by students of the United States (US) is changing students' attitudes towards learning, from a one-way transfer of knowledge to a much more interactive and group-oriented environment and approach.

Research Question 1: What is the level of usage of social networking sites (SNSs) among students of Delta State Polytechnic, Ozoro?

Table 1: Level of Usage of Social Networking Sites by Respondents

S/N	Duration	Frequency	Percentage (%)	Remark
1	Interval of 12hrs	20	5.6	**High Level of SNS Usage = 37.3%**
2	Daily	114	31.7	
3	Interval of 2-3 days	46	12.8	**Moderate Level of SNS Usage = 26.4%**
4	Interval of 4-5 days	49	13.6	
5	Weekly	57	15.8	**Low Level of SNS Usage = 36.3%**
6	Fortnightly	43	11.9	
7	Monthly	31	8.6	
	Total	**360**	**100**	

Source: Field Work, 2019.

Hameed, Maqbool, Aslam, Hassan and Anwar (2013) in their research found that usage of social networking sites has no negative effect on Pakistani students' academic performance. The study also indicated that there is positive relationship between social networking sites, students' performance, and students' attitude. The work therefore concluded that social networking sites have positive impacts on Pakistani students' behaviour.

Research Method

The study adopted the survey research method. The population of the study comprises all students of Delta State Polytechnic, Ozoro in Isoko North Local Government Area of Delta state, in the South Senatorial District of the state. Delta Polytechnic, Ozoro has a student population of 10,000 (Office of the Public Relations Unit) and the polytechnic has five faculties namely School of Business Studies, School of Engineering, School of Science and Technology, School of Agriculture, and School of Environmental Studies.

Taro Yamane's formula for determining the sample size from a given population, as discussed in Okoro (2001) was adopted in this study. Taro Yamane's formula is as represented below:

$$n = \frac{N}{1+N(e)^2}$$

Where: n = Desired sample size; N = Population size; e = Level of significance or Accepted error margin or limit (0.05).

Using the formula above, the sample size for this study was calculated as 385. The study employed purposive sampling as only students who use social networking sites (SNS) were sampled. The copies of the questionnaire were distributed through research assistants inall faculties in Delta State Polytechnic, Ozoro, from where the instrument was further distributed to students of departments within the faculties. This was done to achievean all-inclusive distribution and fair representation of departments. Out of the 385 copies of questionnaire distributed, 360 were returned and found usable for the study. Data collected from respondents were presented and analysed using tables of frequencies and percentages.

Data Presentation and Analysis

Data from the study revealed that 162 respondents representing 45% are male; while 198 respondents representing 55% are female. It therefore means that female students of Delta State Polytechnic, Ozoro, use social networking sites (SNSs) more than male students.

<u>Research Question 2:</u> Which social networking site is mostly used by students of Delta State Polytechnic, Ozoro?

Table 2: Mostly Used Social Networking Sites among Respondents

S/N	Social Networking Sites	Frequency	Percentage (%)	Aggregated Score= Frequency+ Order Value	Ranking/ Position
1	Facebook	93	25.8	930	1st
2	Twitter	82	22.8	738	2nd
3	WhatsApp	76	21.1	608	3rd
4	Instagram	32	8.9	224	4th
5	Skype	27	7.5	162	5th
6	Yahoo Messenger	22	6.1	110	6th
7	BlackBerry Messenger	13	3.6	52	7th
8	Linked- In	7	1.9	21	8th
9	Badoo	6	1.7	12	9th
10	Others	2	0.6	2	10th
	Total	**360**	**100**		

Source: Field Work, 2019

Key to Computation of Order Value: Most used SNS is rated 10 points; next in descending order is rated 9 points, next is then rated 8 points, till the least used SNS which is rated 1 point.

Data from Table 2 above provided answer to Research Question 2 (RQ2). The data showed that Facebook is the mostly used social networking site (SNS) among students of Delta State Polytechnic, Ozoro with an aggregated score of 930. This was followed by Twitter with aggregated score of 738. WhatsApp came third with an aggregated score of 608. The least used social networking site is others such as Twoo, 2go, e.t.c. with aggregated score of 2; followed by Badoo with aggregated score of 12. Facebook therefore is the mostly used social networking sites (SNS) among students of Delta State Polytechnic, Ozoro, with aggregated score of 930. This finding is in line with Bulus (2015) and Omenugha (2010) who in their separate studies found that Facebook is the most used social networking site.

Research Question 3: What are the gratifications of using the social networking sites by students of Delta State Polytechnic, Ozoro?

Table 3: Gratifications derived from using social networking sites by Respondents

S/N	Usage Purposes/ Patterns of SNS	SA (F x 4)	A (F x 3)	N (F x 0)	D (F x 2)	SD (F x 1)	Aggregated Score
1	Chatting	321	37	0	0	2	356
2	Finding/Meeting Old Friends	300	50	0	5	5	340
3	Making New Friends	285	38	3	20	14	289
4	Exchange of Messages	277	39	15	14	15	287
5	Publicizing One's Profile	242	51	20	27	20	246
6	Publicizing Events	220	67	10	30	33	224
7	Academic work	216	60	0	55	29	192
8	Flirting/Romance	202	35	40	43	40	154
9	Gossips	180	57	21	50	52	135
10	Pornography	146	100	11	58	55	133
11	Journalistic Purpose	89	111	30	63	67	70
12	Academic Fraud	100	90	43	67	60	63
13	Blackmail	90	98	20	80	72	36

Source: Field Work, 2019.

Key to Computation of Aggregated Score in Table 5: SA= Strongly Agree=4 points; A -Agree = 3point; N= Neutral= 0point; D= Disagree = 2 points; SD= Strongly Disagree = 1 point.

Data from Table 3 above answered Research Question 3 (RQ3). The data showed that students of Delta State Polytechnic, Ozoro, use social networking sites for various purposes. The purposes range from chatting, finding and meeting old friends, making new friends, exchange of messages, flirting and romance, gossips, academic fraud, blackmail, etc. These various usage purposes of the social networking sites further created usage patterns that are both positive and negative. The positive usage patterns are chatting, finding/meeting old friends, making new friends, exchanging messages, publicizing one's profile, and publicizing events, romance, while the negative usage pattern are flirting, gossips, academic fraud, financial fraud, e.t.c. Data from Table 3 further indicated that the positive usage pattern is more than the negative usage pattern. This finding corroborates Kingdom and Nnabuike (2015) who also found that social networking sites' usage pattern is both positive and negative.

Discussion

The study examined usage pattern of social networking sites (SNSs) among students of Delta State Polytechnic, Ozoro. Findings indicated that the level of usage of social networking sites by students of Delta State Polytechnic, Ozoro, is marginally high with an aggregated 37.3%. The moderate level of usage of social networking sites by students of Delta State Polytechnic, Ozoro, has an aggregated 26.3%; while the low level of usage of social networking sites has an aggregated 36.4%. This finding is in line with Kingdom and Nnabuike (2015) and Ufuophu-Biri (2013) who in their separate studies found that usage level of social networking sites is high.

The study also found that Facebook is the mostly used social networking site among students of Delta State Polytechnic, Ozoro with 25.8% and aggregated score of 930. This was followed by Twitter with 22.8% and an aggregated score of 738. The least used social networking site among students of Delta State Polytechnic, Ozoro are others such as Twoo, 2go, e.t.c. with 0.6% and an aggregated score of 2. This was followed by Badoo with 1.7% and aggregated score of 12. This finding is in line with Bulus (2015) and Omenugha (2010) who in their separate studies found that Facebook is the mostly used social networking site.

Lastly, the study showed that students of Delta State Polytechnic, Ozoro, derived different gratifications from using social networking sites. These gratifications include chatting, finding/meeting old friends, making new friends, flirting/romance, gossips, academic fraud, etc. These different gratifications have created social networking sites' usage pattern that is both positive and negative. This finding corroborates the findings of Kingdom and Nnabuike (2015) who also found that users of social networking sites derived various gratifications from using them, which has created usage pattern that is both positive and negative.

From the findings of this study, there is no difference in usage pattern of social networking sites between students of Delta State Polytechnic, Ozoro and students of universities as revealed in the literatures reviewed. So, it can be argued from the study that there is no difference in the usage pattern of social networking sites between polytechnics' students and universities' students.

Conclusion and Recommendations

This research focused on usage pattern of social networking sites (SNS) by students of Delta State Polytechnic, Ozoro. The research found that usage level of social networking sites among students of Delta State Polytechnic Ozoro, is marginally high with an aggregated 37.3%. Facebook is the mostly used social networking site among students of Delta State Polytechnic, Ozoro with an aggregated score of 930. The usage pattern of social networking sites among students of Delta State Polytechnic is both positive and negative but the positive usage pattern outweighs the negative usage pattern.

Based on the findings from this study, it is therefore recommended as follows:

i. Management of Delta State Polytechnic, Ozoro, should integrate social networking sites especially Facebook into its official channels of communication with students.

ii. Further research should be conducted on why students use mostly Facebook, as revealed in this study and in other studies.

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Soft Computing Approach to Anomaly Detection in Subscribers Call Profiles

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ABSTRACT

Telecommunication frauds have been a problem affecting all operators and customers, and is an important factor in their annual revenue losses. Aside from financial impact, it also constrains new service employment and may contribute to adverse costumer perception. detection and prevention of these frauds were focused by academic and proprietary researchers to make the telecommunication industry viable and customer friendly. This paper employed Counter Propagation Neural Network (CPNN) classifier to detect anomaly in subscribers' call records in telecommunication industry. Eighty users' dataset were gotten from a renowned telecommunication industry. The dataset was re-processed to adapt to the neural network processing terrain, and then classified the data into normal and abnormal in an offline processing.

The results of performance metrics of the two neural networks showed that (i) for international calls, CPNN produced averages of fraud catching rate and false alarm rate of 0.46 and 0.91 while BPNN 0.54 and 0.84 respectively, (ii) for national calls, CP produced averages of fraud catching rate and false alarm rate of 0.76 and 0.998 while BP produced 0.64 and 0.998 (for both daytime and night) respectively. CPNN produced 69% precision rate better that BPNN which produced precision of 64%. Also, CPNN produced accuracy of 94.2% better than BPNN accuracy of 81.7%.

Keywords— Soft Computing, CPNN, False-Positive, True-Positive, Telecommunication fraud, BPNN

I. Introduction

Communications have been an evolving activity right from time past and still in existence till date. In the Stone Age human used different mechanisms in communicating with each other and these have been through various ways which they found out from trial and error. Intelligent bodies stood up during the 19th Century to uphold and make better the communication system of the world by hosting brilliant technology of passing information. During this time, land telephone lines were approximately flooding the western world and this side of the world had the golden opportunity of communicating through this handy technique of passing information. [1]. Telecommunication is fast turning the world into a global village. Globally, the development of telecommunications industry is rapidly increasing with one innovation replacing another in a matter of years or months. Without doubt telecommunication is a key driver of any nation's economy. The Nigerian economy is not left out in the race for rapid developments induce by innovations in telecommunications. The Nigeria Communication Commission has issued licenses to several private telecommunication operators viz- MTN Nigeria, Airtel, and MTEL, GLOBACOM, and 9-mobile. [2]

Fraud can be defined as "the crime of obtaining money by deceiving people", or a "criminal deception; the use of false representations to gain an unjust advantage." Nowadays, due to the development of new technologies, traditional fraudulent activities, such as money laundering, have been joined by new kinds of fraud like telecommunications fraud and computer intrusion. According to [3] the telecommunication fraud correspond to the abusive usage of an operator infrastructure, this means, a third party is using the resources of a carrier (telecommunications company) without the intention of paying them, of simply or "***the misuse of airtime by fraudsters who have no intention of paying any bill but rather shift the payment burden on the original subscriber.***". The most difficult problem that faces the industry is the fact that fraud is dynamic, this means that whenever fraudster's feel that they will be detected they find other ways to circumvent security measures. [4]

The various types of telecommunication frauds can be classified into two categories: subscription fraud and superimposed fraud.

(I) Subscription Fraud occurs from obtaining a subscription to a service, often with false identity details, with no intention of paying. Or is a type of telecommunication fraud where the fraudsters obtain a mobile account with the intention to never pay any bill. The variants of **Subscription Fraud includes:*Cramming*** is the addition of charges to a subscriber's telephone bill for services which were neither ordered nor desired by the client, or for fees for calls or services that were not properly disclosed to the consumer. ***False answer supervision*** is a mis-configuration of telecommunication equipment, by negligence or design, which causes billing to start as soon as the distant telephone begins ringing, even if a call is busy or no answer; ***Freephone Fraud*** occurs when a person uses a calling card service to dial onwards; ***Roaming Fraud*** is when a fraudster makes use of the delays in the transfer of Toll Tickets through roaming on a foreign network.

(ii) Superimposed Fraud* -** In this type of telecommunication fraud, the fraudster takes charge of legitimate mobile account(s), and all the illegal use of the account(s) is superimposed on the legitimate customers. Examples of such cases include: ***Handset Theft *is when* many subscribers using their phone only intermittently or for emergencies, a stolen phone may go unnoticed whilst heavy fraudulent usage occurs; ***Call forwarding scam*** occurs where a fraudster tricks a subscriber into call forwarding their number to either a long-distance number or a number at which the fraudster or an accomplice is accepting collect calls; ***Cloning*** has been used as a means of copying both the electronic serial number and the telephone number of another subscriber's phone to a second (cloned) phone. Airtime charges for outbound calls are then mis-billed to the victim's cellular phone account instead of the perpetrator's; ***Caller ID spoofing*** can be used to fraudulently impersonate a trusted vendor (such as a bank or credit union), a law enforcement agency or another subscriber. [6][4][7][8][9]

Soft computing (sometimes referred to as computational intelligence, CI, though CI does not have an agreed definition) is the use of inexact solutions to computationally hard tasks such as the solution of NP-complete problems, for which there is no known algorithm that can compute an exact solution in polynomial time. Soft computing differs from conventional (hard) computing in that, unlike hard computing, it is tolerant of imprecision, uncertainty, partial truth, and approximation. In effect, the role model for soft computing is the humanmind. The principal constituents of Soft Computing (SC) are include: Machine learning, including: Neural networks (NN) and its variants; Support Vector Machines (SVM); Fuzzy logic (FL); Evolutionary computation (EC), including: Genetic algorithms, Differential evolution; Metaheuristic and Swarm Intelligence including Ant colony optimization and Particle swarm optimization.[5]

However, neural network technology has been applied to many studies involving sequence data analysis. Back-propagation neural networks currently represent the most popular learning paradigm, and have been used to predict protein secondary and tertiary structures, to distinguish encoding regions from non-coding sequences, to predict bacterial promoter sequences, and to classify molecular sequences. Counter-propagation neural networks, CPNN, also a supervised learning algorithm, is closely related to the nearest-neighbour classifier. The network essentially functions as a nearest-match lookup table. CPNN network has an interesting capability to extract the statistical properties of the input data, and can usually be trained very rapidly.

This paper proceeds as follows: In the next section the various related researches done on telecommunication frauds are presented while section three explains the neural networks variants employed in this work. Section four entails the methodology employed in developing the system. The implementation of the developed system cum analysis of the results were discussed in the fifth Section. In the last section the conclusion is presented.

II. Related Works

In the last decade modern intelligent systems have been applied to fraud detection. The authors in [10] developed a model that detects fraud in telecommunication sector in which a random rough subspace based neural network ensemble method was employed in the development of the model to detect subscription fraud in mobile telecoms. The authors in [11] present a design and implements of a subscription fraud detection system using Artificial Neural Networks. Neurosolutions for Excel was used to implement the Artificial Neural Network. The system was tested and found to be user friendly, effective and 85.7% success rate achieved. The researchers in **[12] i**n their paper, a method for telecommunications fraud detection is proposed. The method is based on the user profiling utilizing the Latent Dirichlet Allocation (LDA). Fraudulent behavior is detected with use of a threshold-type classification algorithm, allocating the telecommunication accounts into one of two classes: fraudulent account and non-fraudulent account.

The problem of subscriber churning in mobile telecommunications, i.e. the movement of subscriber from one provider to another, has been investigated using Neural Networks. The researchers in [13] employed techniques from statistical machine learning to evaluate the benefits of predicting churn while [14] built a model that churning from subscriber contractual information and call patterns changes extracted CDRs. Additionally, [15] researchers explained that as GSM mobile phones acquire their personality from a smart card known as the Subscriber Identity Module (SIM). All the access rights (including identification for billing) are based on the SIM, rather than the mobile phone itself. GSM cloning refers to a process in which an attacker obtains sufficient information to clone the SIM of a GSM mobile phone. The authors of [16] used fuzzy rules in implementing classification rules which was applied to a database of about a thousand subscribers of a telecommunication company in Chile, 2.2% of subscription fraud prevalence was found. Barson et al. [19] use feed-forward neural networks based on supervised learning to detect mobile phone fraud in their simulated database of call records. They simulate six types of users ranging from low use local users to high use international business users. They report their neural network classifier to correctly classify 92.5% of the calling data. Their work does not include any comment on the false alarm probability and also is not comparable with our work as it is based on simulated data. Moreau et al. [20] report fraud detection in a real mobile communication networks. Their approach is based on feed-forward neural networks with supervised learning. They use different user-profiles and also consider comparisons between past and present behavior. They conclude that although their work is in a prototype phase, they have demonstrated a great potential with their approach.

II. Theory of neural networks

Artificial neural networks were initially developed according to the elementary principle of the operation of the (human) neural system. Since then, a very large variety of networks have been constructed. All are composed of units (neurons), and connections between them, which together determine the behaviour of the network. The choice of the network type depends on the problem to be solved. The earliest neural network variant used was backpropagation. This network consists of three or more neuron layers: one input layer, one output layer and at least one hidden layer. In most cases, a network with only one hidden layer is used to restrict calculation time, especially when the results obtained are satisfactory. All the neurons of each layer (except the neurons of the last one) are connected by an axon to each neuron of the next layer. (for more information on backpropagation network see [21])

Counter Propagation Neural Network

The counter-propagation network in figure 1. is a variant of artificial neural network which is a combination of a portion of the Kohonen self-organizing map [17] and Grossberg outstar structure [18]. During learning, pairs of the input vector X and output vector Y were presented to the input and interpolation layers, respectively. These vectors propagate through the network in a counter flow manner to yield the competition weight vectors and interpolation weight vectors. Once these weight vectors become stable, the learning process is completed. The output vector Y' of the network corresponding to the input vector X is then computed. The vector Y' is intended to be an approximation of the output vector Y' i.e.

$$Y \approx Y = f(X) \qquad (1)$$

The equations of the network are described briefly as follows.

$$U_j = [U_{ji}] \qquad (2)$$

Equation 2. is the arbitrary initial competition weight vector for the *j*-th neuron in the competition layer where u_{ji} is the weight connecting the *j*-th neuron in the competition layer to the *i*-th neuron in the input layer. The Euclidean distance between the input vector ***X*** and the competition weight vector U_j of the *j*-th neuron is calculated, i.e.:

$$d_j = \|X - U_j\| \sqrt{\sum_{t=1}^{m} (x_t - u_{jt})^2} \qquad (3)$$

Once the distance d_j for each neuron has been calculated, the neuron with the shortest Euclidean distance to ***X*** is selected to represent the winning neuron. As a result of the competition, the output of the winning neuron is set to unity and the outputs of the other neurons are set to zero. Thus, the output of the *j*-th neuron in the competition layer can be expressed as:

$$z_j = \begin{cases} 1.0 & if\ d_j < d_t\ for\ all\ i \\ 0.0 & otherwise \end{cases} \qquad (4)$$

The weight *uji* connecting the *j*-th neuron in the competition layer to the *i*-th neuron in the input layer is adjusted based on the Kohonen learning rule, i.e.:

$$u_{ij}(p+1) = u_{ji} + \beta\left(x_i - u_{ji}(p)\right) z_i \qquad (5)$$

Where β is the learning coefficient and *p* is the iteration number.

After the competition weight vector U_j stabilizes, the interpolation layer starts to learn the desired output vector ***Y*** by adjusting the interpolation weight vector. Let

$$V_j = [v_{ji}] \qquad (6)$$

Equation 6 is the arbitrary initial interpolation weight vector for the *j*-th neuron in the interpolation layer where v_{ji} is the weight connecting the *j*-th neuron in the interpolation layer to the *i*-th neuron in the competition layer. The weight v_{ji} is adjusted based on the Grossberg learning rule, i.e.

$$v_{ij}(p+1) = v_{ji} + \gamma\left(y_i - v_{ji}(p)\right) z_i \qquad (7)$$

Where β is the learning coefficient. This is repeated until the interpolation weight vector V_j converges to a preset value. The output vector ***Y'*** of the network corresponding to the input vector ***X*** can be calculated using a weighted summation function. The *j*-th component y'_j of the output vector ***Y'*** can be expressed as:

$$y'_j = \sum V_{ji} Z_t \qquad (8)$$

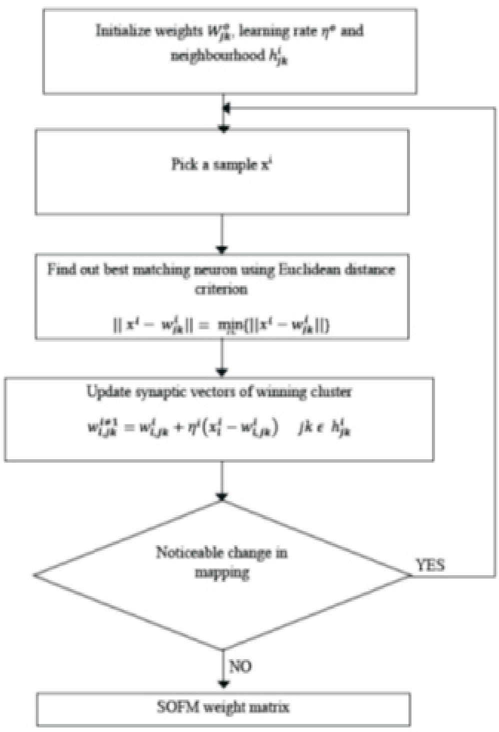

Figure 1: Components of Self-Organizing Map

IV. Materials and Method

The methodology employed involves the design of workflow process as shown in figure 2, for the fraud system which includes data collection, transformation of data, classification stage and evaluation.

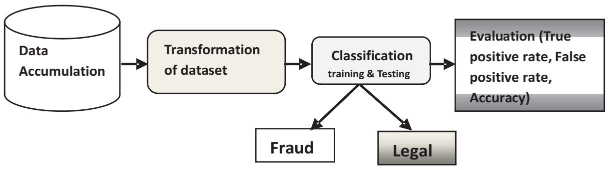

Fig.2 System Work flow process

Data Collection / Description

Telecommunication operators store large amounts of data related with the activity of their clients. In these records exists both normal and fraudulent activity records. It is expected for the abnormal/fraudulent activity records to be substantially smaller than the normal activity. The data is called user profile record which is contained in the Call Detail Record (CDR) of any Private Branch Exchange (PBX) or any VoIP switch. Data used were collected from some Nigerian Telecommunication operators for different subscribers. All subscribers are on prepaid platform. The CDR consists of the following variables: National Identification Number,, Address, Local Government Area (number), State of origin, Nationality, Age, Phone Number (Customer number given by the network provider), Sex, Marital status, EmploymentType (private, public), Number of days with unpaid bills, Line account balance, Debt/payment ratio (in Percent).

Transformation of Data Set

The main idea behind user profiling is that the past behaviour of a user can be accumulated which is a vector that contains single numerical summaries of some aspect of behaviour or some kind of multivariate behavioural pattern. A profile may also contain categorical, censored, or other non-numeric data. Thus, a detailed daily behaviour of a user is constructed by separating the number of calls per day and their corresponding duration per day according to the called destination, i.e., national (N) and international (I) calls, and the time of the day, i.e., daytime (d) and night (n). The data is transformed into numerical representation can be easily trained by the classifier. Some of the CDR variables were not available for this work because of security reasons but subscribers' calls records were gotten. Below is a list of features derived from subscribers' calls records that are used when generating a summary description of customers' derived attributes based on the calls they originate over a period of time.

- average calls duration per day
- average calls duration per week
- average calls duration per month
- Distribution of call duration (seconds, minutes, hours)
- %age calls to different area code
- Distribution of weekday calls (Monday – Friday)
- Distribution of weekends calls (Saturday and Sunday)
- Distribution of day time calls (6am – 7pm)
- Distribution of night time calls (7pm – 6am)
- Distribution of mode of call (analogue; Internet; digital)
- Regions of the world called (national or international)
- Most frequent phone numbers called

Classification: Neural Networks

The neural networks employed is Counter-propagation neural networks (CPNN) and Back-propagation feed-forward neural networks (BPNN) is used for comparison. CPNN has three layers: an input layer, a Kohonen layer and a Grossberg outstar conditioning layer. The Kohonen layer starts with zero nodes, then nodes are added dynamically when any given training pattern fails to be assigned to the Kohonen units that represent its class. The weight vector of a newly added node is initialized to be the input vector of the wrong (untrainable) pattern. A supervised learning that selects two winners with punishment mechanism is used for weight update: if the first winner is correct, update with positive weights, if incorrect, punish the winner with negative weights and find the second winner; if the second winner is correct, update with positive weights, if incorrect, allocate a new unit. The Kohonen learning rate for weight adjustment is 0.2.

The BPNN used in this work are three-layered, feed-forward networks. The size of the input layer (i.e., number of input units) is dictated by the sequence encoding schema chosen. The output layer size is determined by the number of classes represented in the network, with each output unit representing one phylogenetic class. The hidden size is determined heuristically, usually a number between input and output sizes. Several preliminary studies were conducted to determine the optimum values for various network parameters. In this study, a hidden size of 200 is chosen, and the networks are trained using weight matrices initialized with random weights ranging from -0.5 to 0.5. Other network parameters include the learning factor of 0.5, momentum term of 0.2, a constant bias term of -1.0, and error threshold of 0.03.

$$\text{False Alarm rate} = \frac{FP}{PN + FP}$$

$$\text{Fraud Catching} = \frac{TP}{TP + FN}$$

$$\text{Precision Rate} = \frac{TP}{TP + FP}$$

$$\text{Accuracy} = \frac{\text{Number of detected fraud customers}}{\text{Number of customers classified fraud}}$$

Evaluation

One of the most interesting aspects of the problem is the evaluation of different user representations (profiles) and their effect towards the proper discrimination between legitimate and fraudulent activity. In this work, the metrics employed are (i) fraud catching (that is true positive rate) and false alarm rate (that is false positive rate) prediction rate, and overall accuracy as metrics.

V. Implementation and Results

The specifications of computer employed for this work are Intel-based microprocessor of 1.6 GHz, 2 GB of RAM, 10GB of ROM and 8 GB of a Compact Flash memory, a 15.0” touch screen. This configuration provides a compact and fully functional environment for Windows based x86 applications. The system software has three components: a pre-processor to create from input sequence files the training and prediction patterns, a neural network program to classify input patterns, and a postprocessor to summarize classification results. Two separate neural network programs are used for BPNN and CPNN algorithms, respectively. All programs have been coded in C language.

The data used was based on eighty customers' calls detail records gotten from four major Telecommunication providers. The record spanned between the period of July 2014 and November 2015, that is a duration of seventeen months which includes 15,187 individual call records. Some of the assumptions for predicting a fraudulent subscription are; applicant's identification number is similar to that of a fraudster, applicant's contact phone number is similar to a fraudster and applicant's address, age, gender and marital are similar to a fraudster. The distributions of both the normal and fraud calls are shown in table 1 and table 2.

The algorithms, CPNNN and BPN, detection systems are tested with a different 40 percent of data samples that are not part of the 60 percent training set used to create the model. Out of the testing samples, 1.9 percent samples are fraudulent applications while 98.1 percent samples are normal applications. The model is used to simulate the inputs to the predict type of application (Fraud=1; Normal=0). The results of classifications produced by CPNN and BPNN are shown in table 3 and table 4.

The results of estimated performance metrics (as estimated from tables 4 and 5) of the two neural networks are presented as follows. The CPNN produced averages of fraud catching rate and false

Table 1 Distribution of Normal Calls

	National	International	
Daytime	10093	168	10261
Night	4428	207	4635

Table 2. Distribution of Abnormal Calls

Fraud	National	International	
Daytime	74	62	136
Night	71	84	155

Table 3: Results of classification by CPNN

		TP	TN	FP	FN
Daytime		41	10187	17	16
Night		53	4524	26	32
National	**D**	33	10050	4	6
	N	41	4357	11	19
Internat ional	**D**	8	131	13	10
	N	12	167	15	13

Table 4: Results of classification by BPNN

		TP	TN	FP	FN
Daytime		65	10127	36	33
Night		76	4477	43	43
National	**D**	55	10002	10	22
	N	49	4346	12	27
Internat ional	**D**	10	121	26	11
	N	27	143	21	16

Table 4: Results of performance metrics by CPNN

		TP	TN	FP
Daytime		0.67	0.19	0.81
Night		0.64	0.30	0.46
National	**D**	0.71	0.12	0.89
	N	0.65	0.17	0.83
International	**D**	0.48	0.43	0.58
	N	0.52	0.47	0.53

alarm rate as 0.67 and 0.003 (for both daytime and night) respectively while BPNN produced averages of fraud catching rate and false alarm rate as 0.61 and 0.006 (for both daytime and night) respectively. For international calls, CPNN produced averages of fraud catching rate and false alarm rate of 0.46 and 0.91 (for both daytime and night) respectively while BPNN produced averages of fraud catching rate and false alarm rate as 0.54 and 0.84 (for both daytime and night) respectively. While for national calls, CPNN produced averages of fraud catching rate and false alarm rate of 0.76 and 0.998 (for both daytime and night) respectively while BPNN produced averages of fraud catching rate and false alarm rate as 0.64 and 0.998 (for both daytime and night) respectively. CPNN produced 69% precision rate better that BPNN which produced precision of 64%. Also, CPNN produced accuracy of 94.2% (for both daytime and night) while BPNN produced accuracy of 81.7% (for both daytime and night).

Table 5: Results of performance metrics by BPNN

		TP	TN	FP
Daytime		0.62	0.22	0.78
Night		0.60	0.22	0.78
National	**D**	0.64	0.17	0.83
	N	0.64	0.15	0.85
International	**D**	0.55	0.32	0.70
	N	0.52	0.36	0.64

VI. Conclusion

The theft of telecommunication services has been one of the most enduring types of telecommunications crime which has been evident since the beginning of telephone systems. Each technological development designed to thwart criminal endeavours has been quickly followed by the creation of a new form of crime designed to exploit new security. In particular, fraud detection is important to the telecommunications industry because subscribers, companies and suppliers of telecommunications services lose a significant proportion of their subscriptions or revenues as a result. Moreover, the modelling and characterization of users' behavior in telecommunications can be used to improve network security, improve services, provide personalized applications, and optimize the operation of electronic equipment and/or communication protocols. Thus, neural network variants have become an increasing presence in major aspects of telecommunication networks improving efficiency, adapting to changing calling patterns, and providing better information about the use of networks.

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An Effective Use of ICT For Teaching And Learning In Nigeria Educational Sector

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ABSTRACT

The use of Information and Communication Technology (ICT) in education has changed the structure and content of courses and how teaching and learning are being undertaking. Thus, this paper tends to examine the effective use of ICT for teaching and learning in Nigeria Educational sector. To successfully accomplish this research study, three null hypotheses were formulated and tested. The study was a descriptive survey design with a population of 280 respondents randomly sampled and selected from the seven higher institutions currently operating in Delta State. A six point Likert type of questionnaire was developed, validated and administered to the respondents through simple random sampling technique. The responses gathered were coded and analyzed using independent t-test statistics for data analysis. Three null hypothesis were formulated and tested at critical t-test value of 1.96 at 0.05 level of significance. Based on the results of the findings, it was concluded that the availability of ICT tools and facilities, ICT integration and implementation, and the presence of ICT teachers as both motivators and initiators will without doubt greatly enhance the effective teaching and learning in our schools. Hence, for effective teaching and learning to take place, it was therefore recommended that Government should ensure the availability of ICT tools and facilities in our institutions, there should be well equipped and furnished computer laboratories in our schools, Government and the stakeholders in our educational sector should ensure the full integration and implementation of the available ICT tools/facilities and the Government should employ experience ICT teachers to initiate and motivate the use of ICT tools in the classroom.

KEYWORDS: ICT, ICT tools and facilities, teaching, learning, availability,

Introduction

Today, according to Adamu et al (2010:51), the strategic use of Information and Communication Technology (ICT) in acquiring knowledge and skills has become an essential ingredient in education and training and these ingredients in the educational process have magical effects. Education in our tertiary institutions without the strategic use and support of information and communication technology makes the lives of the learners and teachers equally difficult. According to them, ICT can provide powerful tools to help learners access vast knowledge resources, collaborate with others, consult experts, share knowledge and solve complex problems using the three domains of learning (cognitive, affective and psychomotor domains). Thus, Okonta, et al (2013:211), defines information and communication technology as the science and skills of all aspects of computing, data storage, and communication. It is a new rapidly growing area that is radically changing the world by making possible new ways of doing business, making entertainment, creating art and teaching and learning.

ICT based presentation skills have been used to drive our course delivery processes faster and more successfully. Projectors, the web cam and PowerPoint application software are common tools found in our institutions, and used for teaching, seminar, project, and other presentations. In our virtual libraries, course materials from libraries located all over the globe can be accessed. Most courseware's are graphically oriented; animations are used to present problems which hitherto would have been difficult to appreciate (Ihekweaba and Ihekweaba, 2008:206).

According to Okoro, 2005 in Ihekweaba and Ihekweaba, 2008:206, ICT has created room for joint activities amongst researchers located several thousands of kilometers apart, which has greatly stimulated collaborative research. ICT has made it possible for simulation and modeling kits to be applied to the understanding and solution of major scientific and engineering problems. This method is such as will not only conserve the existing poor laboratory facilities but also reduce the enormous efforts wasted in the design of a system and testing of results.

Nowadays the role of Information and Communication Technology (ICT), *especially internet*in the education sector plays an important role, especially in the process of empowering the technology into the educational activities. Education sector can be the most effective sector to anticipate and eliminate the negative impact of ICT. Technology (internet) in another side can be the most effective way to increase the student's knowledge.Being aware of the significant role of ICT (internet) in our life, especially in the educational activities, education authorities should be wise enough in implementing the strategies to empower ICT in supporting the teaching and learning process in the classroom. ICT is not just the bloom of the educational activities, but also it will be the secondary option to improve the effective and meaningful educational process.*The main purpose*of the Strategy for Information and Communication Technology Implementation in Education is to provide the prospects and trends of integrating information and communication technology (ICT) into the general educational activities (**Saverinus, 2008:25). Therefore, this paper discusses the effective use of** Information and Communication Technology for teaching and learning in Nigeria Educational Sector.

Statement of the Problem

Integrating ICT into education seems to be a necessary issue for educators' / education administrators in the world. However, if teachers cannot make good use of the ICT tools, the money and time spent on the ICT is going to be a waste. Also, if the educational budget is limited, **looking for a cost-effective and high-performance ICT tool can be the first priority**.Hence, this paper tends to investigate and ascertain the extent to which ICT has been effectively used to enhance teaching and learning in Nigeria Educational Sector.

Purpose of the Study

The main purpose of the study was to determine the **effective use of** Information and Communication Technology for teaching and learning in Nigeria Educational Sector. Specifically, the study is aimed at determining:

1. The availability of ICT tools and facilities for teaching and learning.
2. The extent of the integration and implementation of ICT tools for effective teaching and learning.
3. The degree of the presence of ICT teachers as the main motivators and initiators of the ICT implementation at schools.

Research Questions

The following research questions guided the study:

1. Does the availability of ICT tools and facilities enhance teaching and learning?
2. To what extent has ICT been integrated and implemented for effective teaching and learning?
3. Does the presence of ICT teachers as the main motivators and initiators of the ICT implementation at schools brings about effective teaching and learning?

Research Hypothesis

The following null hypothesis guided the study.

HO1: There is no significant difference in the availability of ICT tools/facilities between schools having such facilities and those without such facilities for effective teaching and learning.

HO2: There is no significant difference on the performance of students between schools where ICT has been integrated and implemented and the schools where ICT has not been integrated and implemented for effective teaching and learning.

HO3: There is no significant difference between schools where thepresence of ICT teachers as the main motivators and initiators of the ICT implementation brings about effective teaching and learning and the schools where teacher's presence as the motivators and initiators of ICT implementation is hardly available.

Research Design and Population

The research design adopted for this study was the survey descriptive study. The study area was Delta State of Nigeria. The study population comprises of all the tertiary institutions within the State. The sample consists of 280 respondents (male and female) randomly selected through the simple random sampling from seven higher institutions in the state.

Validation and Instrumentation

The research questions were reviewed for face and content validities by experienced personnel's in the field of computer. A test-retest method was adopted in testing the reliability of the instrument.

Data Analysis

The data analysis and results were presented with special reference to the research hypothesis in the study. Each hypothesis was tested using the responses from respondents to the questionnaire questions which relates to and explain the various null hypothesis and the t-test statistical analysis.

Results

Hypothesis One

HO1: There is no significant difference in the availability of ICT tools/facilities between schools having such facilities and those without such facilities for effective teaching and learning.

Table 1: Summary Table of calculated-t-test analysis for hypothesis 1.

Availability of ICT tools/facilities	N	Mean	SD	df	t-calculated	t-critical	Decision
Available	178	13.79	4.21	278	4.17	1.96	Significance
Not Available	102	7.34	2.13				No Significance

$p>0.05$, df=278, critical-t=1.96, calculated-t= 4.17

In the table 1 above, it was revealed that schools having ICT tools/facilities were positive in their perception for effective teaching and learning (mean=13.78, SD= 4.21), compared to schools with non availability of ICT tools/facilities (mean=7.34, SD= 2.13). Similarly, the t-calculated of 4.17 is far greater than t-critical value of 1.96. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. These portend the fact that there is a significance difference between the schools with the availability of ICT tools/facilities and those schools with no provisions of ICT tools/facilities for effective teaching and learning.

Hypothesis Two (2)

HO2: There is no significant difference on the performance of students between schools where ICT has been integrated and implemented and the schools where ICT has not been integrated and implemented for effective teaching and learning.

Table 2: Summary Table of calculated-t-test analysis for hypothesis 2.

Level of ICT Integration and Implementation at Schools	N	mean	SD	df	t-calculated	t-critical	Decision
Presence of ICT integration and Implementation	182	16.79	6.21	278	7.89	1.96	Significance
No Presence of ICT integration and Implementation	98	5.34	2.01				No Significance

$p>0.05$, df=278, critical-t=1.96, calculated-t= 7.89

In the table 2 above, it was revealed that the mean scores and standard deviation (SD) of schools were ICT has been integrated and implemented for effective teaching and learning (mean=16.79, SD= 6.21) is greater than the mean and SD of schools were ICT has not been integrated and implemented for effective teaching and learning. Also, the t-calculated value of 7.89 is far greater than the t-critical value of 1.96. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted. These equally portend the fact that there is a significance difference between the schools were ICT has been integrated and implemented and schools were ICT has not been integrated and implemented for effective teaching and learning.

Hypothesis Three (3)

HO3: There is no significant difference between schools where thepresence of ICT teachers as the main motivators and initiators of the ICT implementation brings about effective teaching and learning and the schools where teacher's presence as the motivators and initiators of ICT implementation is hardly available.

Table 3: Summary Table of calculated-t-test analysis for hypothesis 3.

Level of the presence ICT Teachers as motivators.	N	mean	SD	df	t-calculated	t-critical	Decision
Presence of ICT Teachers as motivators	153	11.23	5.42	278	6.94	1.96	Significance
No Presence of ICT Teachers as motivators	127	3.11	3.02				No Significance

$p>0.05$, df=278, critical-t=1.96, calculated-t= 6.94

Table three above shows that the mean scores and standard deviation (SD) of schools were ICT teachers are present as both motivators and initiators were mean=11.23 and SD=5.42 respectively when compared to the schools where there is no presence of ICT teachers as motivators and initiators with mean =3.11 and SD=3.02. Moreso, the t-calculated value of 6.94 is far greater than the t-critical value of 1.96. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted. This implies that there is a significance difference between the schools were ICT teachers are present as motivators and initiators for effective teaching and learning and those schools where there is no presence of ICT teachers as motivators and initiators.

Discussions of Findings

In testing hypothesis one as displayed in table above, it was observed that there is a significance difference between the schools with the availability of ICT tools/facilities and those schools with no provisions of ICT tools/facilities for effective teaching and learning. This implies that the availability of ICT tools and facilities will bring about an effective teaching and learning in our schools. This is line with Onwubuya (2008:11), agreeing with Okoh (2013:42) stated that the availability of computer can relieve the teacher of some administrative duties, constructing teaching time table, monitor and schedule teaching resources, build and maintain comprehensive students and academic records. They argued further that computer is largely used in schools for researching, computing student's results and other learning activities. Similarly, in testing hypothesis two, as revealed in table two above, it was equally observed that there is a significance difference between the schools were ICT has been integrated and implemented and schools were ICT has not been integrated and implemented for effective teaching and learning.

This in agreement with Okonta et al (2013:213), which is of the opinion that the integration of ICT in education such as the internet allows new types of teaching and learning experiences to flourish. Many technologies are interactive, making it easier to create environments in which students can learn by doing, receive feedback, and continually refine their understanding and build new knowledge. Also the result of testing hypothesis three as showed in table three above, was that there is a significance difference between the schools were ICT teachers are present as motivators and initiators for effective teaching and learning and those schools where there is no presence of ICT teachers as motivators and initiators. This is in line with Okonta et al (2013:216-217), which state that E-teachers are the new ICT teachers who will work in an internet environment, in both regular and virtual classroom situations. The presence of E-teachers tends to collaborate, build and discover new learning communities and explore resources as they interact with information, materials and ideas with their students and colleagues. This will go a long way in enhancing teaching and learning in our schools.

Conclusion

From the foregoing therefore, it could be concluded that the availability of ICT tools and facilities, ICT integration and implementation, and the presence of ICT teachers as both motivators and initiators will without doubt greatly enhance the effective teaching and learning in our schools.

Recommendations

Based on the findings of this research study, the following recommendations were made.

1. Government should ensure the availability of ICT tools and facilities in our institutions to enhance efficient and effective teaching and learning.
2. There should be well equipped and furnished computer laboratories in our schools for effective teaching and learning to take place.
3. Government and the stakeholders in our educational sector should ensure the full integration and implementation of the available ICT tools/facilities.
4. Government should employ experience ICT teachers to initiate and motivate the use of ICT tools in the classroom .

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