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The Journal faced some challenges associated with producing quality and standards while ensuring the best global practices with high impact empirical research-based studies. However, we are willing to publish as many articles received that meets standards and quality with cutting edge research gap output. It's also imperative that our reputation is hinged on a resolute commitment to maintaining high academic excellence which is our premium goal. In this edition, we have carefully selected articles to provide the reader with an analytical mind in discerning management issues of relevance. As a journal, we, therefore, advice researchers whose articles could not be published for some structural or procedural defects to revise their work for re-submission because DELJOMS is willing to reassess for future publication were applicable.

Professor A. Mukoro

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# Service Quality Delivery and Customer Re-patronage in Nigeria Telecommunications Sector

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## ***Abstract***

*The complexities of consumer behavior are most often linked to the increasing level of their awareness and sophistication, leading to sectoral competition amongst firms in the industry; on their proclivity to increase market share, create leading brands and increase overall productivity. The objective of this study is to examine how service quality delivery by Telecommunication firms in Nigeria could intensify customers' re-patronage of such services. The study appraises some basic concepts, theories and current trends in customer service consumption and how the proof of effective service quality delivery could boost consistent repurchases by customers. The study adopted the descriptive survey approach by administering questionnaires to respondents as well as conducting personal interviews where necessary. The outcome of the study findings was obtained using multiple regression analysis which revealed that there is a direct interrelationship between service quality delivery and customer re-patronage in the sector. The conclusions drawn were that; Telecommunications firms should intensify on improving marketing relationship management and provide necessary resources (personnel and equipment) that could enhance service quality delivery.*

**Keyword;** *Quality Service Delivery, Re-patronage, Marketing Relationship Management, Customer Retention, Customer Satisfaction and Customer Loyalty.*

## **Introduction**

The increasing pace of development in the telecommunications industry impinges on key players the need to create an operational process that is holistically sustainable. The liberalization of the telecommunications sector in the early 2000's triggered robust competition among leading mobile telecommunications companies, the efficiency of its operations hinges on the effectiveness of its raw materials procurement processes, production process, storage and delivery to end users. The strategic role of telecommunication worldwide permeates every sector of human, business and government activities, by creating multiple economic effect for sustainable growth and development, it is worth noting that Nigeria has had its fair share of this unique opportunity; having been adjudged as fastest

emerging and biggest mobile telecommunications market in the continent; with unprecedented growth. (Adedeji, 2013; Ndukwe, 2004). The intense nature of competition which has resulted in increased Gross Development Product (GDP), improved service delivery to customers and increased mobile infrastructures amongst host communities specifically centers on increasing firms margin and expanding its market share, since technology has grossly reduced the gap between product service owners and their accessibility to customers globally, hence, firms must create differential value in their product service delivery, prioritize operational decisions, increase strategic partnering, adopt profit orienting options that will satisfy the customers (Ho, Zheng, 2004; Forslund & Jonsson, 2009; Cheng and Choi 2009).

Customer re-patronage connotes a pre-determined desire by end users to consistently patronize given product/service brand based on their evaluation of its satisfactory offering experience. Hence their pre-determination resolve to patronize same product/service offering at different times. (Orel & Kara 2014; Reinders, Dabholkar & Frambach, 2008; Marzocchi & Zammit, 2006). Based on empirical evidence, acquiring new customer and prospects could be five times more than the cost needed to retain and assuage existing ones. (Kotler & Keller 2009; Frederick 1996). Hence, re-patronage is an offshoot of satisfied customers which have consolidated their loyalty to a specific brand, with no intention of future brand switch. Marketing experts have embraced the difficulty involved in retaining existing customers when compared to the process of attracting new ones. The panacea for enduring customer retention lies in the ability of service providers to create, Werner Reinartz, Jacquelyn, Thomas & Kumar, (2005) and maintain good marketing relationship as well as a robust feedback process whenever complaint by customers on service-related issues arise. (Eshiett, 2019; Lin & Wu 2011).

The development of the mobile telecommunication industry in Nigeria is unprecedented based on the rapid transformation of the sector in recent years. Historical antecedent of this development could be traced to the deregulation of the sector by the government in 2001, this brought about huge investment by mobile telecommunications service providers and licensing of these operators by the government; Airtel formerly Econet Nigeria, MTN Nigeria M-TELL and Globacom Nigeria. These firms were mandated to provide quality mobile telecommunications services in the country. Since inception, the sector has experienced the increased level of competition with the main aim of increasing firms market share. The current projected population of 200million and a projected subscriber tele-density of 106million ranks Nigerian mobile firms the most sought after by investors in the African sub-region (Nkwede & Okpara, 2017). Hence firms should not limit their activities to only

wooing customers and prospects, but make frantic effort towards satisfying and retaining them, in order to increase and consolidate their growth and development in the sector.

The survival strategy for firms in the Nigerian mobile telecommunications sector has been made complex by current trends in customers' preferences; which is basically driven by the ability of firms to provide quality service offering. Empirical evidence has shown that the continuous existence of firms in the mobile telecommunications sector has to be product services that are customer loyalty driven. Ugbomhe, Osagie and Udu (2018) stated also that the liberalization of the Nigerian mobile telecommunications sector has also made available opportunities for global industrial players to access the market, provided set regulatory standards are met by the prospective operators. Hence the need for service providers in this sector is focused consistently on outstanding quality product offering that will encourage customers to remain loyal to the brand. (Nkwede & Okpara, 2017). Customer satisfaction plays an important role to enhance the level of customer loyalty. This means the higher the level of customer satisfaction the more loyal the customer becomes attached to the product brand. Mokhtar, Maiyaki & Noor (2011). Therefore, prior to achieving existing customers' loyalty, mobile service providers need to be aware of the area of service which customers place importance on perceptually. In doing so, mobile service providers can concentrate their marketing efforts and their companies' resources on the important areas.

In essence, existing studies have shown that various authors have investigated the effect of quality service on mobile telecommunications services, (Ugbomhe, Osagie & Udu, 2018), network effects on mobile communications performances Birke & Swamm, (2006), linking quality service delivery, customer satisfaction and behavioral intentions in the mobile telecommunications industry, Nimako, (2012), impact of quality service and customer satisfaction on mobile telecommunications sector (Alabar, Ode & Gbande, 2017; Negi, 2009; Rahhal, 2015; Ahmed, Nawaz, Usman, Shankat, Ahmad & Iqbal, 2010), overall customer satisfaction in mobile telecommunications industry Nimako, Azumah, Donkor & Adu-Bobbey, (2010), and the impact of quality service delivery on the duo of customer satisfaction and customer loyalty in the Nigerian mobile telecommunications sector as well as the Taiwan Mobile telecommunications sector have been considered (Nkwede & Okpara, 2017; Kisworo, (2013), further evidence has shown that there is no empirical investigation on service quality and customer re-patronage in Nigerian mobile telecommunications sectors, hence the need for the authors to fill this gap

### **Statement of Problem**

The liberalization of the Nigerian Mobile Telecommunications Industry in the early 2000's has made it necessary for one to appreciate the transformational leap experienced by customers; the long and windy history of telecommunications in the country has been that of gross inefficiency and abysmal performance prior to this period. This singular statement does not connote optimal service experience by the latter in the sector. Since the advent of mobile telecommunications facilities, customers have continually lamented about fluctuating or in some cases non availability of service network in rural areas as well as thickly populated urban centers. On the other hand, mobile telecommunications service operators have often complained about increased operational cost due to poor/epileptic power supply to its transmitting facilities, it must be mentioned herein that; operators must live above board by acquiring sustainable backup systems for their transmitting facilities to ensure that frequent/long stretched power outages does not affect its mandate of delivering quality service to its customers.

It is quite tolerable for customers in situations where mobile telecommunications services are not available at all, but it becomes double jeopardy where customers are charged for services not consumed as a result of sub-optimal facilities resulting in; drop calls and poor network coverage in subscribers' locations at any given time, these kind of service delivery negates global best practices in the sector. Hence, mobile network owners must ensure that in delivering service to their customers, every amount spent must count with respect to product service quality and customer satisfaction.

In furtherance of the quest for quality service delivery that could motivate customer re-patronage in mobile telecommunications sector, the fundamental basis for a successful service marketing campaign; lies in the ability of the operators to create a robust after sales service/ effective customer feedback system, this is rare or non-existing in the sector. In accomplishing this task, service providers must establish a reliable Customer Relationship Management (CRM) and Relationship Marketing Management (RMM) units that is empowered to create; i) customer inclined products, ii) follow through on every service delivered to customers and iii) respond to all service failures/errors to ensure that at the end of every service attempt by end users, this will ensure that value paid by the customer is compensated with optimal service delivery that will satisfy the end user .

### **Objective of the Study**

The main objective of this study is to assess the effect of service delivery on customer re-patronage in the Nigerian Mobile Telecommunications sector. The specific aim of this study is to also examined;( i)The effect of sustainable transmission backup systems on customer re-patronage in the Nigerian Mobile Telecommunications sector. (ii) To ascertain the effect of a robust feedback system on customer re-patronage in Nigerian Mobile Telecommunications sector.

## **Literature Review**

### **Concept of Service Quality Delivery**

The concept of service delivery has its basis in the capacity of firms to create long term relationship with customer, using quality service offering as a measure towards obtaining customers commitment and patronage (Kushwah & Bhargav, 2014). Service quality delivery is one concept in service marketing that has been widely investigated by various scholars, (Abdul-Aziz, Bashiru & Saeed, 2014; Martin-Consuegra., Molina. & Esteban, 2007; Hermann, Xia, Monroe. & Huber., 2007; & Gronroos, 2001). One unique description of service is that service involves an identified and distinguishable set of activities undertaken by one party to assuage the desire and expectation of an individual or group through product service offering (Hessalmaldin, 2007). Eshiett (2018), asserted the positive effect of service quality delivery in the Nigerian banking sector, a position affirmed by Adepoju and Suraju (2012) as the core antecedent of customer satisfaction and Customer loyalty in the Nigerian mobile telecommunications sector. Other scholars have argued that the ability of service providers to determine the right pricing for product services could assuage customers (Abdul-Aziz, Bashiru & Saeed, 2014; Martin-Consuegra., Molina. & Esteban, 2007; Hermann, Xia, Monroe. & Huber., 2007; Kukar-Kinney, Xia. & Monroe., 2007). Moreover, additional service marketing literature presupposes that customers perceptivity of quality of service offering precedes the rational and logical phases of product service offering (Hessalmaldin, 2007) in (Edvardsson, Gustafsson & Roos 2005; Edvardsson 2005; Gronroos, 2001), as well as its capacity to drive end users towards commitment to the brand and consistent re-patronage, (Homburg, Hoyer & Koschate, 2005; Wang and Hing-Po (2002). From the foregoing, various other service marketing scholars have conclusively asserted that, quality service delivery and customer satisfaction is the bedrock of enduring customer re-patronage. (Abdul-Aziz, Bashiru & Saeed, (2014) in (Lovelock & Wirtz 2007; Kotler and Kelvin, 2006; Wang and Hing-Po 2002; Gronroos, 2001, 2000, 1994; Parasuraman , Zeithaml, & Berry, 1988)

### **Concept of Re-patronage**

The core basis for theoretical exposition on re-patronage has its roots in the concept of service quality delivery by firms (Kushwah & Bhargav, 2014), this abstraction is based on firm's ability to nurture long-term relationship with end users; through a quality service delivery driven customer satisfaction programme. Re-patronage is solidly intertwined with the concept of customer loyalty which is explained as customers' perception to intensely clenched their devotion unfailingly opt for a specific product service brand, irrespective of vigorous marketing campaign by rivals to woo them (Klaus and Maklan, 2012; Oliver, 1999). Diverse studies conducted has proven that there has been a

shift in the direction of customer re-patronage based on the positive value added by self service technology(SST) in service delivery processes (Eshiett; 2019;Orel & Kara, 2014; Wang, Harris & Patterson, 2013), others have also elaborated on the need to examine customers perception, (Han, Kim & Kim, Eui-Keun, 2011; & Oliver; 1997), expectation based on product post usage experience (Evanschitzky, Rlyer, Plassmann, Niessing & Meffert, 2006), and as a precursor to customer satisfaction, customer loyalty and customer re-patronage Orel & Kara, 2014; Lee, Fairhurst & Lee, 2009; Beatson, Lee & Coote, 2007). Hence, the process of retaining a customer in the Nigerian Mobile Telecommunications Industry must be rooted in a well formulated strategic process, backed up by firms' determination to maintain long- term relationships as an ingredient for enhanced satisfaction on a given product offering, this could eventually instigate the customer to make repeated purchases over competitive brands

### **Empirical Literature**

Ascertaining the validity of any study must involve the evaluation of various studies conducted in such field of study as a platform for further investigation on other areas of interest the author(s) may have observed empirical gap in literature. In a study by Ugbohmeh, Osagie & Udu, (2018), the authors examined effect of service quality on Mobile telecommunication operators from 18 local governments in Edo State, Nigeria. The study adopted descriptive survey design research technique by distributing questionnaires to respondents, data were analyzed using Pearson correlation coefficient, the outcome of the study revealed that there is relationship between service delivery and customer satisfaction in mobile telecommunications in Nigeria, the study recommended that service providers should access at different times of their operations the efficacy of the quality of service delivered by their firms to ensure that the customers are satisfied.

In a similar study by Alabar, Ode & Gbande, (2017), on Service Quality and Customer Satisfaction in Nigerian Telephony, the authors acknowledge quality service delivery as a key factor in satisfying customers in the Mobile Telecommunication sector in Nigeria. The study adopted the service quality theory of SERVQUAL dimension as it affects customer satisfaction, descriptive research methodology was adopted by administering questionnaires to respondents. Data collected were analyzed using Pearson Correlations Coefficient, the study recommended that SERVQUAL dimension should be adopted to enhance customers' satisfaction in the mobile communications sector in Nigeria

In a similar study by Nkwede & Okpara, (2017), on Correlate of Service Quality Dimensions and Customer Loyalty in the Nigerian Telecom Markets: Does Customer Satisfaction Play a Mediating Role? This study evaluates the link service quality delivery and customer loyalty in the Nigerian

Telecom sector, SERVPERF theory of service delivery was adopted for the study to ascertain its relationship with customer satisfaction. The study adopted descriptive statistical techniques of data. Correlation technique was adopted in analyzing data. The study implication expressed that since customers' desires to network with their fellows, they are bound to be loyal to their service providers once the service quality delivery is satisfactory.

In another study by Kisworo, (2013), on Exploring Service Quality, Customer Satisfaction and Customer Loyalty in the Taiwan Mobile Telecommunication, the author assessed the advent of Mobile Number Portability (MNP) a unique platform that enhance retainership of phone numbers even when they switch to other mobile networks. This encourages operators to invoke the loyalty of their customers through the provision of quality service, in order to enhance their continuous identification with their service provider. The theory that opined this study was the SERVQUAL dimensions model which evaluates service delivery in lined with its five (5) dimensions, descriptive survey technique was adopted as the research methodology for the study, data collected from the study were analyzed using regression analysis, the outcome of the study revealed that there is an interrelationship between service quality and the duo of customer satisfaction /customer loyalty. The foregoing empirical assessment has revealed that; there has been no investigation conducted on service delivery and customer re-patronage in the Nigerian Mobile Telecommunications sector, hence the need for the authors to buttress and fill this gap in literature

### **Theoretical Literature**

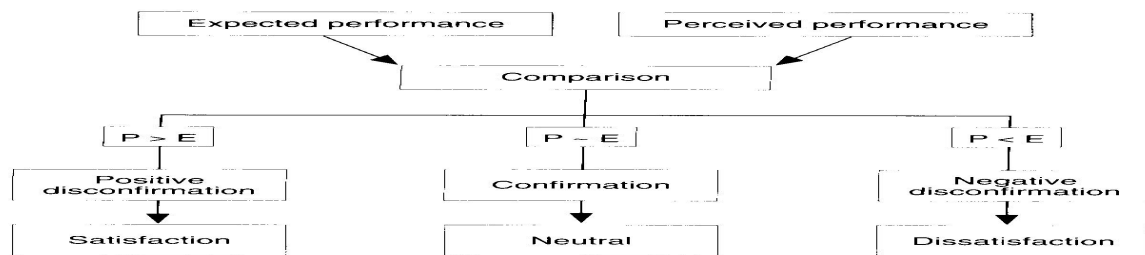
The process of eliciting conscious effort by customers to continually patronize a given brand lies n the fact that product service offering at any point in time, must be equal to the customers' level of satisfaction. This study examines the various theories of satisfaction to include; i). Equity theory, ii). Expectancy disconfirmation theory and iii) Attribution theory Adee (2004). Having assessed the foregoing theories and their relevance with the study on hand, the expectancy disconfirmation theory fits into the study on hand, hence the need to adapt it to the study.

### **Expectancy Disconfirmation Theory**

The expectancy disconfirmation theory refers to the process of juxtaposing the total product/service experience undertaken by a consumer based on the customers perception and expectation of the product after consumption. (Eshiett, Abubakar & Eshiett, 2019; in Ekinici & Sirakaya, 2004; Mattila & O'Neill 2003). The theory of expectancy disconfirmation has its foundation in whatever the wishes of the customers is as regards any product/service offering, here, the end user evaluates the satisfaction based on perception and expectation. The result of this assessment is what

determines the customers level of satisfaction based on product offering consumption. Eshiett, Abubakar & Eshiett, 2019; Oliver, 1980).

**Figure 1. Disconfirmation Theory**



*Source: Adopted from the Disconfirmation Theory: Ekinici, . and Sirakaya . (2004).*

The figure above is a detailed explanation of the disconfirmation theory which shows the outcome of the customers’ experience after consuming the product, after consumption the customer expresses the desire for satisfaction or otherwise known as positive disconfirmation and the desire for dissatisfaction if the outcome of product consumption was unfavorable or otherwise known as negative disconfirmation. The two levels of customers’ experience is most often driven by the ability of the service provider to ensure that quality product offering that will satisfy the customer is provided at all times. In retrospect, the study under consideration on customer re-patronage in the mobile telecommunications sector in Nigeria could offer positive disconfirmation experience to customers if qualitative product services are delivered to the customers and vice versa if the product service offering has a negative disconfirmation experience.

**Methodology**

This study is based on quality service delivery as a key driver of re-patronage of product brand by customers, additional inputs which made the study include; the acquisition of sustainable transmission backup facilities and the creation of a robust after sale customer feedback system. The study was conducted in the three senatorial districts of Akwa Ibom State (Uyo, Eket and Ikot Ekpene), the choice of this locations is based on its overall coverage of the entire 31 local government in the state Descriptive survey design was adopted for the study which involve administering structured questionnaire to respondents n the different locations as well as a comprehensive conduct of personal interviews in areas where the structured questionnaire could not cover effectively. Validity test was effectively carried out on the research instrument by mobile telecommunication professionals and marketing scholars affirm the reliability of the questionnaires administered to respondents.

**Data Presentation, Analysis and Interpretation**

Collection, collation and analysis of data were conducted using Pearson Correlations and Coefficient techniques to assess the interconnection between service quality delivery and customer re-patronage in



mobile telecommunications sector in Nigeria. A total number of 304 questionnaires were administered to respondents and shared amongst the three senatorial district in the following percentage sharing; (Uyo = 38%; Eket = 32%; Ikot Ekpene =30%), hence, the distribution were as follows; (Uyo = 116; Eket = 97%; Ikot Ekpene =91%), further analysis of the questionnaires revealed that, out of this numbers, valid questionnaires returned by respondents were 277(91%) which were collated from the three senatorial districts of the state, also questionnaires that were not returned at all by respondents were 9(3%), while questionnaires that were actually returned but not acceptable for the study due to mutilation by respondents, invalid entry and non-eligibility were 18(6%). Based on the collation obtained, the two proposed null hypotheses were used to test and analyze the data as follows;

### Hypothesis One;

Sustainable transmission backup system has no significant effect on customer re-patronage in the Nigerian Mobile Telecommunications sector.

**Table 1: Correlation**

		Service Delivery	Sustainable Transmission Backup Facilities
Service Delivery	Pearson Correlation	1.000	.839
	Sig. (2-tailed)		.000
	N	277	277
Sustainable Transmission Backup Facilities	Pearson Correlation	.839	1.000
	Sig. (2-tailed)	.000	
	N	277	277

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

Hypothesis one as shown in the above table is the correlations coefficient analysis result which revealed a correlation  $r = .839$ , this means that the provision of sustainable transmission backup facilities have positive effect on service delivery that could drive customer re-patronage of mobile telecommunications in Nigeria, the sample size is represented by  $N = 277$ , the study level of significance  $p = 0.000$ , this is less than the conventional 0.05 level of significance. In summary, the result of the analysis reveals that there correlation between the two variables as expressed thus; [ $r=.839, n=277, p<.0000$ ].

### Hypothesis Two;

There is no significant interrelationship between a robust feedback system and customer re-patronage in Nigerian Mobile Telecommunications sector.

**Table 2. Correlations**

		Service Delivery	Robust Feedback system
Service Delivery	Pearson Correlation	1.000	.794
	Sig. (2-tailed)		.000
	N	277	277
Robust Feedback System	Pearson Correlation	.794	1.000
	Sig. (2-tailed)	.000	
	N	277	277

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

Hypothesis two as shown in the above table is the correlations coefficient analysis result which revealed a correlation  $r = .794$ , this connotes that the establishment of a robust feedback system have positive effect on service delivery that could enhance customer re-patronage of mobile telecommunications sector in Nigeria, the sample size is represented by  $N = 277$ , the study level of significance  $p = 0.000$ , this is less than the conventional 0.05 level of significance. In summary, the result of the analysis reveals that there correlation between the two variables as expressed thus; [ $r=.794, n=277, p<.0000$ ].

### Discussion of Findings

This discussion of the findings of is based on the study objectives, the outcome of the hypotheses, the advanced empirical and theoretical basis;

**Analysis:** the result of the analysis in hypothesis one revealed that sustainable transmission backup facilities has significant effect on customer re-patronage in Nigerian Mobile Telecommunications sector thus; [ $r=.839, n=277, p<.0000$ ]. Also, hypothesis two showed that robust customer feedback system has positive effect on customer re-patronage in the Nigerian Mobile Telecommunications sector thus; [ $r=.794, n=277, p<.0000$ ].

**Theoretically:** The adoption of disconfirmation theory which juxtaposes Nigerian telecommunications customers' perception and expectation product service before after consumption, to ascertain their level of satisfaction. (Ekinici & Sirakaya, 2004; Mattila & O'Neill 2003). Hence, this theory necessitated the need to justify this study by evaluating customers' satisfaction at every point of service consumption through a robust customer feedback process.

**Empirically:** the number of researches conducted by scholars in this field has been scanty, for instance, Scholars such as; Ugbonhe, Osagie & Udu, (2018) focused on service delivery and customers' satisfaction, while Adedeji, (2013), emphasized on telecommunications and the Nigerian economy. The essence of this study became necessary based on the need for telecommunication firms to assess service provision avenues that could engage the customer to repeatedly patronize the telecommunication firms in Nigeria.

## **Conclusion and Recommendation**

The conclusion is drawn from its aim as well as the outcome findings and discussions which revealed that the solution to invoking consistent patronage of product service in the Nigerian mobile telecommunications sector is for service providers to; establish sustainable transmission backup facilities to ensure that service delivery is uninterrupted; as well as create a robust customer feedback system to provide solutions to customer queries and service error. Where these systems are optimally operational, high level of re-patronage could make mobile telecommunication operations in Nigeria more cost effective, and by extension; increased productivity and profitability to shareholders.

Mobile Telecommunication service providers in Nigeria should adapt their operational processes to global best practices to shore-up their capacity to withstand global industrial competition. To this extent, investment should be deployed into the acquisition of current technologically driven mobile telecommunications software that enhances direct interface by customers with service providers platform without personnel interference, this will increase the level of customer satisfaction through quality service delivery, and curb the incessant complaint by end users on unsatisfactory service experience through quality product offering.

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# DETERMINANTS OF EMPLOYEE COMMITMENT AMONG EMPLOYEES OF PRIVATE UNIVERSITIES IN EDO STATE

BY

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## ABSTRACT

*The study examined the determinants of employee commitment among private universities employees in Edo State. The aim of the study is to determine the effect of remuneration, evaluate employee involvement and access training and development on employee commitment. A descriptive survey research design was adopted for the study. The population of the study comprised the staff of the private university (Samuel Adegboyega University) in Edo State. The sample size was 302. Convenience sampling through Krejce & Morgan sampling table was employed in this study. Primary data used for the study were gathered through the administration of well structured questionnaire. Questionnaire was used to elicit information from target respondents. Data gathered were analyzed using regression model.*

*The result showed that remuneration positively affects employee commitment; furthermore, the result showed that employee involvement positively affects employee commitment and training and development positively affect employee commitment, Thus, concluded that remuneration, employee involvement and training and development positively affect employee commitment among private universities employees in Edo State from which the recommendation was proffered.*

## INTRODUCTION

Employee's mindsets and their fundamental attitude are crucial in achieving and maintaining high performance (Snyder & Burke, 2012). One of the attitudes that could lead to high performance is employee's commitment towards the organization. Because of the centrality in understanding and predicting work place behaviour, organizational commitment has emerged as a promising area of research in recent time (Adebayo, 2006; Nehmeh, 2009). Organizational commitment is of great academic and managerial interests given the relationship between commitment and desirable organizational outcomes such as creativity and innovativeness increases job performance, loyalty and job satisfaction (Chughtai & Zafar, 2006; Passarelli, 2011).

Committed employees helps create organization's competitive advantage and are motivated to give their best to the organization. In the same vein, in rapidly' changing and uncertain business environment, organizations are reluctant "a job for life" which has made the notion of organizational commitment even more pertinent from organization perspective (N ehmeh, 2009). In most cases, commitment is related either to work, career, r the organization (Guney, Diker, Guney, Ayranci & Solmaz, 2012).

Employee commitment presents a direct cost to the entire organization in terms of training new employees, replacement and separation for the departing employee (Rieu & Kamara, 2016). It further results in low levels of efficiency and poor customer satisfaction. In Nigeria, little research has been conducted regarding employee commitment in the education industry with respect to private universities. One of the biggest challenges •in developing countries is that the performance of private institutions are always below expected even when their employees are supposed to perform according to a standardized quantity and quality.

All these employee commitment and relations issues are manifested in terms and conditions of employment leading to poor performance of the private universities in Nigeria (ILO, 2012), only few service-based organizations conducted the exit interviews or the employee attitude surveys to



determine the actual causes of these labour turnovers. The researcher posited further that lack of motivation strategies and poor recruitment strategies as the major challenges affecting employee commitment in private university system in Nigeria. Other effects are seen in declining labour productivity in the sector of the country's economy, increasing unit labour cost and low levels of competitiveness. It is on this premise the study seeks to establish the determinants of employee commitment in private institutions in Nigeria, specifically among private universities in Edo State. To this end, this study examined the determinants of employee commitment among employees of private universities in Edo State.

#### Research Questions

- i. to what extent does remuneration affect employee commitment among private universities employee in Edo State?
- ii. to what extent does employee involvement affect employee commitment among private universities employee in Edo State?
- iii. what effect ,does training and development have on employee commitment among private universities employee in Edo State?

#### Research Objectives

This study was guided by the following specific objectives are to:

- i. Examine how remuneration affect employee commitment among private universities employee in Edo State;
- ii. Establish how employee involvement influence employee commitment among private universities employee in Edo State;
- iii. Explore how training and development affect employee commitment among private universities employee in Edo State.

#### Research Hypotheses

The following null hypotheses were tested in this study:

- i. remuneration does not significantly affect employee commitment among private universities employee in Edo State;
- ii. employee involvement does not significantly affect employee commitment among private universities employee in Edo State;
- iii. training and development does not significantly affect employee commitment among private universities employee in Edo State.

## **Conceptual Clarifications**

### **Employee Commitment**

Employee commitment is a concept that has to do with the level of commitment and loyalty that workforce demonstrates to employers. As part of this concept, determining the level of task that employees feel toward an employer is important. The fundamental idea is that if an employee is truly committed to the objectives and plans of the organization, he or she will manifest that commitment in terms of individual work ethic, the support of organizational goals and generally be dedicated to the enduring success of the employer's business (Osemeke, 2016).

In view of this, commitment is defined as the connection between the organization and the employees. It is also described as willingness and steady forces that determines and maintains the attachment of an individual to a particular organization (Vance, 2006). In other words, it is a psychological bond that is characterized by the members' feeling of attachment, obligation, and loyalty to a given organization. Commitment also describes the level of employees' acceptance of the organization's goals and the willingness they have to work towards these goals (Manetje & Martins, 2009). According to Meyer and Allen (as cited in McMahan, 2007), organizational employees' commitment has three main aspects: affective, continuance, and normative commitments. Affective commitment is defined as the emotional and sentimental attachment an individual has towards an organization.

### **Determinants of Employee Commitments**

Reward: Edirisooriya (2014) described reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility. The principal reward for performing work is pay, many employers also offer reward packages of which wages and salaries are only a part. The packages typically include: bonuses, pension schemes, health insurance, allocated cars, beneficial loans, subsidized meals, profit sharing, share options and much more” (Agwu, 2013).

Most business organizations use one type or another of rewards to enhance workers performance. Unfortunately, it is not yet clear as to which type of rewards in particular has the most effective impact on people reactions and performance.

Employee involvement: Despite the high profile of employee involvement concepts in organisations recently, there have been many differing views and definitions of the subject. According to Lawler & Mohrman, (1989) employee involvement is defined as a method that utilizes the capacity of the workforce and it is designed to enhance workers commitment to the overall organization success. Another important definition was made by Robinson, Perryman and Hayday (2004), who stated that employee involvement, can be described as the positive attitude that a worker has towards the values of an organization. Further, he stated that involved employees are of business context, and collaborate with colleagues to improve their job performance within the job for the benefit of the organization.

Training and Development: Oladele & Akeke (2010) defined training as the systematic process of altering employees behaviour to further organisational goals, he also maintain that it refers to teaching of operational and technical employees how to do the job for which they were hired. People can be taught to become more motivated by showing them how to deconstruct tasks and challenges, and how to feel less intimidated by their job roles. Demonstrating to them how to cope in the workplace can lead directly to improved motivation (Daniel, 2001). Training and development helps to ensure that organisational members possess the knowledge and skills they need to perform their jobs effectively, take on new responsibilities, and adapt to Changing conditions (Okotoni & Erero, 2005).

## **Theoretical Framework**

## **Theory Z**

For the purpose of this study, theory Z will under pin this study because theory Z focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job. Theory Z is Dr. William Ouchi's so called Japanese Management Style popularized during the Asian Economic Boom of the 1980's. According to Ouchi, Theory Z management tends to promote stable employment, high productivity, and high employee morale and satisfaction (Ouchi, 1981). Theory Z suggests that involvement of employees in related matters improves their commitment and performance.

Involvement implies meaningful participation of employees in the decision making process, particularly in matters directly affecting them. Such participation generates a sense of responsibility and increases enthusiasm in the implementation of decisions. Top managers serve as facilitators rather than decision-makers. Under theory Z potential of every employee is recognized and attempts are made to develop and utilize it through job enlargement, careers planning and training. Implication of Theory Z on compensation is that employees apply discretion and work autonomously without close supervision, because they are trusted and therefore compensation acts as supplement to satisfy material needs (Ouchi, 1981).

## **Review of Empirical Studies**

Olannye (2016) investigated the driving employee affective commitment through internal branding in Deposit Money Banks in Nigeria. The survey research design technique was employed. The study covered 16 money deposit banks in Asaba metropolis in Delta State, Nigeria. The stratified random sampling technique was employed to select 300 employees as sample objects. The research instrument was a 25-item structured questionnaire of the likert type scale. The analytical tools used are principal component factor analysis, correlation and multiple regression analysis. The findings revealed that brand oriented training exhibited a relatively overwhelming effect on employee affective commitment, indicating the importance of acquisition of brand specific skills towards enhancing employees ability

to deliver brand promise. It is concluded that internal branding has become an important determinant of employee's affective commitment to organizational values within the banking industry due its potential to elicit internalizing of organizational best practices and emotional bonding in alignment with organizational goals. It is recommended that employee's affective commitment require proper internal. Communication, effective brand oriented training and appropriate leadership Styles, towards improved performance and competitiveness in the money deposit banks.

Rieu & Kamara (2016) explored the determinants of employee commitment in hotel industry in Nairobi County based on a case study of rated hotels in Nairobi Central Business District (NCBD). A descriptive research design was adopted to build a profile of the factors that influence employee commitment in the hotel industry. The population of interest was 152 employees (senior and middle level) of the identified rated hotels in the Nairobi Central Business District for the study. The study adopted a census survey design to collect primary data. The studies used questionnaires because there are flexible and facilitate the capture of in-depth knowledge of the respondents and promote respondent cooperation. A pilot study was conducted to pretest the validity and reliability of instruments for data collection. Quantitative data was edited, summarized and coded for easy classification in order to facilitate interpretation of the data. The tabulated data was analyzed using multiple linear regression and Statistical Package for Social Science (SPSS). The regression model was used to assess the collective effect of the four independent variables. It is notable that there exists a strong positive relationship between the independent variables and dependent variable as shown by R value (0.765). The coefficient of determination ( $R^2$ ) explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable and the four independent variables that were studied explained 58.50% of the employee commitment as represented by the  $R^2$ .

Alsiewi (2016) investigated the role of job satisfaction in determining normative organizational commitment in Libya. The study was carried out among primary school teachers in Libya. Data from

468 respondents were collected through a questionnaire. Multiple regression techniques were used to examine relationships among the independent variable and six dependent variables related to job satisfaction. 'The job satisfaction factors which were found to relate more closely and positively to normative commitment among the teachers were: job relevance and satisfaction, school environment, general satisfaction, and job security. Opportunities for growth and development and pay and benefits, however, had no significant positive effect on the normative commitment of the teachers.

Andrew (2017) identified the impact of Employees' Commitment on Organizational Performance in Eravurpatru Divisional Secretariat in the district of Batticaloa, Sri Lanka. Both descriptive and explanatory research methodologies were adopted in this study. A five point Likert-Type scaled questionnaire was constructed and administered among selected Staff of Eravurpatru Divisional Secretariat. The results of the study indicate that the Employees' Commitment (Affective, Normative, Continuous) are significantly related to 'Organizational Performance in Eravurpatru Divisional Secretariat. The research findings reveal that there exists positive relationship between the three commitments and Organizational Performance. It has also been proved from the results that there exists strong correlation between the three independent variables and Organizational Performance. These outcomes in turn are associated with guiding the top management for working towards increasing employees' commitment level, and the management should hire employees who are likely to become linked to the organization, this shall have a great impact and take the organization towards promising competitive edge.

Liu, Tso, Yang & Guan (2017) analyzed the effects of employee satisfaction and demographic indicators on employee commitment to organizational culture at the enterprise level in China. With data from a survey of 3029 employees from 27 state-owned enterprises (SOEs), a hierarchical linear model (HLM) is used to identify the influencing factors of employee commitment to organizational culture at the enterprise level. Results show that applying FILM can substantially improve the explanatory power of employee satisfaction factors on commitment to organizational culture using

nested enterprise contextual variables. Although measurement scales and satisfaction models have been proposed over the years, only a few studies have addressed the particular nature inherent in Chinese SOEs. HLM, which accounts for the nested data structure and determines the effects of employee satisfaction factors on commitment to organizational culture without bias, is developed in this study. Through an insider view based on empirical work, this research can improve the ability of senior managers to understand the culture and dynamics of organizations, to deliver strong leadership, and to enhance corporate internal management.

Kariuki & Kiambati (2017) established the mediating and moderating effect of employee commitment and organizational citizenship behaviour on the relationship between empowerment and firm performance in Kenya. A survey questionnaire was the tool of data collection and was distributed to the 96 non-managerial employees of a manufacturing firm. Out of the 96 questionnaires issued randomly, 86 were returned, indicating a 91.6% response rate. The reliability test showed that study dimensions were reliable. Inferential statistics was used to analyse data. Results showed that employee empowerment had a positive and significant influence on organizational performance organizational commitment mediated the relationship between employee empowerment and organization performance; and OCB did not have a moderating effect.

## **METHODOLOGY**

### **Research Design**

The survey research design was used to this study. Descriptive survey research design involves the use of questionnaire to gather necessary information needed for the study.

### **Data and Method of Data Collection**

Primary data was used which was collected through questionnaire as its sources to get information from the sample respondents.

The population for the study constituted the entire employee of private university in Edo State. However, Samuel Adegboye University is the only private university in Edo State. The numbers of

employees in private university were obtained from the personnel office, which the population is one thousand, three hundred and ninety five (1395).

#### Sample Size and Sampling Techniques

Three Hundred and two (302) respondents were sampled using Krejcie and Morgan sample size table. This was done through convenience sampling.

For the purpose of data analysis; descriptive statistics included the use of frequency table to analysis respondents demographic information while inferential statistic through multiple regression analysis was used to test the hypotheses with the aid of statistical package for social sciences (SPSS 20.0).302 questionnaires were administered while 294 were filled and submitted for analysis.

#### Table 1 Distribution of Respondent by Sex

Table 1 shows 36.7% (108) of the respondents are Male and 63.6% (186) of the respondents are Female, which implies most of the respondents are Female.

**Table 4.1 Sex Distribution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	108	36.7	36.7	36.7
Female	186	63.3	63.3	100.0
Total	294	100.0	100.0	

**Source:** Field survey, 2020

#### Table 2 Distribution of Respondent by Marital Status

Table 2 shows that 89,8% (264) of the respondents are married and 10.2% (30) of the respondents were single thus imply majority of the respondent were single.

**Table 4.2 Marital Status Distribution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	264	89.8	89.8	89.8
Single	30	10.2	10.2	100.0
Total	294	100.0	100.0	

**Source:** Field survey, 2020

#### Table 3 Distribution of Respondent by Qualification



Table 4.3 shows that 40.8% (120) of the respondents are 0 Level holder, 14.3% (42) of the respondents are OND/NCE holder, 42.9% (126) of the respondents are HND/B.Sc holder while 2.0% (6) of the respondents have other degrees thus implies that majority of the respondent are first degree (HND/B.Sc) holder.

**Table 4.3** Qualification Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Olevel	120	40.8	40.8	40.8
OND/NCE	42	14.3	14.3	55.1
Valid HND/B.Sc	126	42.9	42.9	98.0
Others	6	2.0	2.0	100.0
Total	294	100.0	100.0	

Source: Field survey, 2020

Table 4 Distribution of Respondent by Work Experience

Table 4 shows that 40.8% (120) of the respondents falls below 2 years of experience, 38.8% (114) of the respondent falls between 2-5 years of experience, 18.4% (54) of the respondent falls between 6-10 years of experience and 2,0% (6) of the respondent falls above 11 years of experience thus implies that majority of the respondent falls below 5 years of experience.

**Table 4.4** Work Experience Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 2	120	40.8	40.8	40.8
2-5	114	38.8	38.8	79.6
Valid 6-10	54	18.4	18.4	98.0
11 Above	6	2.0	2.0	100.0
Total	294	100.0	100.0	

Source: Field survey, 2020

## Interpretation of Results

### Hypothesis One

Remuneration has significant effect on employee commitment among Private Universities

Employees in Edo State

Co-efficient of Multiple Determinants

Table 4 revealed that the regression co-efficient between employee commitment and the explanatory variable on remuneration show a positive figure of 0.346, this indicates that there is a moderate relationship between remuneration and employee commitment which implies that the explanatory variable has a positive effect on employee commitment. The co-efficient of multiple determinant (R2) with a co-efficient of 0.120 shows that the explanatory variable can explain 12.0% of the behavior of organizational performance while the remaining 88.0% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R2 further confirms the result of the R2 with a co-efficient of 0.111 which shows 11.1% explanation of the behaviour of the employee commitment by the explanatory variables after adjustment while the remaining 88.9% is explained by the error term. The value of R2 test for the goodness of fit i.e How fitted the data is which is 0.120 (12.0%)

**Table 4.5 Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics		Sig
						R Square Change	F Change	
1	.346 <sup>a</sup>	.120	.111		.98864	.120	13.160	.000

**Source:** Author's field survey 2020

The table .6 gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 1.393 and remuneration construct value are leave pay 0.065, regular bonus 0.130 and fringe benefit 397 respectively. The regression result above shows that employee commitment is constant at 1.393; this implies that if the explanatory variable is held constant, employee commitment will increase by 1.393%. The co-efficient of remuneration are given as are leave pay 0.065, regular bonus 0.130 and fringe benefit 397 respectively, this shows that the remuneration is positively related to employee commitment and therefore implies that an increase in remuneration will result in to 6.5%, 13.0% and 39.7% all at 0.05 level of significance increases on employee commitment.

**Table 4.6** Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.393	.459		3.035	.003
Leave Pay	.065	.085	.048	.769	.442
Regular Bonus	.130	.096	.083	1.348	.179
Fringe Benefit	.397	.084	.287	4.734	.000

Source: Author's field survey 2020

### DECISION RULE:

If  $F_{cal}$  is less than  $F_{tab}$ : Accept  $H_0$  and reject  $H_1$

Consider  $F_{cal}$  as 13.160 and  $F_{tab}$  1.650

Therefore, we accept alternate hypothesis. Hence remuneration has significant effect on employee commitment.

**Table 4.7** ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	38.590	3	12.863	13.160	.000 <sup>p</sup>
Residual	283.451	290	.977		
Total	322.041	293			

Source: Author's field survey 2020

### Hypothesis Two

Employee involvement has no significant effect on employee commitment among Private Universities Employees in Edo State.

Co-efficient of Multiple Determinants

Table 8 revealed that the regression co-efficient between employee commitment and the explanatory variable on job involvement show a positive figure of 0.412, this indicates that there is a moderate relationship between job involvement and employee commitment which implies that the explanatory variable has a positive effect on employee commitment. The co-efficient of multiple determinant ( $R^2$ ) with a co-efficient of 0.170 shows that the explanatory variable can explain 17.0%

of the behaviour of employee commitment while the remaining 83.0% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R<sup>2</sup> further confirms the result of the R<sup>2</sup> with a co-efficient of 0.161 which shows 16.1% explanation of the behaviour of the employee commitment by the explanatory variables after adjustment while the remaining 83.9% is explained by the error term. The value of R<sup>2</sup> test for the goodness of fit i.e I-low fitted the data is which is 0.170 (17.0%).

**Table 4.8 Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics		Sig
						R Square Change	F Change	
1	.412 <sup>a</sup>	.170	.161		.98064	.170	19.799	.000

Source: Author's field survey 2020

The table 9 gives a summary of the regression result o the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 2.612 and job involvement construct value are information 0.254, joint work management 0.437 and suggestion 0.058 respectively. The regression result above shows that employee commitment is constant at 2.612; this implies that if the explanatory variable is held constant, employee commitment will increase by 2.612%:

The co-efficient of job involvement are given as are induction 0.254, joint work management 0.437 and suggestion 0.058 respectively, this shows that the job involvement is positively related to employee commitment and therefore implies that an increase in job involvement will result in to 25.4%, 43.7% and 5.8% all at 0.05 level of significance increases on employee commitment.

**Table 4.9** **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.612	.500		5.219	.000
Informed	.254	.056	.249	4.524	.000
Joint Work Mgt	.437	.075	.315	5.794	.000
Suggestion	.058	.098	.033	.588	.557

Source: Author's field survey 2019

#### DICISION RULE:

If  $F_{cal}$  is less than  $F_{tab}$ : Accept  $H_0$  and reject  $H_1$

Consider  $F_{cal}$  as 19.799 and  $F_{tab}$  1.650

Therefore, we accept alternate hypothesis. Hence, job involvement has significant effect on employee commitment.

**Table 4.10** **ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	57.119	3	19.040	19.799	.000 <sup>b</sup>
Residual	278.881	290	.962		
Total	336.000	293			

Source: Author's field survey 2020

#### 4.2.3 Hypothesis Three

Training and development has no significant effect on employee commitment among Private Universities Employees in Edo State.

#### Co-efficient of Multiple Determinants

Table 11 revealed that the regression co-efficient between employee commitment and the explanatory variable on training and development show a positive figure of 0.373; this indicates that there is a moderate relationship between training and development and employee commitment which implies that the explanatory variable has a positive effect on employee commitment. The co-efficient of multiple determinant ( $R^2$ ) with a co-efficient of 0.139 shows that the explanatory variable can

explain 13.9% of the behaviour of employee commitment while the remaining 86.1% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R2 further confirms the result of the R2 with a co-efficient of 0.130, which shows 13.0% explanation of the behaviour of the employee commitment by the explanatory variables after adjustment while the remaining 87.0% is explained by the error term. The value of R2 test for the goodness of fit i.e How fitted the data is which is 0.139 (13.9%).

**Table 4.11 Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics		Sig
						R Square Change	F Change	
1	.373 <sup>a</sup>	.139		.130	.71944	.139	15.628	.000

**Source:** Author's field survey 2020

The table 4.6 gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 3.140 and training and development construct value are induction 0.039, workshop and seminar 0.351 and conference 0.053 respectively. The regression result above shows that employee commitment is constant at 3.140: this implies that if the explanatory variable is held constant, employee commitment will increase by 3.140%.

The co-efficient of training and development are given as are induction 0.039, workshop and seminar 0.351 and conference 0.053 respectively, this shows that the training and development is positively related to employee commitment and therefore implies that an increase in training and development will result in to 3.9%, 35.1% and 5.3% all at 0.05 level of significance increases on employee commitment.

**Table 4.12****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.140	.388		8.090	.000
Induction	.039	.068	.033	.584	.560
Workshop	.351	.051	.380	6.842	.000
Conference	.053	.070	.043	.751	.454

Source: Author's field survey 2020

### DECISION RULE:

If  $F_{cal}$  is less than  $F_{tab}$ : Accept  $H_0$  and reject  $H_1$

Consider  $F_{cal}$  as 15.628 and  $F_{tab}$  1.650

Therefore, we accept alternate hypothesis. Hence training and development has significant effect on employee commitment.

**Table 4:13 ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	24.267	3	8.089	15.628	.000 <sup>b</sup>
Residual	150.101	290	.518		
Total	174.367	293			

Source: Author's field survey 2020

### Discussion of Findings

Remuneration scored on three variables, which are leave pay regular bonus and fringe benefit. However, they were all found positive and significant on employee commitment at 0.05 level if significance and with moderate value relationship. Alternate hypothesis was accepted while null hypothesis was rejected thus implied that remuneration significantly affect employee commitment. This finding is consistent with the research carried out by Ismail and Razak (2016) examine the relationship between job satisfaction and organizational commitment in Malaysia. The study revealed the ability of administrators to provide sufficient intrinsic satisfaction and extrinsic satisfaction might lead to greater organizational commitment.

Job involvement scored on three variables which are information, joint work management and suggestion. However, they were all found positive and significant on employee commitment at 0.05 level of significance and with moderate value relationship. Alternate hypothesis was accepted while null hypothesis was rejected thus implied that remuneration significantly affects employee commitment. This finding is consistent with the research carried out by Irefin & Mechanic (2014) examined the Effect of Employee Commitment on Organizational Performance with special interest in Coca Cola Nigeria Limited. The study revealed that the level of employee commitment of the Staff of Coca Cola Company Plc is very high; there is a high relationship between employee commitment and organizational performance; there is also a very high relationship between employee commitment and employees' turnover.

Training and development scored on three variables, which are induction training, workshop and seminar and conference. However, they were all found positive and significant on employee commitment at 0.05 level of significance and with moderate value relationship. Alternate hypothesis was accepted while null hypothesis was rejected thus implied that remuneration significantly affect employee commitment. This finding is consistent with the research carried out by Andrew (2017) who identified the impact of Employees' Commitment on Organizational Performance in Eravurpatru divisional Secretariat in the district of Batticaloa, Sri Lanka. The study found that there exists positive relationship between the three commitments and Organizational Performance. It has also been proved from the results that there exists strong correlation between the three independent variables and organizational performance.

### **Conclusion**

This study investigated the determinants of employee commitment of among private universities employee with reference to Edo State. From the obtained results of inferential statistics indicated that the entire employee commitment determinants (remuneration, job involvement and training and development) measured have Positive and significant effect on employee commitment at 0.05 level of



significance. However, job involvement has the highest significant value due to its psychological drive and satisfaction on human being. The entire hypotheses have moderate significant value on employee commitment. Furthermore, it was found that alternate hypotheses were accepted and the null hypotheses were rejected.

### Recommendations

Based on the findings of this study, it was found fair remuneration will significantly enhance employees' commitment within the Nigeria work environment specifically in the educational sector where there is huge workload and time factor. Therefore, the study recommends that management should include a good amount of remuneration like good salary structure, bonuses, allowances and other reward management programme such as recognition, career advancement to increase the employee's level of commitment and boost staff morale.

Furthermore, management of private universities should ensure that their staff or employees are involved in decision-making process especially the decision that has to do with the workers and daily operation. This will give room for more commitment and psychological attachment to their job, which will in turn enhance employee effectiveness and presence. Involving employee in decision making will also prepare individual for the higher responsibility and problem solving without any iota of doubt.

The developmental opportunity programme should be reviewed from time to time to ensure that they give out a training that is relevant to employee's needs and aspirations through effective training and career assurance to inspire the work for a very long time. In view of the above, private university managements should ensure that the incentive to be given to employees will surely make them feel well treated and see themselves as important asset of the organization. Finally the training and developmental programme should come annually and periodically to enhance employee skills in handling their daily operation.

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# **Strategic Marketing Management and Organizational Performance in the Manufacturing Sector in Nigeria.**

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## **Abstract**

This study focused on strategic marketing management and organizational performance in the manufacturing industry in Nigeria with specific reference to the Nigeria Bottling Company (NBC). The survey research design was employed in this study. This research geographical scope is limited to Benin City, Edo State. The study's participants include all NBC employees and consumers who live in Benin City, Edo State, Nigeria. The study sampled 220 respondents to whom we sent copies of a structured questionnaire to elicit responses. The researchers used multiple regression correlation with the aid of E-view 9 to test the hypothesis for this study. The results show that all the independent variables were significant in relation to the study's dependent variable. The researchers recommended, among other things, that a team of personnel be well-trained in market segmentation, as effective segmentation would help to meet the needs of various market groups, and invariably boost their financial and marketing performance; this is based on the competitive nature of the market. To summarize, the Company should continue to use strategic marketing management to boost its success. This paper provides new insight into strategic marketing management in the manufacturing sector in the Nigerian economy and reveal how it could improve the performance of organization that adopt it. The study advances a new perspective on the underlying factors that account for strategic marketing management in an organization by decomposing strategic marketing management into related variables used in the study.

**Keywords: Strategic, management, Nigeria, segmentation, company.**

## **Introduction**

In the past, companies all over the world have had difficulty gaining market grip for their goods. But recently, manufacturers have been successful in entering markets with products that entice customers to buy them and keep them loyal to the brand they represent and this necessitates the adoption of strategic marketing management by businesses. Aremu and Lawal (2012) suggests both internal and external market environments, scenario analysis, consumer purchasing behavior and the need to strengthen the middle class. It is the process of developing a clear vision for an organization's future, as well as a well-thought-out plan for getting there (Needham, 1997), Many definitions of Strategic Marketing Management have been proposed, but according to Kotler (2003), conducting an in-depth analysis of an organization's environment, competitors and internal strengths in order to develop a sustainable plan of action will help to develop and optimize the competitive advantage of the organization within the constraints of available resources.

An organization's long-term objectives and a sustainable competitive advantage can be better met and a sustainable competitive advantage can be established by looking at long-term marketing trends and the wants and needs of an ever-expanding customer base from a strategic marketing management perspective (Amisu, et.al. 2015). As a result, strategic marketing management refers to the marketing strategy and logic that a company plans to use to achieve its marketing goals. It is impossible for a marketer to make the right decisions about pricing, product, location/distribution, and promotion in a corporate organization if marketing strategy is not applied. If a product is to succeed in the marketplace, all of these critical components must be coordinated and integrated into a successful marketing strategy. There are several steps involved in the marketing mix, including determining the target market, creating a marketing strategy, and allocating a budget. It is the result of a well-coordinated marketing strategy that a business uses to try to reach its target markets. Strategic marketing is a thorough examination of consumer needs, attitudes, and product offerings(Cross, 2018). Strategic marketing management can be defined in a variety of ways, each reflecting a different perspective (Li & Calantone, 2000). As a result of this, everyone believes that marketing strategy is a means by which an organization implements its stated goals and objectives. Companies that don't put a lot of emphasis on strategic marketing and technological know-how in the commercialization of their ideas and discoveries will fail. Strategic management has the potential to significantly improve a company's performance if it is properly implemented. Effective marketing strategies and execution have historically been at the heart of any organization's business strategy, contributing significantly to the achievement of high market share, revenue growth, and other objectives. Effective marketing strategies have had a significant impact on the success of Nigerian businesses. Due to the fact that competitive marketing has evolved into a marketing strategy objective, businesses seeking to improve

their operational performance must develop effective marketing strategies to ensure efficient and successful operations. The Nigeria Bottling Company offers a diverse range of products like Coca-Cola, Eva water, Fanta, and other beverages which has faced stiff competition in recent years, but they have maintained a sizable market share for several years and have been successful in implementing several clever marketing campaigns that have contributed significantly to the firm's success. Each business's strategy has included effective marketing strategies and execution, which have aided in achieving a high market share, revenue growth, and other objectives. Effective marketing strategies have had a significant impact on the success of Nigerian businesses. Due to the fact that competitive marketing has evolved into a marketing strategy objective, businesses seeking to improve their operational performance must develop effective marketing strategies to ensure efficient and successful operations. To remain competitive in today's business environment, a company must conduct a strategic market analysis and develop a marketing strategy that is tailored to the needs of its customers. The market has become more competitive as a result of competitors' entry and introduction of new products and marketing methods, which appears to redistribute earnings within the industry.

The researcher's objective is to examine the relationship between strategic marketing management and organizational performance in the manufacturing industry, with a particular emphasis on Nigeria Bottling Company. The specific objectives are to:

- i. determine whether marketing techniques has a significant impact on the organizational performance of Nigeria Bottling Company, Benin City.
- ii. investigate whether market segmentation strategy has any impact on the organizational performance of Nigeria Bottling Company, Benin City.
- iii. investigate the effect of market orientation strategy on the organizational performance of Nigeria Bottling Company, Benin City.
- iv. determine the marketing mix plan has a significant impact on the organizational performance of Nigeria Bottling Company, Benin City.

The following hypotheses would be used in reaching conclusions on the significance of the variables.

H<sub>01</sub>: Marketing techniques has no significant effect on the organizational performance of Nigeria Bottling Company, Benin City.

H<sub>02</sub>: Marketing segmentation has no significant relationship with the organizational performance of Nigeria Bottling Company, Benin City.

H<sub>03</sub>: Market orientation strategy has no significant effect on the organizational performance of Nigeria Bottling Company, Benin City.

H<sub>04</sub>: Marketing mix strategy has no significant relationship with the organizational performance of Nigeria Bottling Company, Benin City.

This research work covers all the aspect of strategic marketing management and organizational performance in the manufacturing industry with focus Nigerian Bottling Company, Benin City, Edo State. The study is strictly within the framework of the stated objectives.

## **Literature Review**

### **Conceptual review**

Craven's (2000) key principles of marketing management is a focus on maximizing consumer value, which is taken into account when developing a strategy. The main objective of strategic marketing management is to improve organizational performance and not necessarily sales. Rather than treating marketing as a specialized function, it establishes a link between the organization and its environment (Amisu, et.al. 2015). Drucker (1994) defines strategic marketing management as the process of analyzing the external and internal factors affecting a corporation and its business units, identifying market opportunities and threats, forecasting future trends in enterprise-relevant business areas, and participating in the formulation of corporate and business unit objectives.

According to Jain (2003), marketing strategy is heavily influenced by marketing objectives, customer and competitor perspectives, and product/market momentum, all of which are cornerstones of the marketing strategy. Marketing strategy, on the other hand, is developed at the business unit level. Customers, competitors, and the company all play a role in the marketing strategy equation, which is sometimes referred to as the strategic 3C's. Having a well-defined target market, aligning corporate strengths with market demands, and maintaining a competitive edge in the primary success factors are all essential components of a successful marketing strategy. It's necessary to define marketing strategy in terms of these fundamental characteristics in order to better meet customers' needs by leveraging a company's respective corporate strengths. In order to achieve a specific goal, a strategy is an all-embracing plan of action that spans several years. Unlike tactics, it is a long-term strategy that requires a large number of resources. A company's strategy is a set of managerial decisions and actions intended to set it apart from rivals and keep it competitive. A company's strategy must be in line with its goals, resources, and external environment. Because of this, marketing strategy is defined as a company's effort to differentiate itself from its competitors by leveraging its relative strength in order to better meet the needs of customers in each context (Jain, 2004). Strategy is a collection of actions aimed at gaining competitive advantage and outperforming the competition by employing educated and fact-based decision making among competing options (Shane, 2000). So, the manufacturer's marketing strategy is divided into five parts: the product strategy, promotion and distribution strategies; pricing and target market selection strategies; and location or distribution.

A product is "anything offered to a market in exchange for its attention, purchase, use, or consumption in order to satisfy a demand or need (Kotler & Armstrong, 2012). A consumer product is defined as an item purchased by a final consumer for personal use. There are many factors to consider when making a purchase: price, quality, appearance, and convenience. For a long time, product has been seen as the most important part of the marketing mix because of its influence on business performance (Ogunmokun & Esther, 2004). The ever-changing nature of consumer needs and attitudes makes it difficult to develop the "right" product. There are many factors that influence people's purchasing decisions, both immediate and indirect. Benefits are also taken into consideration when looking at products, and markets can be categorized based on the benefits they provide, which reflect the needs and desires of different groups. Test marketing is a product launch strategy that involves distributing a new product to a select group of potential customers on a small scale. In this market, new products are widely distributed if they are successful. A failure to perform satisfactorily in the test market calls for further investigation by the company.

Kotler and Keller (2005) defined a market segment to be a subgroup of people or organizations sharing one or more characteristics based on social, economic, or demographic traits that cause them to have similar product and/or service needs. A true market segment meets all of the following criteria; such as needs, locations, demographics etc. it is a marketing strategy that allows an organization to recognize, identify and understand their customers' needs and preferences. Segmentation activity is properly carried out if the resultant segments are measurable, accessible, substantial, actionable, differentiable and serviceable, according to the position of Kotler, Brown, Adam & Armstrong (2001).

Market orientation is an approach to business that prioritizes identifying the needs and desires of consumers and creating products and services that satisfy them. Companies that have a market orientation consider the opinions and needs of their target market as a critical component of their research and development (R&D) for new products. It may sound obvious, but advocates of market orientation argue that the conventional approach to product development is the opposite. That is, marketing strategies focus on establishing key selling points to promote existing products rather than designing products that have the qualities consumers say they want.

### **Concept of Organizational Performance**

Sherriff et al. (2010) asserts that firms' performance can be objectively assessed by focusing on financial metrics such as Return on Assets (ROA), Return on Equity (ROE), and Sales Growth. Minai and Lucky (2011) argues that monetary (financial) and non-monetary (non-financial) variables can be used to assess a company's performance. As we all know, performance is all about creating value for consumers. As a result, each organization's overall performance objectives must include value generation, unless otherwise specified by the resource supplier. Both financial and non-financial



measures can be used to determine an organization's success. Profitability, Return on Assets (ROA), Return on Investment (ROI), and sales are all financial metrics, whereas non-financial metrics include positive feedback, a high utility or satisfaction rate, customer satisfaction and referral rates, wait time, and employee turnover.

The Marketing Impact Model was created in response to the need to justify marketing expenditures and establish a link between marketing efforts and shareholder value. As businesses face increasing pressure, the need to quantify marketing impact becomes increasingly critical (Gruca & Rego,2005). Marketing activities such as packaging, brand name, distribution channel density, advertising, exhibitions, and sponsorship were also discovered to be critical in the development of the firm's long-term assets, such as brand equity and customer satisfaction, which can be leveraged to generate short-term profitability and shareholder value.

## **Methodology**

This study employed the use of survey research design. This is because the method enables the researcher to elicit quantitative as well as qualitative information from respondents. For the purpose of this study, the population of this study include all beverage and soft drink manufacturers within Edo State. All Nigeria Bottling Company's employees and consumers residing in Benin City, Edo State, Nigeria formed part of the sample for this study. Employees ranging from management to support staff (particularly the marketing team) and consumers of the company's numerous beverage brands will be chosen at random to present a credible image of the objectives. The sampling techniques used in this paper is judgmental and convenience sampling method. The study employed 220 respondents from all departments, including management, marketing, and customer service. As its sample. The questionnaire designed for this study was based on five likert scale. This was supported by the work of Roscoe's thumb rule presented by Sekaran (2003) which states that a sample that is larger than 30 and less than 500 are appropriate for most research and the size must be several times larger for multiple regression analysis to be conducted. Hill, Brierley & MacDougall (2003), Dillman (2000) also supported this view when they asserted that data sample of 100 and above is enough to provide good representation of the population or any subjected investigated and present good concise research findings. This unique sample design is based on the researcher's assessment of who is best positioned to provide the most pertinent information necessary to accomplish the study's objectives.

## **Results and Discussion**

### **Descriptive statistics**

#### **Table 1: The Descriptive Analysis Result**

The table below shows the statistics of the various variables used for this study.

	MS	MSS	MOS	MMSS	OGRPERF
Mean	16.86634	12.23762	12.91584	12.91584	8.896040
Median	17.00000	13.00000	13.00000	13.00000	9.000000
Maximum	23.00000	16.00000	16.00000	15.00000	11.00000
Minimum	8.000000	6.000000	8.000000	8.000000	5.000000
Std. Dev.	2.615863	2.199722	1.706833	1.560663	1.313566
Skewness	-0.433835	-0.629785	-0.578779	-0.836145	-0.533863
Kurtosis	3.316554	2.498332	2.648543	3.269763	2.817342
Jarque-Bera	7.179908	15.47139	12.31746	24.15016	9.876125
Probability	0.027600	0.000437	0.002115	0.000006	0.007168
Sum	3407.000	2472.000	2609.000	2609.000	1797.000
Sum Sq. Dev.	1375.391	972.5941	585.5693	489.5693	346.8168

Source: E-views 9

Strategic marketing was classified into marketing strategy, market segmentation strategy, market orientation strategy, and marketing mix strategy, with mean values of 16.86634, 12.23762, 12.91584, and 12.91584, respectively. The standard deviation was 2.615863 for marketing strategy, 2.199722 for market segmentation strategy, 1.706833 for market orientation strategy, and 1.560663 for marketing mix strategy. Jarque–Bera statistics indicated that values were unusually large with a high probability. As a result, all regression variables have a normally distributed distribution. MSS 15.47139 (0.000437), MOS 12.31746 (0.002115), and MMSS 24.15016 (0.000006), respectively, recorded Jarque-Bera values of 7.179908 (0.027600), MSS 15.47139 (0.000437), MOS 12.31746 (0.002115), and MMSS 24.15016 (0.000006). The variables are right-skewed, and a positive kurtosis value indicates that the regression variables are peaked relative to the Gaussian distribution.

**Table 2: Result of the Correlation Analysis**

Correlation				
t-Statistic				
Probability	MS01	MSS01	MOS01	MMSS01
MS01	1.000000			

MSS01	0.163771	1.000000		
	2.347773	-----		
	0.0199	-----		
MOS01	-0.021475	-0.055601	1.000000	
	-0.303771	-0.787539	-----	
	0.7616	0.4319	-----	
MMSS01	0.360389	0.144977	0.086977	1.000000
	5.463832	2.072177	1.234717	-----
	0.0000	0.0395	0.2184	-----

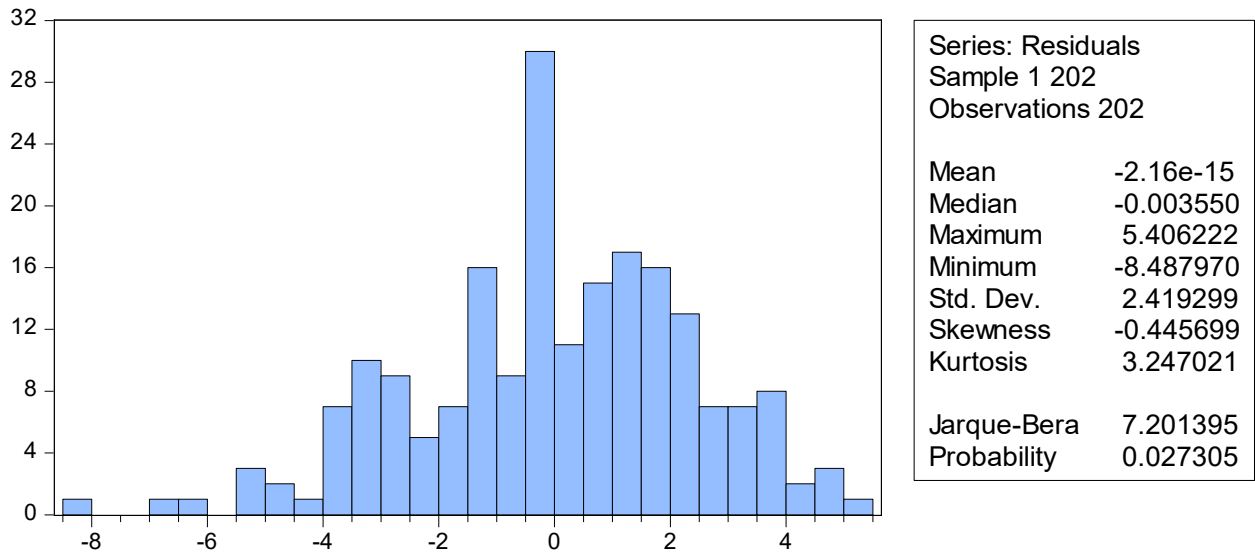
Table 2 shows the strength of the linkages between the variables in this model as determined by correlation analysis. As a result, there is a mix of positive and bad connections. MS and MSS have a negative connection (0.163771), with a significant t-value of 2.347773 and a p-value of 0.05. (0.0199). The correlation coefficients are negligible, with the highest value (0.360389) showing that multicollinearity does not exist. MOS has a negative correlation of -0.021475, but MMSS has a positive correlation of 0.360389. Similarly, the correlation between MOE and MSS is -0.055601 with a non-significant P-value, whereas the correlation between MMSS and MOS is 0.086977 with a 1.234717 t-value.

**Table 3: Result of Variance of Inflation Factor**

Variable	Coefficient		
	Uncentered Variance	Uncentered VIF	Centered VIF
C	9.463896	16.90143	NA
MS	0.026547	7.65012	1.032545
MSS	0.016334	10.84646	1.062425
MOS	0.022585	1.16224	1.080102
MMS	0.034454	1.70807	1.021466

To compensate for the lack of multicollinearity, the study applied a residual diagnostic test of variance inflation factor. Table 3 shows the results of the centered VIF of the explanatory variables, which show values less than the threshold of 10. MSS 1.062425, MOS 1.080102, and MMS 1.021466 all reported a VIF of 1.032545, MSS 1.062425, MOS 1.080102, and MMS 1.021466, respectively. As previously indicated, the values are relatively low, supporting the conclusion that multicollinearity does not exist.

**Figure 1: Histogram of Normality Test**



The normality test histogram was used to confirm the Jarque–Bera statistics in table 1. Figure 2 depicts a bell-shaped histogram with a mean Jarque-Bera value of 7.201395 and a probability value of 0.027305 suggesting that the regression variables are normally distributed.

**Table 4: Summary of Regression Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
MS	8.617418	3.076345	2.801187	0.0026
MSS	0.131689	0.127805	1.030390	0.0021
MOS	-0.069904	0.150283	-0.465148	0.6423
MMS	0.583797	0.185617	3.145171	0.0019
R-squared	0.644640	Mean dependent var		16.86634
Adjusted R-squared	0.541680	S.D. dependent var		2.615863

S.E. of regression	2.437559	Akaike info criterion	4.639474
Sum squared resid	1176.455	Schwarz criterion	4.704985
Log likelihood	-464.5869	Hannan-Quinn criter.	4.665980
F-statistic	11.16046	Durbin-Watson stat	1.47877
Prob(F-statistic)	0.000001	Wald F-statistic	3.541578
Prob (Wald F-statistic)	0.015630		

Table 4 shows the multiple regression findings, which show the relationship between the dependent (strategic marketing management) and independent variables (organizational performance). The model parameters are as follows: coefficient of determination ( $R^2$ ) = 56%, This indicates that the independent variable is responsible for 56% of the systematic variability in the dependent variable. The F – Statistics is 64.4, P (f-stat) = 0.000 and Durbin -Watson statistics = 1.47. The F-value confirm a significant linear relationship between the variables (dependent and independent). The explanatory variables of MS, MSS, MOS and MMS were all significant with a p-value of less than 0.05. As a result, we conclude that marketing strategy (MS), market segmentation strategy (MSS), market orientation strategy (MOS), and marketing mix strategy (MMS) are all significant with p-values less than 5%, and we reject the null hypothesis while keeping the alternative hypothesis for each of the previously stated hypotheses.

### **Discussion of Findings and Conclusion**

The research looked at the Nigeria Bottling Company and the impact of strategic marketing management on organizational performance in the manufacturing business. The five hypotheses tested in the study were all aimed at determining the relationship between strategic marketing management and organizational performance. Multiple regression analysis was used to assess the associations between the dependent and independent variables, and the following are the results:

**Hypothesis 1:** The null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis accepted ( $H_1$ ) which says there is a significant relationship between marketing strategy and organizational performance of Nigeria Bottling Company, Benin City.

**Hypothesis 2:** The null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) accepted which states that is there is a significant relationship between marketing segmentation strategies on the organizational performance of Nigeria Bottling Company, Benin City.

**Hypothesis 3:** The null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) accepted which states that there is a significant relationship between marketing orientation strategy on the organizational performance of Nigeria Bottling Company, Benin City.

**Hypothesis 5:** The null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) accepted which states that there is a significant relationship between marketing mix strategy and the organisational performance of Nigeria Bottling Company, Benin City.

According to the finding's, strategic marketing management has a substantial impact on the organizational performance of Nigeria Bottling Company. Based on the study's results and conclusions, the following recommendations, if implemented, would make marketing management more effective and efficient in improving the performance of the beverage company.

- i. To increase its chances of success, the organization should continue to employ strategic marketing management. A good ethical climate should be maintained since it is beneficial to efficiency.
- ii. Based on the competitive nature of the market, an organization should have a team that is highly skilled in market segmentation, as successful segmentation would help to serve the needs of varied market groups, and invariably boost their financial and marketing performance.
- iii. Because marketing strategy and organizational success are inextricably linked, the organization should conduct a timely examination of the firm's market strategies in light of current market desires and needs, resulting in improved promotional activities that appeal to the market's senses and demands.
- iv. To handle the company's marketing objectives, the organization should hire a qualified marketing firm.
- v. The organization should maintain its adaptability and resilience in order to remain a high performer. it must also expand their market operation in order to gain a larger market share. To maintain long-term client satisfaction, the firm should not compromise on its commitment to customer service.

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# TIME MANAGEMENT AND ORGANIZATION SURVIVAL OF ECO BANK PLC IN ASABA, DELTA STATE

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## **Abstract**

This study focuses on effect of time management on organization survival of Eco Bank Plc. The general objective is to determine the effectiveness of time management on organization survival. The specific objectives of the study were to examine the effect of time prioritizing on organization survival, to determine the effect of time delegating on organization survival and to ascertain the effect of time scheduling on organization survival. The study adopted the survey research design. The population of the study was one hundred and fifty (150) from management and customers of Eco Bank in Asaba, Delta State. A stratified sampling technique was used to select the respondents in Eco Bank in Asaba, Delta State. Data collected were analyzed and hypotheses were tested using multiple regression. Findings revealed that the extent to which time prioritizing, time delegating and time scheduling affects organization survival. The study concluded that organizations that lack time management equally lack effectiveness in their mission statement. The study recommends that management in banks in Delta State should actively engage in prioritizing that will facilitate and improve organizational effectiveness in the organization.

**Keywords:** Time management, Organization survival, time prioritizing, time delegating, time scheduling

## **Introduction**

Time is universally static irrespective of geographical location. There are 24 hours in a day all over the world. This has remained constant. However, our activities are numerous; so to achieve all our goals within the limited time depends on how we manage the time available for us. Managing one's time can efficiently and effectively lead to a better performance, both at work and at home. Time in an organization is an intangible factor of production that cannot be reclaimed once lost. Time is our most precious asset, yet we mismanage it.

Ultimately, the efficiency and effectiveness of any organization whether private or public sector, largely depends on the effective utilization of the available scarce resources by its employees. It should be noted that one of the greatest challenges of the Nigerian bureaucracy is non-performance of the civil service. It seems that there is never enough time in a day. But, since we all have 24 hours in a day, a question that comes to mind is, why do some people achieve much more with their time than others, especially in the public service? The answer lies in good time management.

The perceived poor service delivery in the banks of Nigeria, due to poor time management, has provoked a series of studies geared towards ameliorating the ugly situation, which some scholars have attributed to the common challenges of the Nigerian federation (Igbokwe-Ibeto and Egbon, as cited in Osawe, 2017). It appears that in spite of efforts of previous administrations to transform the bankers, majority of the employees spend their limited time attending to unproductive services, hence little or nothing have changed in the Nigeria banking sector in terms of service delivery. The service still remains the same as their performance and productivity are still below expectations; efficiency and effectiveness are virtually absent (Igbokwe-Ibeto and Egbon, as cited in Osawe, 2017).

A popular musician – Mike Okri- in a music album titled: Time Na Money emphasized the need to convert time to money. The phrase "time is money" is essentially true. Unfortunately, time doesn't always equal money. In the same vein, the musician further stated that —money don't fall from Heaven, if you do better things, money will come and don't spend your time in gossiping. Time is continually passing but that doesn't mean one is continually making money or being productive, this depends on how one manages the available time and what one does with it.

Time in an organization is an intangible factor of production that cannot be reclaimed once lost. Time is our most precious asset, yet we mismanage it (Mark, 2020).

Time is a significant asset which is accessible to everybody on the planet; a few people have short of what others have as a result of the errands they need or need to complete. Be that as it may, the management of time is the thing that draws out its significance characterized time in a quantitative manner which one can't purchase, lease, or put something aside for some other time (Mark, 2020). This tells how significant time is, just as that it is accessible to everybody and simultaneously the way that it can't be put something aside for later use so it must be utilized. Thus, it is an asset which is restricted and is accessible for everybody to utilize, and yet not all people will have the information on it on the most proficient method to utilize it. Ones who use it the correct way and utilize it are the best individuals on the planet today.

Time management involves investing time to determine what one wants out of his day to day activities. Effective time management is the investment of time in such a way that suitable results are achieved from activities within a specific time range and it emphasizes on effectiveness rather than efficiency. One's ability to choose between the important and the unimportant and be determined to follow the correctly chosen sequence is the key determinant of effectiveness in time management.

In order to manage time, managers must be creative and introduce various ways of producing output within a stipulated time. They must be able to manage their emails and phone calls i.e. they must be able to minimize the time they spend receiving phone calls and reading emails.

The key to successful time management is planning and then protecting the planned time, which often involves re-conditioning your environment, and particularly re-conditioning the expectations of others. Therefore, the study focuses on the effective time management as a tool for organization survival.

## **Statement of Research Problem**

Time is a necessity for every organization in achieving its goals and objectives. The attempt to accomplish the desired goal poses a great threat to the organization. The company faces a number of problems and challenges centering on inefficiencies in its time management. These could be stated as follows:

- a) Lack of Job security and poor working conditions of employees.
- b) Lack of adequate maintenance of human resource policy.
- c) Lack of proper structuring of the organization which is required to have a new trend that would enhance its efficiency and make it feasible.
- d) Poor team building.
- e) Lack of Self-discipline.

Therefore, the research problem is study of time management process within an organization for obtaining high performance.

### **Research Questions**

The following research questions were raised for this study:

- a. To what extent does time prioritizing influence organization survival?
- b. What effect doestime delegating have onorganization survival?
- c. What is the effect of time scheduling onorganization survival?

### **Objectives of the Study**

The general objective of the study is to determine the effectiveness oftime management on organization survival. The specific objectives are:

- a. To examine the effect of time prioritizing on organization survival.
- b. To determine the effect of time delegatingon organization survival.
- c. To ascertain the effect of time scheduling onorganization survival.

### **Significance of the Study**

The research would help clear the controversy whether there is any relationship between effective time management and organization survival. Therefore,this study will help employers recognize the good work of employees, point out where and how they can improve and develop them on their job performance.Furthermore, the study will enable the employee discover the most effective time to put more effort so as to improve their performance.

### **Scope of the Study**

The scope of a research study is premised on four main dimensions of location, conceptual scope, time scope and organization.

**Location:**Eco Bank Plc in Asaba, Delta State.

**The conceptual scope:** Is the variables used for the research work, the dependent and independent variables. The independent variables measures are time prioritizing, time delegating and time scheduling. The dependent variable is organization survival.

## **LITERATURE REVIEW**

### **Conceptual Review**

#### **Concept of Time Management**

Time management refers to numerous techniques and skills that can help a person to make use of the available time in the most efficient way and to accomplish goals, tasks and projects within the predetermined period of time. Time management skills vary from, but are not limited to, prioritizing tasks, planning, scheduling, organizing and the delegation of functions. However, it also includes an analysis of the time spend for different activities as well as close monitoring that allows one to improve his time management skills.

According to Hisrich and Peters as cited in Wendy and Olori, (2017), “time is a unique quantity, an entrepreneur (manager) cannot store it, rent it, and buy it. Everything requires it and it passes at the same rate for everyone. Time management Involves investing time to determine what one wants out of

his activities. Effective time management is the investment of time in such a way that optimal result is gotten from activities consuming a specific time quantity. Time management hinges on the principle that it is more important to do the right things than to do things right.

Time is an essential resource; it's irrecoverable, limited and dynamic. Irrecoverable because every minute spent is gone forever, limited because only 24 hours exist in a day and dynamic because it's never static. According to North (2004), time management is the organization of tasks or events by first estimating how much time a task will take to be completed, when it must be completed, and then adjusting events that would interfere with its completion is reached in the appropriate amount of time.

Effective time management is the key to high performance levels. Effective time management not only affects the productivity of your employees, but also helps to cope with stress, conflicts and pressure more efficiently. It also helps them maintain a healthy work-life balance and keeps them motivated. Time management training is one of the most effective tools to enhance the productivity of your team. In the time management training, participants are provided with a unique planning and management systems that help them have greater control over their time as well as their performance. As a manager, sales person, administrative assistant or an executive, time is the most valuable asset. In order to have an effective utilization of time, prioritize task and activities then eliminate unnecessary elements.

Effective time management cannot be turned on or off when convenient. It is a set of skills and behaviors that become a pervasive part of one's professional and personal life. The two major components of time management are practice and purpose. The practice component refers to what you do with the minutes of your day. The purpose component refers to finding and knowing your purpose in life. When you manage your time, the minutes of your life, and it falls in alignment with your purpose of your life, you have a fantastic chain reaction. This alignment can enable you to accomplish your tasks more effectively, to reach your goals more quickly, and to give you a greater sense of peace. According to Hisrich and Peters as cited in Adejo, (2012), "time is a unique quantity an entrepreneur (manager) cannot store it, rent it, and buy it. Everything requires it and it passes at the same rate for everyone. Time management involves investing time to determine what one wants out of his activities. Effective time management is the investment of time in such a way that optimal result is gotten from activities consuming a specific time quantity. Time management hinges on the principle that it is more important to do the right things than to do things right. The ability to choose between the important and the unimportant and be persistent on the correctly chosen sequence is the key determinant of effectiveness in time management.

Time management is a method for managers to increase work performance effectiveness (Claessens, Roe, and Rutte 2009). Time management is probably not as easy as what it is imagined and expected to be. Hence, authors differ in the way in which they define time management. In their study, "time management: effectiveness, logic and challenges", (Claessens, Roe, and Rutte, 2009) have noted that the term time management means different things to different people.

According to Lakein as cited in Adejo, (2012), time management refers to the use of particular techniques such as 'to-do' lists or deliberately planning activities, or to participate in training with the purpose of learning how to master and use such a technique. In general sense, Claessens et al (2009) have defined time management as types of behavior that differentiate people who do things on time, stick to deadline and spend little time on their activities from those who are often late, pass deadline, spend much time on their activities and waste time on unimportant matters.

Time management is defined as one process by which you can accomplish the tasks and goals which will enable you to be effective in your job and career (Randall as cited in Adejo, 2012).

#### **Advantages of time management**

- i. It helps to take control of many areas of your life.
- ii. It increases productivity.
- iii. Time management makes you become more organized.
- iv. It helps you to utilize time effectively.

- v. Time management also helps you gain time for yourself to relax and do the things you enjoy doing.

To Americans, time is money. We live by schedules, deadlines and agendas, we hate to be kept waiting, and we like to get down to business quickly. In many countries, people are not rushed because they feel people in rush are arrogant and untrustworthy. In the U.S, the most important issues are generally discussed first when making a business deal while in Ethiopia, most important things are taken up last. Being late seems to be normal for business meetings in Latin America and the reverse in Switzerland, Sweden and Germany.

### **3Es for Effective Organizational Survival**

The 3Es for effective organizational survival includes Economy, Efficiency and Effectiveness. More elaborately, economy is essentially a resource acquisition concept with a least reasonable cost. It means buying resources (men, materials, money) at a favorable price, at the right time, from the right source, in the right quantity and quality. Efficiency is an essential resource usage concept, also with a least cost notion. It has to do with minimization of input and maximization of output. Efficiency thus refers to the relationship between the quantity and quality of goods/services produced and the cost of resources used to produce them at a required service/operational level. Effectiveness is defined as an ends-oriented concept that measures the degree to which programmed goals and objectives are met or achieved. Hence, Ayegh (2005) cautioned that effectiveness must be judged on the balance of positive and negative consequences. Thus, a manager's performance is a summation of his economy, efficiency, effectiveness in the procurement and use of his organizational resources to accomplish his organizational goals and objectives.

### **Why Managers Face Time Management Failure**

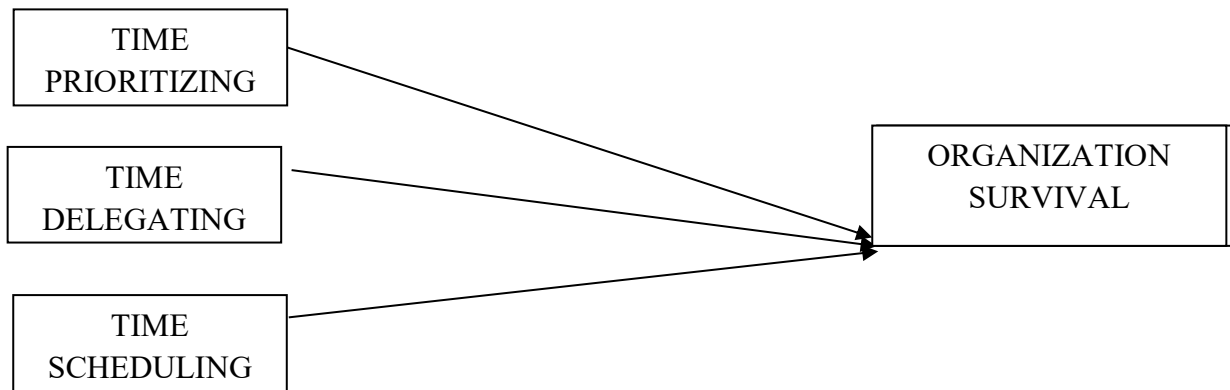
Eruteyan, (2008) Effective time management for high organization performance

- 1. Reactive Mode of Working:** Some managers are only concerned about what is happening at present in their organization. They don't take time to act to events that come their way rather they react and keep complaining.
- 2. Failure to think correctly before acting:** Taking action without prior correct thinking is a cause of time management failure. Some managers seem not to believe in or find it difficult to put into practice, the 10/90 principle of effective time management which states that 10% of time that it takes to plan your activities carefully in advance will save you 90% of the effort involved in achieving your goals later.
- 3. Failure to acquire new skills, knowledge and abilities:** Some managers fail to update themselves in terms of attending seminars and lectures that will increase their horizons instead they feel they know all things and don't need to be updated.
- 4. Procrastination on Hard Challenging Jobs:** Some managers adopt procrastination on hard challenging jobs. Instead of getting started on them and allocating good time thereto, they adamantly refuse to work on these tasks. The most injurious aspect of this approach is that such hard challenging jobs are not in the bottom 80% but in the top 20% of jobs which add most value to the managers' work.

### **Conceptual framework**

**Independent Variable  
Time Management**

**Dependent Variable  
Organization Survival**



Source; Researcher's Model, 2021

### **Time Prioritizing and Organization Survival**

Prioritizing skills are the ability to see what tasks are more important at each moment and give those tasks more of attention, energy, and time (Green and Skinner, 2005). Organization focuses on what is important at the expense of lower value activities (Major, Klein and Ehrhart, as cited in Wendy and Olori, 2017). Organization has many things to do, and they never have time and energy to do them all. Many things will be left undone, no matter how hard organizations try. Prioritizing is a way to solve difficult problems (Farmer & Seers, 2004). Claessens, et al. (2004) submitted that one key reason why prioritizing works very well is the 80/20 Rule. The 80/20 Rule states that 80 percent of our typical activities contribute less than 20 percent to the value of our work. So, if you do only the most important 20 percent of your tasks you still get most of the value. Then, if you focus most of your efforts on those top value activities, you achieve much more than before, or you will have more time to spend with your family. Prioritizing is about making choices of what to do and what not to do. To prioritize effectively needs to be able to recognize what is important, as well as to see the difference between urgency and importance (Ancona et al as cited in Wendy and Olori, 2017). The important or high priority, tasks are the tasks that help us achieve our long-term goals or can have other meaningful and significant long-term consequences. Kelly (2002) argued that many of the tasks we face during a day seem equally urgent and important. Yet, if you take a closer look, you will see that many of the urgent activities we are involved are not really important in the long run. At the same time, things that are most important for us, like improving ourselves and our skills, getting a better education, spending time with family, often are not urgent. Green and Skinner (2005) contended that with good prioritizing skills, a manager can finish as soon as possible all the important urgent tasks, the ones that would get them into a crisis or trouble otherwise, then, focus attention and try to give more and more time to those most important, but not urgent tasks, the ones that are most rewarding in the long run.

### **Time Delegating and Organization Survival**

Delegation is the transfer of authority to make decisions and complete specific tasks (Alonso, Dessen and Matouschek, 2008). Learning how to delegate is one of the most important skills for managers and leaders to possess. Strong delegation techniques can help managers save time, motivate people, and train people, as well as these techniques can enable managers to take on new opportunities (Ghosh, Lafontaine and Lo, 2012). However, the lack of delegation practices often leave people frustrated, unmotivated, and under-trained, while the manager remains overworked. Delegation is a skill that enables managers to achieve more without burning themselves out. Delegation is a tool for developing people while also freeing up time for the manager to take on new responsibilities and to develop

himself or herself (Colombo and Delmastro, 2004). In the organizations, delegation is often the first step toward electing a successor. This technique allows the successor to slowly learn the job and enables the manager to move on to a higher position. In addition, effective delegation is essential to developing high quality leaders. By delegating work, managers are able to coach, train, and develop competent employees, making them more valuable to the organization (Ziss, as cited in Wendy and Olori, 2017). All of these reasons emphasize the positive outcomes associated with delegation. On the other hand, while delegation sounds good in theory, it can also be one of the biggest challenges for any manager, leader, or owner (Dessein and Santos, 2006). As the famous saying goes, “if you want it done right, do it yourself.” This is how many people feel. It is often difficult to find the right person to handle the delegated task, coupled with finding the free time to train the person on how to do the job. All of these items are hurdles that each manager must overcome in order to delegate effectively.

### **Time Scheduling and Organization Survival**

From the inception, organization set their goals to achieve something; they will need to begin properly managing the time in order to work towards the goals. After firms have created a to-do list, the next thing is to create a schedule which will allow them to complete all the important tasks within a given period of time (Orlikowsky & Yates, 2002). No matter how organizations are smart, they will only have a certain amount of time to get something done. Mitchell and James as cited in Wendy and Olori, (2017) argued that setting up a schedule will allow firms to develop a systematic time frame which will allow them to complete the project on time. The use of a schedule is very significant for time management because it can allow firms to know what they can do in a certain period of time (Sabelis, as cited in Wendy and Olori, 2017). There is large number of devices available in the market that can allow firms to schedule important tasks. The one that they choose will be based on their taste, budget, or style. Some people purchase organizers, while others use PDAs or software. No matter which device one chooses, the goal should always be the same. Firm’s goal should be to create a schedule which will allow them to complete tasks within a given time frame.

### **Theoretical Review**

#### **Theory of Time Management**

Time management literature has lacked a general theorisation (Claessens et al., 2009; Nonis et al., 2005). Some theoretical contributions, nonetheless, have been made towards understanding how time management works (e.g. Britton and Glynn, 1989; Huang and Zhang, 2001; Macan, 1994). The theoretical understanding of how time management works could then be used to suggest how it could be improved.

In the contribution by Britton and Glynn (1989), time management is visualised in terms of three elements: macros, medium and small levels. In Britton and Glynn’s (1989) theoretical contribution, the macro level refers to the choice and prioritization of goals while the medium level involve tasks related to the creation of goals and sub-targets. The small level element then consists of design and implementation. Macan’s (1994) theoretical contribution also perceived time management as a multi-dimensional construct consisting of four dimensions: setting of time goals and priorities, mechanics of time management, preference for organisation and perceived control over time. Of the four dimensions, setting of time goals and priorities, mechanics of time management and preference for organisation are time management behaviours while perceived control over time is a time attitude that is an outcome of engaging in time management behaviour (Macan, 1994; Nonis et al., 2005). Similarly, Huang and Zhang’s (2001) theoretical model comprises of three dimensions of mental structure and multiple levels. The three dimensions of mental structure are: behaviour, time management, and the sense of the value of time. These three dimensions encompass two levels: the social value of time-orientation and time-oriented individual value. Huang and Zhang (2001) perceive time management as a kind of temperament attribute which makes it possible to be reflected as a means of utilising and managing ones’ time. Thus, the three theoretical models of Britton and Glynn (1989), Macan (1994) and Huang and Zhang (2001) provide examples of attempts to conceptualise time management.



Further to the conceptualisation of time management, some theories have been proposed in order to aid the understanding of the importance of time management in organisations (and everyday life). The most common theories are pickle jar theory, pareto's principle:80/20 rule and parkinson's law. The pickle jar theory explains how relatively unimportant tasks or commitments can easily take up much of a person's time (Rivera, 2007). The theory is useful in explaining the need for identification of important tasks that should be prioritised in individual or organisational tasks. Similar to the pickle jar theory, the pareto's principle:80/20 rule postulates that approximately 20% of the activities that yield the highest benefits and consume 80% of the time should be prioritised (Koch, 2011). The principle is that individuals need to concentrate more on the important tasks/activities (20%) which give the highest results. The parkinson's law proposes reducing the time assigned to each task (Rivera, 2007). This is based on the proposition that the time required to complete a task will expand according to the amount of time it is allotted. The theory states that less time allocated to a task can lead to better, more effective work.

### **Empirical Review**

Mark, (2020) examined that time is a special/worthy commodity that is given equally to everyone regardless of age, station, whether public or private sector. Time is always ever present to everyone, but no one ever seems to have enough of it. Time management helps in achieving individual and organizational goals in view of the limited amount of time available to man. Effective time management is a set of principles, practices, skills, tools, and systems working together to help organisations get more value out of their time with the aim of improving productivity. Time management helps staff to be proactive and dynamic, prioritizing of their duties, making out list of tasks to be attended to daily, weekly or monthly, identifying personal hours of efficiency and using same to attend to challenging and most complex tasks. It helps to know when to permit interruption and fixing deadline for all jobs, acquiring new ideas and skills; avoiding pressures of deadlines as such may be counter-productive; encouraging team-building and effective delegation of duties. It helps members of the organisation to avoid excessive socialization and too many meetings as they hamper effective time management stride. The article examines the concept of effective time management together with tips and importance of time management.

Saleh, (2019) investigate that cultural differences have an effect on time management practices. The time management practices would then influence key job performance outcomes. A relationship, thus, exists between time management cultures and job performance which then influences organisational outcomes. Most of the time management research has, however, mainly focussed on monochronic western cultures. There is, therefore, very little insight into whether relationship in other cultural contexts, such as polychronic Middle Eastern countries. The aim of this study is to investigate the impact of time management practices on organisational performance of non-governmental organisations (NGOs) in Qatar. The study employs a multi-case study approach using three NGOs: Qatar - Japanese Friendship Society, Qatar Centre for Child Culture and Doha Centre for Media Freedom, in order to investigate the possible relationship that has been found to be mainly positive in monochronic western cultures. In investigating the relationship, the study also examines the perceptions (meanings) of time and identifies the factors that influence time management behaviours, in particular, the role of leadership and culture. The study adopts a mixed methods research methodology from a pragmatic perspective, employing questionnaires and semi-structured interviews. In total, 278 questionnaires were administered to employees and 7 interviews conducted with top management of the selected NGOs in Qatar. The study found that time management was of great importance and that cultural differences played a crucial role in its determination. Analysis of the interviews revealed that cultural factors had a strong impact on time management. It was also found that there was very little understanding about the impact of monochronic time and polychronic time. However, the study revealed that Qatari NGO employees had attributes that characterise polychronic culture and that the employees was interested to learn more about monochronic practices. In addition, the study showed that there was indeed a linkage between time management behaviours and

organisational performance. The study found that aspects of job outcomes, examined in respect of work balancing, work load and awareness building, were positively and significantly impacted by time management practices. Further, the research found that the NGOs under investigation have gradually been coming to terms and implementing effective time management strategies. These are increasingly recognised as important for the NGOs to achieve their organisational objectives.

Wendy and Olori, (2017) investigates the relationship between Time Management and Organizational effectiveness in manufacturing firms in Port Harcourt. The study adopted quasi-experimental research design since it is a cross sectional survey. The population of the study is 192, and the study focused on the population since the population size is small. The data were analyzed using Spearman's Rank Order Correlation Coefficient Statistic through the use of Statistical Package for Social Sciences (SPSS). The findings revealed a positive and significant relationship between Time Management and Organizational effectiveness. Hence, the study therefore concludes that Time Management affects Organizational effectiveness in manufacturing firms in Port Harcourt, and recommended that management should actively engage in prioritizing that will facilitate and improve organizational effectiveness in the organization. They should also delegate responsibility in order to improve customer's satisfaction and organizational effectiveness. They should encourage proper scheduling of work to various units in the organization to ensure organizational effectiveness. Effective organizational structure should be set up for proper control of the organizational resources that will ensure organizational effectiveness in the organizations. The research study could not cover the service organizations. Hence, there is need to examine the extent to which time management affect organizational effectiveness in manufacturing firms in Port Harcourt.

Osawe, (2017) examines that time is a special/worthy commodity that is given equally to everyone regardless of age, station, whether public or private sector. Time is always ever present to everyone, but no one ever seems to have enough of it. In Nigeria, the need for time management in organizations especially the public service cannot be over emphasized. Time management helps in achieving individual and organizational goals in view of the limited amount of time available to man. The article examines how time, which is available to all, yet scarce, can be managed to enhance effective and efficient service delivery in the public service. The article also beams a search light on organization of activities towards effective time management, as well as, the relationship between supervisors and subordinates as regards time management. The study discovered that Nigeria public servants are faced with time management problems which have become a hindrance to effective service delivery. Nevertheless, the article advances certain measures, which if adopted by the public servants will promote the virtue of time management that can lead to employee effectiveness and efficiency in the public service. Among others, employees in the public service should be encouraged to prioritize their activities, maintain a proper time audit in their work place, be prepared to adjust to the best use of time. They should be on guard against unscheduled visitors and telephone calls. Also meetings should be held during specific hours of the day, while other times should be devoted to work. These recommendations should be seen as strategies for effective work habit in the Nigerian public service.

## **RESEARCH METHODOLOGY**

### **Research Design**

The research design adopted for the purpose of this study is the survey type. This research design permits the collection of original or primary data meant for describing large population with individuals as units of analysis. Furthermore, this study focuses on observing what is happening to the sample subjects without any attempt to manipulate or control them in any way. This makes the selected survey design the most appropriate for achieving the aim of this study.

### **Population of the Study**

Basically, the populations for the study were created from Eco Banks in Asaba, Delta State. Hence the population is numbered 150 with employees and customers.

### **Sampling Techniques**

A stratified sampling technique was adopted for this study. Olannye (2006) noted that stratified random sampling technique is a probabilistic sampling method which ensures that the resultant sample is representative enough of the entire population. It is a sampling technique that gives every member of the population an equal chance of participation.

## DATA PRESENTATION AND ANALYSIS

### Analysis of Respondents Profile

**Table 4.1: Demographic information of the respondents**

Characteristics	Measuring group	No of valid responses	Valid percentages
<b>Gender</b>	Male	37	37
	Female	63	63
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Age</b>	Below 30years	50	50
	31 – 40	40	40
	Above 41	10	10
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Educational qualification</b>	SSCE/GCE/NECO	-	-
	NCE/OND	45	45
	HND / B.Sc	46	46
	MBA/M.Sc.	9	9
	<b>Total</b>	<b>100</b>	<b>100</b>
<b>Marital Status</b>	Married	65	65
	Single	35	35
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source: field work, 2021**

Table 4.1 shows the demographic information of the respondents. The table revealed that (37) 37% of the respondents were males and (63) 63% were females. In terms of age, (20) 20% of the respondents were in the age group of below 30 years, 70% (70) were in the age group of 31-40 years. While (10) 10% were above 41 years. In terms of Educational qualification, 50 (50%) NCE/OND, 40 (40%) were HND/B.Sc, while 10 (10%) are MBA/M.Sc. holders. More so, on marital status of respondents, 65 (65%) were married, while 35 (35%) of the respondents are single.

### Analysis of other Research Data

This section focuses on the analysis of responses to the major research questions which were broken down into fifteen (15) sub questions using the Likert scale of point 5. Specifically, they are analyzed using descriptive statistics.

#### Research Question 1: To what extent does time prioritizing influence organization survival?

**Table 4.2: time prioritizing and organization survival**

S/N	Statement	Scale				
		SA	A	U	D	SD
		5	4	3	2	1
1.	I usually use goal setting and a priority list	60	10	10	20	-

2.	I find documents and files easily and quickly in your work space	60	20	5	-	15
3.	I have time for leisure activities	20	50	10	20	-

**Source: field work, 2021**

Table 4.2 indicated time prioritizing influence organization survival. In statement 1, I usually use goal setting and a priority list, 70 (70%) were in agreement, 10 (10%) were the undecided rates and 20 (20%) were the disagreement rates. Statement 2, I find documents and files easily and quickly in your work space, 80 (80%) of the respondents were in agreement, 5 (5%) were undecided while 15 (15%) were in disagreement. In statement 3, I have time for leisure activities, 70 (70%) were in agreement, 10 (10%) were undecided and 20 (20%) disagreed.

**Research Question 2: What effect does time delegating have on organization survival?**

**Table 4.3: time delegating and organization survival**

S/N	Statement	Scale				
		SA	A	U	D	SD
		5	4	3	2	1
4.	I give my undivided attention to one task at a time	55	10	15	-	20
5.	I know which of my activities are high value producing ones	30	50	10	10	-
6.	I always plan to be 10 to 15 minutes early for all appointments	15	35	10	15	15

**Source: field work, 2021**

Table 4.3 shared time delegating and organization survival, I give my undivided attention to one task at a time. Statement 4 shows that 65 (65%) of the respondents agreed, 15 (15%) were undecided and 20 (20%) disagreed. In statement 5, I know which of my activities are high value producing ones, 80 (80%) were in agreement, 10 (10%) were the undecided rates and 10 (10%) were the disagreement rates. Statement 6, I always plan to be 10 to 15 minutes early for all appointments, 60 (60%) of the respondents were in agreement, 10 (10%) were undecided while 30 (30%) were in disagreement.

**Research Question 3: What is the effect of time scheduling on organization survival?**

**Table 4.4: time scheduling and organization survival**

S/N	Statement	Scale				
		SA	A	U	D	SD

		5	4	3	2	1
7.	I avoid becoming involved in other people's work doing things that they could or should be doing themselves	60	10	10	15	5
8.	I use a proper balance between computer and dictating equipment	20	55	15	10	-
9.	I believe that I have sufficient time available to spend on yourself, your family, community affairs and recreational/sporting activities	35	25	15	15	10

**Source: field work, 2021**

Table 4.4 indicated time scheduling and organization survival, I avoid becoming involved in other people's work doing things that they could or should be doing themselves, Statement 7, shows that 70 (70%) of the respondents agreed, 10 (10%) were undecided and 20 (10%) disagreed. In statement 8, I use a proper balance between computer and dictating equipment, 75 (75%) were in agreement, 15 (15%) were the undecided rates and 10 (10%) were the disagreement rates. Statement 9, I believe that I have sufficient time available to spend on yourself, your family, community affairs and recreational/sporting activities, 60 (60%) of the respondents were in agreement, 15 (15%) were undecided while 25 (25%) were in disagreement.

**Table 4.5: organizational survival**

S/N	Statement	Scale				
		SA	A	U	D	SD
		5	4	3	2	1
10.	It helps in building the company image	55	10	15	-	20
11.	It create a relatively stability and determinable of a well structure organization	30	50	10	10	-
12.	Organizations must maintain internal harmony in order to satisfies it stake holders	15	35	10	15	15

**Source: Field Work, 2021**

Table 4.5 organizational survival, It helps in building the company image, Statement 10, shows that 65 (65%) of the respondents agreed, 15 (15%) were undecided and 20 (20%) disagreed. In statement 11, It create a relatively stability and determinable of a well structure organization, 80 (80%) were in agreement, 10 (10%) were the undecided rates and 10 (10%) were the disagreement rates. Statement 12, Organizations must maintain internal harmony in order to satisfies it stake holders, 60 (60%) of the respondents were in agreement, 10 (10%) were undecided while 30 (30%) were in

disagreement.

**Table 4.6 Correlation matrix between studied variables**

		1	2	3	4
time prioritizing	Pearson correlation	1			
	Sig. (2-tailed)				
	N	100			
time delegating	Pearson correlation	.324**	1		
	Sig. (2-tailed)	.000			
	N	100	100		
time scheduling	Pearson correlation	.275**	.121**	1	
	Sig. (2-tailed)	.000	.000		
	N	100	100	100	
organization survival	Pearson correlation	.232**	.298**	.535**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

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

The result in table 4.6 shows that the tested variables showed an overwhelming positive correlation ranging from (.121 to .535.) Implying that, there is a significant positive association between the variables of time management and organization survival.

**Table 4.7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 <sup>a</sup>	.401	.392	1.6811

a. Predictors: (Constant), time prioritizing, time delegating and time scheduling

b. Dependent Variable: organization survival

Source: Research Data (2021)

**Table 4.8: Regression Analysis of time management and organization survival Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.037	1.130		2.688	.008
	time prioritizing	.472	.055	.461	8.623	.000
	time delegating	.236	.058	.227	4.094	.000
	time scheduling	.292	.057	.289	4.616	.000

Dependent Variable: organization survival

The B-values of time management are; time prioritizing ( $\beta = .461$ ,  $p < .001$ ) time delegating ( $\beta = .227$ ,  $p < .001$ ) and time scheduling ( $\beta = .289$ ,  $p < .001$ ) had exhibited positive effects on organization survival. The p-value calculated of time prioritizing ( $.000 < 0.05$ ), time delegating ( $.000 < 0.05$ ) and time scheduling ( $.000 < 0.05$ ) had predicted organization survival with a statistically significant at 0.05

## **HYPOTHESES TESTING**

### **Hypothesis One**

HO<sub>1</sub> There is no significant relationship between time prioritizing and organization survival.

Since the P value calculated in table 4.8 is lesser than the critical level of significance ( $.000 < 0.05$ ). The null hypothesis was rejected and the alternate hypothesis was accepted; this implies that time prioritizing affect organization survival.

### **Hypothesis Two**

HO<sub>2</sub>: There is no significant relationship between time delegating and organization survival.

Since the P value calculated in table 4.8 is greater than the critical level of significance ( $.000 < 0.05$ ), the null hypothesis was rejected while the alternate hypothesis was accepted this implies that there is significant relationship between time delegating and organization survival.

### **Hypothesis Three**

HO<sub>3</sub>: There is no significant relationship between time scheduling and organization survival.

Since the p value calculated in table 4.8 is lesser than critical level of significance ( $.000 < 0.05$ ), there was need to reject the null hypothesis and accept the alternate hypothesis implying that time scheduling affect organization survival.

## **Discussion of Findings**

### **Time Prioritizing and Organization Survival**

From the results of frequency analysis in table 4.4, indicated that majority of the respondents overwhelmingly responded positively to the various statements in relationship to time prioritizing and organization survival. It was reported that time prioritizing has the highest positive effect on organization survival ( $\beta = .461$ ,  $P < 0.01$ ). In furtherance, the test of hypothesis indicated in table 4.8 reveals that time prioritizing has a significant relationship with organization survival ( $.000 > 0.05$ ). These findings is consistent with Kelly (2002) argued that many of the tasks we face during a day seem equally urgent and important. Yet, if you take a closer look, you will see that many of the urgent activities we are involved are not really important in the long run.

### **Time Delegating and Organization Survival**

From the results of frequency analysis in table 4.4, indicated that majority of the respondents overwhelmingly responded positively to the various statements in relationship to time delegating and organization survival. Furthermore, it was reported that shared time delegating has the least positive effect on organization survival ( $\beta = .227$ ,  $P < 0.01$ ). In furtherance, the test of hypothesis indicated in table 4.8 reveals that there is a significant relationship between time delegating and organization survival ( $.000 < 0.05$ ). These findings agree with the view of Ziss, as cited in Wendy and Olori, (2017)

stated effective delegation is essential to developing high quality leaders. By delegating work, managers are able to coach, train, and develop competent employees, making them more valuable to the organization.

### **Time Scheduling and Organization Survival**

From the results of frequency analysis in table 4.5, exhibited that majority of the respondents overwhelmingly responded positively to the various statements in relationship to time scheduling and organization survival. It was reported that time scheduling has a positive effect on organization survival ( $\beta = .289$ ,  $P < 0.01$ ). In furtherance, the test of hypothesis indicated in table 4.8 reveals that time scheduling has a significant relationship with organization survival ( $.000 < 0.05$ ). These findings are consistent with Mitchell and James as cited in Wendy and Olori, (2017) argued that setting up a schedule will allow firms to develop a systematic time frame which will allow them to complete the project on time.

## **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **Summary of Findings**

The result based on the descriptive statistics on respondents profile reveals that (37) 37% of the respondents were males and (63) 63% were females. In terms of age, (20) 20% of the respondents were in the age group of below 30 years, 70% (70) were in the age group of 31-40 years. While (10) 10% were above 41 years. In terms of Educational qualification, 50 (50%) NCE/OND, 40 (40%) were HND/B.Sc, while 10 (10%) are MBA/M.Sc. holders. More so, on marital status of respondents, 65 (65%) were married, while 35 (35%) of the respondents are single. The adjusted  $R^2$  value of .392 shows that 39.2% of variance in organizational performance is accounted for by the joint predictive power of time prioritizing, time delegating and time scheduling.

The descriptive statistics on the research questions revealed that majority of the respondents overwhelmingly responded positively to the various constructs in relationship to time prioritizing and organization survival, time delegating and organization survival and time scheduling and organization survival.

### **Conclusions**

Based on the analyses of the data gathered for this study, it is obvious that time management actually affects organization survival of Eco banks in Asaba, Delta State.

The manifestations of these effects in the banking sector are evidenced in unsatisfied customers and decrease in market share.

The essence of business existence is to satisfy customers while making profit and occupying a market space, but the reverse is the case in the Nigerian banking industries. Apart from the epileptic power supply that has crippled the Nigeria banking sector, most companies do not consider effective time management in their day-to-day activities. Therefore, organizations that lack time management equally lack effectiveness in their mission statement.

### **Recommendations**

On the basis of study results and researcher conclusions, he suggests the following recommendations to meet the study objectives.



1. Management in banks in Delta State should actively engage in prioritizing that will facilitate and improve organizational effectiveness in the organization.
2. They should also delegate responsibility in order to improve customer's satisfaction and organizational effectiveness.
3. They should encourage proper scheduling of work to various units in the organization to ensure organizational effectiveness.
4. Effective organizational structure should be set up for proper control of the organizational resources.

### **Contributions to knowledge**

The study contributes to knowledge in the following ways:

- i) The study established the development and implementation of time management to actualize the organizational objectives and goals.
- ii) The study provided a modified model of dimensions of time management and organizations survival in banking sector

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# FINANCIAL INTERMEDIATION COSTS AND ECONOMIC GROWTH OF NIGERIA: AN EMPIRICAL DISCOURSE

MBAGWU ONYINYECHI NNEKA & CHIGBO NKEIRUKA CHINYERE

## Abstract

*Undoubtedly, finance is an essential component for the growth of any country's economy and that one of the ways through which finance becomes very efficient and productive is through financial intermediation. On this premise, the study investigated the effect of financial intermediation costs on economic growth in Nigeria from 1990 to 2019. The regressor is financial intermediation costs measured by aggregate bank deposits, aggregate bank credits, and prime lending rate and deposit rate while the regressed is economic growth measured by real gross domestic product (RGDP). The study adopted the using the Ordinary Least Square (OLS) estimation techniques. The study adopted that the Central Bank of Nigeria (CBN) statistical Bulletin over the study periods. Accordingly, the cointegration test clearly revealed that on the overall, financial intermediation costs have long run statistical significant impact on the growth of the Nigerian economy. Individually, the OLS revealed that aggregate bank deposits and deposit rate bears positive and high statistically significant impact on growth. Meanwhile, aggregate bank credits and prime lending rate bears negative and insignificant impact on growth. Hence, we conclude that only aggregate bank deposits and its deposit rate are strong determinants of growth. In this light, the study therefore recommends that effort should be made to encourage aggressive deposit mobilization and accumulation strategy since it fastens the growth and development process. More so, banks must ensure that her loans are customer-centered necessity undermining her profit objective.*

**Keywords: Financial Intermediation Costs, Economic Growth, Empirical Discourse, aggregate bank deposits, aggregate bank credits, prime lending rate and deposit rate.**

## 1. Introduction

Undoubtedly, finance is an essential component for the growth of any country's economy and that one of the ways through which finance becomes very efficient and productive is through financial intermediation. By way of explanation, financial intermediation is about deposit accumulation and allocation (Samuel, John, Ethelbert & Michael, 2020). Obviously, since banks help to channel financial resources from savers to borrowers/investors, they are recognized as a conduit for financial intermediation and are also termed financial intermediaries (Sulaiman, Migiro & Yeshihareg, 2015).

The foregoing suggests that, without the banking industry, there can never be economic balance between the two paramount economic agents (Unvan & Yakubu, 2020). By extension, the banking industry is not just crucial to economic agent only; instead they also service different sectors of the economy at large. However, in the process of banks mobilizing funds and granting of credit facilities to different sectors of the economy, they incur cost which is known as financial intermediation cost

(Obim, John, & Orok, 2018). These costs incurred by banks through the process of financial intermediation are channelled to creditors and debtors as the spread between lending and deposit rate.

Furthermore, in vast developing countries, financial intermediaries such as banks have a greater inclination to impact the level of financial intermediation due to the fact that the financial system of these countries is bank-based (Ibrahim, Aziza & Iklim, 2021). More so, the rate and speed of economic growth of a given country is as a result of the effectiveness of banks in the financial intermediation procedures. Again, banks' effectiveness is dictated by their capacity to stimulate savings and channel credit optimally for investment goals. Further, the most favorable state for banks to intermediate perfectly is in the presence of an imperfect market. Oluwasogo, Princess, Oluwatoyin and Folasade (2017) stated that if banks should function most in a perfect market, their operations become insignificant due to the fact that savers and investors disregard the use of perfect information which is very essential and compulsory to have direct access to one another.

In recent years, experts and researchers have given paramount attention on the effect of financial intermediation cost on economic growth, with different variables under study but however, the relation between these variables has remained aggravated. Apparently, most of these scholars and researchers have ignored the other aspect of financial intermediaries such as the lending rate margin and deposit rate margin which also have great effect on growth, and have only taken into cognizance the commonly employed individual indicators which include broad money supply, credit to private sector, savings, and interest rates and so on. On this ground, we seek to contribute to the global literature knowledge on financial intermediation cost and economic growth by looking into lending and deposit rate as regressors. Again, employing a singular measure is utterly restrained and does not give detailed reflection of financial intermediation cost. To modify from preliminary studies and to give a more extensive analysis, we considered financial intermediation leaning on three broad indicators (lending rate margin, deposit rate margin, and domestic credit by the financial sector).

Additionally, this study seeks to contribute to the financial intermediation cost and economic growth literature in two ways. First, we are unaware of any existing study employing an index of financial intermediation to investigate its impact on economic growth, particularly in Nigeria. Thus, we present a pioneering attempt in this context. Apart from this, we seek to examine the short- and long-run impact of financial intermediation cost on economic growth by applying the autoregressive distributed lag (ARDL) framework using most recent data.

The paper is further organized as follows: Section 2 presents the literature review; Section 3 outlines our analytical strategy, data collection method, technique and estimation procedures; Section 4 dealt with the empirical results while section 5 accounted for the conclusion and recommendations.

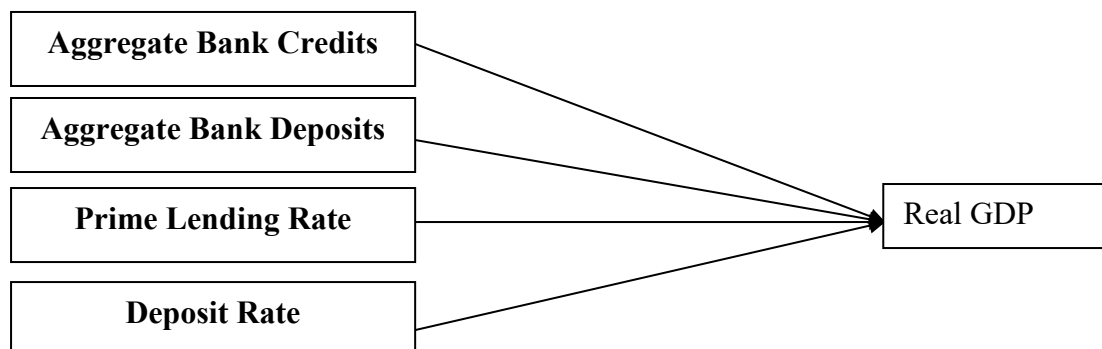
## 2. Review of Related Literature

### 2.1. Conceptual Clarification and Linkages

Globally, in every developing country, the issue of economic growth remains the most paramount subject of discourse. By way of exposition, economic growth is the increase in the monetary value of goods and services over a period of time. It is usually expressed as real gross domestic product. Hence, for an economy to grow the various financial intermediation cost must be considered. Agbada and Osuji (2013) added that, for every given economy to experience growth there must be an upward direction movement of savings and investment which also leads to an upsurge in capital formation.

As espoused by Ekejiuba, Matthew, and Adegboye(2017), financial intermediation is an efficient financial system technique whereby intermediaries create a channel between savers sector and borrowers sector in the economy. Meanwhile, the gross discrepancy between gross cost of a loan paid by debtor and the net received by a creditor or depositor is referred to as cost of intermediation (Samuel, John, Ethelbert & Michael,2020; Alimi & Adeoye, 2020).

Furthermore, Alimi and Adeoye (2020) submitted that financial intermediation costs are germane to economic growth. .Based on this premise, the schematic model of this study is represented thus:



**Figure 1: Financial Intermediation Cost and Economic Growth**  
**Source: Researcher's Model (2021)**

### 2.2. Theoretical Underpinning

Although, there are several financial intermediation cost theories postulated by but we only considered the Loanable funds (LF) theory. The LF theory states that the supply and demand of a given economic are factors that determined the level of interest rate in a financial system. It also includes the linkage of deposits money, and saving on the supply sector of the economy. Globally, business tycoon and shareholder order for loanable funds to fund their productive business activities. These business men tend to use their finances to fund the expansion of their business by increasing their capacity improving their equipment by replacing them with new facilities and machinery and other fixed asset. According to (Nzotta, 2004), such investments upsurge the degree of their output, hence, stimulate real growth in the country's economy, which is in turn measured by gross domestic product.

Furthermore, the concern for individual and household to meet their consumption need will generate interest in them in seeking for loanable fund in other to fund such needs. This also goes the same way with the government who also need fund to finance their budget deficit especially in a situation where the government expenditure exceeds government revenue. This deficit state forces government to demand for loanable funds.

### **2.3. Empirical Reviews**

Overtime, researchers have sought to establish a relationship between financial intermediation cost and economic. According to Samuel, John, Ethelbert, and Michael (2020) persistent increase in the rate of interest or financial intermediation cost results in depression of potential saving due low returns on bank deposits.

Ibe and Nwachukwu (2020) investigated the impact of financial intermediation on economic growth in Nigeria between 1981 and 2018. Time series data was used. Variables considered include: Credit to private sector, Deposit mobilization rate, Credit to public sector, and Financial deepening rate (FDP) against Gross Domestic Product GDP. Econometrically, Generalized Method of Moments (GMM) technique was adopted. The results indicate that financial intermediation cost induce growth.

Samuel, John, Ethelbert, and Michael (2020) focus on the determinants of the cost of financial intermediation in pre and post-bank consolidated era. Variable considered includes: Credit to the private sector (CPS), Total deposit (TD), and Interest Rate (IR) against GDP. It was discovered that there was a significant relationship between total deposit and gross domestic product in Nigeria. Interest rate was also found to have a significant effect on gross domestic product in Nigeria.

Usman, Alimi and Onayemi (2018) evaluated the effect of bank intermediation activities on economic growth in Nigeria within the period 1983 and 2014. Data was obtained from Central Bank of Nigeria Statistical Bulletins. The result showed that loan and advances and money supply induce growth.

Oluwasogo, Princess, Oluwatoyin and Folasade (2017) evaluated the effect of financial intermediation on economic growth in Nigeria within the period 1980 to 2014. The adopted the Johansen cointegration test and Error Correction Model. The study showed that financial intermediation has a long-run relationship with economic growth.

Ekejiuba, Matthew and Adegboye (2017) examined the effect of financial intermediation on economic growth in Nigeria from 1980 to 2014. The Vector Error Correction Model (VECM) test was conducted. The result showed that financial intermediation is growth inducing.

Gisanabagabo and Ngalawa (2016) empirically investigated the possible cointegration and causal link between financial intermediation and economic growth in Rwanda within the period of 1960 to 2010, using quarterly data spanning. A Structural Vector Autoregressive model was used to analyse the



short-run dynamics between the variables used. The findings showed evidence of cointegrating relationship between financial intermediation and economic growth.

Olowofeso, Adeleke and Udoji (2015) examined the impacts of private sector credit on economic growth in Nigeria from 2000:Q1 to 2014:Q4. Variables under study includes, private sector credit, prime lending rate and deposit money banks against economic output. The Gregory and Hansen (1996) cointegration test was adopted. The study confirmed a positive and statistically significant relationship exist between private sector credit and output while increased prime lending rate inhibits growth

Nwanne (2015) assessed the implications of financial intermediation cost on economic growth in Nigeria. Variables considered include: total deposit, interest rate, and total loans against RGDP. The study shows that total deposit, interest rate and total loan significantly impacted on economic growth in Nigeria in a positive manner. Meanwhile, total deposits impair growth.

### **3. Methodology**

This section describes the methodology employed in this study. Methodology consists of the procedures to be used for collecting data, summarizing and analysing the data gathered in order to answer the research questions. It is intended to applying the chosen methods in the research to minimising the expected values of resultant information as well as association level of accuracy. This section covered the following sub-sections:

#### **3.1. Research Design and Data Collection Method**

Since the study variables are historical in nature, the expost-facto research design was deemed most suitable research design for this study. Accordingly, we sourced data from the CBN statistical bulletin with respect to the variables under investigation. Variable considered include: Real GDP, aggregate bank credits, aggregate bank deposits, prime lending rate, and deposit rate.

#### **3.2. Data Estimation and Model Specification**

The ordinary least technique alongside correlation analysis and pre-test (unit roots and cointegration test) served as the data estimation technique through the aid of econometric views (E-Views) version 9.0. The choice of E-views is based on user-friendliness and compatibility. Meanwhile, our adopted model was crafted from the works of Samuel, John, Ethelbert, and Michael (2020) but differs from his in that we included deposit rate in our model which they failed to capture. Also, we used aggregate bank credits in place of credit to private sector since that measure does not cover other sector. Econometrically, our model is stated thus:

$$RGDP = \beta_0 + \beta_1AGBD + \beta_2AGBC + \beta_3PLER + \beta_4DEPR + \mu \dots \dots \dots 1$$

**Where:**

RGDP	=	Real Gross Domestic Product
AGBD	=	Aggregate Bank Deposit
AGBC	=	Aggregate Bank Credit
DEPR	=	Deposit Rate
$\beta_0$	=	Intercept
$\beta_1$ - $\beta_4$	=	Coefficient of the parameter estimates
$\mu$	=	Error term.

**Table 1: Operationalization of Target Variables alongside A priori expectation**

Variables	Proxy	Symbol	Source	Expectation
Economic growth	Real GDP	RGDP	CBN statistical bulletin (2019)	NIL
Financial Intermediation Costs	Aggregatebank credits	AGBC	CBN statistical bulletin (2019)	Negative
	Aggregate bank deposits	AGBD	CBN statistical bulletin (2019)	Positive
	Prime Lending Rate	PLER	CBN statistical bulletin (2019)	Negative
	Deposit Rate	DEPR	CBN statistical bulletin (2019)	Positive

**Source: Researcher's Compilation (2021)**

**Note:** The justification for the Apriori expectation is that aggressive deposit mobilization and accumulation vis-à-vis aggregate bank deposits alongside high deposit rate fastens growth provided aggregate bank credits are used efficiently and that lending rates is comparably low.

#### 4. Results and Discussion

This section began with data analysis and then moved to the regression result and discussion proper. The result is therefore presented below.

##### 4.1. Data Analysis

The study data was analyzed using correlation analysis, unit root (Augmented Dicker Fuller) test and cointegration test. Firstly, correlation analysis measures the linear relationship between the dependent and independent variable. Wherein the Pearson correlation result reports a negative coefficient suggest that variables of interest are negatively correlated while if it report negative result instead, it means that the variables of interest is positively correlated. Accordingly, table 1 reported that all the variables are negatively correlated with real gross domestic product except aggregate bank deposit and deposit rate. This is because it reported a positive Pearson correlation value of 0.766741 (76.61%). More so, when all the regressors are compared, it can be inferred that they have low Pearson correlation since even that with the highest Pearson correlation value stood at 0.663169. The result is explicitly presented below:

**Table 1: Pearson Correlation Analysis for all Study Variables**

	RGDP	AGBC	AGBD	PLER	BMOS
RGDP	1.000000				
AGBC	-0.039010	1.000000			
AGBD	0.766741	-0.010928	1.000000		
PLER	-0.502373	-0.118639	-0.483817	1.000000	
DEPR	0.513597	-0.213248	-0.546972	0.663169	1.000000

**Source: Econometric Views Version 9.0. (2021).**

Secondly, in a bid to avoid spurious regression, we started with the conduct of the unit roots tests. Based on Augmented Dickey-Fuller (ADF) tests show that all the target variables are stationary at first differencing. This is because at this level, the value of ADF test statistic was lower than the ADF critical values (absolute) at 5% level of significance. Details of the test at levels with intercept are contained in Table 2 below:

**Table 2: Summary of Augmented Dickey-Fuller (ADF) tests (All Logged)**

Target Variables	ADF Test Statistics	MacKinnon Critical Value @ 5% level	P-Value	Order of Integration	Decision
Real GDP	-3.262612	-2.971853	0.0267	1(1)	Stationary
Aggregate bank credits	-3.803938	-2.971853	0.0076	1(1)	Stationary
Aggregate bank deposits	-4.468580	-2.967767	0.0014	1(1)	Stationary
Prime Lending Rate	-4.084606	-2.967767	0.0037	1(1)	Stationary
Deposit Rate	-6.104081	-2.976263	0.0000	1(1)	Stationary

**Source: Econometric Views Version 9.0. (2021).**

Thirdly, having established that the time series are stationary at 1(0) and 1(1), we then proceed to co-integration test. The result shows 2 co-integrating equations. This suggests that both constructs are related on the long run. The cointegration test is therefore presented below:

**Table 3: Summary of Johansen- Juselius cointegration test**

<b>Lags interval (in first differences): 1 to 1</b>				
<b>Unrestricted Cointegration Rank Test (Trace)</b>				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Critical Value @ 5%	Prob.**
None *	0.904687	156.9067	107.3466	0.0000
At most 1 *	0.832254	98.14196	79.34145	0.0010
At most 2	0.659098	53.50932	55.24578	0.0705
At most 3	0.419742	26.60534	35.01090	0.2956
At most 4	0.328690	12.99829	18.39771	0.2412
Trace test indicates 2 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				
<b>Unrestricted Cointegration Rank Test (Maximum Eigenvalue)</b>				
Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	Critical Value @ 5% Value	Prob.**
None *	0.904687	58.76473	43.41977	0.0006
At most 1 *	0.832254	44.63264	37.16359	0.0058
At most 2	0.659098	26.90398	30.81507	0.1398
At most 3	0.419742	13.60705	24.25202	0.6231
At most 4	0.328690	9.963114	17.14769	0.4007
Max-eigenvalue test indicates 2 cointegrating eqn(s) at the 0.05 level				

\* denotes rejection of the hypothesis at the 0.05 level

\*\*MacKinnon-Haug-Michelis (1999) p-values

Source: **Econometric Views Version 9.0. (2021).**

#### 4.2 Discussion of Result

In linear regression, the size of the coefficient for each regressors gives the magnitude of the effect which the regressor has on the regressed while coefficient sign (positive or negative) gives the direction of the effect. Explicitly, the regression result is therefore presented below:

**Table 4: Summary of OLS Result**  
**Dependent Variable: LOG(RGDP)**

Method: Least Squares

Date: 06/24/21 Time: 13:30

Sample: 1990 2019

Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.922006	1.559607	4.438301	0.0002
LOG(AGBC)	-0.006532	0.012577	-0.519399	0.6084
LOG(AGBD)	0.000843	0.000112	7.520349	0.0000
LOG(PLER)	-0.077995	0.059249	-1.316376	0.2010
LOG(DEPR)	0.122201	0.042741	2.859112	0.0089
R-squared	0.898921	F-statistic		40.90895
Adjusted R-squared	0.876947	Prob(F-statistic)		0.000000
Durbin-Watson stat	2.012525			

Source: **Econometric Views Version 9.0. (2021).**

Table 4 above reported 89.89% variation in economic growth is jointly attributed to financial intermediation cost while the remaining 0.11% is error driven. This implies that financial intermediation cost proxies used in this study are appropriate for prediction. More so, the Durbin Watson (DW) statistic of 2.012525 indicates that the model is not auto-correlated.

Furthermore, the p-value of the F-Statistic is less than  $< 0.05$ ). This showed empirically that on aggregate financial intermediation costs induce growth significantly. Consequent upon this, it was concluded that on the overall financial intermediation costs bears a statistically significant impact on growth. Meanwhile, at individual variable level, with a positive coefficient value of 0.000843 and 0.122201, it is concluded that aggregate bank deposits and deposit rate induces growth. This implies that that a 1% rise in both aggregate bank deposits and broad money supply will increase economic growth in Nigeria by 0.89% and 12.20%. This result is in line with the a-priori expectation of the study which assume that high deposit accumulation and deposit rate increases bank efficiency which in turn increase economic output. More so, both parameter estimates passed 5% significance level.

Further, with a positive coefficient value of -0.006532 and -0.077995, it is concluded that aggregate bank deposits and broad money supply induces growth. This implies that that a 1% rise in both aggregate bank credits and lending rate impairs economic growth in Nigeria by 0.65% and 7.80%.

This result is in line with the a-priori expectation of the study which assume that high lending rate decreases banks' ability to honor loan request which in turn dampens economic output. Hence, it is justifiable for high aggregate bank credits and deposit rate to deter economic growth. However, both parameter estimates failed 5% significance level woefully. Accordingly, this result confirms the findings of Ngalawa (2016); & Olowofeso, Adeleke and Udoji (2015) but deviated from the findings of Ekejiuba Matthew and Adegboye (2017); Gisanabagabo (2020) and Nwanne (2015).

## **5. Conclusions and Recommendations**

The study investigated the effect of financial intermediation costs on economic growth in Nigeria from 1990 to 2019 using the OLS estimation technique. Accordingly, the cointegration test clearly revealed that on the overall, financial intermediation costs have long run statistical significant impact on the growth of the Nigerian economy. Individually, the OLS revealed that aggregate bank deposits and broad money supply bears positive and high statistically significant impact on growth. Meanwhile, aggregate bank credits/loans and advances and lending rate bears negative and insignificant impact on growth. Hence, we conclude that only aggregate bank deposits and its deposit rate are strong determinants of growth. In this light, the study therefore recommends that;

1. Effort should be made to encourage aggressive deposit mobilization and accumulation strategy since it fastens the growth and development process.
2. Banks must ensure that her loans are customer-centered necessity undermining her profit objective.
3. Nigerian banks should ensure that the current move of increasing its deposit interest rate should be sustained. This will propels growth.
4. Effort should be made to reduce the current lending rate as it dampens growth.

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# ADVOCACY FOR COMMUNITY AND STATE POLICING: AN ANTIDOTE TO INTERNAL INSECURITY IN NIGERIA

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## ABSTRACT

This paper examined the horrific state of Nigeria's internal insecurity situation and highlighted the urgent need for the adoption of Community/State Policing to arrest the spate of internal Insecurity. To achieve this, a cursory look into the origin of Community Policing was taken both in Europe and Nigeria. It also took a historical journey of the Nigerian Police Force, right from the colonial era, then post-independent Nigeria, and efforts made at implementing Community policing. The Frustration-Aggression and System Theories were adopted. Examples of the practice of Community/State Policing in an African country were looked at and suggested as a model to be used in the operationalization of community/State policing in Nigeria. On a final note, it was however suggested that a return to true federalism and the autonomy of the third-tier of government is sacrosanct and a veritable platform for the smooth implementation of a community/state Police in Nigeria.

**Keywords:** Community, Crime, Police and Policing.

## INTRODUCTION

Contrary to the expectation of compatriots after the current administration of President MuhamaduBuhari came into office, a general feeling of insecurity and helplessness is on the increase in the land. From brutal kidnappings, armed robberies, and ritual killings, which have risen to an unbelievable dimension. The State has very recently, requested the Federal Government to declare a state of emergency on the rate of ritual killings in the country. Suicide bombings, Banditry especially

in the Northern Eastern part of the country, rampaging and murderous Fulani herdsmen, to the ugly rumors of politicians unduly hobnobbing with members of the armed forces to destabilize the nation are worrisome. Nigerians have realized that they have been given the short end of the stick. In all this, the security forces appear to be helpless as well. Indeed Nigerians no longer have an inner confidence that the state can protect lives and property and provide a climate where prosperity could spring forth.

Added to this is the tension caused by the rising cost of living, inflation, power failure, job losses especially with the onslaught of the Covid-19 pandemic, failing businesses, the abysmal rate of exchange of the naira to other currencies, unemployment, and a feeling of despondency leading to an increase in suicide rate are challenges we also face. People are disenchanted with the current Federal government because it fails to address the basic daily problems, which confront them. Uncertainty about the fate of the economy and how to face the future is a major concern.

Ensuring general security is the main duty of government to the people. Any government, which fails to guarantee the safety of life and property, is not worth its salt. In Nigeria, internal security is the responsibility of the Nigerian Police. The intelligence arm of the police, along with other security agencies such as the Department of the State Security Service (DSS), is charged with gathering intelligence to thwart acts that could be detrimental to the nation. Tied to this, after criminal acts have been carried out, the police ought to be able to fish out the culprits. Our experience has been that criminals of some bastardly crimes are hardly ever caught. Intelligence gathering has failed. Crime prevention is abysmal.

Presently, kidnapping has entered the realm of 'familiar' crimes. Countless families have been subjected to the trauma of abductions. From school children to adults, royal fathers to the aged, etc. all have not been spared. In some cases, there is a loss of life. Ransom is paid, and the victims are released. . Indeed, some families would rather negotiate with the kidnappers rather than report to the police. The time has come for the Nigeria Police to develop counter-measures to this menace.



Kidnapping ought to be contained given the level of telecommunication equipment which is available in the market.

Also very distressing are reported cases of criminals who masquerade as herdsmen to perpetuate wanton acts of destruction of lives and property across the country. Benue, Kaduna, Kano, Plateau Ebonyi including Delta state, citizens have become victims of vicious attacks while carrying out the basic simple task of tending their crops on their farms. While in Benue state the Agatu massacre has gone down in history as one of the most deadly attacks in modern Nigeria History. In 2017, a state legislator representing the Ethiope East local government of Delta states was reported to have cried out that helicopters bring supplies to these scoundrels who are said to be deeply embedded in the area and who had no authority in the first place to lodge there. (The Guardian, 2017). Ekiti state, Benue State, and states in the South-South have all passed the anti-open grazing law to curb the menace of herdsmen whose cattle graze on farms met for agricultural produce. The federal government has not taken concrete steps to deal with the situation.

Sadly, the barbaric act of ritual killing is still present with us. Some depraved citizens still believe that offering a human being for sacrifice is a gateway to prosperity. Reports of the disappearance of children, ladies, are rife. Sometimes, corpses are found with missing body parts. Unlike the police counterparts in other countries who pursue mysterious crimes to a logical conclusion, the reverse is the case in Nigeria. One must not fail to point out the efficiency of the British Police who came to Benin-City, Nigeria on account of a torso they found floating on the River Thames (The Guardian, 2017).

With the current scourge of the aforementioned crimes, the effectiveness and efficiency of the Nigerian police force have become a reoccurring debate amongst the citizenry. The new wave of criminality perpetrated by nefarious elements within the society has further revealed how incapacitated, ill-equipped, and unprepared the Police force is in dealing with the situation of prevention and the detection of crime, as well as maintenance of law and order.

The administration of community policing, as an antidote to crime prevention, entails the participation of citizens as well as law enforcement officers, a form of partnership, with a resolve to combat or prevent criminality. It is a well-known fact that in places where community policing is administered or being practiced, such communities exhibit a greater capacity to resist crime, reduce fear, and restore or sustain civic vitality. For the Police to be seen as effective and efficient, a synergy between the community and State Policing should be seen as a collective responsibility, not just by all arms and agencies of government alone, but more importantly, the individual that makes up the community as security is local.

The clarion call for state Police, restructuring, and true federalism is not unconnected with the aforementioned state of insecurity in the nation. The advocacy for state/community Policing as an antidote to crime prevention in Nigeria can best be operational under the practice of true federalism as seen in Developed Nation.

This paper is focused on breaking barriers of lack of confidence and support of the people towards the Nigerian Police Force in areas of prevention of crimes and apprehension of offenders. To achieve this, new ideas tailored to modern-day policing techniques otherwise known as community Policing will be critically delved into vis-a-vis seeing how the Nigerian Police force can be revamped, restructured, and reformed along with the same principles.

Again, it aims to underscore the countless benefits of community policing in partnership with the State Police as a modern-day policing strategy for preventing crime in society under the practice of true federalism. In addition, to make recommendations on how to administer the principles of community policing to the Nigeria Police in a bid to ensure the safety of lives and property within the country.

### **Conceptual Clarification**

**Community:** This refers to people inhabiting a certain locality, having some degree of political autonomy, a sense of fellowship, a uniform set of religious beliefs, ethnic homogeneity, and often a particular dominant occupational function. (Ojameruaye, 1999).

**Crime:** Crime is a term used to describe any activity that involves breaking the law or a deliberate violation of public law and order in private or public. It also depicts any act that subjects the culprit to legal punishment. Such illegal, immoral and criminal activities, which make up crime include; burglary, stealing, advanced free fraud, embezzlement, white collar crimes, inter-person or group street fighting, Hooliganism, arson, deliberate killing, murder, the massacre of persons, armed robbery, acts of terrorism and cross border banditry. Others include human, currency, and drug trafficking(s), auto theft, computer or cyber-crimes, rape, and kidnapping escapades which have taken an immense dangerous toll on public order and internal security machinery.

**Police:** An official organization whose job is to make people obey the law and to prevent and solve crimes; the people who work for the organization. (Oxford Advanced Learners Dictionary page 1121, 7th Edition).

**Policing:** The activity of keeping order in a place with police, an activity to make sure that people obey the rules.

### **Origin of Community Policing**

Traditionally, policing was the responsibility of all adults in the community. In medieval society, for instance, all adult males were obliged to contribute to the prevention and control of crime and disorder under the "hue, cry, and pursuit", and the "watch and ward" that preceded the emergence of specialized Police Forces as organs of the state (Alemika &Chukwuma, 2003:2),

However, the emergence of the state, with its vast bureaucracies anchored on centralization, hierarchical authority/power structure, and professional staff changed the traditional policing philosophy rooted in the idea of policing as everybody's business. (Weber, 1968).

Community Policing like all policing techniques, which could be traced to Sir Robert Panel is about preventing crime. In an era of decreasing resources, the administration of state policing in crime prevention offers a cost-effective way to make communities safer. (Bureau of Justice Assistance, 1997: 2).Community policing which is also considered modern or democratic policing traced its origin to the British system of policing. In 1822, a committee was constituted to re-examine the policing of London in 1929. Based on their findings, the Home Secretary, Robert Peel, introduced the "Metropolitan Police Act" thus giving birth to a more serious approach to law enforcement. (Dunu, 2010:2).

On the 29th of September, 1929, the Metropolitan Police was founded, and the new Police were charged with the responsibility of preventing crime and arresting Offender. Furthermore, Sir Robert Peel 1929 came up with nine fundamental principles of community policing.

**PRINCIPLE 1:** According to Robert Peel, the primary duty of the Police is to prevent crime. As such, in achieving this, he reiterated the need for visible policing or neighborhood watch, whereby the Police should be seen as a proactive agent rather than reactive.

**PRINCIPLE 2:** To succeed in crime prevention, the police must solicit the support and cooperation of other public/private agencies.

**PRINCIPLE 3:** To prevent crime, the police must seek the support and cooperation of the community. In doing this, the police have to partner and collaborate with the community to achieve the onerous task of fighting crime. This forms the basis of community policing whereby the police partner with the community by pulling resources together to provide a safe and secured environment.

**PRINCIPLE 4:** The police should maintain and sustain a cordial relationship with the public/community to build trust between the Police and the community. This will boost intelligence-led policing which is one of the feathers of community policing. (Dunu, (2010)

The few principles highlighted above as prescribed by Sir Robert Peel are considered the birth of community policing in England. These innovations by Sir Robert Peel however met stiff opposition from both the British Police as well as the citizens. About 134 Police Constables resigned their appointments simply because; they felt the reform has come to displace them of their position of authority.

However, fifteen years later, the community and the Police soon realized the importance of Sir Robert Peel's reforms, as this gave rise to Police efficiency and effectiveness in preventing crime in the whole of England. At the achievement of these objectives, Sir Robert Peel was regarded as the founder of modern, democratic, community policing which practiced ushered in a safer secured environment for all its citizens in the early nineteenth century British society.

### **Community Policing in Nigeria**

It must be recalled that in the pre-independence era, the Native Authorities were in direct control of their domains. It was the primary responsibility of the NA police to maintain law and order in their respective localities. Through the NA police departments, the naïve authorities were able to enforce local ordinances, bye-laws, rules, and regulations of the localities or municipalities over which they presided. It was the intervention of the military in the nation's body politics that foisted a centralized police force on the entire country.

In Nigeria, Community Policing was inaugurated on the 27th of April 2004 by President Chief OlusegunObasanjo. Enugu state was the first state where the first total of seventeen states namely, Kano, Ondo, Ogun, Jigawa, Benue, Lagos, F.C.T, Kaduna, Borno, Oyo, Edo, Kogi, Cross Rivers,

Anambra, Bauchi, and Imo states have all been included in the project. This project has been made possible through the Department for International Development (DFID), and the British Council. Several Police officers have benefited from this laudable project as most of these police Officers have undergone both local and international training and which has earned them the name of Community Policing Developers.

With all of these giant steps undertaken by the Police force, the nation's Police Force continues to be confronted with failures in its effectiveness and efficiency in the prevention and control of crime, in the defection, apprehension, and prosecution of offenders among others. So much distrust from members of the public in sharing information that could assist the Police in fighting crime. Sir Robert Mark, in his seminar " Policing a Complex Society " noted that essential weapons in our armory ( the Police ) are not firearms, motors, cars, teargas, or rubber bullets, but the confidence and support of the people on whose behalf we act, Sir Robert Mark, ( 1977:24 ).

Community policing generally is a philosophical approach to the entire business of public safety. It is therefore not a tactic but it prescribes some "kinds of tactics and proscribes others. It is not an operational directive, but it directs operational style. One notable scholar summarized it thus: Community policing is not a clear-cut concept, for it involves reforming the decision-making process and creating, a new culture within police Departments, rather than being a specific tactical plan. It is an operational strategy that redefines the goals of policing" Goldstein, (1990) & Moore, (1992). Succinctly put, community policing relies on organizational decentralization and a reorientation of the patrol to facilitate two-way communication between police and the public.

### **The Nigerian Police Force**

Every civilized society employs a body of people to maintain law and order within the society. This body is the police force. The evolution and historical role and functions of the Nigerian Police force

cannot be meaningfully discussed without reference to the colonial Police force which took root from the British Police. Brogden,(1982).

The Nigerian Police force was developed out of the British interest in West Africa. Such interest included commerce, abolition of the slave trade, and resolution of conflicts between African traders on the one hand and between the African traders and European traders on the other. In August 1873, the then British Foreign Secretary, Mr. Granville instructed Consul Harley to "maintain peace among the native tribes and to develop the trade and resources of the country..." Tamuno, (1970).

In 1883, Consul Hewitt complained that he lacked a "proper staff with a local force since he had not even one constable. Tamuno (1970), As a result of this, he suggested to the foreign office to empower him to maintain a local police force of constabulary. He supported his idea by pointing out to the colonial office that he would be able to generate revenue for the upkeep of the force through custom duties. Hewitt went further to say that his idea would enable him to provide security for life and property, and against cruelty and oppression. The problem of security was however not solved by either Hewitt or his predecessor Johnson.

Between 1890 and 1891, their successor, acting Consul Annesley again complained of the difficulties he was facing in exercising his duties over such a large territory without an adequate force. Meanwhile, there had been conflicts of interest between African and European traders and this prompted Annesley to quickly raise the first Police Force of oil Rivers protectorate. He justified his new organization as a small Police force and that he wanted to prevent any possible atrocities by the natives.

In the Lagos colony, the then Consul faced with the problem of administration of Lagos complained to the colonial office that his duties were numerous and that these indicated the maintenance of law and order. Consequently, he was granted power in 1861 to establish a consular guard which comprised thirty men.

Until 1906, there were the colony and protectorate of Lagos, the protectorate of Southern Nigeria, and the protectorate of Northern Nigeria respectively. The amalgamation of Lagos and the protectorate of Southern Nigeria in 1906 brought about the merging of the two Police Forces. However, after the amalgamation of the country in 1914, there were two separate Police Forces in Nigeria, one for the North and another for the South.

This arrangement remained until April 1930 when the Northern Nigeria Police Force and Southern Nigeria Police force were amalgamated to form the present Nigeria Police Force with headquarters in Lagos and when Abuja became the capital city of the nation moved its headquarters to Abuja under the Inspector-General of police. The title of Inspector-general was replaced with Commissioner in 1937. This title lasted until 1951 when it was reverted to the old title of Inspector-general due to the introduction of the Macpherson Constitution of 1951. The officer-in-charge of the regions then became known as commissioners.

Before 1964, the leadership of the forces was often reserved for the Britons but after 1964, Nigerians assumed overall leadership of the force. The first indigenous Inspector General of Police was the late Mr. Louis OrokEdet. Since then many other Nigerians such as Mr. Mohammed Abubakar has held office.

On the 27th of May. 1967, there was the creation of twelve Area Commands in conformity with the creation of twelve states in the federation. However, in February 1976 when seven additional states were created, the Police Area commands also increased to nineteen in conformity with the political structure in the country. Presently, there are thirty-six area commands in the country which mean, that every state has a Commissioner of Police. Force Headquarters Abuja however operates as an area command. A lot of development and progress has taken place since the establishment of the Nigerian Police Force in 1930. The Nigerian Police force performs a major role in Nigeria's general



development which was achieved through various administrative reforms which enabled it to carry out its heavy responsibilities during critical periods.

It must be reiterated that the Northern and Western regions of Nigeria established their regional police forces in 1943. There also existed local Government Police and Native Authority Police that were merged with the Nigeria Police Force in 1968. According to Jemibewonim, D. M. in his book titled, "Nigerian Police in Transition: Issues, problems, and prospects", stated that one of the critical challenges facing the Nigerian Police force to date is how to effectively police a country populated by over two hundred nationalities, with diverse cultures, languages, religion, and background. Besides, with a land mass of about 924,000 square kilometers, and an expanding population of over one hundred million people, by far the most populous country in Africa, without a corresponding increase in economic activities and employment opportunities, the problem become a pliable tool in the hands of a criminal and becomes dormant as most of their roles are taken over by the community. Jemibewonim, (2001).

At the same time, others see community policing as being crippled by the same traditional methods of policing. This group of scholars has legitimate concerns. The task is to preserve and strengthen crime prevention skills and knowledge while incorporating them into community policing practice. Crime prevention joined with community policing strengthens both initiatives. Indeed, as early as 1988, criminologists Jerome Skolnick and David Bayley framed the relationship this way: "Community-based crime prevention is the ultimate goal and counter piece of community oriented policing. Skolnick, & Bayley, (1988).

Finally, a key question that looms for every law enforcement agency interested in community policing, and which I share, is how to operationalize that interest effectively. Researchers have pointed out that experience has not validated one "right" way to implement community efforts. Many research

and evaluation efforts are currently underway to identify best practices, supplementing what is already known. Rosebaum, (1994).

## **Theoretical Review**

### **Frustration Aggression Theory.**

The Frustration-Aggression theory which John Dollard and his research associates initially developed in 1939 and has been expanded and modified by scholars like Leonard Berkowitz (1962 & Aubrey Yates, (1962), appears to be the most common explanation for violent behavior which results in crime stemming from the inability to fulfill needs. The theorist who relies on this explanation uses the psychological theories of motivation and behavior as well as frustration and aggression Anifowose, (1982:6).

In an attempt to explain aggression with crime being one of the resultant effects, scholars point to the difference between what people feel they want to or deserve to what they got – the "want –get-ration" Feierabend, (1969:256-7) and the difference between "expected need satisfaction" and "actual need satisfaction" Davies, (1962:6). When expectation does not yield attainment, the tendency is for people to confront those they hold responsible for frustrating their ambitions. This is the central argument that Ted Robert Gurr's (1970:24) relative deprivation thesis addressed by saying that "the greater the discrepancy, however marginal, between what is sought and what seems attainable, the greater will be the chances that anger and violence will result".

Applying this theory to our discourse, the theory suggests that violent crime is not just undertaken as a natural reaction, but that it is the outcome of frustration and that in a situation where the legitimate desires of an individual are denied either directly or by indirect consequence of the way the society is structured, the feeling of disappointment may lead such a person to express his anger through violence and other nefarious crimes. A good example of this situation is the rampant cases of

kidnapping in various states of the Nigerian federation. As such, the fact that an official of the state or community leader is showing some concern is enough to make people who are agitated believe that something is being done, and this is what community policing intends to achieve. A more friendly approach to policing is preventive, rather than a hostile autocratic approach.

### **The System Theories**

The system theory, on the other hand, provides a socio-structural explanation for the emergence of violent social conflict which results in crime. The position of this theory is that the reason for any lawlessness in society lies in the social context within which it occurs. This line of argument is supported by Johnson, (1966:12-13). This paradigm turns our focus to social factors and the effects of large-scale (usually sudden) changes in social, political, and economic processes that would usually guide against instability. Shedrack Gaya, (2000:53).

Systemic factors that lead to changes in peoples' material comfort include environmental degradation that reduces access to sources of livelihood, uncontrolled population growth, especially in urban centers, resource scarcity, and its allocation through lopsided political processes, and breakdown of cherished values and traditions that play crucial social control functions, widespread poverty amid plenty, the domination and marginalization of minority groups by those in majority and ethnicity factor. These are all examples of systemic causes of conflict which also include crime. Shedrack Gaya, (2000:53).

Applied to community policing and crime prevention, it can also be observed that crime is the result of social disorder. As such, only preventive strategies that are meant to support social stability, as well as initiate people-friendly reforms, can serve as a panacea to violent crimes and other forms of social disorder. It must however be pointed out that these theories are not without their shortcomings. Despite the shortcomings in each of these theories, they offer some useful perspectives to the understanding of the causes of crime and how it could be prevented.

## **The Operationalization of State/Community Policing**

Having X-rayed the above, it is pertinent at this junction to filter out the reasons for the advocacy for state and community policing in Nigeria. As pointed out, Nigeria is a country populated by over two hundred nationalities, with diverse cultures, languages, religions, and backgrounds, coupled with its land mass of about 924,000 square kilometers. Change, it is said is the only constant thing in life. We cannot continue to do the same thing and expect a different result. With the current and indeed frightening state of internal insecurity in the country, the clarion call for State Police/community policing becomes the eminent solution to the menace. These problems were one of the issues that necessitated the call for a Sovereign National Conference which was finally convened by the past regime of Ex-President Goodluck Jonathan. Up till now, the report of this conference has not been considered.

The need to implement the proposals made in the 2014 National Confab report was lamented by the former Head of State, Gen Yakubu Gowon at Araya, in Isoko-South Local Government Area of Delta State, during the third session of the sixth synod of Oleh Diocese of the Anglican Communion. He said the confab has the best responses to the problems bedeviling Nigeria. He called for a review of the country's Federal System to achieve stability and harmony. Gowon noted that the provision of grazing reserves would not put an end to the menace of herdsmen across the country.

Furthermore, he emphasized that given the numerous cultural, and historical diversities within the country, only a "federal structure" can provide a sustainable basis for our living in peace, security, and harmony. He said to function well, our federal system must be fair, balanced, equitable, and functional. The federating units must be strong enough and we must agree together on the devolution of power from the center to the federating units.

This is the heart of the demand for restructuring. Beyond this, we must also justly and fairly resolve the contentious issue of fiscal federalism, especially in matters of revenue mobilization and

resource ownership and control. The matter of who gets what, where, and how much is everywhere in the world very fundamental.

A return to the practice of true federalism, revenue mobilization, and resource mobilization and control of the federating units will no doubt lay the platform for the operationalization of the issue of State/Community Policing. A situation where we have stronger states fully in control of their resources, not depending on a "big daddy" federal government, will not only promote healthy competition among the states in terms of social-economic development, infrastructural, etc. but also enable the states to tap into their God-given natural resources for their sustenance and development. No State in Nigeria is devoid of natural resources. What we have are states that have refused to develop their natural resources and other money-spinning opportunities which economies of large scale could give them. They have become lazy, indolent, and pathologically dependent on the federal government to meet the simple and basic obligations. Community Policing is the modern policing philosophy that is in vogue all over the world. Community policing is understood and practiced differently by different societies, but the bottom line is that the objectives and derivable results are the same all around the world. In the United Nations/AU peacekeeping efforts, emphasis is on Community partnership in the policing of societies.

Policing is essentially a state affair. The Inspector general of Police cannot pretend that the current system of crime prevention and detection is working. State police are inevitable. The Guardian (2017:12) it is on this platform that the administration of community/ state police who of course should be indigenes of the state will work. With each state economically buoyant and independent, they will be able to employ and adequately pay and maintain their police. This will not only checkmate the attitude of our police officers who openly collect bribes, especially on our roads but also give them a sense of belonging and commitment to maintaining law and order and also combating crime. To enhance their war against internal insecurity, partnership with members of each community cannot be overlooked. Under normal circumstances, the police are not supposed to be regarded as a

necessary evil in society, but as a necessary and dependable partner and ally in the management of internal security for the benefit of all.

Community Policing must share strategies, skills, expertise, and resources of other community and government agencies to be effective and resolve mutual problems. Fundamental causes and conditions that create community problems are many and complex, often, local problems can only be solved through cooperation among Police departments and other agencies. It is rare to see a community-based law enforcement problem in any society for which the solution did not involve working with many different sectors, including politicians, policymakers, community service groups, neighborhood associations, local businesses, parks, and recreation departments, transportation, health, and housing organizations. When communication across agency lines is well established, our city's limited resources are more likely to be well applied, with minimum redundancy.

### **Example of Community Policing in an African Country**

In Sudan during the Darfur peace Agreement (DPA), section 272 stipulates that in IDPC (Internally Displaced Person Camps) in GOS (Government of Sudan), Police shall draw up a plan for establishing, training, and building the capacity of the Community Police. This plan shall be based on the principle that community Police are selected by the IDP (Internally Displaced Persons) community itself, and they must work in close cooperation with community leaders and are granted authority by the GOS (Government of Sudan) Police, and shall refer cases to the investigative or Judicial authority under monitoring by AMIS (African Muslim in Sudan), "Section 273 of the Dafur Peace Agreement (DPA) further stated that AMIS (African Muslim in Sudan) civilian Police, in coordination with parties, shall train Community police in IDP camps to enable them effectively perform policing functions in the camps as the basis for a community Police Force for that TDPs on their return to their home areas"

Community Policing is an effective way of reducing the challenges the police face in the management of internal security. Community Policing as implemented in Darfur involved all

stakeholders. The Government of Sudan Police, the Non-Governmental Agencies (NGOs), Community leaders, and the Government of South Darfur State were all fully involved in the implementation of the concept. The working Paper between the NGOs and AU Civilian Police highlighted the criteria for the selection of volunteers and the establishment of a consultable forum whose members are appointed from among members of the community. The consultative forum is to supervise the activities of the volunteers who are the foot soldiers of the concept to ensure that excesses are promptly checked. Both the consultative forum and the body of volunteers are responsible for the AU Civilian Police and the GOS (Government of Sudan) Police.

The Nigeria Police can as well adopt some aspects of this arrangement. As it is, the Nigeria Police is not implementing the community Police concept holistically to produce the desired result. The Nigeria Police does not have coordinators of the concept at the divisional, Area Command, Zonal, and Force Headquarters levels for effective implementation of the concept. It is a worthwhile venture that the Nigerian police have taken some steps to train some officers both at home and overseas on the concept. However, what remains to be done is the appointment of such officers to coordinate Community Policing activities at the various levels of Policing in close cooperation with other stakeholders in the community. It is to be pointed out that, organizing vigilante groups is not Community Policing. It could however form an integral part of the concept.

Like the proposed working arrangement between AU Civilian Police and the NGOs in South Darfur, there should be a coordinated working arrangement between the Nigeria Police and relevant stakeholders in respective communities. The Police Community Relations Committee can be very useful in this regard. The various stakeholders can come together to form the consultative forum to supervise the activities of the volunteers in close cooperation with the Police. The idea behind this arrangement is that if the community, which is closer to the people is involved deeply in the policing of their environment, it will be easier to track criminal activities than when the job is left to the police alone. For instance, cases of kidnapers hiding out can easily be combed out and make the entire

community devolved from such activities. However, the Police Community relation Committee (PCRC) as presently constituted is not functioning in tandem or line with the idea behind the concept of Community Policing. The PCRC is fast becoming a social club where members are only interested in self –preservation and seeking recognition through the unsolicited display of the PCRC I D card. The PCPR must involve all stakeholders in the community to make Community Policing more effective.

We can also recall that in Lagos State in the 90s, efforts were made at community policing. The OPC organization headed by Dr. Akin Adeshina which functioned as a sort of community policing was put in place to curb the upsurge of crime that kept Lagos State under siege by criminals. Anambra and Delta State to mention just a few had their form of community policing in a place called the Bakassi Boys when especially in some cities in Delta state, Ughelli to be precise, dwellers were evacuating their homes due to the near terrorism invasion of criminals. These organizations were working with the police. Since they were familiar with the community, they could very easily locate criminal hide-outs, apprehend them and hand them over to the police for prosecution.

However, their operations were frustrated by the police who were seen to be corrupt by collecting bribes and ultimately letting these criminals go free. They, therefore, resulted in implementing "jungle justice" by apprehending criminals and executing them instantly. These measures were however opposed by the government and these organizations were proscribed.

Very recently, States in the South-West such as Ogun, and Ondo have joined in the clarion call for state /community policing by instituting their security outfit. Names such as Amotekun inaugurated on 20th October 2020 in the South West are ready examples. Just recently in Ondo State, they intercepted a lorry load of 360 young men with motorbikes from the North about to enter the city for an undefined venture. But for the assistance of this outfit, these men would have entered and constituted a nuisance in the state.



These were laudable ventures but community policing does not end at the state level. The name COMMUNITY defines itself. Each local government should form a community policing outfit made up of voluntary and nominated persons from each community. This was one of the requests by the Nigerian Labour Congress (NLC) on the 24th of February 2022 during a mass protest at the National Assembly in Abuja. They emphasized that the autonomy of the third-tier of government will help in no small measure in curbing internal security. They are at the grassroots and know the nooks and crannies of each community and in corroboration with the state, Police will be able to trace criminals hiding out and fish them out. For instance, from the testimony of a kidnapped victim in Abraka in Ethiope East Local Government, she said she was hidden right behind a very popular holiday resort in Abraka. She was released after the ransom was paid. If there was community policing frequently combing the bushes, uncompleted buildings, etc. within the boundaries of each community, they can best assist the state police in fighting internal security.

Community policing as earlier stated is practiced differently depending on the society. Another school of thought sees the concept as a political philosophy in which the police and the police department are seen as members of the community, with police officers being part of where they live and work. This is what the administration of State/community policing is all about. Under this arrangement, Police officers are expected to do their beats as opposed to driving around in Police cars. This basic idea is to create a bond of trust and reliance between the Police and the public. This will break barriers of lack of confidence and support of the people towards the Nigerian Police Force in areas of prevention of crimes and apprehension of offenders. This approach requires officers to be open-minded, unbiased, and sensitive to the concerns and problems of others.

To buttress the above point, Mr. Chris Omoben a former deputy Inspector General of Police in former Bendel state now Edo State, raising the stake for the State Police (Community Police), says that they will surely be the best for a country like Nigeria with different tribes and religion. For example in 1986 in Benin-city, Lawrence Anini and his gang of armed robbers were terrorizing the

then Bendel State, which became a national problem. Mr. Chris Omoben who is from the STATE was deployed to co-ordinate the operations because they are conversant with the environment.

Omoben equally emphasized that there is also Hisbah personnel (Sharia Police), in several Northern states who have helped in combating crime, to enforce Sharia laws among their people because they know more about their religion and people, so it will be easy for them to carry out their assignment. If they have Hisbah Officers to enforce Sharia laws (religious matters), why are State Police not encouraged in a state to perform diverse security functions?

In addition, the Boko Haran, Banditry, and other criminal activities have made the call for State Police to be very strong. If there are state Police, they can easily locate those behind their deadly acts live because they know the environment better than an outsider. State Police will make the Police officers respond to distress calls with speed since they belong to the community. They don't know who might be the person or people who need their assistance, unlike the current situation where a police patrol team can be people from other states. Police Officers can order their family members and friends when they are found wanting in their duties, it will reduce drastically the collaboration between the Police officers and criminals when police personnel gives guns to armed robbers for robbery operation, for example, they don't know whom the gang would rob with the arms. The state Police according to Omoben, will help to improve the security situation of the country and each state Police authority would ensure that in their respective states of operation, crime is reduced to the barest minimum because crime can never be wiped out totally from the society.

The Police force all over the world has been known as the bastion of civil life and legal means of social control, but sadly enough the Nigerian Police have degenerated into the instrument of oppression and necessary evil that Nigerians "have to live with". Not denying the fact that the problem of State Police in society is that some state governments will abuse the use of state police against the people and they will use it to oppress their opponents. Suffice it to say that with the present Police

system, Police officers are instruments of oppression already in the hands of people in authority. They use Police officers to intimidate their opponents and people who don't agree with their policies. This is the reason why there is an absolute need for the police to have some degree of autonomy from the executive arm of government to perform without bias. For instance, during elections and other national engagements, the negative influence of the executives on the Police is so glaring and is one of the contributory factors to the dwindling image of the force. Lewis, (2001:14).

## **Conclusion**

In conclusion, Agbase (2005), believed that internal security constraints have aggravated the suffering of Nigerians, make the poor even more vulnerable, distorted economic values, rob national budgets, discourage foreign investments, promote capital flight, perpetuate human suffering, resulting in loss of lives and property and a general sense of insecurity in the country. Given the related neglect of internal insecurity by the strategic analyst, little or nothing has been done in Nigeria by way of evolving any meaningful doctrine of internal security. The result is that sixty years after independence, Nigeria still lacks a well-articulated internal security Policy.

This probably made Nigerians be taken unaware by the Boko Haran sect that has been terrorizing our people for some time now; Kidnappers who have made lives difficult for an average Nigeria; armed robbers who have reduced our lives to a mere vegetable existence; hired assassins who have made everybody to live in perpetual fear; ritual Killing, internal fraudsters who have racked families bankrupt, etc. in Nigeria. Added to this, is the menace of unknown "gunmen" and terrorist "herdsmen" who have made farming difficult for our local peasant farmers in the face of the nation's current food crisis.

## **Recommendations**

From the foregoing, it is clear that one of the obligations of power, which the people entrusted to the All People Congress (APC) government, is to create and sustain an atmosphere in the polity where individual and collective security is guaranteed. This expectation of the people has remained a mirage. It is recommended therefore that the President and his government should make affirmative pronouncements (especially in respect of the upsurge of the Fulani Herdsmen) and take concrete actions to install confidence in the people.

Again, the need to implement the proposals made in the 2014 National Confab report which was lamented by the former Head of State, Gen Yakubu Gowon at Araya, needs to be addressed. Lending credence to the suggestion made by the former Head of State, Gen Yakubu Gowon, the current Federal System must be revisited if the nation wants stability and harmony. This recommendation is based on the historical and cultural diversity of the country and it is only the practice of a true Federalism based on fairness, equity, balanced and functional structure that will provide a sustainable platform for citizens to live in peace, security and harmony.

In addition, devolution of power from the center, to the federating units must be implemented to ensure that states are strong enough to carry out their responsibility to the people. This is the reason for the clamour for the restructuring of the country to reflect a true federal structure as is being practiced in other foreign countries like the United States. Again, for the federating units to be viable, the issue of fiscal federalism most especially matters of resource ownership and control cannot be ignored. This will enable the state to be financially viable to fund and be able to engage Community and State Policing. From the foregoing, the administration of state Police/Community Police as an antidote to crime prevention in Nigeria is non-negotiable.

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# **DRIVERS OF WORKPLACE VIOLENCE AMONG BANK WORKERS IN ASABA, DELTA STATE**

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## **Abstract**

*This paper examined the drivers of workplace violence in the Nigerian banking industry with specific focus on banks situated in Asaba Metropolis. The study specifically focused on staff Age, staff Gender, staff training on workplace violence, staff level of worries/ frustration, and nature of employment. Out of the 366 sampled questionnaire, only 360 respondents were considered.*



*The binary regression model was adopted through the aid of Statistical Package of Social Sciences version 23. The socio-demographic background of the respondents covered age, gender, work setting, previous workplace violence training, level of worry due to the experience of workplace violence and nature of employment. The study affirmed that verbal violence is the most prevalent form of workplace violence in the study area. Again, the significant factors that predicted violence in the banking industry include age above 40 years, female gender, and high level of worry about workplace violence. Lastly, the nature of the employment was found as a major driver of workplace violence in the banking industry. As such, the study recommends that bank managements should provide sustainable training programs targeted at spotting high risk prone violence groups.*

**Keywords: Drivers, Workplace Violence, Nigerian Banking Industry**

## **1. Introduction**

One of the fundamental issues facing organizations in recent time is the issue of workplace violence. Undoubtedly, today's hyper-stressful work space, demands for fast-paced growth, personal/home issues, and lack of compassion for others are among the reasons for frequent occurrences of workplace violence (Lippel, 2018). Evidently, the high rate of employee turnover in recent time and also the increased employee dissatisfaction is traceable to the increasing rate of workplace violence.

The workplace environment is plagued with stress, discriminatory interpersonal interaction, and mistreatment that can cause severe damage to employee morale and ethics (Verdasca & Baillein, 2018). Further, these adverse emotional behaviors damage the aspects of organizational well-being, resulting in exhaustion, inefficacy, and employee's disengagement. However, workplace violence and its effects on employee's holistic well-being has been a major discourse both in management and medical fields. Moreover, firm's inability to solve the issue of employees' insecurity in the workplace resulting to employee's disengagement remains other burning issues (Eromafuru & Ikpesu, 2022). On the other hand, a supportive work environment increases employees' engagements. Meanwhile, work-life balance, efficient training and development policies, employees' recognition and strong team spirits amongst employees are viewed over time as critical issues within the workplace.

Furthermore, employees are most likely to perform better in an environment that is devoid of violence (psychologically meaningful and is safe). However, they tend to be less active in an environment that supports workplace violence. Hence, this study is timely as it will deal with grey issues which bother on the drivers of workplace violence in the Nigerian banking industry.

Comparably, studies on drivers of workplace violence are few as against studies on effect of workplace violence on organizational/employees' performance or engagement as the case may be.

Considering the fact that employees cannot perform maximally in an environment that is not safe, considering the root causes of workplace violence and making policy recommendations that are targeted at addressing the issues which bothers on the drivers of workplace violence is therefore germane.

To address the above missing link in extant studies, this study centered on the drivers of workplace violence. Specifically, the study covered the following drivers of workplace violence: staff Age, staff Gender, staff training on workplace violence, staff level of worries/frustration, and nature of employment. To place this paper in testable form, the followings null hypotheses were postulated:

**H0<sub>1</sub>:** Staff Age is not a major driver of violence in the Nigerian banking industry.

**H0<sub>1</sub>:** Staff Gender is not a major driver of violence in the Nigerian banking industry.

**H0<sub>3</sub>:** Staff training on workplace violence is not a major driver of violence in the Nigerian banking industry.

**H0<sub>4</sub>:** Staff level of worries/frustration is not a major driver of violence in the Nigerian banking industry.

**H0<sub>5</sub>:** Nature of employment is not a major driver of violence in the Nigerian banking industry.

## **2. Literature Review**

### **2.1 Conceptual Clarification and Linkages**

The term workplace violence is very difficult to conceptualize. This is because of its multifaceted nature. On a general note, the term workplace violence otherwise known as occupational violence is any act of verbal or physical abuse meted out at the workplace (Wressell, Rasmussen, & Driscoll, 2018). Specifically, verbal abuse can take the form of either shouting at one or better still showing an act of disrespect. Meanwhile, physical abuse involves threatening, assaulting, harassing, blackmailing, or intimidating someone. It may also involve taking undue advantage of someone (Arnetz, Hamblin, Sudan, & Arnetz, 2018). When viewed from the perspective of sexual violence it involves taking on due advantage of the other party sexually. Usually, female job seekers fall into this category than male job seekers. More so, contract staff tends to be more prone to sexual harassment than full time staff. This may come from one of the management staff of an establishment (Lippel, 2018). From the

viewpoint of discriminatory violence, it involves giving much attention to one person than the other person due to one's gender, ethnic affiliations, race, and even as a result of one's health conditions.

Wressell et al (2018) noted that, in the course of discharging their assigned duties most employees are prone to violence. This in turn has the capacity to reduce their performance. This is because it is very difficult for an employee to perform efficiently under stress. This in turn may lead to unforgivable mistakes, absenteeism, low job morale, and, in the extreme cases, such employee may decide to quit such job. Evidently, extant studies evidence that the major reason of workplace violence is stress, and that the main source of stress is harassment, mistreatment, or assault of a staff either by his/her boss, co-workers, customers, or suppliers. This in most times is traceable to gender cautiousness (Kulkarni, Mennicke, & Woods, 2018).

## **2.2. Theoretical Underpinning**

### **2.2.1. Justice Theory (JUT).**

John Rawal coined the term "justice theory" for the first time in 1971. The theory relates to circumstances of unfairness that occur at work. In the old-style notion of social agreement, the fairness of equality relates to the degree of nature. This theory specifically stress that workplace violence is a form of injustice especially on the female folk. Hence, the theory considers age, gender, and frustrations as major drivers of workplace violence (Rawal, 1971).

### **2.2.2. Frustration Aggression Theory (FAT)**

This theory was proposed by Dollard, Miller, and Doob in 1939 (Dollard, Miller, & Doob, 1939). This theory gained impetus from the Freudian notion of stimulus-response interactions. The theory stressed that workplace violence is always due to frustration and that frustration always leads to some sort of workplace violence. As such, this theory is viewed as internal driving set of actions to frustrate outside impulses from the environment.

## **2.3. Empirical Studies**

Eromafuru and Ikpesu (2022) examined the effects of workplace violence on 389 public universities' staff performance in Nigeria. Both the multivariate analysis and the Structural Equation Modeling were deployed. The study laid claim that, workplace violence is detrimental to public universities' staff performance in Nigeria.

Dopelt, Davidovitch, Stupak, Ayun, ;Eltsufin, and Levy (2022) examined the incidence of the various forms of violence in the workplace amongst 486 health-care workers in Israeli's public government

hospital. Questionnaires were used to present the data. The study reported that most respondents are aware of violence in the work place and that physical and verbal/psychological violence are the most prevalent forms of violence in the workplace.

Varghese, Jaison, Vijay, Khakha, DhandapaniGigini and Raveesh (2021) explored the most prevalence workplace violence among nurses in South-East Asian and Western Pacific Regions. The paper adopted the Meta-analysis approach. The study reported that verbal abuse, threatening behaviour, physical violence physical assault, bullying/mobbing, and sexual harassment are the most prevalent forms of violence in the workplace.

Chang, Yaru, Wang, Xiuxin and Fenglin (2021) studied the effects of the likelihood of future violence among 1898 nurses in China. The study considered the socio-demography of the respondents using the multivariate analysis. The study affirmed that females are more afraid of the likelihood of violence in the near future than males.

Using the logistic approach, Shahjalal, Gow, Alam, Ahmed, Chakma, Mohsin, Hawlader and Mahumud (2021) amongst 1898 health care workers in Bangladesh. The study affirmed that marriage, where and the department where one works (public sector healthcare worker), shift were the major drivers of violence in the workplace.

ZewudeandHabtegiorgis (2021) examined whether female waitresses in Ethiopia are most exposed to workplace violence. The study interviewed 16 waitresses. The multivariate analysis was adopted. The study reported that female waitresses rarely experienced violence more frommalecustomers.

Wang, Dan, Chenhui, Lu & Zhou (2021) examined the most prevalence forms of workplace violence amongst 1,388 health workers in eight county hospitals in four counties of Zhejiang Province. The study indicated thatphysical violence is the most prevalence forms of workplace violence.

Verdasca and Baillein (2018) analyzed the incidence rate of workplace bullying in the Portuguese banking sector. The study was patterned the questionnaire session. The study showed that bullying is a self-labeling method.

Çelik, Oktay, and Çebi (2017) studied the effects of workplace violence on the psychological well-being of Turkish workers. The study was patterned into an interview session. The most common form of verbal violence and mobbing (bullying) were mostly common among females than males.

Rajbhandari, Subedi and Kaphle (2016) assessed the extent, perpetrators, and incidence of workplace violence in 14 selected health institutions, Baglung district. The study adopted the cross-sectional

study of 123 health workers. The study reported that physical, verbal, and sexual harassment were the most prevalent form of workplace.

### 3. *Research Methodology*

This study adopted a survey research design. The researcher is only interested in the drivers of workplace violence amongst bank staff in Asaba metropolis. The essence of this research design is informed on the ground that it gives each sampling units equal chance of being chosen. For purposes of convenience, 61 copies of questionnaire were distributed to six banks in Asaba. These sampled banks include First Bank Nigeria Plc, Zenith Bank Nigeria Plc, Access Bank Nigeria Plc., United Bank for Africa Plc., Wema Bank Nigeria Plc., and Fidelity Bank Nigeria Plc. This culminated to 366 copies of questionnaire distributed to managers and subordinates. However, six copies of questionnaire were not returned back.

Prior to distribution of the questionnaire, some research academicians were consulted on the formation of appropriate questions. The scale used in this study was a 5 point-Likert scale of 5-strongly agree, 4-agree, 3-strongly disagree, 2-disagree and 1-undecided;. Unlike the 4- Likert scale, the 5- Likert scale gives the respondents the opportunity to express their perception about a subject matter.

The binary regression model included those socio-demographic and work-related variables with p value of <0.05. These included age, gender, work setting, previous workplace violence training, level of worry due to the experience of workplace violence and nature of employment. The justification for using this regression model is based on the fact that, it can take only two values say 0 and 1. More so, the binary regression model makes use of predictor variables which may either be categorical or continuous to predict the outcome to predict the outcome of the predicted variable being the regressand. Consequent upon the foregoing assertion, this model is suitable for the study.

## 4.1. **Results and Discussions**

### 4.1. **Respondents' Socio-Demographic Profile**

Table 1 below show the demographic profile of respondents:

**Table 1: Respondents' Socio-Demographic Profile**

S/N	Parameters	Metrics	Frequency (n=360)	Percentage (100%)
1	Gender	Male	148	41.11
		Female	212	58.89
2	Age bracket	21-30 Years	93	25.83

		<b>31-40 Years</b>	<b>187</b>	<b>51.94</b>
		<b>&gt; 40 Years</b>	<b>80</b>	<b>22.22</b>
<b>3</b>	<b>Marital Status</b>	<b>Single</b>	<b>98</b>	<b>27.22</b>
		<b>Married</b>	<b>250</b>	<b>69.44</b>
		<b>Others</b>	<b>12</b>	<b>3.33</b>
<b>4</b>	<b>Educational Qualification</b>	<b>Post-graduate</b>	<b>51</b>	<b>14.17</b>
		<b>BSc./HND</b>	<b>178</b>	<b>49.44</b>
		<b>OND</b>	<b>125</b>	<b>34.72</b>
		<b>Others</b>	<b>6</b>	<b>1.67</b>
<b>55</b>	<b>Bank Experience</b>	<b>0-4 Years</b>	<b>45</b>	<b>12.50</b>
		<b>5-10 years</b>	<b>121</b>	<b>33.61</b>
		<b>11 years and Above</b>	<b>194</b>	<b>53.89</b>

**Source: SPSS Output of Author's Field Survey, 2022.**

Table 1 above indicates that 212 representing 58.89% are females while 148 respondents representing 41.11% are males. This gives credence to the fact that majority of the respondents are males. In terms of age bracket of respondents, the result shows that 93 respondents representing 25.83% were within the age group of 21 – 30 years, while 187 respondents representing 51.94% were within the age group of 31 – 40 years and 80 of the respondents representing 22.22% were above the age of over 40 years. This means that young people between the age group of 31-40 years are more in the company.

The result laid claim that, 27.22% (n=98) of the respondents are single; 69.44% (n=250) of the respondents are married. Meanwhile, 3.33% (n=12) are widows/widowers, separated/divorced and those co-habiting. This means that majority of the respondents are married.

With respect to educational qualifications of respondents, 14.17% (n=51) of the respondents have postgraduates qualifications, 49.44% (n=178) of the respondents are BSc/HND holders, 34.72% (n=125) of the respondents are OND holders, and 1.67(n=6) fall under other qualifications not captured. This reaffirmed that majority of the respondents are graduates.

Furthermore, most respondents have 11 years and above cognate bank experiences. Again, about 45 (12.50%) respondents have 0-4 Years cognate bank experiences while 121 (33.61%) respondents have 5-10 years cognate bank experiences..

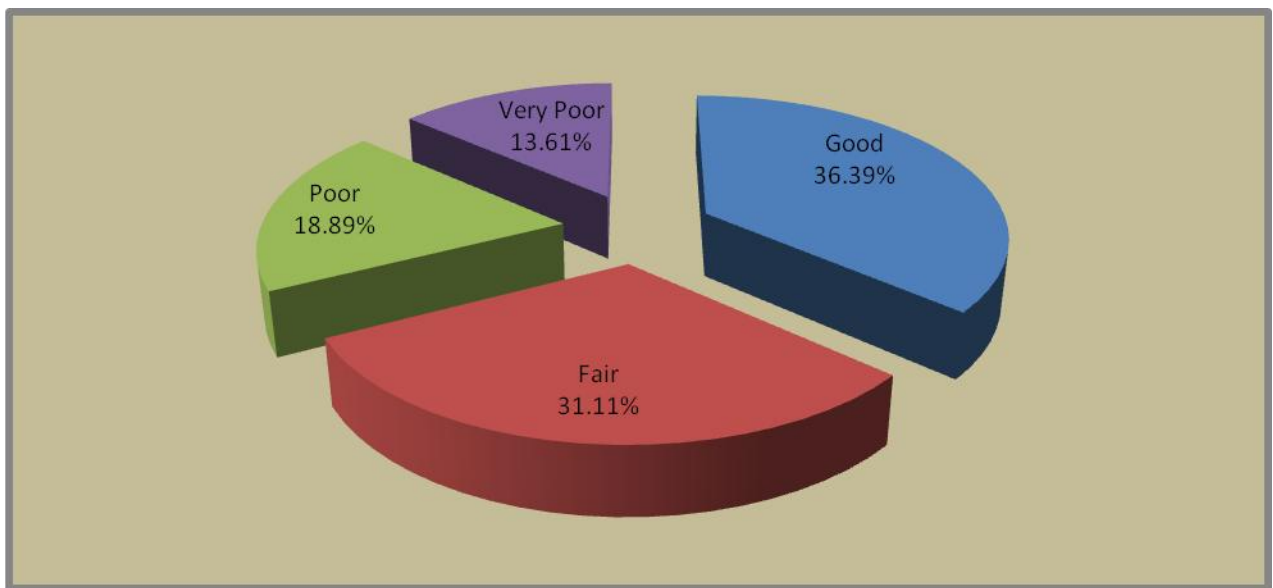
#### 4.2. Employees' Knowledge of Workplace Violence

**Table 2: Most Prevalence Form of Violence**

<b>Knowledge of Violence</b>	<b>Frequency (F)</b>	<b>Percentage (%)</b>
Good	131	36.39
Fair	112	31.11
Poor	68	18.89
Very Poor	49	13.61
<b>Total</b>	<b>360</b>	<b>100</b>

**Source: Field Survey (2022)**

Table 2 reported that 46.39% (n=131) of our respondents have good knowledge on the forms of workforce place violence under investigation. Again, 31.11% (n=112) of our respondents have fair knowledge on the forms of workforce place violence under investigation. Meanwhile, 18.89% (n=68) of our respondents have fair knowledge on the forms of workforce place violence under investigation. However, 13.61% (n=49) of our respondents do not have knowledge on the forms of workforce place violence under investigation. On the overall, majority of the respondents are aware of the forms of workforce place violence under investigation. This justify that our respondents are not daft on the subject matter. For clarity sake, their responses are presented in figure 1 below:



**Figure 1: Employees’ Knowledge on Workplace Violence**

Source: Field Survey (2022)

### 4.3 Most Prevalent Forms of Violence

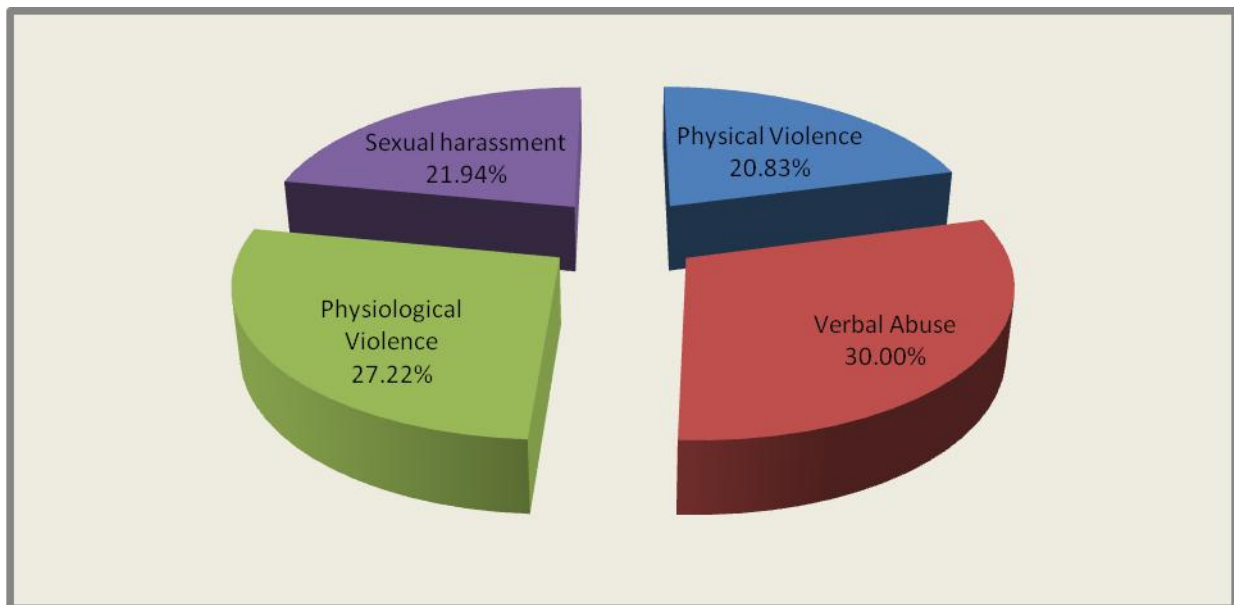
**Table 3: Prevalence of Workplace Violence**

Forms of Violence	Frequency (F)	Percentage (%)
Physical Violence	75	20.83
Verbal Abuse	108	30.00
Physiological Violence	98	27.22
Sexual harassment	79	21.94
<b>Total</b>	<b>380</b>	<b>100</b>



**Source: Field Survey (2022)**

Table 3 reported that 20.83% (n=75) of the respondents are of the strong opinion that physical violence is the most prevalent form of violence in the banking industry. Again, 30% (n=108) of our respondents argued firmly that verbal abuse is the most prevalent form of workplace violence in the banking industry. Meanwhile, 27.22% (n=98) of our respondents argued firmly that psychological violence is the most prevalent form of violence in the banking industry. Lastly, 21.94% (n=79) of our respondents argued firmly that sexual harassment is the most prevalent form of violence in the banking industry. For clarity sake and ease of comprehension, we presented each of the responses in pie chart in figure 4.2 below:



**Figure 2: Forms of Workplace Violence**  
**Source: Field Survey (2022)**

**4.3. Presentation of Results**

Table 4 below gives a clear description of the drivers of workplace violence. The binary regression model included those socio-demographic and work-related variables with p value of <0.05. These included staff Age, staff Gender, staff training on workplace violence, staff level of worries/ frustration, and nature of employment.

**Table 4: Determinants of Workplace Violence**

Determinants	B	AOR	Pvalue	95%CI
Staff Age				
21-30		Reference		
31-40	-0.450	0.638	0.124	0.360-1.132

>40	-0.872	0.418	<b>0.019</b>	<b>0.202-0.864</b>
Staff Gender		Reference		
Male				
Staff training on Workplace Violence				
No		Reference		
Yes	0.750	2.117	0.070	0.941-4.763
Staff Level of worry				
Not worried		Reference		
Neutral	0.894	2.445	<b>0.018</b>	<b>1.166-5.128</b>
Worried	2.452	11.615	<b>&lt;0.001</b>	<b>3.826-35.260</b>
Nature of Employments				
No		Reference		
Yes	1.662	5.270	<b>0.022</b>	<b>1.269-21.882</b>
Omnibus Tests of Model Coefficient (df)	$\chi^2=80.757(13)$		<b><i>p</i>&lt;0.001</b>	
Cox & Snell R <sup>2</sup>	0.200			
Nagelkerke R <sup>2</sup>	0.271			

B:  $\beta$  coefficient AOR: Adjusted odds ratio 95% CI: 95% Confidence Interval  
df: degree of freedom

#### Source: Author's Compilation (2022)

The result revealed that bankers aged above 40 are about 2 times less likely to experience violence compared with those between 21-30 years (AOR- 0.418,  $p=0.019$ , 95%CI=0.202-0.864) while female bankers are about two times more likely to experience workplace violence compared with male bankers (AOR-1.654,  $p=0.047$ , 95%CI=1.007-2.716). Again, when compared with respondents who indicated they are not worried about experience of violence, those that indicated they are neutral are about 2 times more likely to experience workplace violence (AOR-2.445,  $p=0.018$ , 95%CI=1.166-5.128) while those that are worried are about twelve times more likely (AOR-11.615,  $p<0.001$ , 95%CI=3.826-35.260).

#### 4.4. Discussion of Findings

Evidence from the survey clearly revealed that most bank staffs are aware of the various forms of violence in the workplace. This justifies that the studied bank staffs are not daft. This further revealed that our respondents were able to in clear terms differentiate between physical violence and other forms of workplace.

The study affirmed that other than physical violence and verbal abuse, other forms of violence

captured include psychological violence (bullying/mobbing) and sexual harassment. In fact, verbal abuse is the most prevalent form of workplace violence in the studied area since most of the respondents attested to this. Meanwhile, Physiological Violence was ranked the second most prevalent for of workplace violence. Further, Sexual harassment was ranked the third most prevalent for of workplace violence. Meanwhile, the least of them is physical violence. The possible reason for this deviation may be attributed to differences in variables covered, period covered and area covered.

Again, the result revealed that bankers aged above 40 are about 2 times less likely to experience violence compared with those between 21-30 years (AOR- 0.418,  $p=0.019$ , 95%CI=0.202-0.864) while female bankers are about 2 times more likely to experience workplace violence compared with male bankers (AOR-1.654,  $p=0.047$ , 95%CI=1.007-2.716). Again, when compared with respondents who indicated they are not worried about experience of violence, those that indicated they are neutral are about 2 times more likely to experience workplace violence (AOR- 2.445,  $p=0.018$ , 95%CI=1.166-5.128) while those that are worried are about 12 times more likely (AOR- 11.615,  $p<0.001$ , 95%CI=3.826-35.260). This implies that the higher the level of anxiety (worries/frustration) about workplace violence, the more vulnerable they become. This is in consonance with the findings of Eromafuru and Ikpesu (2022); Dopelt, Davidovitch, Stupak, Ayun, ;Eltsufin, and Levy, (2022); Varghese, Jaison, Vijay, Khakha, Dhandapani Gigini and Raveesh (2021).

Finally, the nature of the employment was found as a major driver of workplace violence in the banking industry. Justifiably, contract staff tends are more prone to workplace violence than full time staff (Lippel, 2018).

## **5.0. Conclusions and Recommendations**

This study began with the eliciting information from the respondents if they are knowledgeable about workplace violence and then went on to examine on which of the forms of workplace violence. The study ended by examining the determinants of workplace violence both from the holistic and variable specific perspective. Sequel to this, the study concludes that our respondents are aware of the various forms of workplace violence. Again, verbal violence is the most prevalent form of workplace violence in the study area. Again, the significant factors that predicted violence in the banking industry include age above 40 years, female gender, high level of worry about workplace violence. Lastly, the nature of the employment was found as a major driver of workplace violence in the banking industry. As such, the study recommends that,

1. bankmanagements should provide sustainable training programs targeted at spotting high risk prone violence groups. This in turn will help to reduce the violence knowledge gaps which exist among bank workers.
2. policy makers need to be sensitized to the magnitude of the physical violence so that appropriate strategies can be formulated and implemented.
3. Those of noble standing should be placed at the helm of affairs since they will help reduce the occurrences of workplace violence especially for workers desiring to be fully staffed.

### **Contribution to Knowledge**

The results of this study provided insights into the determinants of workplace violence among the bank workers in Asaba, Delta state in Nigeria. This information could be used to help develop strategies regarding determinants of workplace violence among the health workers in Nigeria.

This study is one of the few studies in Nigeria which investigated workplace violence among the different bankers.

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# INFORMATION TECHNOLOGY STRATEGY AND SUSTAINABLE COMPETITIVE ADVANTAGE OF SELECTED OIL AND GAS INDUSTRY IN NIGERIA.

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## Abstract

The purpose of this study was to investigate the relationship between information technology and sustainable competitive advantage in Nigeria's oil and gas industry. Two goals of organizational responsiveness and cost leadership outcomes measured through the import of information and communication technology were collected and empirically tested. Using a cross-sectional design, data collection was performed using structured surveys from a total of 120 employees in the company. Cronbach's alpha factor was used to assess the reliability of equipment customized for the research. Hypothesis testing shows that information technology contributes significantly to sustainable competitive advantage. Therefore, it was concluded that information technology is important to the functioning of an organization and its systems and has a significant impact on the responsiveness and cost leadership of the organization. The Research recommended that focus needs to be on innovation, technology development, the ever-changing market and organizational dynamics, and the constant update of an organization's IT requirements to meet customer expectations.

**Keywords: Information Technology, competitive advantage, cost leadership, organisational responsiveness**

## Introduction

The recent fall in crude oil prices has been a turning point in Nigeria's oil and gas industry. This unprecedented turnaround has put many organizations in the industry in fierce competition to strengthen, survive and increase efficiency in the operations that will shape the future of the oil and gas industry. However, to drive hydrogen production and increase organizational efficiency in an environment of cost savings, capital discipline, transform management processes, build capabilities and reorganizes assets, we need to implement a technically feasible strategy towards a Sustainable Competitive Advantage (SCA). Many scholars have attempted to study various strategies and variables to achieve SCA because of its impact on business efficiency. According to Drobis (2020) study, organizational progress into a highly competitive market requires consistent increase in the need for innovation and communication, reaching diverse customers and sustaining competitive advantage (SCA) which should address this increased uncertainty as a result of increased customer expectations (Hilda, 2016). As the business environment becomes more dynamic, developing strategies that differentiate an organization from its competitors becomes an important factor (Gathungu and Mwangi, 2018). Therefore, customers need to be aware of the differences between a company's product and a competitor's product. These differences should be due to the number of resources in the organization beyond the knowledge of the competitors. Rouse and Zietsma (2018) argued that learning to respond to early signals of environmental change represents the development of dynamic environmental adaptation skills.

In addition, Gowrie et al (2012), stated that the organizational environment is open to competitors, and imitation of products/strategies or rapid technological changes can reduce sustainability and shorten the life of a technology asset of an organization. Therefore, he argued that there was no benefit to long-term sustainability and to build a Sustainable Competitive Advantage (SCA), an entity must maintain the participation capacity of an existing organization. Due to the importance of SCA, many scholars have sought to find strategies for sustainable competitive advantage. They associated several variables in measuring sustained competitive advantage, (Porter, 1984). Therefore, administrators need to be fully focused, able to scan the environment, continuously innovate, create features, and develop technologies to increase efficiency.

Despite the significant contribution of information technology to organizational transformation, few attempts have been made to examine its impact in Nigeria, especially in the oil and gas sector, on SCA. In addition, research has shown that most literature on this subject has little empirical support and focused on theoretical and speculative cases, (Zoubi, 2012). Most of these studies also developed a set of measurable variables that represent SCA in terms of financial indicators (sales, profitability, market share, etc.), Chi and Sun (2015) which are of essential reference. However, those results show that it is an important, positive and reliable indicator for measuring sustainable competitiveness, the outcomes ignored the core capacity and internal resources of a company's information technology that may help the company achieve a superior sustainable competitive advantage. Therefore, our starting point is to look at the relationship between information technology and sustainable competitive advantage in Nigeria's oil and gas industry, using organizational response and cost

leadership as a measure of sustainable competitive advantage. Broadly, this study is aimed at establishing the effect of information technology on sustainable competitive advantage in the Oil and Gas Industry while the specific objective is to ascertain the effect of organizational responsiveness on sustainable competitive advantage and effect of cost leadership on competitive advantage in the Nigerian oil and gas industry

## **Related Literature Review**

### **Conceptual Review**

#### **Concept of Information technology**

Information Technology (IT) uses computers, telecommunications, digital, and system applications to store, collect, transmit, and manipulate commercially important data as a driving force and enabler of business processes has historically played an important role in improving business efficiency. Organizations are consistently committed to developing technology to increase efficiency and focus on innovation through cost-effective strategies for longer environments. IT can enhance business process transformation (Baker, 2019). IT is seen as an important factor in enabling new forms of work and collaboration within and across organizational boundaries. Therefore, the development of information technology is beginning to change the way we work, and these technologies can impact the future of the industry over time. Hammer (1990) sees information technology (IT) as a key element in business process reengineering for organizations that want to experience "fundamental changes" in their operations. He stipulates that IT will be used to challenge the assumptions specific to working processes that existed long before the advent of the latest computing and communication technologies. He argues that at the heart of change is the notion of discontinuous thinking or the notion of recognizing and then breaking away from the underlying assumptions underlying outdated rules and operations. These work design rules are based on assumptions about technology, people, and organizational goals that no longer apply. Furthermore, Baker (2019) in his work has unveiled some of the key disruptive digital information technologies that can shape the future and increase business efficiency in legitimately sad times in the oil and gas industry. These include artificial intelligence/automation, data analysis, and internet of things / electronic monitoring.

#### **Major destructive digital information technologies that impact Business Processes.**

**Artificial Intelligence (AI):** This involves the use of technology and the development of system applications to perform tasks that typically require human intelligence and solve problems such as; human language recognition, vision, decision making, and multilingual translation. The use of these technologies can affect the operational efficiency of the oil and gas industry. Artificial intelligence applications can be used in a wide range of applications such as surveying, monitoring, inspection, and security. Operational details can be encoded in real-time on digital technology or handheld devices using specific information such as photos, measurements, analytics, and locations. This information can be automatically synchronized with a linked database with control systems, SMART rooms, maintenance scopes, schedules, and 3D virtual modelling or timely display on the side of all users and champions. It can be obtained via a graphic representation. The system can assess risks, report potential concerns, and recommend mitigation measures. This saves up time and costs.

**Data Analysis (DA):** The concept of data analysis is the process or science of collecting, investigating, cleaning, transforming, modelling, and integrating raw data to find information that will help you make operational decisions. It addresses the growing amount, diversity, and speed of data in the oil and gas industry. This sector produces vast amounts of data from a variety of operational activities, including drilling data, maintenance data, 3D seismic surveys, safety data, production control, and surveillance data. Managing and analyzing this data presents challenges unique to many organizations in the industry. Analyzing this vast amount of information is an important innovation driver for players in the oil and gas industry, with a particular focus on improving exploration, production, and safety efficiency. The application of data analysis is important for operational areas such as maintenance, exploration, drilling, reservoirs and production engineering. The accuracy of this data helps deliver operations and improves the efficiency of the entire organization in real-time. When a discrepancy occurs, the application displays a maintenance error message to alert the user or creates a maintenance request for component replacement or proactive maintenance. It also accelerates data-driven innovation and improves industry productivity and process automation.

**Internet of Things and Electronic Monitoring (IoT):** This is the connection of sensors and monitoring devices for sending and receiving data over the Internet. It is a system of interconnected computing devices, machines, electronic, digital machines, and objects that are assigned unique identifiers (UIDs) and send data over the network without the need for human interfaces or interactions. To do. Communication and exchange are possible. These applications can also be remotely controlled and monitored from locations associated with offshore equipment in the oil and gas industry. Devices can provide real-time information about devices and machines. It can also be used to track equipment due to maintenance needs and monitor other factors that may affect production, such as temperature, corrosion, humidity, sea level, and wind speed. IoT technology was developed to improve the efficiency and security that was developed.



## Aspects of Information Management

### Cost Leadership

Cost leadership is a business strategy that creates a competitive advantage for an organization by having the lowest operating costs in the industry. This is the ability of an organization to compete with large competitors for low prices (Li et al., 2006). According to Porter (1980), cost leadership is the achievement of industry-wide cost leadership through a set of functional policies aimed at several basic goals. The aggressive construction of internal facilities is required for efficient scaling, strong cost trapping and reduction policies, overhead control, cost minimization, and more. Zoubi, (2012), argued that cost leadership can be achieved by focusing on organizational efficiency. Production and process (economy of scale). Therefore, cost leadership can be seen as a top low-cost strategy within an organization.

Aremu and Saka (2006) argued that information technology (IT) is a strategic resource that drives major changes in competitive behaviour, marketing, and customer service. Essentially, IT gives businesses a sustainable competitive advantage. Davenport (2012) conducted a survey and found that information technology (IT) plays a powerful role in sustainable competitive advantage. Similarly, one study (, Hammer and Chimney 2019) found that IT simplifies tasks, reshapes organizations, changes the way traditional works, and is sustainable. It shows that. This shows that you can gain a competitive advantage. They can leverage disruptive technologies such as shared databases, expert systems, telecommunications networks, decision support tools, and computers in their reengineering processes to achieve sustainable competitive advantages. However, according to a Frone (2013) study, information technology does not always create a sustainable competitive advantage within an organization. This may be because employees usually find it difficult to use destructive techniques or resist changes. They are more familiar with old methods than new ones, which can disrupt an organization's reengineering process and make it difficult for an organization to gain a sustainable competitive advantage. Based on this, the following hypothesis can be made

### Organizational responsiveness

Organizational responsiveness represents an organization's ability to respond appropriately to the external environment (Clippinger, 2019). A more fundamental definition is that responsiveness is the aggressiveness of an organization's market strategy (Gresov, Haveman, and Oliva, 1993). This responsiveness allows organizations to maximize their ability to recognize and effectively adapt to ongoing changes in industry and customer preferences. Organizations that adapt effectively to change can better manage disruptions and consistently meet customer expectations. This responsiveness realization is based on the process of identifying, capturing, and transforming:

**1. Identifying:** Identifying is the capacity to identify possibilities inside the corporation and within the marketplace. A fundamental thing in being capable of discovering possibilities is the provision of perception generated from commercial enterprise intelligence and analytics. Being capable of correctly putting in force those structures of perception are a mirrored image that a corporation has contextualized and prioritized its facts, that it is aware of the effect of outside elements on its performance, and that it may always make this fact be had to decision-makers on the proper time.

**2. Capturing:** Capturing is the capacity to mobilize assets with the purpose to capture possibilities. A corporation's capacity to seize possibilities may be advanced in some ways. One instance is making sure bendy employer generation. Flexible employer generation permits for integration, scalability, and for the brand new capability to be added easily. Without this, groups will continuously be tied down through their employer structures. Inflexible structures frequently want to be replaced, while bendy structures may be prolonged tremendously simply. Companies additionally have a view to swiftly install services and products. While this frequently is based on being perception-pushed and having bendy employer generation, it's additionally encouraged through an organization's transport methods. Companies who undertake non-stop transport methods, for instance, can get their services and products to the marketplace faster, at the same time enhancing their capacity to make modifications primarily based totally on feedback, and uphold quality.

**3. Transforming:** Companies now no longer handiest have a view to discover and seize possibilities, however, reconfigure their assets and abilities to do that on an ongoing basis. Transforming is a corporation's capacity to evaluate and reconfigure its inner and outside competencies. Broadly, agencies need to not forget the right breadth and intensity in their abilities and assets to make sure they could correctly meet their commercial enterprise demanding situations on an ongoing basis. This method that there's a non-stop reinvention of procedures and commercial enterprise models, an emphasis on organizational learning, and extensive funding in employer generation.

Ultimately, agencies who're seeking to technique Digital Transformation will want to discover their specific possibilities, however, all agencies can try to be responsive. Developing organizational responsiveness is based on setting up extra perception, green operations and dynamic abilities, velocity in handing over services and products, and reconfiguring

employer generation to be extra bendy. Companies who broaden this responsiveness will efficaciously navigate extradite and keep their patron relationships, Burca, Fynes and Brannick (2006.)

### **Concept of Sustainable Competitive Advantage**

Sustainable and positive profits are related to the organization's efforts to organize and maintain profits over the long term. Sustainable and positive utility suffers from three factors: the size of the target market, increased access to sources and customers, and regulation of competitiveness. Organizations that typically practice methods based primarily on properties that are not easily replicated can produce sustained offensive utility (Coyne, 2006). They further argued that customers want to understand the differences between an organization's products and its competitors to generate lasting positive utility. These variations are not available from competitors and must have been created from company sources. Other researchers have the resources and capabilities to contribute to the creation of sustainable and positive utility, as should be defined. For example, Barney (2011) argues that each source in an organization cannot create a Sustainable Aggressive Utility (SCA), which has four characteristics: shortage, value, irreplaceable, and irreplaceable. Is required. According, to Cegielski, Jones-Farmer, Wu & Hazen (2012). Adoption of cloud computing technologies in supply chains: An organizational information processing theory approach. *The International Journal of Logistics Management* 23 (2), 184-211), capacity SCA sources can be divided into financial, physical, legal, human, organizational, informational, and rational sources. They argue that a positive advantage in sources can be a positive advantage in the market (Hoffman and Nicol, 2000). Prahalad and Hamel (1990) argued that companies integrate sources and competencies with core competencies/ages. This is a good way to produce lasting positive utility in a regular and specific way.

### **Cost Leadership and Sustainable Competitive Advantage**

To gain a competitive advantage, companies can focus on different strategies such as cost leadership, quality, innovation and customer service. The most powerful benefits come from leadership in elements that are important to the customer and difficult to match with competitors. Cost leadership means being the lowest cost producer in the market segment of your choice. This allows you to set a lower price than your competitors and offer your customers the same benefits. According to Fast Company, cost leaders do not have to set the lowest prices or participate in price competition. If you have a cost advantage, you can offer your customers the same product quality or benefits at the same price as your competitors. This is an added value for customers. Your business has lower costs, so you can continue to make profits while maintaining competitive prices. Cost leadership also provides flexibility in dealing with strong buyers. If a buyer demands higher quality, higher level of service, or lower price, they will meet those demands without sacrificing profitability while competitors may find it difficult to meet. I can do it. This puts you in a strong position when you are doing business in a market with few product differentiations and many competitors. The same benefits apply if your supplier wants to raise their price towards you. This increases costs and reduces margins, but it can still absorb the increase. If you have a clear cost advantage, you can create a strong barrier to entry. New entrants who are not cost-friendly need to make large investments to match the price while maintaining profitability. This is important in markets where customers can easily switch suppliers and where customers tend to seek lower prices. Similarly, according to Quality Digest, supply chain collaboration can enhance cost advantages. By working with members to improve efficiency and reduce costs across the supply chain, you can create a sustainable cost advantage that competitors find difficult to match with it. If your company is a cost leader in your market sector, you have a strategic choice. You can set prices at the level of your competitors to stay profitable or lower prices to increase your market share. Maintaining profitability allows you to invest in other activities to strengthen your cost advantage and to implement other growth strategies such as increased product development or marketing budget.

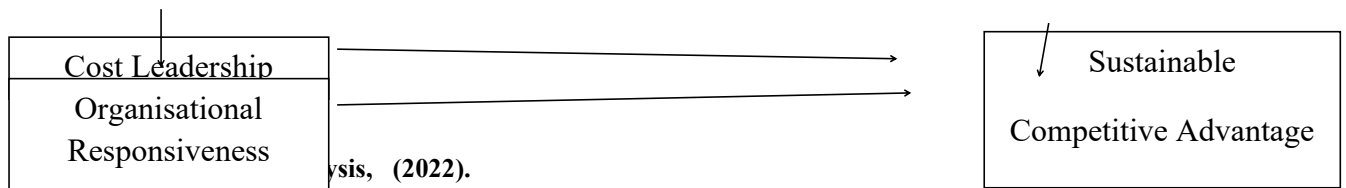
*.H<sub>02</sub>: There is no significant relationship between cost leadership and sustainable competitive Advantage?*

### **Organisational Responsiveness and Sustainable Competitive Advantage**

Organizational responsiveness or mindfulness is argued to contribute to a business enterprise's functionality to make variations as soon as they want to be recognized. Groups which could generate numerous views, ideas, know-how, and competencies can also additionally have to get admission to a more arsenal of responses while confronted with the want to adapt (Ely & Thomas, 2001; Sutcliffe and Vogus, 2003). This happens in numerous ways. First, while the business enterprise is made of people and businesses with a lot of know-how and experiential backgrounds, it has to get admission to a bigger pool of capability responses to any given situation (Sutcliffe and Vogus, 2003). Second, such agencies can be higher ready to create new responses. Research indicates that businesses composed of people with numerous know-how and knowledge have to get admission to a greater diversity of cognitive factors that could then be mixed and recombined into novel solutions (Amabile, 2003). Finally, organizational mindfulness can also additionally enhance adaptability by encouraging divergent wondering at some stage in trouble solving (Clippinger, 2019) It is typically held that divergent wondering will increase the capability variety of novel solutions (Bhardwaj, Varadarajan, and Fahy, 1993). It appears

evident, therefore, that organizational responsiveness will increase skills to word and reply to diffused cues that edition is necessary. Without assisting in organizing systems and processes, however, agencies are not going so that you can generate or draw on them. Mindful organizing is enabled through organizing systems that each expands and draws upon mindfulness as a way of keeping adaptability (Weick et al., 1999). In particular, those are systems that permit agencies to (i) discover and use knowledge wisely, (ii) are looking for out and inspire opportunity views and frameworks, (c) awareness of the capability for failure, and (iii) research from mistakes. Recent empirical proof indicates that the quantity that agencies or businesses have interaction in responsive modifications to trap and save you errors (Huang, Li, & Chen (2019). This observation considers the equal set of behaviours with recognition to IT identifying, shooting and transforming.  
*H0<sub>2</sub>: There is no significant relationship between information technology and organisational responsiveness*

**Conceptual Framework of Information Technology and Sustainable Competitive Advantage**  
**Independent Variable** **Dependent Variable**



**Theoretical Framework**  
**The Market-Based View (MBV)**

The market-based perspective theory quoted by Chi and Sun (2015) dates back to Mason and Bain (1950), who linked the structure of the industry to corporate success with the so-called Structure-Conduct-Performance-Paradigm. They argue that key factors for an organization's success are barriers to entry, the number of players in the market, and the elasticity of demand. In 1980, Michael Porter further developed this idea in his book, 'the Competitive advantage'. This is currently one of the foundations of business science. In his work, Porter introduces the so-called "five forces" framework that determines competition within the industry and the three "general strategies" that companies can adopt to succeed, and is a powerful IT. Management responsiveness and cost leadership has proposed to increase competitive advantage and can be maintained. The theory further argues that in an IT-driven industry, competitive advantage and external market-oriented industry factors are key determinants of corporate performance. Even after Bain's Structure-Conduct-Performance (SCP) framework and Porter's Five Forces model, two of the most well-known theories in the market-based view of strategic theory, many scholars say that the widespread use of IT is enterprise will lead to more fierce competition. IT can give organizations a competitive advantage by seizing opportunities, defending against threats, and improving their ability to transform their position in the market. Therefore, this study maintains this theory to fill the gaps identified by this study.

**Tools and Methods**

This study adopted a multi-session study using the quasi-experimental design of oil and gas companies. The results are based on 116 completed survey responses. A total of 120 questionnaires were emailed to five selected multinational oil and gas companies in the Niger Delta, Nigeria. In a survey sent by email, the overall response rate was 97% with 116 responses. The selection of survey participants is based on the organizational analysis unit. An important position within these companies has been identified as essential to understanding information technology and its lasting competitive advantage. This includes the General Manager (GM) office, managers, supervisors, and team leaders responsible for key tasks such as maintenance (MTC), engineering, and procurement. And projects (ECP), materials and logistics, contracts and procurement (C & P), manufacturing and human resources (HR). Reliability testing of the appliance was performed using Cronbach's alpha coefficient and all items were rated above 0.7, as shown in the table below. Spearman's rank correlation coefficient has been used by researchers to determine the strength and direction of relationships between research variables.

**Table 1: Reliability Co-efficient of variable measures**

Variables	Measures	Indicators	Alpha
Information technology		3	0.882
Sustainable Competitive Advantage	Cost Leadership	3	0.842
	Organisational responsiveness	3	0.764

**Source: Researcher's data output, 2022.**

**Hypotheses Testing**

**The Decision Rule**

If the probability value calculated is greater than the critical level of significance at 1.000 then the null hypotheses will be accepted while the alternate hypotheses is rejected and vice versa.

**Hypothesis One**

H<sub>01</sub>: There is no significant relationship between cost leadership and sustainable competitive Advantage

**Hypotheses Two**

H<sub>02</sub>: There is no significant relationship between organisational responsiveness and sustainable competitive Advantage

**Results and interpretation**

The hypothesis will be tested using Spearman's rank in the correlation tool with a 95% confidence interval (the significance level was set to a significance level of 0.05). Here,  $PV < 0.005$  means insignificant associations between study variables rejecting the null hypothesis. Where  $P > 0.005$  accepts the null hypothesis. Meanwhile the table 2 below shows obvious significant association of cost leadership and organisational responsiveness (independent variables) on SCA using technological adaptations. The analysis established a positive significant relationship with sustainable competitive advantage, hence accepting the null hypotheses 1 and 2 at 0.457 and 0.286 respectively.

**Table 2: Information Technology and Sustainable Competitive Advantage**

		Technology	Cost	Responsive	
Spearman's rho	Technology	Correlation Coefficient	1.000	.625**	.457**
		Sig. (2-tailed)	.	.000	.000
		N	116	116	116
	Cost Leadership	Correlation Coefficient	.625**	1.000	.286**
		Sig. (2-tailed)	.000	.	.002
		N	116	116	116
	Responsive	Correlation Coefficient	.457**	.286**	1.000
		Sig. (2-tailed)	.000	.002	.
		N	116	116	116

Source: **Researcher's data, 2022.**

Table 2 above shows obvious significant association of cost leadership and organisational responsiveness (independent variables) on SCA (dependent variable) using technological adaptations. The analysis established a positive significant relationship with sustainable competitive advantage, hence accepting the null hypotheses 1 and 2 at 0.457 and 0.286 respectively.

**Outcomes and postulations**

The results of this study confirmed that cost leadership and organizational responsiveness of information technology sub-variables are important predictors of sustainable competitive advantage (SCA). As such, information technology can be seen as making a significant contribution to results by leveraging the responsiveness and cost leadership of an organization. In this way, organizational technology can be perceived as the key to effectively harmonizing systems, integrating functions, and driving, competing, and asserting current trends in the environment. This is the position of a former scholar (Aremu and Saka, 2018) who confirmed that information technology is an important aspect of a healthy organization because it provides a mechanism for an organization to grow at a more substantive level. It further supports the claim that communication and interaction deeply promotes sustainability in competitive advantage. Similarly, it stimulates organizational adaptability and responsiveness competitively.

**Conclusion**

This study addressed information technology and sustainable competitive advantage in the Nigerian oil and gas industry. The study through its results presented that information technology contributes significantly towards achieving sustainable competitive advantage (organizational responsiveness and cost leadership). IT is also critical to the functionality of the organization and its systems and has a substantial level of impact on the organization's capacity.

**Recommendations**

The study recommends based on the findings and conclusion as follows:

i. focus should be placed on innovations, developing technologies and constantly updating the information technology needs of the organization in a manner that coincides with the growing changes and resulting dynamics of the organization's market and the expectations of its customers.

ii. As Nigeria's oil and gas companies move towards the future of innovative smart technologies, the benefits of such investments are reflected in increased efficiency, reduced operating costs, and increased productivity and safety. However, technology can be error-prone, so care must be taken not to overly rely on technology that does not have a significant percentage of human input.

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## EFFECT OF CONSUMERISM ON BRAND PERFORMANCE

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### Abstract

*The study ascertained the effects of consumerism on brand performance. The specific objectives were; determine the effect of consumer protection on brand performance; ascertain the impact of product quality on brand performance; and evaluate the effect of compliant handling on brand performance. Primary source of data collection was employed in gathering information (data) for the study and the data collected were subjected to analysis using simple OLS in order to ascertain the significance between variables used for the study. The findings from study showed as follows: p-value significant level of relationship characteristics is 0.000 is lesser than the p-value of .05 and the R adjusted (Adj. R<sup>2</sup>) value is bearing a positive value of 0.776 showing the strength of the effect of consumer protection, product quality and complaint handling on brand performance. The study concluded that consumers' awareness of the laws that protect them in exchange relationship is low with its concomitant law and in some cases absence of litigations against sellers even in cases of obvious infringement. Therefore, it is recommended that enforcement of consumers' right should not be considered sole responsibility of the government, as such; it makes sense for civil societies to participate in the enforcement of consumers' right as part of the campaign against social ills.*

**Key words:** Brand Performance, Consumerism, Customer Protection, Product Quality and Compliant Handling.

### Introduction

Consumer spending has been responsible for more than two third of the domestic demand across global market. This phenomenon did not happen without a cause as organization continue to invest huge resources on marketing campaigns to influence consumer spending (Novotney, 2008; Ayoze, 2018). In a bid to protect consumers from the growing philosophy that consumers can only buy what is made available regardless of their welfare and satisfaction, the marketing concepts of consumerism is increasingly emphasized on.

Consumerism aims to safeguard the right of consumers from the negative practices of producers such as unsafe product, ordeal, deceptive packaging, incorrect weight e.t.c It is believed that as organization plan a coordinated sets of product to serve their target customer need and want they will derive profit through creating customer satisfaction hence, the key to achieving a brand objective is centered on an organization been more effective in valid creation and delivery to its chosen target market .

The consumer entity in Nigeria is hapless, hopeless and helpless (Ayoze, 2018; Akpanenua, 2019).

Then, consumer sovereignty sounds fairly fallacious and folly. In fact, Moguluwa, Nwankwo, Anyasor and Agina (2018) asserted that consumer's interest have always been relegated to the background why organizations exploit different market to achieve their bottom line (profit) such exploitative practices are a prevalent in almost every organization in Nigeria (Kotler, 2005; Ayoze, 2018). This calls for revised marketing concept that would take into account the long term moral and social issues with which marketing should now concern itself, one of which is consumerism. Before examining further, such a concept should recognize certain practicalities which complicate the issue. Hence, today in Nigeria, we still notice organizations and government partial commitment for consumerism (consumer protection); this partial commitment for consumerism positively affects brand performance.

Many researchers agree with the suggestion that consumerism is a central concept of marketing science, satisfaction and protection of customers have both direct and indirect impacts on any industry (Kandampully & Hi, 2018). The protection of existing customers is very

important, since it was calculated that the attraction of new customers is much more expensive than the retention of existing ones (Wong & Sohail, 2019). Jackson (2006) in his study on sustainable consumers, noted that there is no agreement about a clear explanation of this concept, but a variety of views about the extension in which the sustainable consumption discuss the questions of consumer behavior, lifestyle, consumerism and how it affect firm's brand. Therefore taking the above argument into consideration this study examined effect of consumerism on brand performance. Consumerism is the social/movement seeking to ambient the right of buyer and sellers in relation to sellers.

In recent times, the Nigeria markets are filled with varieties of clone products and services, adulterated and inferior goods. Many firms have been conducting unacceptable marketing activities (sharp practices) on unaware consumers, all in the name of making fast cash in which directly and indirectly affecting their brand identity and performance. The above challenge must give concern to every responsive industry, regulatory bodies, concerned managers who believe that any unsafe products and consumer's interest must not be passed to the unsuspecting public in the name of profit making. Even so, this study has the intention of finding out the implications and effect of Consumerism on brand performance of selected Hotels Asaba (Rodina Hotel, Grand Hotel and El Green Hotel). Also, there are few studies on the subject matter, and no study has attempted to address these problems in the hotel or hospitality industry; therefore, the researcher aims to fill the literature gap on the effect of consumerism on brand performance.

### **Research Questions**

The backdrop the study raised the following research question:

- i. What is the nature of the relationship between consumer protection and brand performance?
- ii. What are the effects of product quality on brand performance?
- iii. Does compliant handling have effect on brand performance?

### **Study objectives**

The general objective of the study is to examine the effects of consumerism on brand performance; the specific objectives are:

- i. determine the effects of consumer protection on brand performance
- ii. ascertain the effect of product quality on brand performance
- iii. evaluate how compliant handling affect brand performance

### **Study Hypotheses**

The following hypotheses was poses to address the research questions

H01: consumer protection does not have positive influence on brand performance

H02: product quality does not have positive impact on brand performance

H03: compliant handling does not have positive effect on brand performance

The study focused on the staff of selected Hotels (Rodina Hotel, Orchid Hotel, Elomax Hotel, Swiss Spirit, Grand Hotel and El Green Hotel) in Asaba, Delta State. The geographical area covered was mainly Asaba metropolis in Delta State, Nigeria. These are some the foods these Hotels serve: fried rice and chicken; fried plantain; salad, and jollof rice; coco-nut rice; gizzard; banger rice; banger soup with fufu, eba, semovita; soup; egusi soup; pepper soup (goat, fish, cow), etc.. The chosen Hotels carry out their business operations in line with the high engagements of customer patronage and also, this location was also proximity for the research to retrieve data for the result of this study to be generalized.

## **REVIEW OF RELATED LITERATURE**

### **The Concept of Consumerism**

Consumerism is defined as a social movement which seeks to improve the rights and power which consumers have (Perreault & McCarthy, 2012). Consumerism according to Kotler (2009), is a social movement seeking to augment the rights and power of buyers in relation to seller. Also, Smriti (2015) opined that consumerism is a social force designed to protect consumer interests in the market place by organizing consumer pressures on business. Ayoze (2018) added that consumerism is the activities of government, business and independent organizations that are designed to protect individuals from practices that infringe upon their rights and consumption. This view of consumerism emphasizes direct relationship between the individual consumer and the business firm.

The current emphasis on consumer economy has reawaken interest in consumers' right in the transaction process. In Nigeria just as in some developing countries of the world, the enactment and enforcement of consumer protection laws have witnessed appreciable emphasis particularly with the return of democratic rule in the country (Posinasetti, 2014). All these are taking place at a time when consumers' right and even protection are seriously been challenged by the unprecedented growth in fake and sub-standard products in the Nigerian markets as evidenced by the recurring destruction of unwholesome food and drugs by the National Agency for Food and Drug Administration and Control (NAFDAC) and other regulatory agencies in the recent years.

### **Ways to achieve consumerism**

In synopsis, consumer protection is crucial in the modern market due to lack of balance/equality between the demand and the supply side in terms of bargaining power, knowledge and resources (Mwakatumbula, Moshi & Mitomo, 2016). The consumer cannot bargain in his/her favour in a market unless he/she has enough information. At times, markets offer general information which is suitable for average consumers; vulnerable consumers (such as disabled, poor, elderly or uneducated consumers), however, are often left behind. While suppliers have more knowledge about their goods or services and their rights, most consumers are unaware of even their basics rights in the markets (Mwakatumbula, et al, 2016).

Lastly, the supply side has all kinds of resources, such as financial and professional capabilities. In case of



conflict between two parties, the consumer is more likely to be on the losing end. Therefore, the consumer protection mechanism plays a major role in bringing equality to the marketplace. There are several ways countries use to uphold consumer protection which are explained below:

#### **Provision of Consumerism Education and Information**

Consumer education is crucial to creating knowledgeable consumers who can act responsibly in the marketplace. The consumer-protection manual suggests the incorporation of consumer education into education curriculums. Another way to empower consumer protection is to raise consumer awareness through media and/or community activities. For example, in Kenya, the telecommunications regulator (the Kenya Communications Commission) runs a consumer consultation forum. The forum invites shareholders for discussions held in different public places across the country. This consultative forum is known locally as KikaoKikuu. It is a forum whereby the regulator interacts with users to gauge consumers' perception of the quality of the telecommunications services and ICT opportunities made available in various counties.

#### **Dimensions of Consumerism**

##### **Consumer Protection**

A consumer is anyone who buys goods or services from a trader for the purpose of consuming or owning them. Consumer protection involves protecting consumers from unfair business practices and empowering them to make informed decisions in the marketplace. Consumer-protection laws are regulations designed to ensure that consumers are protected in the market by observing consumer rights, competition or anti-trust policies, fair business practices, and accurate information in the marketplace. For instance, the laws are designed to prevent collusion among traders (service providers) in the market, thereby promoting competition and increasing consumer choices (Ebitu, 2008).

The phrase "consumer protection" has been defined as legislation, which protects the interest of consumers. The Encyclopedia Americana defines consumer protection as safeguarding the buying public from dangerous or inferior goods and services and from fraudulent and other unfair selling practices. Consumer protection is the protection of buyers of goods and services against low quality or dangerous products and advertisement that deceive people. It is a means of safeguarding the interest and rights of consumers from unscrupulous and unethical malpractices by the business and to provide them speedy redress of their grievances (Ebitu, 2008).

##### **Product Quality**

Ehsani (2015) opined that quality of a product is the customer's perception of the overall quality or superiority of the product or service, with respect to its intended purpose, relative to alternatives. Kotler and Armstrong (2012) argued that Product quality is the characteristic of a product that bear on its ability to satisfy stated or implied

customer needs. It is important to note that the quality of the product is not reviewed by the company standpoint; it is seen from the perspective of the customer. Associated with that, it raised two important factors that affect the quality of the product, namely the expected product quality and the perceived product quality.

Furthermore, when the perceived product quality is in line with the expectation, then the customer will perceive the product quality as a good quality and also feel satisfied. Conversely, if the perceived product quality is not as expected, then the quality of the product as the customer perceived is qualified as a bad product quality and this will affect brand performance of the company. Thus, the qualification of both bad and good product depends on the ability of the company to meet the customer expectations. Razak(2016),observed that the quality of the product consists of several indicators, namely performance, features, reliability, compliance, durability, service ability, aesthetics, and perceived quality

Thus, the company needs to observe the customer's needs to achieve the company's goals. The consumer is an asset that is not biased for a product. Good product quality will make consumers like the products offered by the company. Product quality is a whole of the characteristics and characteristics of the product that affects its ability to satisfy the expressed or implied needs (An, 2013). The criteria for assessing a product are said to be of good quality are relative, meaning that everyone will have different ratings. Quality can prove a product by comparing the quality of similar products with different brands by testing them in some aspects of its ease of maintenance. Kotler (2012) says that consumers love products that offer quality, performance, and best features. Good product quality creates, maintains satisfaction, and makes loyal consumers.

##### **Complaints Handling**

Effective complaint handling efforts should be regarded as investments which help to retain customers and protect long-term brand performance. Policies of complaint handling management may imply apologizing, refund or material compensation as well as redoing core service right by trying to correct what went wrong (Lovelock & Wirtz, 2014). Miller (2012) divided complaint handling strategies into two types: psychological and tangible strategy. The psychological approach is focused on actions like explaining the problem to the customer and apologizing and in this case, emphasis is applied on communication. Meanwhile, the tangible approach is concentrated on refunding and material compensation.

The complaint handling process as a reactive tool for gaining referral benefits from the customers which is intrinsically associated with service quality and customer expectation. However, they have also agreed that service failures are inevitable even in the most precisely run organizations (Husnain & Akhtar, 2015). Service failures have been reported to be in existence when a gap between the expected level and actual level of services received occurs (Zeithaml et al., 2018). These failures can lead to critical aftermaths, affecting customer relationship and customer referral benefits. To respond to this,

organizations should turn to well thought-out and planned complaint handling procedures to compensate the aggrieved customers in an attempt to regain customer satisfaction and brand performance. The objective of organizational complaint handling procedures is to turn the unsatisfied customers to a state of satisfaction.

### **Brand Performance**

Brand performance is the measure of a brand results against the business and marketing goals. While brand delivery focuses on how branding is executed during a marketing campaign, brand performance measures the campaign results to see how effective the branding was for the business. Extant marketing literature suggests that a universal brand performance measure does not exist, probably because no single brand performance metric is likely to be perfect (Farris et al, 2010). A wide range of measurements have been adopted to operationalize brand performance. Generally, brand performance is often taken into account as the outcome of brand equity model and defined as the economic results that the producers with strong brands wishes to achieve (Tran, 2006).

Brand performance as an index of the financial share of a brand in relation to the retailing profits, evaluated using the profit and margin of profit while the brand market performance considers the market demands and evaluates indices such as sale levels and market share (Baldaufet, 2013). Aaker (2006) proposed some brand performance indices related to the evaluation of market behaviour: market share, price and distribution coverage and argued that brand performance measurement using the market share often provides a widespread and sensible reflection of the condition of a brand or its customers. Aaker (2006) stated that when a brand has a relative advantage in consumer's mind, its market share should increase or at least not decrease. Keller and Lehman (2013) operationalized brand performance in terms of profitability, price premium, price elasticity, market share, cost structure and success in category extension. Chaudhuri and Holbrook (2011) considered relative price and market share as the outcomes of brand performance.

Consumer uncertainty may exist even after active information gathering (for experience attributes) or after consumption (for long-term experience or credence attributes). This leads to consumer perceived risk because any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty and some of which at least are likely to be unpleasant (Atalik, 2018) stated that. The credibility of a brand decreases perceived risk because it increases consumers' confidence in a firm's product claims (Wang, 2017).

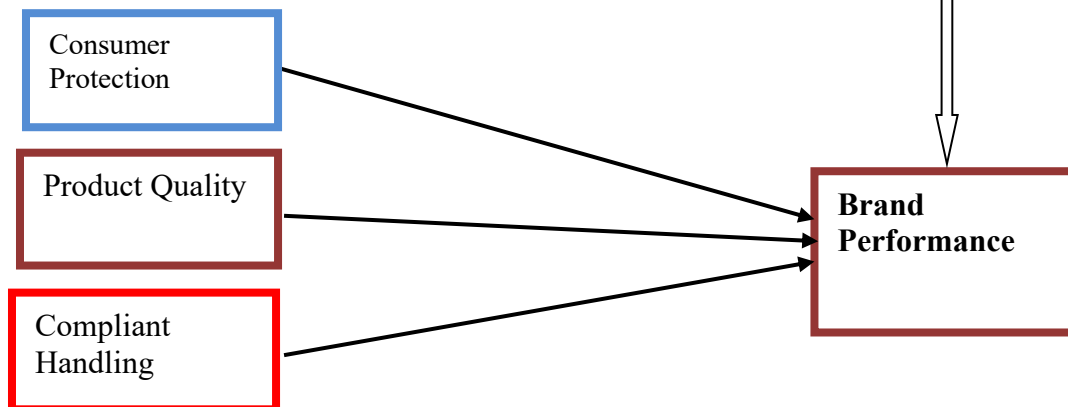
### **Relationship between Consumerism on Brand Performance**

The satisfaction and protection of customers have both direct and indirect impacts on brand performance (Kandampully & Hu, 2018). The protection of existing customers is very important, since it was calculated that the attraction of new customers is much more expensive than the retention of existing ones (Wong & Sohal, 2019). Thus, in the market place, effective complaint management must be a priority for every business, as the complaining behaviour provides companies with a chance to remedy the dissatisfaction and, ultimately, to retain loyal customers (Obasan, 2011). Atalik (2018) suggests that consumer protection may comprise policies and actions involving government intervention to ensure that all consumers obtain what they really want.

The increasing demand for consumer protection is a modern phenomenon, and efforts are being made by governments to obtain greater enforcement from laws. To examine the complaint intention, Bennett and Rundle (2004) found that if consumers perceive that a business is willing to remedy the complaint, they are more likely to make a complaint, and they feel that complaining is worth the effort; regarding predicting complaint action from business practices and responsiveness to complaints. Richins (2007) found that if complainers believe that business responsiveness is low, they are more likely to take complaint action. If consumers experience dissatisfaction with products or services and are unable to obtain satisfaction from sellers or manufacturers, they may turn for help to a variety of consumer complaint agencies. Therefore, a third party can be the next step for consumers to improve their satisfaction if they still dissatisfied with the company's response.

Few consumers actually complain directly to the manufacturer or service provider, so businesses may be unaware of consumer complaint actions (Wang 2017). Franklin (2002) believes that 'consumer complaints' is correlated with demands for more government regulation and intervention in the market place. From a managerial perspective, complaints represent potentially valuable information in guiding marketing strategy. Furthermore, from a public policy perspective, complaints may aid the development and targeting of consumer protection and market regulatory programmes (Fornell & Westbrook, 2009). Hence, complaints can provide an alert to the distribution channel of the government regulation that needs correction in the business, and gives the company an opportunity to convince the customer to continue patronizing their stores and buying their products.

**Conceptual Framework**  
**Independent variable**  
**Consumerism**



Source: Author's Conceptualization, 2022

### Theoretical Review

The study was anchored on three theories which were highlighted to strengthen the study; Theory of Reasoned Action, Theory of Planned Behaviour and Information Integration Theory.

### Theory of Reasoned Action

The theory of reasoned action is one of the most prominent theories used in scholarly literature to assess how people behave. Reasoned-action theory (TRA) was introduced by Fishbein and Ajzen (1967). The theory has two main constructs that are used to determine the likelihood of an individual exhibiting a particular behaviour. In the case of consumer behaviour, the target behaviour is any action that manifests the consumer's engagement. In the case of consumer-protection activities, the character to be manifested might be complaining when one's rights have been violated. TRA posits a very simple model, as it has two main constructs: attitudes and subjective norms. An attitude refers to individuals' preferences or opinions about behaviour in question.

On the other hand, subjective norms refer to the social pressures one is subjected to. These can be favourable or unfavourable with respect to the targeted behaviour. For example, in certain cultures, it is considered normal for consumers to express their views whenever they feel discontented with the service offered by a supplier. Such social norms are in line with consumer protection. In other cultures, the practice is just the opposite. In the latter, it is more difficult for individuals to depict the consumer behaviour which may lead to consumerism or consumer protection.

### Theory of Planned Behaviour

The theory of planned behaviour (TPB) was conceived by Ajzen (1980) as an improvement of the theory of reason action. TPB's major improvement on TRA concerns the identification of various constructs which could be clogged in the TRA model. Under TRA, behaviour is assumed to be voluntary; the realization of the contrary

introduces the idea of behavioural control, which could persuade an individual to attain a desired behaviour.

### Information Integration Theory

Information integration theory was proposed by Norman H. Anderson in 1981 to describe and model how a person integrates information from a number of sources in order to make an overall judgment. Anderson, the theory states that "attitudes or beliefs are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing beliefs or attitudes". This theory believes that, the more salient or accessible a brand attitude, the more likely it is that the individual will access that attitude upon observing cues associated with the brand. This will lead to bias information processing in a direction implied by the valence of those attitudes.

### Empirical Review

Ling and Chen (2018) examined the effects of product quality on customer satisfaction and loyalty in the Malaysian Engineering Industry. The objective of the research is to study the factors that can assist a company to build a sustainable competitive advantage through the effective enhancement of customer satisfaction and ultimately customer loyalty. The proposed conceptual model consists of the different dimensions of product quality as the independent variables with customer satisfaction. Garvin's eight dimensions of Product Quality in Performance, Features, Reliability, Conformance, Durability, Serviceability, Aesthetics and Perceived quality are dimensions of Product Quality that affect Customer Satisfaction which impacts Loyalty. The results provide insights to understand the dimensions of Product Quality that affect customer satisfaction and higher satisfaction leads to higher customer loyalty in the engineering industry in Malaysia.

Theresa and Henry (2016) examined the impact of consumerism on organizational performance of Nigerian Breweries Plc Iganmu, Lagos state. The survey research design was used in the study. Data was collected from primary source with the use of questionnaire. The duration of study was between 2005 - 2014. Ordinary Least Square

was adopted for the study. The findings revealed that there is a significant relationship between consumerism and organizational performance in Nigerian Breweries Plc. The study recommends that the management of Nigerian Breweries Plc should improve in the area of consumer protection and satisfaction approaches since it improves organizational performance.

Anayo, Nkamnebe, Idoko and Kalu (2012) investigated the effect of Consumer protection in market transactions in the Nigerian manufacturing sector. The objective of the study examined the complex issue of consumer protection in Nigeria, with the view to understanding the role of relevant stakeholders in protecting the rights of Nigerian consumers. Data were generated using depth interview conducted among selected consumers/users and institutional buyers. The study also employed observation method especially in supermarkets, open markets, departmental stores in Enugu and Onitsha (Nigeria). The study concludes among others that most consumers do not take time to study the label on products before buying. As a result, they rarely have full information about the product that would help them protect their rights. Also, most consumers indicated that languages or terms used to describe the product especially pharmaceutical products, are extremely too technical to comprehend.

Obasan (2011) assessed the impact of customer protection on brand performance in the banking sector, using first bank plc Lagos branch as a case study and using student distribution to test the significance of response. Purposive sampling technique was used to select the bank of choice and a self-design questionnaire was administered to 50 respondents cutting across all cadres of staff of First Bank of Nigeria Plc (Lagos Branch). The study revealed that the main sources of customer complain and dissatisfaction in the market relate to perception and value problems and also that high complaint handling will leads to improved

brand' performance if consumerism issues are managed effectively. That is, there is a significant relationship between customer protection and brand performance.

Wenjie and Othman (2010) examined the influence of Knowledge of consumer protection and perception on brand performance in Malaysian. The objective of this study was to investigate the motivation for seeking redress from the firms and the third-party complaint process, especially from the Malaysian consumers' perspective. 840 complainers were interviewed in the shopping malls, National Consumer Complaint Centre and the Tribunal for Consumer Claims in Malaysia. The structural equation model was tested by using multiple indicators of unobserved constructs. The study revealed that the consumer's complaint intention is predicted by the knowledge of consumer rights and consumer agencies and the importance of the product. Additionally, the research found that complaint intention mediated the relationship between the knowledge of consumer rights and consumer agencies, the importance of product and complaint intention

## RESEARCH METHODS

Linear regression analysis was employed through Statistical Package for Social Sciences (SPSS) version 22 to analyzed the data generated from the field through structure questionnaire administration on eighty five (85) sampled population across three (6) hotels; Rodina Hotel, Ochid Hotel, Swiss Spirit, Elomax Hotel, Grand Hotel and El Green hotels in Asaba, Delta State. However, seventy (70) sets of questionnaire were returned. This implies that 84.3% of sets of questionnaire were returned and used for the study. This aligns with the preposition of Mugenda and Mugenda (2003) that a response rate of 50% or more is adequate for data analysis.

## DATA PRESENTATION AND ANALYSIS

**Table 4.1: Response Rate of Questionnaire**

Gender	Questionnaire Administered	No Returned	No. Not Returned	Percentage
Male	40	30	10	75
Female	45	40	5	89
Total	85	70	15	100

Source: Field Survey, 2022.

**Table 4.2: Gender of Respondents**

Gender	Frequency	Percentage
Male	32	45.7%
Female	38	54.3%
Total	70	100

Source: Field Survey, 2022.

The results from the table above shows that males are 32(45.7%) while females are 38 (54.3%) are females.

Age	Frequency	Percent
18-25Years	11	15.7
26-35Years	25	35.7

36-45Years		19	27.1
46 and Above Years		15	21.5
Total		70	100

**Table 4.3: Age of Respondents**

Source: Field Survey, 2022.

The results from table 4.3 above shows that 11(15.7%) of the respondents fall between 18-25 years of age; 25(35.7%) falls within 26- 35 years, 19(27.1%) falls within 36-45 of the age brackets while the remaining 15(21.5%) were within the age group of 46 years and above.

**Table 4.4: Marital Status of Respondents**

Marital Status	Frequency	Percent
Single	35	50
Married	24	34.3
Others	11	15.7
Total	70	100

Source: Field Survey, 2022.

The results from table 4.4 above shows that 35(50%) of the respondents are single, 24(34.3%) are married while 11(15.7%) represent other categories.

**Table 4.5: Educational Qualification of Respondents**

Edu. Qual.	Frequency	Percent
SSCE	25	35.7
OND/NCE	21	30
HND/BSc	24	34.3
Others	-	-
Total	70	100

Source: Field Survey, 2022

The results from table 4.5 above shows that 25(35.7%) of the respondents are SSCE Holder, 21(30%) are OND/NCE holder, 24(34.3%) are HND/B.Sc. holder.

## Regression Analysis and Interpretation of Findings

### Test of Hypotheses

The regression analysis was employed as the statistical tool for testing of the hypotheses formulated for the study

### Decision:

The null hypotheses will be accepted if the p-value (calculated value) is greater than the set level of significance (critical value) of 0.05(5%) and reject the null hypotheses (i.e. accept the alternate) if it is less than the critical value.

### Test of Hypothesis One

H01: consumer protection does not have positive influence on brand performance

## Model Summary

**Table 4.6: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888 <sup>a</sup>	.776	.775	.90616

a. Predictors: (Constant), consumer protection

The results from table 4.6 above shows that changes in consumer protection is brought about by 77% (.776) as exhibited by the adjusted R<sup>2</sup> value. This implies that the independent variables explained 77.6% of the variability of the dependent variable

## Fitness of the Model

**Table 4.7: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2248.749	1	2248.749	2738.610	.000 <sup>b</sup>
	Residual	55.837	68	.821		
	Total	2304.586	69			

- a. Dependent Variable: brand performance  
 b. Predictors: (Constant), consumer protection

The results from table 4.7 above shows the *F*- ratio test whether the overall regression model is a good fit for the data. The table indicated that consumer protection statistically significantly predicts brand performance (1, 69) = 2738.610,  $p < .0005$  (this indicates that the regression model is a good fit for the model).

**Regression Analysis of Consumer Protection on Brand Performance.**

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.091	.231		-.394	.695
	consumer protection	1.009	.019	.988	52.332	.000

- a. Dependent Variable: brand performance

**Decision:**

Table 4.8 above shows that the critical value of .000 is lesser than the p-value of .05 as the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .776 showing the strength of the relationship. Therefore, the null hypothesis is hereby rejected and the alternate hypothesis which states that there is a significant relationship between consumer protection and brand performance is thereby accepted.

**Test of Hypothesis Two**

H02: product quality does not have positive impact on brand performance

**Table 4.9: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 <sup>a</sup>	.970	.970	1.00619

- a. Predictors: (Constant), product quality

The results from table 4.9 above shows that changes product quality is brought about by 97% (.970) as exhibited by the adjusted  $R^2$  value. This implies that the independent variables explained 97% of the variability of the dependent variable

**Fitness of the Model**

**Table 4.10: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2235.742	1	2235.742	2208.329	.000 <sup>b</sup>
	Residual	68.844	68	1.012		
	Total	2304.586	69			

- a. Dependent Variable: brand performance

- b. Predictors: (Constant), product quality

The results from table 4.10 above shows the *F*- ratio test whether the overall regression model is a good fit for the data. The table indicated that product quality statistically significantly predicts brand performance (1, 69) = 2208.329,  $p < .0005$  (this indicates that the regression model is a good fit for the model).

**Regression Analysis of Product Quality on Brand Performance**

**Table 4.11: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.007	.275		-3.660	.000
	product quality	1.011	.022	.985	46.993	.000

- a. Dependent Variable: brand performance

**Decision:**

The results from table 4.11 above shows that the critical value of .000 is lesser than the p-value of .05 as the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .970 showing the strength of the relationship. Therefore, the null hypothesis is hereby rejected and the alternate hypothesis which states that there is a significant relationship between product quality and brand performance is thereby accepted.

**Test of Hypothesis Three**

H03: compliant handling does not have positive effect on brand performance

**Table 4.12: Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.988 <sup>a</sup>	.876	.876		.89602

a. Predictors: (Constant), Complaints Handling

The results from table 4.12 above shows that changes in Complaints Handling is brought about by 87% (.876) as exhibited by the adjusted  $R^2$  value. This implies that the independent variables explained 87% of the variability of the dependent variable

**Fitness of the Model****Table 4.13: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2249.992	1	2249.992	2802.521	.000 <sup>b</sup>
	Residual	54.594	68	.803		
	Total	2304.586	69			

a. Dependent Variable: brand performance

b. Predictors: (Constant), Complaints Handling

The results from table 4.13 above shows the  $F$ - ratio test whether the overall regression model is a good fit for the data. The table indicated that Complaints Handling statistically significantly brand performance (1, 69) = 2802.521,  $p < .0005$ , this indicates that the regression model is a good fit for the model.

**Regression analysis of Complaints handling on brand performance****Table 4.14: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.294	.232		-1.264	.210
	Complaints Handling	1.047	.020	.988	52.939	.000

a. Dependent Variable: brand performance

**Decision:**

The results from table 4.14 above shows that the critical value of .000 is lesser than the p-value of .05 as the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .876 showing the strength of the relationship. Therefore, the null hypothesis is hereby rejected and the alternate hypothesis which states that there is a significant relationship between Complaints Handling and brand performance is thereby accepted.

**Discussion of Findings**

In accordance with the data analysis conducted, the discussions and findings are as followed:

**Consumer Protection and Brand Performance**

From the result of the analysis of the test of hypothesis in section revealed that the p-value significant level of relationship characteristics is .000 is lesser than the p-value of .05 and the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .776 showing the strength of the relationship. This finding aligns with the findings of Chand (2015) who reported positive relationship between

consumer protection and brand performance. He argued that consumer protection is a means of safeguarding the interest and rights of consumers from unscrupulous and unethical malpractices by the business and to provide them speedy redress of their grievances. Also, it can serve as a social force designed to protect consumer interests in the market place by organizing consumer pressures on business.

**Product Quality and Brand Performance**

From the result of the analysis of the test of hypothesis in section, revealed that the p-value significant level of

relationship characteristics is .000 is lesser than the p-value of .05 and the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .970 showing the strength of the relationship. This finding aligns with the findings of Razak (2016) who reported positive relationship between product quality and brand performance. He argued that if the perceived product quality is in line with the expectation, then the customer will perceive the product quality as a good quality and also feel satisfied. Conversely, if the perceived product quality is not as expected, then the quality of the product as the customer perceived is qualified as a bad product quality and this will affect brand performance of the company.

### Complaints Handling and Brand Performance

From the result of the analysis of the test of hypothesis in section (4.4.3), revealed that the p-value significant level of relationship characteristics is .000 is lesser than the p-value of .05 and the R adjusted (Adj.  $r^2$ ) value is bearing a positive value of .776 showing the strength of the relationship. This finding aligns with the findings of Akhtar, Ahmad and Abbas (2016) while investigating favorable and unfavorable incidents of complaint handling, revealed that appropriately managed customer complains can turn distressed customer into a satisfied one. Similarly, Tahmeem and Siddiqi (2018) while examining complaint handling as a relationship tool also proved that effective complaint handling should be considered as a means to enhance customer satisfaction.

### Conclusion

Critical observations have been made from the study analysis. First, most consumers do not take time to study the label on products before buying. As a result, they rarely know when the product was manufactured, the batch number, and the expiry date. In some cases, consumers indicated that the languages or terms used to describe the product, especially pharmaceutical products, are always technical. They found it difficult to understand the terms. Secondly, consumers' awareness of the laws that protect them in exchange relationship is low with its concomitant law and in some cases absence of litigations against sellers even in cases of obvious infringement. It is therefore not surprising that a good number of the respondents claimed not to be familiar with the objectives of most of the consumer protection laws and institutions. These conclusions are further collaborated by the total absence of vibrant consumer association in the area surveyed. Finally, most consumers do not obtain receipt/invoice after purchase.

### Recommendations

Based on the results of findings, the following are recommendations for future implementation:

1. The enforcement of consumers' right should not be considered sole responsibility of the government, as such; it makes sense for civil societies to participate in the enforcement of consumers' right as part of the campaign against social ills.

2. Organizations should establish a division of consumer affairs to participate and represent consumers in all corporate decisions; respond to consumer inquiries and complaints; inform and educate the consumers. The department shall also be concerned with monitoring consumer satisfaction with company products, predicting and detecting areas of consumer discontent and representing consumers and other social interest in corporate policy-making.
3. Manufacturers should safeguard their interests by watching out for fake brands of their products. Manufacturers of these fake products should be traced through the sellers of the products and appropriate action taken. Tamper proof devices should also be adopted. The manufacturer should take care of any noticed lapses in the mode of corking or sealing his product. Failure to do so should be seen as a breach of duty on the part of the manufacturers

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## COMMUNICATION COMPETENCIES IN FORENSIC ACCOUNTING NEEDED BY ACCOUNTING GRADUATES FOR EFFECTIVE JOB PERFORMANCE

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### Abstract

*This study was undertaken to determine the interpersonal/oral and written competencies in Forensic Accounting Needed by Accounting Graduates for Effective Job Performance. Two research questions were raised for the study and two null hypotheses were formulated and tested at 0.05 level of significance. The descriptive survey research design was used for the study. A population of 136 heads of accounting department (Public Accountants) in the Ministries, Agencies and Parastatals and 62 Accounting Lecturers in the Public Universities in Edo and Delta States were used. The total population was 198 which also served as sample. The instrument for data collection was a self structured questionnaire containing 21 items. The statistical method used for data analysis was the mean and standard deviation for the research questions, while the t-test was used to test the null hypotheses. The findings of the study revealed that ability to make informative speech, ability to understand and use common types of speeches, ability to testify about findings, ability to exhibit good listening skills, ability to present effective report writing, ability to simplify information etc. are all interpersonal/oral and written communication competencies in forensic accounting needed by Accounting Graduates for effective job performance. It was concluded that Public Accountants and Accounting lecturers strongly agreed on the importance of interpersonal/oral and written communication competencies of Forensic Accounting for tremendous growth in forensic accounting practice. It was recommended among others that the Accounting Education curriculum be revisited to include these competencies of forensic accounting for effective job performance.*

**Keywords:** *Interpersonal, written, Forensic Accounting, Communication Competencies, Public Accountants, Accounting Education Graduates.*



## INTRODUCTION

There is a phenomenal increase in fraud and related crimes in both public and private sectors of the economy in Nigeria. This is obvious in the number of enterprises that are closing down, bringing about unemployment and revenue loss. Hamilton and Gabriel (2012) confirmed this, stating that fraud and related ills have contributed to economic instability in Nigeria and resulting income losses and high mortality rate of organizations. Mobolaji and Omoteso (2009) also opined that the perennial infrastructural decline and general systemic breakdown have been connected to fraud and other corrupt behaviours. It has become worrisome that incidences of fraud have become so prevalent and epidemic in nature. This situation makes it more difficult for the Nigerian government to fulfil its constitutional obligations to its citizens (Okunbor & Obaretin, 2010).

The Federal Government of Nigeria established a lot of agencies to check-mate these fraud incidents but fraud remained unabated. Companies stakeholders and shareholders want the managers of their organizations to preserve profitability and financial stability. The enormous loss caused by fraud in the public and private sectors has a direct influence on the development of infrastructure, facilities and utilities as well as establishment of public trust.

Along with the legal framework, many experts feel that retaining the services of Forensic Accountants can help minimize fraud, which in turn can motivate firms to strive for economic stability. As a result, the demand for forensic accountants is considerable. DiGabriele and Crumbly (2009) stressed that demand for forensic accountants will continue to grow. As a result, the supply of these experts with the various competences must be increased, particularly in nations with a high risk of fraudulent activities.

The educational sector, which is the bedrock of national development is one sector that should serve as the starting point for resolving problems of this nature. According to

Effiong (2012), education has a formative effect on an individual's mind, character and physical capabilities through the transmission of knowledge. Educational institutions should consequently serve as conduit for the dissemination of new thoughts. Education establishes the benchmarks for assessing future development potentials. Educational institutions are definitely places where new information, skills and abilities are imported. Students including, accounting students represent a country's future workforce, and should therefore be equipped with necessary and relevant information skills and competencies to do their assigned jobs.

Early inculcation and communication is a major one, may be the first step toward developing a preventive behavioural disposition. This is an issue that the majority of Nigerian universities offering higher education in accounting are yet to embrace. Howard and Sheetz (2006) described forensic accounting as the process of clearly, concisely and factually evaluating, summarizing and presenting complicated financial matters as an expert in a court of law.

Accounting graduates are youths that have run a programme in accountancy in universities. Accounting is an educational programme offered in the Universities. As previously stated, Nigeria faces an extreme scarcity of forensic accountants, necessitating the development of a diverse pool of individuals with forensic accountant competencies especially as regards the interpersonal and communication competencies to serve as substitutes. Accounting graduates are capable of filling such functions of forensic accountants efficiently. With this, accountants are able to represent and provide valuable information or evidence to legal practitioners in a court of law if there is litigation having received proper training in fraud detection and reporting.

## **Statement of the Problem**

Fraud and misappropriation of funds have dealt heavy blow on many business organizations in Nigeria. Accounting scandals and frauds are worldwide phenomenon that affects all continents and all sectors of the economy, and most organizations face it regardless of their size, industry or country. It is perennial and has plagued our society. The high incidence of fraud is a serious concern for investors as fraudulent financial report can have a substantial negative impact on a company's existence as well as the market value.

The point at which the corporate existence of organizations is threatened by the growing instances of fraud, and the difficulties in adducing evidence in prosecutorial instances throws up the need for forensic accounting competencies like the interpersonal and written communication. Forensic accounting has come into lime light due to increase in financial frauds and it has been observed that accounting education graduates have not exhibited these skills of interpersonal reposting they need for better job performance. This is because forensic accounting is not included in Accounting education curriculum.

The aggressiveness with which the traditional accounting and auditing are taught in the universities has not improved the accounting education reporting for prosecutorial purpose and for better performance. Therefore, this study investigated the interpersonal and written communication competencies needed in forensic and fraud reporting.

## **Research Questions**

The following research questions guided the study

1. What are the interpersonal/oral communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance?



2. What are the written communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance?

### **Hypotheses**

The following null hypotheses were formulated and test at 0.05 level of significance.

**H<sub>01</sub>:** There is no significant difference in the mean responses of Public Accountants and Accounting lecturers on the interpersonal/oral competencies needed by Accounting Education graduates for effective job performance.

**H<sub>02</sub>:** There is no significant difference in mean responses of Public Accountants and Accounting lecturers on the written communication competencies needed by Accounting Education graduates for effective job performance.

## **LITERATURE REVIEW**

### **Conceptual Framework**

#### **Communication**

Communication is the art of imparting or exchanging information through speaking, writing or using some other medium. It is the process of passing information from one person to another. It is the process of sharing information, ideas, opinions, facts etc. There are two major types of communication accountants need to document and express a lot of issues in their everyday practice of accounting. The first one is written communication competency and the second one being oral communication. A well articulated report by an accountant in carrying out his forensic duties can impress the judge/jury (Crumbley, Heitger & Smith 2007). It could be a personal rapor which could ne passive aggressive or assertive, it could be formal or informal in an office setting but in most cases the formal communication is always in use.

## **Competency**

Competency is a term that refers to a capability or aptitude. It is a collection of similar but distinct behaviours organized around an underlying concept known as the purpose (Boyatziz, 2018). The behaviours are alternative manifestations of the desire, depending on the situation or time period. Competency is a behavioural way of assessing an individual's talent. The anchor for determining which behaviours and intent are relevant in a given scenario arises from effectiveness prediction.

## **Forensic Accounting and Interpersonal/Oral and written Communication Competencies**

Interpersonal communication is an exchange of information between two or more people. This could be through verbal or non-verbal messages and it is interactive and relational. Ataqrabawi and Atshurafat 2020 in their study discovered that interpersonal and written communication skills are major personal skills of the accounting students which they should possess in the work place in order to progress and perform effectively. Similarly, Okoye and Jugu (2010) also observed that due to the growing nature of corruption in Nigeria, accountants demand specialized expertise to act as forensic accountants and fraud investigators with skills such as written communication, critical thinking and oral communication. These competencies they discovered must be highly valued and sought for in a forensic accountant.

Verbal communication skills as part of the job of the forensic accountant is to go into the field and speak to company personnel who may or may not be involved in the suspected fraud (Crumbley et al 2007). In addition, forensic accountants are often called to be expert witnesses and testify during litigation, presenting often complex evidence to the jury in an understandable manner (Sanchez & Trewin, 2004). The ability to effectively communicate in writing via reports, charts graphs and schedules are the bases of opinion in carrying out

forensic accounting and there is the need to document works. Expert reports are routinely scrutinized and the need to convey findings properly is of paramount importance. The ability to communicate effectively in both oral and written is essential for today's accounting practitioners.

Oral and written communication competencies are especially important when gathering information from people who may not understand accounting and finance (Murphy, & Dacin 2014). The practitioners need to create a flow of information so that during an investigation, they can flow together in understanding what happened. They must also be able to communicate complex information to clients and other users in a clear and understandable manner. Smith (2005) recommends that practitioners undergoing accounting education training should seek professional training in public speaking, and they need to focus on team building which can build trust and rapport, this improve accountants' understanding of strengths and weaknesses and how people communicate. In all, Murphy and Dacin (2014) observed that interplay of information and work streams on the engagements is crucial. Accountants being professionals that are vast in the language of business should be able to fluently communicate to the intended users of the accounting information. They should have good presentation skill. Strong interpersonal skills improve forensic power of the accountant in interacting with witnesses, senior executives, financial staff and administrative staff in collecting data to support their cases. Effective communication skills enable them to discuss sensitive topics without soliciting combative or confrontational responses (Tucker, 2017). Listening skills are an important part of a forensic accountant communication techniques (Tucker, 2017). They must listen carefully to the testimonies of witnesses and suspects, so they can discuss relevant details and correct misstatements during cross examination. In all, forensic accountant must have the ability to summarize complex and sometimes technical

ideas for a jury, and clearly explain their bearing on the overall case. Strong writing and speaking competencies are critical for an accountant with fraudulent matters.

## **METHODS**

The study adopted a descriptive survey method. The population of the study comprised of 62 Accounting lecturers from the department of Accounting Education option of Business Education of Faculty of Education, Department of Accountancy, Faculty of Management and Finance, Department of Accounting and finance in the Faculty of Social Sciences in the four Public Universities offering Accounting Education and Accounting and Finance programmes, and 136 Public Accountants (Heads of Accounts) in Ministries, Agencies and Parastatals in Delta and Edo States. The total population was 198. The population served as sample. A 21-item questionnaire was the instrument for data collection. The questionnaire was divided into three. Part A contained 3 items of demographic variables such as institution, Ministry/Parastatals/Agency and status, while part B addressed the interpersonal/oral communication competencies needed by Accounting Education Graduates for effective job performance and Part C addressed the written communication competencies needed by Accounting Education graduates for effective job performance. The questionnaire was structured on a 4-point Likert type rating scale of Strongly Agree (SA) (4 points), Agree (A)(3 points), Disagree (D) (2 points) and Strongly Disagree (SD) (1 point). The questionnaire developed for the study was subjected to face and content validation by two experts in the department of Accountancy, The Cronbach Alpha was used to ascertain the internal consistency, which yielded a co-efficient index of 0.81 and was deemed reliable for the study.

## **RESULTS**

### **Research Question One**

What are the interpersonal/oral communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers?

**Table I:** Mean responses of respondents on the interpersonal/oral communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers.

S/N	Items on interpersonal/Oral communication competencies of forensic accounting competencies needed by Accounting Education graduates for effective job performance.	Public Accountants			Accounting Lecturers		
		$\bar{X}$	SD	REMARK	$\bar{X}$	SD	REMARK
1.	Ability to make informative speech	3.29	.58	Agreed	3.38	.78	Agreed
2.	Ability to understand common types of speeches	3.23	.58	Agreed	3.36	.57	Agreed
3.	Ability to use common types of speeches	3.24	.58	Agreed	3.33	.59	Agreed
4.	Ability to face challenges of audience involvement	3.24	.61	Agreed	3.32	.60	Agreed
5.	Ability to present the outcome of their own work verbally to colleagues, clients and supervisors.	3.32	.57	Agreed	3.34	.56	Agreed
6.	Ability to defend the point of view of the outcome of their work	3.29	.58	Agreed	3.32	.57	Agreed

	verbally to colleagues, clients and supervisors						
7.	Ability collaborate with other team members	3.23	.62	Agreed	3.29	.59	Agreed
8.	Ability to apply sense of humour	3.22	.61	Agreed	3.31	1.57	Agreed
9.	Ability to testify about findings	3.41	.62	Agreed	3.21	.58	Agreed
10.	Appear as an expert witness	3.23	.59	Agreed	3.24	.57	Agreed
11.	Exhibit good listening skills to be able to discuss relevant details and correct misstatements.	3.32	.58	Agreed	3.31	.58	Agreed
	Grand Mean	3.27	.60	Agreed	3.31	.60	Agreed

Source: Field Survey, 2022.

**Table I:** showed the mean and standard deviation of the responses of interpersonal/oral competencies of forensic accounting needed by accounting education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers. All the item mean of both the Public Accountants and Accounting Lecturers were above the cut of mean of 2.50, and their grand mean of 3.27 and 3.31 also were above the cut off had the cut off mean. This means that all the items enumerated in the above table are needed by Accounting Education graduates for effective job performance.

### Research Question Two

What are the written communication competencies of forensic accounting needed by accounting education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers?

**Table 2:** Mean responses of Public Accountants and Accounting lecturers on the written and oral communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers.

<b>Items on written and oral communication competencies needed by accounting education graduates for effective job performance.</b>		<b>Public Accountants</b>			<b>Accounting Lecturers</b>		
		<b>X</b>	<b>SD</b>	<b>REM</b>	<b>X</b>	<b>SD</b>	<b>REM</b>
1.	Ability to present effective report writing	3.28	.59	Agreed	3.36	.62	Agreed
2.	Ability to use visual aids in presentation understand common types of speeches	3.22	.61	Agreed	3.24	.63	Agreed
3.	Ability to apply critical reading	3.22	.61	Agreed	3.27	.56	Agreed
4.	Information technology competency	3.20	.62	Agreed	3.25	.53	Agreed
5.	Ability to simplify information.	3.22	0.61	Agreed	3.24	.63	Agreed
6.	Ability to communicate information	3.23	.59	Agreed	3.22	.61	Agreed
7.	Collect and analyse financial information	3.24	.57	Agreed	3.21	.62	Agreed
8.	Translate abstract number into written or oral reports that non accountants can understand	3.25	.54	Agreed	3.24	.58	Agreed
9.	Ability to summarize complex and technical ideas for a jury	3.22	.61	Agreed	3.21	.59	Agreed
10.	Ability to explain the bearing on the overall case	3.20	.62	Agreed	3.24	.63	Agreed

Grand Mean	3.23	.60	Agreed	3.25	60	Agreed
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Source: Field Survey, 2022

**Table 2:** Above showed the mean and standard deviation responses of written communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance as perceived by Public Accountants and Accounting Lecturers. All the item mean of the two groups were above the cut off mean of 2.50 and their grand mean of 3.23 and 3.25 were also above the cut off mean. This means that all the items enumerated in the table above are needed by Accounting Education graduates for effective job performance.

### Test of Hypotheses

**H0<sub>1</sub>:** There is no significant difference in the mean responses of Public Accountant and Accounting Lecturers on the interpersonal/oral competencies of forensic accounting needed by Accounting Education graduates for effective job performance.

**Table 3:** T-test analysis of the differences in the mean responses of Public Accountants and Accounting Lecturers on the interpersonal/oral competencies needed by Accounting Education graduates for effective job performance.

Group	N	$\bar{X}$	SD	DF	T	P-Value Or sig	Alpha Level	Decision
Public Accountants	136	3.27	0.60	196	-1.756	0.080	0.05	Not Sig
Accounting Lecturers	62	3.31	0.60					

N.S = Not Sig. at 0.05 Alpha level; N = 198

Source: Field Survey 2022.

**Table 3** showed the t-test analysis of the difference in the mean responses of Public Accountants and Accounting Lecturers on the interpersonal/oral competencies needed by Accounting Education graduates. The table showed a P-value of 0.080 at 196 degree of



freedom, and the calculated t-value of -1.756 is greater than the alpha level of 0.05. Since the p-value is greater than the alpha level, therefore the null hypothesis of “There is no significant difference in the mean responses of Public Accountants and Accounting Lecturers on the interpersonal/oral competencies needed by Accounting Education graduates for effective job performance” is accepted.

**H0<sub>2</sub>:** There is no significant difference in the mean responses of Public Accountants and Accounting lectures on the written communication competencies needed by Accounting Education graduates for effective job performance.

**Table 4:** T-test analysis of the difference in the mean responses of Public Accountants and Accounting Lecturers on the written communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance

Group	N	$\bar{X}$	SD	DF	T	P-value or sign	Alpha level	Dec
Public Accountants	136	3.23	0.60					
				196	-987	.324	0.05	Not Sign.
Accounting Lecturers	62	3.25	0.60					

N.S = Not Sig. at 0.05 alpha level; 196  
Source field survey 2022

Table 4 showed the t-test analysis of the responses of Public Accountants and Accounting Lecturers of the written communication competencies of forensic accounting needed by Accounting Education graduates for effective job performance. The table showed a P-value of .324 at 196 degree of freedom and calculated t-value of -.987 which is greater than the alpha level of 0.05. Since the p-value is greater than the alpha level, therefore the null hypothesis of “There is no significant difference in the mean responses of Public Accountants and Accounting Lecturers on the written communication competencies needed by Accounting Education graduates for effective job performance is accepted.

### Discussion of Findings

The findings of the study showed that the Public Accountants and Accounting Lecturers agreed that all the competencies enumerated in Table I as interpersonal competencies are all competencies needed by accounting education graduates for effective job performance such as ability to make information speech, ability to use common type of speeches, ability to apply sense of humor, ability to testify about findings, appear as expert, witness etc.

Table 3 revealed that the t-test analysis of the differences in the mean responses of Public Accountants and Accounting Lecturers regarding interpersonal/oral competencies of forensic accounting needed by Accounting Education graduates did not show a significant difference in their mean responses. This finding agreed with findings of Ataqrabawi and Atshurafat (2020) findings regarding the alignment of accounting graduates skills competencies and job requirements. These researchers identified interpersonal skills as critical competencies for accounting graduates in the workplace and urged educators and other stakeholders to prioritise their development. The findings of Okoye and Jugu, (2010), and the findings of Murphy and Dacin (2014) also corroborated this finding that oral and written communication competencies are critical forensic accounting competencies.

The findings in Table 2 showed that all competencies enumerated were accepted as written communication competencies of forensic accounting such as ability to present effective report writing, ability to use visual aids in presentation, ability to apply critical reading etc. Table 4 revealed that the differences in the mean responses of the Public Accountants and Accounting Lecturers of forensic accounting needed by accounting education graduates for effective job performance did not show a significant difference in their responses. This finding is in line with the findings of Biswa's, Hisremath and Shaline (2013) who discovered that forensic accounting auditors and investigators with strong written communication competencies will deliver high quality financial reporting. Also supporting this finding is the finding of Murphy and Dacin (2014) who found that oral and written communication competencies are very important, especially when gathering information from people who many not understand Accounting and finance.

## **Conclusion and Recommendations**

Conclusively, this paper revealed that accounting education graduates need proper interpersonal/oral and written communication competencies to be able to work as forensic

accountants for proper reporting, presentation and defense of the point of view of the outcome of the reports. Considering the benefits, the results from this study can assist University Accounting Education graduates and Lecturers who may not have seen the need to offer forensic accounting courses.

From the findings of these competencies and their benefits, the following recommendations are made.

1. Accounting lecturers in the universities should inculcate in their students these competencies that will lead the students into the world of work.
2. The National Universities Commission (NUC) should enlarge the curriculum of Accounting Education to include forensic accounting courses that will teach these competencies.
3. The Government should provide the enabling facilities and equipment where the teaching of these courses should be domiciled.
4. The Universities should match theory with practice in form of role playing.

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# GREEN ENTREPRENEURSHIP AND BUSINESS PERFORMANCE IN NIGERIA: A REVIEW OF EXTANT LITERATURE

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## ***Abstract***

*Entrepreneurs are driven by competitive advantage to penetrate new markets with strategic innovative performance for high returns on their investment. The competitive dynamics in global business permits the emergence of green entrepreneurship in Nigeria in order to improve industrial economy through social protection of natural ecosystem as well as enhances support for economic transformation. Green entrepreneurs are thus negotiating varying tensions between their business activities, environmental philosophies, and wider contexts at the intersection between the green economy and the mainstream economy. Findings revealed that business performance in Nigeria can be achieved through an enabling policy framework on energy efficiency generation and distribution, green technology, capacity building, market and investment. Green business practices in entrepreneurship is driven by organizations'-friendly environment corporate for products and services and also contributes to the sustainability of the environment. The study identified green economic policies and green business practices as panacea to achieve business performance. It concludes Government at all levels is now engaged in making policies for sustaining green energy renewal for the economy to strive as green entrepreneurs are able to identify opportunities in green market which involves innovations, risk taking, investment, market acceptability etc. These are enabled with a green outlook which government has to create enabling environment for sustainability and growth of green businesses in Nigeria. It recommends among others that government should promote environmental sustainability as priority for economic growth. Due to continuous dynamics of the environment, government should make efforts towards constant review of environmental laws and policy framework.*

**Keywords:** green entrepreneurship; green economic policies; green business practice, ecopreneurship.

## **1.0 Introduction**

Over the years, natural resources have continued to deplete due to severe damage arising from negative business practices which have resulted in environmental pollution, flooding, global warming, etc. Though these have caused global damage, efforts toward analyzing

these threats with appropriate approaches to minimize their effect on strategic business performance in different environment is pertinent (Ataman, Jimi-Oni, Senkan&Olusola, 2018). The process of going green in an emerging green market has made green entrepreneurs to take advantage of old market practice associated with failure (Dean & McMullen, 2007). They have identified prospects and challenges in the environment which aid in setting up ventures with green outlooks with emphasis on innovation, flexibility, efficiency, revenue growth, relationship management, market acceptability etc (Esty& Winston, 2009; Ambec&Lanoie, 2008). With this recognition was the emergence of Project Green Initiative in 2017 in Nigeria which serves to educate stakeholders in various sectors of the economy toward sustaining green environment for green entrepreneurial activities.

Nigeria is faced with high rate of unsustainable business practices where various organizations have not toed the ethical practice to preserve the environment. The unusual damages on the natural environment and incessant manifestation of pollutions among others have gradually created the imperative of green entrepreneurship in relation to the recommendations of World Commission on Environment and Development (1987) on sustainability. The recognition of these threats to the environment has constitutes conscious actions by environmental stakeholders to adopt emergency sustainability to minimize environmental damages that may affect the future (Anabaraonye, Chukwuma&Eriobu, 2019). There is need for business performance to improve with environmentally friendly practices with the aim of investing in societal needs without undermining the moral responsibility of preserving nature. This has offered leverage to entrepreneurs in contemporary market to build competitive advantage and penetrate the markets with strategic innovative performance with high returns on investment. This paper becomes a resource to identify green economic policies and green business practices in Nigeria as factors that influence green entrepreneurship for sustainable business performance.

Conscious actions to the environment are pertinent in minimizing damages for sustainability through advocacies for green consumption for long term survival of organizations. In Nigeria, having a problem free transition to green entrepreneurship is not easy because it is faced with the challenges of green economic policies and green business practice. The recognition that green environment creates significant opportunities to entrepreneurs has made government and environmentalists to draw a framework for green environment. This is with the aim of combating and to combat environmental challenges for entrepreneurial success as well as enable unemployed youth become eco-entrepreneur in the society. Also, the lack of support from government in assessing fund to address issues on green entrepreneurship which has the

potency to attract customers and retain them after these customers have full access to their products and services. This objectives of the study tends to examine the effect of green entrepreneurship on business performance in Nigeria.

## **2.0 REVIEW OF RELATED LITERATURE**

### **Concept of Green Entrepreneurship**

Green entrepreneurship as a concept is multifaceted and researchers have described it using words like eco-oriented start-up, born green firms, green start-up etc for proper understanding. This is as a result of lack of acceptable or universal definition which is the activity of consciously addressing environmental and social problems and need, and coming up with brilliant innovative entrepreneurial ideas that will bring a solution to them. These ideas have a high level of risk which has a positive effect on the natural environment while at the same time it helps maintain financial sustainability. (Muo & Adebayo-Azeez, 2019; Damirel, Cher Li, Rentocchini & Tamvada, 2017). The concept of green entrepreneurship emanates from rising pollution, climate change and global warming, and natural resources scarcity which constitute strategic environmental concern to stakeholders in business (Ataman, et al., 2018; Sharma & Kushwaha, 2013). It has attracted responsiveness to ensure that consumer behaviours are aligned to green market which offers varieties of opportunities for green entrepreneurs in their efforts towards green production or green supply chain recycling and building (Chitri, 2015). Green entrepreneurship has been conceptualized in diverse ways, Sharma and Kushwaha (2015) view it as collection of environment and entrepreneur to have environmental entrepreneur as innovators in green economy with priority in assessing the environment and economy to ensure that social development and human factor are aligned towards creating jobs, innovations as economic opportunities in the society (Demuth, 2014).

Green entrepreneur creates social value and business model for environmental and economic profitability which is posited by Bakari (2013). This result to green business with less adverse impact on the environment both globally or locally and it requires principles of sustainability in all business decisions to have friendly environment for products and services (Gevrenova, 2015). Similarly, Huang (2010) opines that green entrepreneurship helps to address social and environmental need using entrepreneurial ideas to assess the level of risk, financial sustainability and effect environmental challenges on the natural environment. In the same vein, Bakari (2013) and Schapper (2016), note that the practices of green entrepreneur are aimed at recycling, reducing and reusing resources for the sustainability of the environment and economy. This requires actions directed at preventing waste, pollution, and energy saving.

Hence, green entrepreneurs are innovative solution providers of goods and services produced and consumed based on business model which contribute to greener economy (Demuth, 2015; Hossam, 2015).

Business performance entails the outcome of business activities in relation to the state of efficiency and productivity. It may be financial performance in relation to growth, profitability etc or non-financial performance in relation to customer satisfaction, internal processes; efficiency etc. Therefore, improved performance as requirement for organization's success to be determined in the extent of an organization's objective (Makanga & Paul, 2017; Eniola & Ektebang, 2014). In green entrepreneurship, business performance consists of operational and competitive performance either in manufacturing or service industry which are aimed at optimizing growth, expansion and profitability for the stakeholders as organizations strategically engage in short and long-term goals of the organization.

## 2.1 Conceptual Framework

Green entrepreneurship is claimed to have the potential to be “a major force in the overall transition towards a more sustainable business paradigm” (Schaper 2002), with green entrepreneurs offering “exemplary solutions for a social transformation” (Isaak 1998). Thus their actions and motivations stem from the desire to tackle specific environmental problems, or to change their sectors so that alternative and more sustainable products and practices become more widespread, and challenge ingrained practices (Gibbs 2009). More radical perspectives may also seek revolutionary transformation through post-capitalist thinking (Gibson-Graham 2008; Shear 2014), reconceptualising entrepreneurship and challenging the corporate work-to-spend cycle (Bradley and Hedrèn 2014). Such entrepreneurial behaviours may be part of a broader ontological shift in what entrepreneurialism might entail and how we envisage ‘the economy’ (cf. Gibson-Graham 2008), and re-envisaging what it means to be an ‘entrepreneur’.

This conceptual framework harnesses variables in relations to green entrepreneurship such as green economy policies, green business, environmental sustainability and business performance. Hence, the model below shows framework for assessing green entrepreneurship for business performance:



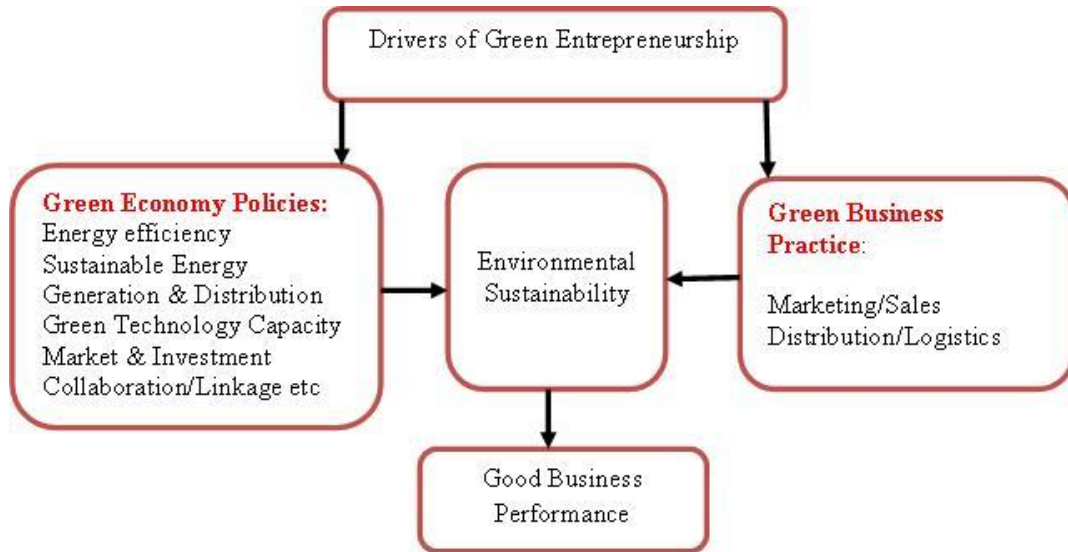


Figure 1: Driver of Green Entrepreneurship Source: Amadi, 2017

## 2.2 Impact of Green Economic Policies on Business Performance

The emergence of green economy as new pattern of sustainability is targeted at achieving harmonious development and protection of the environment to ensure that the industrial economy does not in any way hurt human health. This is based on sustainable development and interdependence of social protection, natural ecosystem and economic growth (Huang, 2010). The possibility of achieving a green economy requires strategic attention in apprehending issues of climate change and ensuring that diverse sectors in the country are green by promoting environmental sustainability (Ataman et al. 2018). A specialist report on direct benefits of green economy indicates that over sixty countries across the globe have identified with green economy as a means of trading off economic progress with environmental sustainability (EMG Report 2020).

This affirms that green economy presents vision for growth which peoples' liv development. Barua (2012) stresses that green economy is consistent with sustainability in order for development to be achieved, therefore, policymakers must align their interest to this possibility where opportunities and growth of an economy is envisaged for development and creation of job to the youth. For instance, in Nigeria there is great need for government to have policy framework that can enhance growth where manufacturing, jobs and investment have to be realized while ensuring that the costs of keeping green energy are affordable for consumers. Hence, government must strike a balance that would help in effective

management through policy framework for effective business performance by green entrepreneur.

A study by Ataman, Jimi-Oni, Senkan&Olusola, (2018).suggested the possibility of achieving green entrepreneurship through partnership in Nigeria. This implies that partnership with international organizations would provide green businesses as variousstakeholders, institution, government etc consider green entrepreneurship an opportunity for sustainable development in Nigeria. The importance of green economy policies cannot be overemphasized in a developing country such as Nigeria. It enhances both social and economic gains. Fareed (2015) notes that significant initiatives have been developed for positive benefit on green investment and it requires integration as comprehensive strategy to scaled up sustainable development. For instance, clean energy has environmental and economic objectives which must be delivered as long-term benefit of the society. Strategic policy framework on green growth has helped in determining consumption decisions and clean energy economy. Though this policy is an indicator of energy efficient, it is intended to promote clean energy economy such as renewable energy standard; waste reduction; energy efficiency; and job retaining.

Delmas and Pekovic (2012) investigated effect of green business practices on employee"s job satisfaction. They were set out to solve the problem of how a firm"s environmental commitment affects its productivity and employee job satisfaction. The methodology used for the research was survey design through the collection of data from a survey of employees at 5,220 frenches companies, randomly selecting two employees from each company for a pool of more than 10,000 people. Companies that had voluntarily adopted international standards and labels such as "trade" "and companies with International Organization for Standardization's ISO 14001 certification, a voluntary industry standard programme, were also considered green for the purposes of the study. Their finding shows that on average, employees at companies that observe eco-friendly practices were 16 percent

more productive as well as have more job satisfaction than average employees. Employees in such green firms are more motivated, receive more training and benefit from better interpersonal relationships. The employees at green companies are therefore more productive and have more job satisfaction than employees in more conventional firms.

In a study done in France, Delmas and Pekovic (2012) investigated the effect of green business practices on employee's productivity in French green companies. They were set out to solve the problem of how a firm's environmental commitment affects its productivity. The methodology used for the study is survey design which includes the collection of data from a survey of employees at 5,220 French companies, randomly selecting two employees from each company for a pool of more than 10,000 people. Companies that had voluntarily adopted international standards and labels such as "trade "and companies with International Organization for Standardization's ISO 14001 certification, a voluntary industry standard programme were also considered green for the purposes of the study. "It's a counterpoint to people thinking that environmental practices are detrimental to the firm." The research findings include that companies that adopt eco-friendly green practices have employees that are more productive than those that do not. On average, employees at companies that observe eco-friendly practices were 16 percent more productive than average employees. Delmas (2012) further states that adopting green practices aren't just good for the environment, "It's good for your employees and it's good for your bottom line. Employees in such green firms are more motivated, receive more training and benefit from better interpersonal relationships. The employees at green companies are therefore more productive than employees in more conventional firms" (Delmas 2013).

Though, the task of having energy policy right is rigorous, Lawson (2010) opines that the policymaker requires good understanding of factors that could shape the demand and supply for energy with adequate plan to transit to global economy. In addition, some of the

policies framework for achieving global energy economy that could impact business performance includes the following:

S/N	Policies Framework	Impact on business performance
1.	Policy on energy efficiency	The policy integrate energy for cost-effectiveness through formulation of strategy on National Energy Efficiency to ensure that Nigeria has an action plan, regulation or standard for energy efficiency
2	Policy on sustainable energy	Sustainable energy must have the objective of transiting to green economy for both renewal energy and other alternative sources.  It requires government raising renewable energy to 20 percent and 30 percent share in 2020 and 2030 respectively as final energy consumption.  Dedication by government to subsidize and step-up R&D on renewal energy and other technologies as alternative sources will drive transition to green Economy
3	Policy on generation and distribution	This policy framework in Nigeria brings energy security through diversified energy mix such as Independent Power Plant and cogeneration for sustainable renewal energy
4	Policy on green technology capacity building	This policy is driven to enhance green growth in Nigeria among stakeholders by providing programme for quality energy efficiency to boost the local economy for effective business performance. This would require R&D, training, seminar, technological transfer, foreign investment and joint venture.
5	Policy on market and investment	It is expected to emerge to cover up the insufficiency of private investment and public finance on renewable energy.  It requires commercial activities in providing the needed processes, products or services for energy efficiency.  It covers green investment in agriculture, fisheries, building, waste management etc requires strategic investment for lucrative green technologies
6	Policy on Collaboration/linkage	This requires long term consideration to harmonize mechanisms for national energy renewal.  The framework collaborates in delivery of activities of green economy with government organizations such as Nigeria Atomic Energy, Nigeria Society of Engineer, Energy Commission of Nigeria, Nigeria Environmental Society etc.

Source: Amadi, 2017

Based on the above policies framework, it is observed that green economy is a factor for promoting social equity and wellbeing of human and it enhance reduction in environmental risk. The sustainability in development in Nigeria is achieved through green economy with possibility of green growth or economic growth where the natural resources continuously provide the needed environmental services for our wellbeing (Anabaraonye, et al., 2019; UNEP, 2011). This implies that this new engine of growth to a country must be built on innovative system where economic activities would enhance the well-being of people, flourish natural environment with competitiveness and business growth. Business performance at this juncture would improve where renewal energy becomes a mechanism for growth and innovation in every industry in Nigeria. Improvement in energy security and significant environmental and public health would also be actualized. For instance, a report by Bishop (2014) on the benefit of green growth in Ethiopia revealed that the basis green growth strategy is to eradicate poverty through focus on structural transformation and economic growth of the country. This would require improvement in agricultural productivity, infrastructure development such as IT, development of private sectors, management of urbanization, energy, transport, roads etc. hence, in a climate resilient and resource efficiency manner, the above objectives can be achieved un green growth strategy. This is applicable in Nigeria where there is policy framework to build climate resilience and management of trade-offs for sustainable development.

### **Empirical Review**

In a related study Wenbo. J. (2018) Green Entrepreneurial orientation for firm performance: A dynamic perspective in China, the study examined the relationship between green entrepreneurial orientation and firm performance is moderated by green technology dynamism and knowledge transfer and integration. We tested the research hypotheses using data from 264 Chinese firms. The results indicate that green entrepreneurial orientation has positive influences on both environmental and financial performance. In addition, green technology dynamism only negatively moderates the relationship between green entrepreneurial orientation and environmental performance, while knowledge transfer and integration positively moderates the relationships between green entrepreneurial orientation and environmental and financial performance. This study enhances our understanding on green entrepreneurial orientation, described as a dynamic capability, can exploit new ideas and encourage innovativeness, show a propensity to catch potential opportunities, and take risks in transforming the social economy into the social-ecological economy. This study

provides suggestions for firms to achieve competitive advantages under conditions of uncertainty and for effective knowledge transfer and integration.

Chukwuka, & Eboh, (2018), examined the Effect of Green Business Practices on Organisational Performance of selected manufacturing firms in Nigeria, the study adopted the survey design. Simple random sampling technique was used in selecting the 10 manufacturing firms in Nigeria. A sample size of 543 respondents was determined from the population of 5705 drawn from management, middle and lower cadre of the selected manufacturing firms using Cochran (1977) statistical formula. A stratified sampling technique was also used to determine the proportional allocation of questionnaire to management cadre, middle cadre and lower cadre. Designed questionnaire and personal interview were used for primary data collection. The questionnaire was structured on 5-point Likert scale. The validity of the instrument was ascertained using content validity. The instrument was checked for reliability using test re-test method through Cronbach alpha, with a value of 0.90, which shows consistency in the items of survey. Data were analyzed and the hypotheses were tested using linear regression analysis. Probability level of significance was given at 5%. Data were presented using simple percentages. Findings revealed that green business initiatives had significant and positive effect on the selected manufacturing firm,,s productivity ( $r=.756$ ,  $F=346.024$ ;  $T=18.602$ ;  $p=.000$ ). In conclusion, the implementation of green business practices, principles and processes will lead to very positive outcome that will be visibly manifested in the organization and the environment

Delmas and Pekovic (2012) investigated effect of green business practices on employee's job satisfaction. They were set out to solve the problem of how a firm's environmental commitment affects its productivity and employee job satisfaction. The methodology used for the research was survey design through the collection of data from a survey of employees at 5,220 frenches companies, randomly selecting two employees from each company for a pool of more than 10,000 people. Companies that had voluntarily adopted international standards and labels such as "trade" "and companies with International Organization for Standardization's ISO 14001 certification, a voluntary industry standard programme, were also considered green for the purposes of the study. Their finding shows that on average, employees at companies that observe eco-friendly practices were 16 percent more productive as well as have more job satisfaction than average employees. Employees in such green firms are more motivated, receive more training and benefit from better interpersonal relationships. The employees at green companies are therefore more productive and have more job satisfaction than employees in more conventional firms.

Singh and Panackal (2014) investigated youth ecopreneurship: A key for success of first generation entrepreneurs. This study examines how youth involvement in ecopreneurship can lead to youth employment and the host community profitability. Using ISM structural modeling as a methodology, study found that there is a strong link between entrepreneurship and environmentalism. They also found that there is a strong link between eco-opportunity and youth employment. They assert that eco-opportunity creates green jobs for environmental conscious youth. There are numerous job opportunities in green business because the sector is underutilized. Green business opportunities have not been harnessed, so more employment opportunities still hover around ecopreneurship practices. They recommended that youth should embrace eco-opportunity for job creation and host community development.

### **Discussion of Findings**

From the review of extant literature the study finds as follows:

Various studies have affirmed green business practice as source of profit optimization in business and also minimize environmental impact associated with business operations, and Performance issues in developing countries are resolved through green business initiative which affect several areas of an organization (Chukwuka & Eboh, 2018). The importance of green business practice as an initiative is aimed at achieving eco-innovation that would enhance competitive advantage (Klimova & Zlek, 2011).

Also findings show that to achieve success in green entrepreneurship, organization that seeks to adopt green business practice for distribution/logistics must engage in the following practices (Larkin, 2008; Wankel, 2008; Negi & Anand, 2014) limiting travel distance and securing raw materials and finished goods; the organization is expected to secure greener building as multi-level warehouse with efficient materials used in the construction of the building; cutting the cost of transportation and trips to save space in the warehouse; creating partnership with suppliers, sharing of fleets and available space in the warehouse; the distance between customers and warehouse has to be identified for cost saving; movement of goods has to be limited to prevent carbon emissions in line with legislation; bio-fuels and greener technologies must be used as alternatives in distribution; centralization of distribution has to be adopted for in-transit packaging of products. These strategies are relevant in green business practices in order to promote green and sustainable environment for business.

### **Conclusion**

The following were the conclusions made:

- i. Government at all levels is now engaged in making policies for sustaining green energy renewal for the economy to thrive as green entrepreneurs are able to identify opportunities in green market which involves innovations, risk taking, investment, market acceptability etc. These are enabled with a green outlook which government has to create enabling environment for sustainability and growth of green businesses in Nigeria.
- ii. Sustainable development as a thrust of green entrepreneurship requires adoption of green economic policies such as energy efficiency which seeks to integrate energy for cost-effectiveness to regulate energy efficiency; generation and distribution policy which brings energy security through diversified energy mix in Nigeria; market and investment policy cover green investment in agriculture, fisheries, building, waste management etc requires strategic investment for lucrative green technologies etc.
- iii. Also, green business practices such as marketing/sales, and distribution/logistic are necessary measure for business growth. Hence, sustainable environment becomes visible through the policy framework of government in Nigeria for improve business performance.

### **Recommendations**

The competitive dynamics in global business permits the emergence of green entrepreneurship in Nigeria to improve industrial economy through social protection of natural ecosystem which enhances support for economic transformation aimed at creating green jobs and promoting sustainability, growth and harmonious development. It is therefore recommended that;

- i. Government should promote environmental sustainability as priority for economic growth in a green economy and have priority for sustainability by promoting green economy in diverse sector based on the principles of environmental sustainability.
- ii. Policy makers should consider opportunities in green economy and developed sustainable policies to drive business performance of green entrepreneurs.
- iii. In order to achieve green growth in Nigeria, government should ensure continuous review of policy framework to accommodate the dynamics of the environment.
- iv. Organizations should have social consciousness as priority in protecting and preserving the natural resources through continuous adoption of green business practice to minimize negative environmental impact.



- v. Green entrepreneurs should sustain partnership with stakeholders and procure greener technologies in distribution and encourage in-transit packaging of products to promote green and sustainable environment for business in Nigeria.

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# IFRS ADOPTION AND AUDIT QUALITY OF FIRMS QUOTED IN NIGERIAN STOCK EXCHANGE

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## **ABSTRACT**

*This study examined the effect of IFRS adoption on the audit quality of firms quoted in the Nigerian Stock Exchange. IFRS adoption was indicated by identifiable areas of implementation like asset tangibility, leverage, reported earnings per share and cash flow; audit industry specialization was captured by statutory audit fees and the presence of the big-4 audit firms. Audit quality was estimated by Dechow and Dichev (2002) model for reporting quality. The longitudinal research design was adopted using a sample of 20 quoted manufacturing firms with an equal mix of ten consumer goods and ten industrial goods firms. Secondary data were obtained from the annual reports of the selected firms for a period of 16 years spread into 8 years of pre-IFRS adoption and 8 years of post-IFRS adoption. The Data were analyzed using the ordinary least square (OLS) regression estimation technique. The results indicate that the adoption of IFRS has improved the quality of audit of quoted manufacturing firms in Nigeria during the post IFRS period. The result also revealed that the coefficient of regression for all indicators of IFRS adoption during the post-IFRS period were positive. The implication is that the adoption of IFRS has a significant positive influence on the audit quality of quoted manufacturing firms in Nigeria. The study recommends that regulations and monitoring should be strengthened in the manufacturing sector in order to sustain improved institutional transformation and financial reporting in keeping with the Financial Reporting Council of Nigeria requirements alongside with requirements of IFRS.*

**Key Words:** *Audit Quality, Statutory Audit, Audit Fee, Industry Specialization*

## **1.0 INTRODUCTION**

Audit quality has been reported to be influenced by a variety of determinants including audit fees and non-audit services (Zaman, Hudaib, and Haniffa, 2018), internal control system, auditor independence, audit firm reputation, auditor industry specialization (Al-Khaddash, Al-Nawas and Ramadan 2016), audit committee expertise and social ties with auditors (Ghafran and O'Sullivan, 2017).

In recent years, the industry specialization of auditors has become prominent among the determining variables for audit quality (Willenborg, 2015; De Fuentes and Sierra, 2015; Garcia-Blandon and Argles-Bosch, 2018; Cassell, Hunt, Narayanamoorthy and Rowe, 2019). The attainment of prominence by auditor industry specialization might be predicated on commonplace 'audit mistakes' (or failures) among celebrated audit firms like Ernst and Young complicity in the defunct Thomas Cook case of in 2017 in UK; overstatement of Ted Baker's £25 Million Stock that was not discovered by KPMG in 2018 (Accounting Age, 2019); FRC's review of KPMG's audit of Stanbic IBTC holding in Nigeria in 2015 detailed in the regulatory decision in the matter of financial statements of Stanbic IBTC Holding in Nigeria.

Auditors' risk of errors may be minimized if the audit is exclusively conducted in industries in which the audit firm has adequate level of competence, expertise and experience. A firm with industry knowledge therefore can capitalize on its expertise by designing and marketing audit-related services that are tailored towards industry clients and provide a higher level of assurance. As a result of its extensive knowledge in the business, such a firm is likely to produce high-quality audit reports. However, if financial reporting regulators do not assess such industry competence, it may just be a claim with bad consequences.

The International Federation of Accountants (IFAC, 2014) specifies firms' possession of personnel with knowledge of the relevant industry and experience with the regulatory and reporting requirements of the specific industry as a driver of audit quality in the International Standards on Quality Control (ISQC). Larger audit firms, on the other hand, are frequently thought to have more competent audit staff based on these criteria, as they may have sufficient resources to create the necessary capabilities by bringing in industry specialists (ACCA, 2020).

Although the discussion of auditor specialty appears to be limited to large audit firms, the situation in Nigeria, where international, networked firms handle the audit of most of the listed companies, may take on a new twist (World Bank, 2011). The regulatory perception in Nigeria describes the situation as one that could erode audit quality in the country, as small and medium-sized practices (audit firms) are hampered by a lack of access to current literature on applicable accounting and auditing standards, negatively impacting audit quality in the country (World Bank, 2011).

Meanwhile, the adoption of International Financial Reporting Standards (IFRS) in Nigeria in 2012 has increased the market presence of larger firms in Nigeria, particularly the Big 4 audit firms, as evidenced by reviews of audited financial reports and an N6.8 billion cumulative increase in audit fee in the accounting period following IFRS adoption (John, 2019).

Extant studies on audit quality (Scott and Gist, 2018; Garcia-Blandon and Argles-Bosch, 2018) have shown that the “big audit” firms have greater probability to specialize in specific industries. This study examines whether such specialization has been influenced by IFRS adoption, with an unintended consequence on audit quality. Previous audit quality studies have either isolated specific industries for research evaluation (Farouk and Hassan, 2016; Alao and Gbolagade, 2019; Etuka, Anichebe, and Etuka, 2019) or have ignored the conditioning effect of auditor industry specialization on audit quality (Ahmed and Madobi, 2019). Thus, there is an apparent need to address the problem of IFRS adoption and audit quality. The study is therefore set to investigate the effects of IFRS adoption on audit quality of quoted firms in Nigeria.

## 1.2 Statement of Problem

Extant empirical studies have indicated the presence of financial reporting issues in some companies like Cadbury Nigeria Plc connected to one of the Big 4 accounting firms in Nigeria (Otusanya and Lauwo, 2015). The World Bank (2011) observed that accounting issues coupled with other developments as in the cases of Stanbic IBTC Holdings *V/S* KPMG (2015); Oando Financial Crisis (2019) and following the adoption of IFRS in Nigeria, indicate the existence of audit quality pitfalls across all industries in Nigeria.

The World Bank (2011) noted also that the nature of audit practice in Nigeria is positively skewed towards the Big-4 audit firms. Thus, auditor industry specialization may require extra consideration because of the character of audit practice which is tilted towards the favour of the Big 4 audit firms in Nigeria. Scott and Gist (2018), Hoelscher and Seavey (2016), Dao and Pham (2017), Nagy (2017), and De Fuentes and Sierra (2015) have examined auditor specialization in specific industries, and agree that industry expertise gained through experience could promote unreasonable thought of 'perfection' in auditors and complacency in audit firms. This, by implication means that auditors may get contented because they involuntarily consider that transmitting audit services to clients would not be simple since they possess the know-how in the particular industry.

Available studies on auditor industry specialization have pointed to a focus on variables such as audit fees, audit quality, disclosure quality, and market reaction of microeconomic factors as key determinants (De Fuentes and Sierra, 2015; Garcia-Blandon and Argles-Bosch, 2018; Cassell, Hunt, Narayanamoorthy; and Rowe, 2019). Using various techniques, Fung, Gul, and Krishnan (2016), Scott and Gist (2018), Fleming, et al., (2016), Nagy (2017) investigated the association between audit industry specialty and audit fees. Fung, Gul, and Krishnan (2016) used panel regression to evaluate 17,207 firm-year observations from publicly traded companies in the United States. During the study's sample period, audit fees for industry-specialized auditors increased, although prices for the post-Sarbanes-Oxley Act period were lower.

Fleming et al., (2016) agreed with Fung et al., (2016) to observe that audit industry specialization moderated the increase in audit fee in the first year of the post- Sarbanes-Oxley Act era and led to auditors' ability to implement industry-specific expertise in improving audit practice while enhancing audit cost efficiency. Despite considering conditional influences, none of the studies considered how audit quality reacts to industry specialization and virtually all the studies ignore the impact of IFRS adoption. Scott and Gist (2018) examined the reaction of audit fees to industry specialization along with the extra condition of Arthur Anderson's forced auditor failure.

Due to industry specialization and consistent with Nagy (2017) submission on the study of audit fee and auditor industry specialization, without considering any other variables, it was determined that audit fees paid by Arthur Anderson's defunct clients were greater. Furthermore, Bills, Jeter, and Stein (2015) observed that firms audited by industry specialist auditors in homogeneous industries pay lower audit fees because they have more bargaining power. This is in contrast with Wang, Sewon, and Iqbal (2019) who found an increase in audit fees for industry specialists, particularly the Big 4 firms. On the whole, these studies excluded the IFRS adoption and its effects on audit quality.

Using panel analysis on a 12,253 firm-year sample, Yuan, Cheng, and Ye (2016) explored how auditor industry specialization affects discretionary accruals in the Shanghai and Shenzhen Stock Exchanges. Audit quality was shockingly highlighted in the study. The result indicated that the association between industry specialist auditors and discretionary accruals got stronger for companies that drifted from industry strategy norms. Despite these results, the study indicated that the effect was not uniform between clients. Equally, Balsam, Krishnan, and Yang (2018) found that industry expert auditors can improve audit quality, but the study disaggregated the influence by audit firm size. The conditioning effect of auditor industry specialization on audit quality was neglected by both studies.

Lowenshohn, Johnson, Elder, and Davies (2017) observed audit quality improvements for public sector clients audited by the Big 5 (now Big 4) firms in a study of the effect of auditor specialization on audit fee and quality. This finding defeats the proxy of audit quality with Big 4 firms because they do not have the distinctiveness of quality across their client types.

In consideration for the strength of the political environment, Jaggi, Gul, and Lau (2019) study established that audit professionals improve audit quality in nations with a poor legal environment, but not in countries with a strong legal environment. This study's conditioning effect did not account for IFRS adoption; thus leaving research void in the area of conditioning effect of IFRS adoption on the connection between audit quality and

auditor industry specialty. Gracia-Blandon and Argles-Bosch (2017) found that industry specialization does not improve audit quality when paired with both discretionary accruals and amended audit opinion, excluding the conditioning effect of IFRS adoption.

Given the foregoing, this study is used to explore the conditioning influence of audit industry specialization on the linkage between IFRS adoption and audit quality of Nigeria's listed firms. The study seeks a vital validity test for the conflict theory's prediction because Nigeria's adoption of IFRS was ignited by enormous financial losses in the banking industry, necessitating a verification of auditors' industry specialty. This explanation is provided by the conflict theory prediction that IFRS adoption in Nigeria emanated from observed issues and challenges in Nigeria and the resultant loss of depositors' funds. Nevertheless, the continual apprehension of domination, prompted by assertions of specialization amid big companies, in the midst of other variables, continues to permit unwholesome rivalry and improved revenue-driven attitude among audit firms.

Consequent upon the conflicting dilemma to the degree of control gained by the Big 4 audit firms, the study on the adoption of IFRS is designed to explore the basis for building up industry unique expertise and how it may have a changed impact on audit quality. This study thus, is directed at examining the effects of IFRS adoption on audit quality of quoted firms in Nigeria, and to specifically:

- a) examine if there is any significant difference between audit quality of quoted firms in the Pre-IFRS and Post-IFRS period;
- b) determine the effects of IFRS adoption on the audit quality of quoted firms in Nigeria; and
- c) examine the effect of audit industry specialization on the audit quality of quoted firms in Nigeria

In order to achieve the objectives, the following hypotheses are proposed for the study:

- **H<sub>01</sub>:** There is no significant difference between the audit quality of quoted firms in the Pre-IFRS period and Post-IFRS period in Nigeria;
- **H<sub>02</sub>:** IFRS adoption has no significant effect on the audit quality of quoted firms in Nigeria; and
- **H<sub>03</sub>:** Audit industry specialization has no any significant effect on the audit quality of quoted firms in Nigeria

## 2.0 LITERATURE REVIEW

Literature in this study are reviewed majorly provide an exposition of the concept of audit quality, audit industry specialization, IFRS adoption in Nigeria, and theoretical framework of this study.

### 2.1 The Concept of Audit Quality

Audit quality is a complicated topic for which there is no universally accepted definition or analysis (IAASB, 2018). A periodic or serial auditor views it as a declaration of truth and fair view on the financial reports and accounts that are free of limitations, qualifications, or exemptions, and that is worthy of stakeholders' trust. Frances (2015) says Audit quality is an audit in which suitable report on the clients' adherence to needed accounting GAAP is issued (Francis, 2015). The audit profession views expertise and experience as the application of impartiality, integrity, and skepticism as necessary components required for public confidence in the auditors' ability and capacity to report the identification of serious misrepresentations in financial statements (Alhababsah, 2019).

DeAnglo (1981; 2014) had earlier authoritatively posited that audit quality is the combined likelihood or joint probability of identifying and reporting breaches in a firm's accounting system, hence improving the guarantee of quality financial reporting. Zhang and Defond (2016), Christensen, Glover, Omer and Shelley (2016) and Rajgopal, Srinivasan and Zheng (2018) believe that audit quality is improved with the assurance of high-quality financial reporting by the auditor necessary to enable individual investors value the competence of the auditor.

Audit quality may be quantified and calculated across the continuum using financial statement metrics since it allows for the linking of audit characteristics to statistical aspects of client financial statements. Lennox, Wu, and Zhang (2016), Lawrence, Minutti-Meza (2017) Singh, Kotha, Sultana, and Evans (2019) all recognized that certain audit features are responsive to the frequently used expected accrual model developed by Jones (1991). Essentially, audit quality is generally perceived as the result of audit characteristics and other control variables. Lawrence, Minutti-Meza, and Zhang (2015) examined the audit quality difference between the big 4 and non-big 4 audit firms using the modified Jones (1991) model as adopted by Kothari, Leone and Wasley (2015).

#### 2.1.1 Audit Industry Specialization in Nigeria

Psychologists prefer to argue that domain-specificity drives specialization in an area. That is, the ability to achieve something creatively using a set of talents, or aptitude in a particular topic. Genuine domains are characterized by a discrete set of core principles, leading to conceptual change that involves the change in core principles which define the things in a domain and guide the reasoning about those entities (Carey and Spelke,

1994). Gracia-Blandon and Argiles-Bosch (2017) applied this logic to audit specialization, using Craswell Francis and Taylor's (1995) thesis that audit quality can only be ensured if auditors have some specific knowledge in addition to basic accounting and audit knowledge. This supports the International Auditing and Assurance Standard Board's Audit Quality Framework requirement (IAASB, 2018). As a result, an audit firm with industry knowledge has specialization in that area, which it uses to develop and promote audit and assurance services, tailored to industry clients (U.S. Government Accountability Office, 2008).

Audit specialization is thought to be a result of training and practical experience earned from auditing in a specific industry, as information gained from experiences increases the possibility of being able to execute and conduct quality audits (Gramling and Stone, 2015; Hammersley, 2016). Neal and Riley (2017) used 'market share' and 'portfolio share' to operationalize audit industry specialty. The market share strategy holds that the firm with the largest share inside a certain industry would have accumulated the most expertise of that industry. It is anticipated that such an auditor would have made considerable investments in creating industry-specific technologies while also establishing a target for expected returns from such investments in terms of audit quality. In contrast, the portfolio share model views the highest revenue-generating businesses among all of the audit clients as the driver of specialization.

Minutti-Meza (2015) provided evidence that market share within the audit sector has inherent difficulties as proxies for audit specialty. The audit market share model is criticized because of disparities in customer characteristics amongst auditor types, leading to the conclusion that significant market share does not drive expertise. Instead, expertise is driven by specialists. In order to overcome this challenge, Fleming, Hee, and Romanu (2016) proposed a product of the two measures as a proxy for audit specialization in order to capture both the firm-specific and auditor-specific aspects of audit specialization.

### **2.1.2 IFRS Adoption in Nigeria and the Aftermath**

The Federal Government of Nigeria issued a mandate to the now-defunct Nigerian Accounting Standards Board (NASB) to commence the process of IFRS adoption in Nigeria a few years prior to the changes, following which it published the implementation plan in 2010. The roadmap divided Nigerian enterprises into three categories: listed and major public entities, other public listed entities, and Small and Medium Enterprises (SMEs) for reporting their financial activities in the years 2012, 2013 and 2014 respectively (NASB, 2010). The implementation of the International Financial Reporting Standards was thought to have a number of ramifications for the quality of accounting figures produced by firms in Nigeria, as well as the services provided by external auditors and other professional services providers. NASB (2010) recommended the formation of a technical partners' forum of accounting firms as a proactive attempt to mitigate the audit concerns that may arise as a result of the adoption.

According to a poll done by Price-Waterhouse-Coopers (2011), finance leaders of Nigeria's publicly traded companies lamented the high cost of implementing IFRS, notwithstanding their skepticism about its supposed benefits. Although Anao (2018) considers the adoption of the IFRS to be timely because it broadened the scope of financial regulation beyond traditional spheres by encompassing auditing and corporate governance, NASB (2010) emphasizes its implications for quality indices of accounting figures such as loan loss provisioning, securities investments, and regulation of public accounting services, among other issues. The Financial Reporting Council of Nigeria (FRCN) Act (2011), which established the Financial Reporting Council of Nigeria, requires published financial reporting professionals in Nigeria to adopt IFRS. The council was also given increased responsibilities for the oversight of Nigeria's financial reporting practices (FRCN, 2011).

## **2.2 Theoretical Framework**

The study examines the relationship between audit quality and IFRS adoption as moderated by auditors' industry specialization, locating the explanation of this study within the canon of the conflict theory. The conflict thesis is based on the belief that conflicts can only emerge if there has been prior agreement, but that agreement is the result of compulsion or an enforced constraint intended to keep society together (Dahrendorf, 1958). This theory explains the silent disagreement that emerged from the audit market's dominance by focusing on the colonization of the audit market.

The conflict is explained by the Big 4 audit firms' ability to amass resources and 'specialize' in industries as a result of their long-standing relationships and connections with globally-connected firms. Stanga and Williams (1979) suggest that credibility, professional control, leadership, trust, and moral tone are consistent with the interpretation of conflict, given the spontaneous outplay of conflict in the social order. In response to the allegations of Stanga and Williams (1979), Hines (1989) proposes the major audit firms' conceptual frameworks of accounting function as a safeguard for corporate capitalists. Consequently, the claim of industry specialty, or



the perception of a lack thereof, causes conflict in the audit market, with both classes competing for the retention and acquisition of new audit clients. The conflict will have an impact on audit quality, which is something they all set out to protect.

This explanation is provided by the conflict theory prediction that IFRS adoption in Nigeria emanated from observed issues and challenges such as the implosion of banks' going concerns in Nigeria and the resultant loss of depositors' funds. Nevertheless, the continual apprehension of domination, prompted by assertions of specialization amid big companies, in the midst of other variables, continues to permit unwholesome rivalry and improved revenue-driven attitude among audit firms.

### 3.0 RESEARCH METHODOLOGY

In order to investigate the impact of IFRS adoption and audit industry specialization on the audit quality of listed companies in Nigeria, this study uses a longitudinal research methodology. The study evaluated data from firms quoted on the Nigerian Stock Exchange during a 16-year period, with 8 years prior to the implementation of the International Financial Reporting Standards (2003-2011) and 8 years following the regulatory reform (2012-2020).

Due to the availability of data for the selected firms, the research interval between the two periods was extended. The study's population includes all publicly traded enterprises in Nigeria. As of the end of 2020, the population of quoted businesses on the Nigerian Stock Exchange was 188. Data were collected and computed from the financial statements of 20 conveniently selected manufacturing firms. For the purpose of this study, selected manufacturing firms were divided into ten (10) consumer goods firms and ten (10) industrial goods firms. Data collected were analyzed using the Panel Least Square (PLS) regression estimation technique.

#### 3.1 Model Specification:

This study adopted the model of Jung, Kim and Chung (2016) specified below as follows:

$$DA = f(\text{IFRS ADOPTION, AUDIT SPECIALIZATION}) \dots\dots\dots \text{Eqn. (i)}$$

'AQ' is used as proxy for audit quality and 'IFRS' adoption is measured by significant items in financial statements that are affected by IFRS. The significant items include asset tangibility (AST), earnings per share (EPS), leverage (LEV), cash flow from operations (CFO). Auditor Specialization was captured by audit fee (SAF) and the presence of the big-4. When all variables are finally entered, the model translates to:

$$\text{Audit Quality} = f(\text{Asset Tangibility, Earnings per Share, Leverage, Cash Flow to Earnings, Audit Specialization, Big-4}) \dots\dots\dots \text{Eqn. (ii)}$$

Then the variables are coded into the main regression model as shown below;

$$AQ = \alpha_0 + \beta_1 AST_{i,t} + \beta_2 EPS_{i,t} + \beta_3 LEV_{i,t} + \beta_4 CFO_{i,t} + \beta_5 SAF_{i,t} + \beta_4 BIG4_{i,t} + \epsilon \dots\dots\dots \text{Eqn. (iii)}$$

Where:

**AQ:** Audit quality as measured by Dechow and Dichev model which states that:

$$TAC_{i,t} / (REV_{i,t} - CFO_{i,t-1})$$

$$TAC_{i,t} = (1/A_{i,t-1}) + (\Delta REV_{i,t}/n) + (PPE_{i,t}/A_{i,t-1})$$

**AST:** Asset Tangibility which is measured by the natural logarithm of total assets

**EPS:** Earnings per Share is the outcome of net income divided by total unit of shares

**LEV:** Leverage as captured by the debt to asset ratio

**CFO:** Cash flow from operations as a ratio of net total revenue

**SAF:** Fee paid to statutory external auditors of firm i in year t

**BIG4:** Audit specialization as rated by 1 for the big-4 and 0 for others

$\alpha_0$ : a constant, equals the value of Y when the value of X = 0

$\beta$ : coefficient of the independent variables

$\epsilon$ : the error term

### 4.0 DATA ANALYSIS

#### 4.1 Descriptive Analysis

**Table 4.1: Descriptive Analysis**

Variable	Both Periods			Pre-IFRS Period			Post-IFRS Period		
	Obs	Mean	Std. Dev	Obs	Mean	Std. Dev	Obs	Mean	Std. Dev

AQ	180	0.860059	8.737503	90	0.740011	4.058442	90	0.962466	11.29772
AST	180	0.539652	0.598908	90	0.63521	2.356211	90	0.486232	3.254692
EPS	180	0.062128	0.068419	90	0.055042	0.064243	90	0.068172	0.071348
LEV	180	0.682785	0.465843	90	0.773109	0.419704	90	0.605735	0.489557
CFO	180	1.820928	6.70281	90	1.313109	2.123973	90	2.254122	8.895834
SAF	180	0.670019	2.050107	90	0.378698	0.913579	90	0.918531	2.637227
BIG4	180	0.071663	0.962372	90	0.04937	0.176513	90	0.090681	1.300657

**Source:** Statistical Output of Eviews: 9.0

As shown on Table 4.1, the average level of audit quality (AQ) for all selected manufacturing firms is 0.86, while an average of 0.74 was recorded for the pre-IFRS period while average of 0.962466 for the post-IFRS period respectively. Asset tangibility (AST) for the pre-IFRS period has a mean value of 0.63521, and the post-IFRS period has a 0.486232; while the average for the study period is 0.539652. For earnings per share as denoted by (EPS), the average EPS for the selected period is 0.068419; while average EPS is 0.055042 for the pre-IFRS period and 0.068172 for the post-IFRS period.

Leverage as denoted by (LEV) shows an average of 0.465843 for the selected period, 0.773109 for the pre-IFRS period and 0.605735 for the pre-IFRS period. Cash flow to revenue (CFO) shows an average of 1.820928 for the selected period, 1.313109 for the pre-IFRS period and 2.254122 for the post-IFRS period. The average statutory audit fee (SAF) for the pre-IFRS period is 0.378698 and 0.918531 for the post-IFRS period. Finally, BIG4 showed an average of 0.071663 for the selected period, 0.04937 for the pre-IFRS period and 0.090681 for the post-IFRS period.

#### 4.2 Tests for Multi-Collinearity

**Table 4.2: Correlation Matrix**

Correlation	AQ	AST	EPS	LEV	CFO	SAF	BIG4
AQ	1						
AST	0.26382	1					
EPS	0.11906	-0.24374	1				
LEV	0.27342	0.48472	0.20345	1			
CFO	0.31243	0.37963	0.19737	0.35065	1		
SAF	0.25431	0.22136	0.13256	0.25133	0.32152	1	
BIG4	0.12543	0.32156	0.21363	0.21362	0.21456	0.21458	1

*Source:* Statistical Output of Eviews 9.0

The correlation matrix using the Pearson correlation coefficients for the predictor variables are presented (Table 4.2) to check for multi-collinearity. The largest coefficient is between leverage and asset tangibility at 48% which is less than 70%. This is followed by the correlation between cash flow to revenue and asset tangibility at approximately 38%. Furthermore, the correlation between statutory audit fee and cash flow to revenue is 32%. The correlation between other variables in the matrix is less than 50%. This means that these variables pose no multi-collinearity threat to the model of the study.

#### 4.3 Tests for Unit Root

**Table 4.3: Unit Root Test Result**

Data Series	Augmented Dicker-Fuller (ADF)	Test Critical Values @ 5% (TCV)	Probability of ADF
AQ	4.453986	2.890926	0.0004
AST	3.950767	2.890926	0.0025
EPS	3.936679	2.890926	0.0121
LEV	4.112039	2.890926	0.0015
CFO	8.652268	2.890926	0.0000
SAF	4.910310	2.452136	0.0001
BIG4	3.957198	2.452136	0.0018

*Source:* Statistical Output of Eviews 9.0

The table above reveals the summary of the unit root test carried out. The null hypothesis states that there is a unit root, and so the data is stationary. Using the Augmented Dickey-Fuller Test, the result must show a probability value that is lower than the critical value at any level of significance, in order to reject the null hypothesis.

From table 4.3 the augmented dicker-fuller (ADF) test statistics are greater than the test critical values (TCV) at 5% level of significance for all the data series (see also, appendix). Therefore, we hereby reject the null hypothesis which states that the data has a unit root.

#### 4.4 Summary of Regression Results

**Table 4.4: Regression Estimation for Model (iii)**

Independent variables	<i>Pre-IFRS</i> 2003-2011		<i>Post-IFRS</i> 2012-2020	
	<i>Coeff.</i>	<i>p-value</i>	<i>Coeff.</i>	<i>p-value</i>
Intercept	1.257017	0.0000	1.520577	0.0000
AST	-0.023200	0.0585	0.156698	0.0329
EPS	-0.084442	0.0006	0.125577	0.0198
LEV	0.008621	0.1264	0.121462	0.0255
CFO	-0.713269	0.0620	0.104134	0.0062
SAF	0.018761	0.0411	0.198712	0.0115
BIG4	0.293711	0.0654	0.187912	0.0011
N	90		90	
Adjusted R-squared	0.571773		0.889137	
F-test	0.000000		0.002363	

*Significant at 5% level (two-tailed)*

#### **4.5 discussion**

##### **4.5.1 IFRS Adoption and Audit Quality in the Pre-IFRS and Post-IFRS Periods**

From Table 4.4 above, the coefficient of regression for all indicators of IFRS during the pre-IFRS period have increased in the post-IFRS period. The implication is that the adoption of IFRS has improved the quality of audit of quoted manufacturing firms during the post IFRS period as reported by the increase in the coefficient for Asset Tangibility (AST) from 2.3% negative to approximately 16% positive; EPS from 8.4% negative to 13% positive; LEV from 0.8% to 12%; and CFO from 71% negative to 10% positive.

Furthermore, from the results shown in Table 4.4, the explanatory power of the determinants of IFRS adoption was tested using adjusted R-squared which shows the degree at which the independent variable is a strong predictor of the dependent variable. In this result, the adjusted R-squared in the post-IFRS period shows a stronger explanatory power (i.e. approximately 89%) compared to the pre-IFRS period (i.e. 57%). Hence, the null hypothesis which states that there is no significant difference between the audit quality of quoted firms in the pre-IFRS period and post-IFRS period in Nigeria is refuted by the analysis results and therefore rejected..

##### **4.5.2 Impact of IFRS Adoption on Audit Quality in the Post-IFRS Period**

From Table 4 above, the coefficient of regression for all indicators of IFRS adoption during the post-IFRS period were positive. The implication is that the adoption of IFRS has a positive and significant impact on the audit quality of quoted manufacturing firms in Nigeria. The implication is that, the adoption of IFRS has improved assets tangibility, reported earnings, leverage level and real cash flow in the post IFRS period. Furthermore, the P-value for the selected indicators were all less than 0.05; indicating that the adoption of IFRS has a significant impact on the audit quality of quote manufacturing firms in Nigeria, thereby leading to the rejection of the null hypothesis which states that IFRS adoption has no significant impact on the audit quality of quoted firms in Nigeria.

##### **4.5.3 Impact of Audit Industry Specialization on Audit Quality in the Post-IFRS Period**

From Table 4 above, the coefficient of regression for all indicators of audit industry specialization during the post-IFRS period were positive. SAF showed a coefficient of 0.198712, while BIG4 showed a coefficient of 0.187912. The implication is that the audit industry specialization has positive impact on the audit quality of quoted manufacturing firms in Nigeria. The implication is that, post adoption of IFRS has improved the audit quality of manufacturing firms in Nigeria by increasing the audit industry specialization. Furthermore, the P-value for the selected indicators of audit industry specialization were all less than 0.05 (i.e. SAF-0.0115; BIG4-0.0011); indicating that the audit industry specialization has a significant impact on the audit quality of quote manufacturing firms in Nigeria, thereby leading to the rejection of the null hypothesis which states that audit industry specialization has any significant impact on the audit quality of quoted firms in Nigeria IFRS adoption has no significant impact on the audit quality of quoted firms in Nigeria.

#### **5.1 Summary of Findings**

- a) The results revealed that the adoption of IFRS has improved the quality of audit for quoted manufacturing firms during the post IFRS period as reported by the increase in the coefficient for asset tangibility from 2.3% negative to approximately 16% positive; EPS from 8.4% negative to 13% positive; LEV from 0.8% to 12%; and CFO from 71% negative to 10% positive. Also, the adjusted R-squared in the post-IFRS period shows a stronger explanatory power (i.e. approximately 89%) compared to the pre-IFRS period (i.e. 57%);
- b) The result also revealed that the coefficient of regression for all indicators of IFRS adoption during the post-IFRS period were positive. The implication is that the adoption of IFRS has a positive and significant impact on the audit quality of quoted manufacturing firms in Nigeria.
- c) Furthermore, the adoption of IFRS has improved the audit quality of manufacturing firms in Nigeria by increasing the audit industry specialization, and with p-values less than 0.05, the audit industry specialization has a significant impact on the audit quality of quote manufacturing firms in Nigeria

#### **5.2 Conclusion**

This study examined the impact of IFRS adoption and audit industry specialization on the audit quality of quoted manufacturing firms in Nigeria. The adoption of IFRS was used as proxy by adjustments in assets tangibility, EPS reporting, leverage level and cash flow to revenue; while audit industry specialization was captured by statutory audit fee and the presence of a big4 audit firm. To this end, the study aimed at comparing

the predictive power of the indicators of IFRS adoption in the manufacturing industry of Nigeria during the pre-IFRS period and the post-IFRS period.

The longitudinal research design was employed with a focused on manufacturing firms quoted on the NSE. The study was conducted over the period of 16 years divided into 9 years pre-IFRS adoption (2003-2011) and 9 years post-IFRS adoption (2012-2020). Data were collected and computed from the financial statements of 20 conveniently selected manufacturing firms. The selected manufacturing firms were divided into 10 consumer goods firms and 10 industrial goods firms. Data were analyzed using the Panel Least Square (PLS) regression estimation technique.

The results obtained in this study as well as prior studies on the subject matter, it is concluded that the adoption of IFRS has a positive and significant impact on the audit quality of quoted manufacturing firms in Nigeria. Furthermore, the adoption of IFRS and audit industry specialization has a positive and significant impact on the audit quality of quoted manufacturing firms in Nigeria.

### 5.3 Recommendations

The study recommends that:

1. To avert a second wave of business collapse, the Nigerian government should tighten regulatory monitoring in the manufacturing sector, which, among other things, compelled institutional transformation and forced the emergence of Financial Reporting Council of Nigeria to strengthen financial reporting regulation and control in Nigeria;
2. Consequent upon the improvements in audit quality during the post-IFRS period as a wake-up call for financial regulators across all sectors of the Nigerian economy, there is a pressing need for increased oversight in the adoption of IFRS and the preparation of financial reports in Nigeria;
3. The statutory auditors should stick to specific areas of expertise as indicated by the variant of hypothesis two to the effect that “specialization promotes quality”; as evident among the top four audit firms instead of allowing audit firms to conduct audit for every industry across all sectors.

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## APPENDIX

### PRE-IFRS

Dependent Variable: AQ

Method: Least Squares

Date: 10/21/21 Time: 10:15

Sample: 1 90

Included observations: 90

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.257017	0.216007	5.819338	0.0000
AST	-0.023200	0.012113	-1.915346	0.0585
EPS	-0.084442	0.788421	-3.531668	0.0006
LEV	0.008621	0.845857	2.256435	0.1264
CFO	-0.713269	0.223937	-3.185125	0.0620
SAF	0.018761	0.012311	1.316119	0.0411
BIG4	0.293711	0.113141	1.681139	0.0685
R-squared	0.588350	Mean dependent var		0.740011
Adjusted R-squared	0.571773	S.D. dependent var		0.443983
S.E. of regression	0.254363	Akaike info criterion		0.158015
Sum squared resid	6.081848	Schwarz criterion		0.314326
Log likelihood	-1.900772	Hannan-Quinn criter.		0.221277
F-statistic	41.52412	Durbin-Watson stat		1.969645
Prob(F-statistic)	0.000000			

### POST-IFRS

Dependent Variable: AQ

Method: Least Squares

Date: 10/21/21 Time: 11:49

Sample: 1 90

Included observations: 90

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.520577	0.086691	6.004980	0.0000
AST	0.156698	0.032463	0.021504	0.0329
EPS	0.125577	0.010786	2.371414	0.0198
LEV	0.121462	0.271429	0.447492	0.0255
CFO	0.104134	0.810178	1.362828	0.0062
SAF	0.198712	0.147619	1.346112	0.0115
BIG4	0.187912	0.138161	1.316121	0.0011
R-squared	0.897161	Mean dependent var		0.962466
Adjusted R-squared	0.889137	S.D. dependent var		0.177416
S.E. of regression	0.173002	Akaike info criterion		-0.612902
Sum squared resid	2.813392	Schwarz criterion		-0.456592
Log likelihood	36.64511	Hannan-Quinn criter.		-0.549641
F-statistic	2.023198	Durbin-Watson stat		1.982981
Prob(F-statistic)	0.002363			

Null Hypothesis: AQ has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.453986	0.0004

Test critical values:	1% level	-3.497727
	5% level	-2.890926
	10% level	-2.582514

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

Null Hypothesis: AST has a unit root  
 Exogenous: Constant  
 Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.950767	0.0025
Test critical values:	1% level	-3.497727
	5% level	-2.890926
	10% level	-2.582514

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

Null Hypothesis: EPS has a unit root  
 Exogenous: Constant  
 Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.936679	0.0121
Test critical values:	1% level	-3.497727
	5% level	-2.890926
	10% level	-2.582514

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

Null Hypothesis: LEV has a unit root  
 Exogenous: Constant  
 Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.112039	0.0015
Test critical values:	1% level	-3.497727
	5% level	-2.890926
	10% level	-2.582514

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

Null Hypothesis: CFO has a unit root  
 Exogenous: Constant  
 Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-8.652268	0.0000
Test critical values:	1% level	-3.497727
	5% level	-2.890926
	10% level	-2.582514

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

Null Hypothesis: SAF has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-4.910310	0.0001
Test critical values: 1% level	-3.497727	
5% level	-2.452136	
10% level	-2.582514	

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

Null Hypothesis: BIG4 has a unit root

Exogenous: Constant

Lag Length: 6 (Automatic - based on SIC, maxlag=12)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.957198	0.0118
Test critical values: 1% level	-3.502238	
5% level	-2.452136	
10% level	-2.583553	

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

## FINANCIAL INNOVATIONS AND FRAUD CASES IN THE NIGERIAN BANKING INDUSTRY

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### **Abstract**

*This study analysed the effect of financial innovations on fraud cases in the Nigerian banking industry. The study covered a period of twelve years spanning from 2009 and 2020. The study applied descriptive statistics to analyse the four major financial innovations: Point of Sale terminals, Automated Teller Machine, Mobile banking services, and Internet banking services. The independent variable is financial innovations measured by the volumes of automated teller machines, Point of Sale Terminals, Mobile banking services, and Internet banking services while the dependent variable is fraud cases measured by annual amount of funds involved in fraud cases. The model was subjected to robustness checks through the instrumentality of Econometric Views version 9.0. The ordinary least square estimation techniques were used to test the research hypotheses. The study found that Point of Sale terminals (POS), Mobile banking services, and Internet services exerted positive significant effect on fraud cases in the Nigerian banking industry. However, Automated Teller Machine exerted negative significant effect on fraud cases in the Nigerian banking industry. Hence, the study concluded that Point of Sale terminals (POS), Mobile banking services, and Internet services are associated with rising incidence of fraud cases in the Nigerian banking industry. As such, the study recommends that effective regulations, guidelines, citizens' education and adequate monitoring are important in ensuring security of funds.*

**Key words:** Financial Innovation, Fraud Incidences, Automated Teller Machine, Point of Sales, Mobile Banking Services, Electronic Banking Services

## **Introduction**

Innovations in Financial technology have brought increased use of internet as well as the rise of cutting edge technological innovations in the financial services sector and are shaping the digital banking services in Nigeria. Financial technology innovations as the bedrocks of technological innovation, has re-defined the modes of operations of the banking industry on the overall. Abel (2018) believes that financial innovation is the act of creating and popularizing new financial instruments. Financial innovation refers to the act of creating new financial technologies, institutions and markets. More so, it involves the creation of new technological advances in the market of financial products. The outline that allows the operator to simultaneously transfer money to multiple accounts qualifies as a financial innovation.

Prior to the advent of financial innovation, the Nigerian banking industry was characterized by primordial products and services. The primordial products included coins and notes, bank draft, and bank cheques and the primordial services were not customer-centric at all. Shabbir, Rehman, and Shabbir (2019) posit that, payment options involving the use of coins had limitation with regards to amount. Depending on the denomination, Naira notes could also be cumbersome, as the highest denomination at a time was Twenty Naira, followed by Fifty, and later One Hundred and Two Hundred Naira notes before the country got to the present higher denominations Five Hundred and One Thousand Naira respectively. More so, payments with cheques ameliorated the inconveniences encountered by payments with notes especially where large sums were involved. More so, drafts quickened payments by banks located outside the same Central Bank Clearing Area (CBCA) while bank cheques quickened payments by banks within the same CBCA. With all these mode of settlements, valuable days, weeks, and months were spent in the banking industry except where cheques were drawn on the same banks with the payees (Shabbir, Rehman and Shabbir, 2019).

Similar to the global banking system changes over time, the Nigerian banking ecosystem and landscape have changed and is still changing. Consequently, the need to meet up with the changing banking environment coupled with the need to satisfy the endless demands of customers have given rise to the emergence of financial innovation. It was in realization of the inherent challenges associated with financial innovation that Udeh and Ugwu (2018) reported that Central Bank of Nigeria set up Nigerian Electronic Fraud Forum (NeFF) to safeguard the integrity of the e-payment platforms and ensure seamless business transactions devoid of loss of financial resources to electronic fraud.

The CBN e-fraud measure mitigation strategy notwithstanding, the threat of fraud in Nigerian banks has still not abated. The Nigerian Deposit Insurance Corporation (2018) reported that, 1,532 cases of fraud were reported involving 21.29 Billion Naira with expected actual loss of 11.69 Billion Naira in 2010. Meanwhile, in 2009, CBN employing Forensic Accountants in five commercial banks, uncovered a number of fraud. Consequently, the CEO of Oceanic Bank was prosecuted by Economic and Financial Crimes Commission (EFCC) and was sentenced by the court and was given 18 months jail term (Inaya and Isito, 2016). In 2011, 2,352 cases of fraud were reported involving 28.4 Billion Naira with expected actual loss of 4.071 Billion Naira. In 2014, there were 10,612 reported cases of fraud as against 3,786 in 2013 with involvement of 25.61 Billion Naira and 21.80 Billion Naira respectively. The expected actual loss for 2014 was 6.19 Billion Naira as against 5.76 Billion Naira in 2013, representing an increase of about 7.5%.

Ogbeide (2018) declared that it is no exaggeration to state that fraud is the great killer of business invention and exists in every part of human endeavours and fraud is a deliberate act of defrauding others by suppressing the truth, by trickery, misinformation, false suggestions, cunning, deceit, and other methods of gaining undue financial advantage.

The current study is therefore directed at investigating the effect of financial innovations on fraud cases in the Nigerian banking industry, from 2009 to 2020, and to establish the effect of financial innovation on fraud cases in the Nigerian banking industry.

### **1.2. Statement of the Problem**

The upwardly surging incidences of financial fraud within the Nigerian banking environment is pathetically a key cause of worry to service providers, regulators, and users of electronic banking and payment platforms in recent times (NDIC, 2018). This is apparently due to the continuous re-occurrence of cases of cyber-attacks and countless occurrences of electronic fraud in the Nigerian banking industry in the face of policy measures established by services providers. The incessant attacks by fraudsters popularly called '*Yahoo Boys*' has quite very worrisome.

Careful analysis of extant literature indicates the existence of prior empirical studies concerning the effect of innovations in financial technology, and financial fraud on bank performance (Fakunmoju, Fasola, and Fashagba, 2021; Mawutor, Enofe, Embele, Ndu and Awodola, 2019; Ogbeide (2018); Udeh and Ugwu, 2018; Ogbeide, 2018; Amanze and Onukwughu, 2017; and Olay and Dada, 2017). However, there appears to be only a handful of the studies are concerned with the effects of financial innovation on fraud cases in and outside the Nigerian banking industry. Therefore, this study seals the perceived gap by looking at the effect of financial innovations on fraud cases in the Nigerian banking industry.

Pursuant to the objectives of this study, the key issues are what effects automated teller machines (ATM) have on the amount of funds involved annually in fraud incidences in the Nigerian banking industry; the extent Point of Sale (POS) has affected the amount of funds involved annually in fraud cases in the Nigerian banking industry; what influence internet banking services have on amount of funds involved annually in fraud cases in the Nigerian banking industry; the degree to which mobile banking services has affected the amount of funds involved annually in fraud cases in the Nigerian banking industry.

This study focused mainly on all the twenty one (21) quoted deposit money banks in Nigeria authorized by the CBN as at 31st December 2020. The independent variables is innovation in financial technology measured by the volume of automated teller machines, volume of Point of Sale terminals, volume of internet banking services, and volume of Mobile banking services. The dependent variable is fraudcases measured by amount of funds involved in fraud cases. This study covered a study period of twelve years spanning 2009 – 2020. This is due to the fact that Nigerian banks began full operations of alternative banking options otherwise referred to product innovations since 2009 (Ali and Emenike, 2016).

## **2. Review of Related Literature**

In this study, literature review considers the concepts of financial and fraud; the theoretical framework and the prior empirical studies.

### **2.1.1. The Concept of Financial Innovation**

Ordinarily, the term ‘financial innovation’ means the inclusion of new financial instruments in financial institutions and markets through new technologies. Financial innovation involves exploiting the benefits presented by advanced technology in developing new products and means of delivering the products (Safdar, Said, Fatima, Gulzar, and Qaria, 2018). Nkem and Akujinma (2017) believe that the banking sector in the emerging countries, especially Nigeria can be more efficient, resilient and highly competitive due to adoption of financial innovations. Muotolu (2019) further buttressed this assertion when he stated that financial product innovation does not only enhance competitive advantage of the banking industry but also improves her administrative efficiency and reduces transaction cost.

Ali and Emenike (2016) observed that the increasing adoption of technological innovations have redefined and reshaped banking services in Nigeria. Innovations in financial technology are however faced with numerous challenges ranging from Epileptic Power Supply (Shabbir, Rehma, and Shabbir, 2019), Inadequate security (Nkem, and Akujinma, 2017), Out-dated ATM Machine (Muotolu, 2019; Morufu, 2016; Muia, 2017).

Despite the challenges, there are numerous benefits associated with the provision of financial product innovations in Nigeria. The first is that financial product innovations vis-à-vis ATM Booths and POS terminals allow for speedy completion of transaction, especially withdrawal even outside the country where the banker does not have a branch. This reduces the number of customers’ visit to their banks. Again, financial product innovations make it possible for a customer to withdraw from any bank close to him at any given time (Shabbir, Rehma, and Shabbir, 2019). Another benefit of financial product innovations is that it reduces the amount of cash a customer carries around since he has free access to money anywhere. This, extension also reduces the rate of theft and stealing since people can actually do all forms of transactions without holding large sum of money (Shabbir, Rehma, and Shabbir, 2019).

### **2.1.2 The Concept of Fraud**

Fraud is a term that presents some intricacies in its conceptualisation. Fraud typically relates to the taking of undue advantage of others or generating fictitious profit usually at the expense of others. In legal terms, fraud is seen as the act of deceitfully depriving a person of something, which the person would or might be entitled to, but for the perpetration of fraud. Generally, fraud is an act of trickery which is intentionally practiced in order to gain illegitimate financial advantage. Thus, for any action to constitute a fraud there must be devious intent to benefit (on the part of the perpetrator) at the disadvantage of another person or group. Fraud typically requires stealing and manipulation of accounts, frequently accompanied by cover up of the theft.

Fraud also involves conversion or the translation of the stolen resources or property into own resources or property.

Udeh and Ugwu (2018) stated that fraud is a deliberate act to defraud others by suppressing the truth using trickery, misinformation, false suggestions, cunning, deceit, and other methods. Udo, Udoh, Abner, Ike, and Ibeke (2018) viewed accounting fraud as a premeditated exploit calculated towards unjustifiable gain at the detriment of naïve individuals. Empirical researches identify fraud as a function of theft, asset treachery, and proceedings alternation for direct and indirect gains. Mawutor, Enofe, Embele, Ndu and Awodola (2019) perceive fraud as misrepresentation by a person of a material fact, known by that person to be untrue or made with reckless indifference as to whether the fact is true, with the intention of deceiving the other party and with the result that the other party is injured.

Generally, fraud incidence is an illegal act characterized by deceit, concealment or violation of trust committed by individuals and organisations to obtain money or service, avoid payment or loss of services or to secure personal or business advantage usually measured by the number of manner at which it occurs. It is an intentional deception perpetrated by individuals or organisations, either internal or external to an organisation, which could benefit themselves, others or the organisation or which could inflict harm to others or the organisation, including falsifying financial or other records to cover up the theft of money or other assets.

## **2.2. Conceptual Exposition of Relationship in Hypotheses Variables**

This section deals with link between the dependent (fraud incidences) and the independent variables that were used as predictor variables to explain changes in occurrence of financial fraud due to innovations in financial technology and e-products of banks in Nigeria.

### **2.2.1 Automated Teller Machine and Financial Fraud**

The Automated Teller Machine popularly called the cash dispensing machine allows customers to withdraw cash from account anywhere, at any time, and the withdrawal amount is spontaneously debited from the account (Kamau and Oluoch, 2016). The cash dispensing machines are usually placed within the banks' premises or designated locations created by banks (Nkem and Akujinma, 2017). With the emergence of Automated Teller Machine, individuals are able to perform various transactions at anytime and anywhere without necessarily wasting valuable time in the banking hall. The apex bank recorded that out of the four major payment channels in Nigeria, ATM recorded the highest incidence of fraud cases in Nigeria as at 31<sup>st</sup> December, 2021 (CBN, 2020). Therefore, the first hypothesis of the study is stated as follows:

**H0<sub>1</sub>:** Automated teller machines (ATM) have no significant effect on the amount of funds involved in fraud cases annually in the Nigerian banking industry.

### **2.2.2 Point of Sales (POS) Terminals and Financial Fraud**

Point of Sales (POS) terminal is an electronic device used in payment for goods and services. Usually, Merchant Service Charge (MSC) is charged on all transactions done on POS terminals. The charge is borne by the merchant. The maximum total fee a merchant can be charged for any POS terminal transaction is 0.75% of the transaction value or ₦1,200.00. The parties are free to purchase POS terminals from any manufacturer so far they meet the POS specifications in the Point-of-Sale guidelines. Currently, there are mixed reactions concerning the use of POS because some customers have complained of being defrauded at some POS centres while some others complained that they were defrauded of valuable sums of money through using pay codes sent to them by POS agents (NDIC, 2018). In this regard, the second hypothesis is presented as follows:

**H0<sub>2</sub>:** Point of Sale (POS) has no significant effect on the amount of funds involved in fraud cases annually in the Nigerian banking industry.

### **2.2.3 Mobile banking (MOB) and Financial Fraud**

Mobile banking refers to the provision of banking services through mobile devices. Mobile devices such as smart phones play a key role in the initiation, approval and conclusion of transactions in place of traditional methods of banking. Individuals can use the mobile devices to make deposits, pay bills from their bank accounts, etc via the use of MOB methods. There have been general mixed reactions in this area because some fraudsters appear to join forces with bank employees to perpetrate financial fraud. This has been effected through SIM Swap, and Mobile Mule (NDIC, 2018). The third hypothesis is presented as follows:

**H0<sub>3</sub>:** Internet banking Services have no significant effect on the amount of funds involved in fraud cases annually in the Nigerian banking industry; and

#### **2.2.4 Electronic (Web Pay) Banking Services and Fraud Cases:**

Electronic based banking products are significantly increasing daily. This is because it acts as a substitute like branches and thus reduces the operational and other associated costs (Nkem and Akujinma, 2017). There are, however, cases of e-fraud inherent in the Nigerian banking industry since the emergence of financial innovation in 2009. The fraud stars appear to have various means and ways of committing e-fraud through business e-mail compromise, data breach, and denial of service, e-mail account compromise, Malware, Phishing Smashing, and Ransom ware (NDIC, 2018). The fourth hypothesis is developed along the line of this understanding as follows:

**H0<sub>4</sub>:** Mobile banking services have no significant effect on the amount of funds involved in fraud cases annually in the Nigerian banking industry.

### **2.3. Theoretical Background**

The fraud diamond theory is used to underpin the study along with the theory of deception. Taking into account the observable pitfalls inherent in the fraud triangle theory, Wolfe and Hermanson (2004) developed the fraud diamond theory. Wolfe and Hermanson (2004) believe that for fraud to really occur, four basic elements must be present and they include incentive, opportunity, rationalization and individual's capability. This reveals that for someone to be engaged in fraudulent activities, the person's intellectual capacity is instrumental, holding other factors like incentive, opportunity, and rationalization in check. By extension, for a bank employee to be engaged in financial fraud, he must have technological pedagogical content knowledge on how the various financial product channels work. This therefore suggests that a direct relationship exist between financial product channels and financial fraud. However, if there are stiff penalties, sensitization, and costs associated with the offense and above all proper character checks prior to employment ratification in place, such relationship will turn negative (Wolfe and Hermanson, 2004).

The Theory of Deception is based on seven tactics usually employed by fraud perpetrators to defraud unsuspecting victims (Grazioli and Jarvenpaa, 2003). The tactics includes:

- a) Masking – Hiding or destroying critical information,
- b) Dazzling – Disguising critical information,
- c) Decoying – Distracting the victim's attention away from critical information,
- d) Mimicking – Assuming someone's identity, or impersonating someone else,
- e) Inventing – Making up information,
- f) Re-labeling – Misleadingly presenting information, and
- g) Double play – Suggesting to the victim that the victim is taking advantage of the deceiver.

The fraud deception theory is deemed relevant to the study in the sense that internal electronic fraud perpetrators will use any of the seven tactics to either individually commit electronic fraud or in collaboration with other employees, particularly those with expert and legitimate power relying on expert knowledge or position of authority.

#### **2.3. Empirical Studies**

Fakunmoju, Fasola, and Fashagba (2021) examined the effect of fraud management practices on non-financial performance of selected deposit money banks in Lagos State, Nigeria. The study adopted the primary source of data collection. The study found that fraud management practices have positive and significant effect on bank efficiency and operational performance of the selected deposit money banks at  $P < 5\%$ .

Ololade, Salawu, and Adekanmi (2020) examined why and how e-frauds are perpetrated in the Deposits Money Banks in Nigeria by employees. The survey research design was adopted and primary data were sourced from 120 fraud investigation officers in the Banks through the administration of structured questionnaires. Data were analysed using simple percentages. Results revealed that e-frauds were perpetrated by the employees whose employment was threatened as a result of not achieving deposit targets and using either expert or legitimate power to connive with other employees to commit e-fraud against the Banks. Findings revealed also that job losses were occasioned by disruptive technologies and economic challenges which often lead to employees' disengagement with little or without compensation. This created fear in the mind of employees to commit e-fraud through Phishing, Pharming, and breach of internal checks. The study recommended that unachievable deposits and sales targets should be discouraged in the Banks through our labour laws. Also, the human resources department of the Banks should institute whistleblowing policy that can assist employees to get a reprieve from a supervisor that may want to influence them using any form of power to commit e-fraud.

Etale and Pouzigha (2020) explored the effect of electronic payment system on payroll fraud prevention in selected ministries in Bayelsa state. Using the primary data approach, 325 questionnaires were retrieved out of the 365 distributed in the study area. The study was built on 5-point Likert scale. The study found that electronic



payment channels have positive insignificant effect on fraud prevention. It was suggested that there is need for government agencies to ensure full compliance with government directive on ensuring that all accounts are linked together using bank verification numbers.

Mawutor, Enofe, Embele, Ndu and Awodola (2019) studied the impact of fraud on DMBs in Nigeria. The study was driven by the positivist research philosophy. Data were sourced from the Nigeria Deposit Insurance Corporation (NDIC) annual reports covering the period of 2006 to 2016. The Ordinary Least Square (OLS) was used to predict the impact of fraud on DMBs after fulfilling major regression assumptions. The study concluded that the impact of fraud in the banking sector affects the performance of DMBs in Nigeria. The regulation and supervision of DMBs should be stricter, that is, the CBN and NDIC should tighten their grip in regulating and supervising in order to reduce the increasing fraud incidence.

Okafor (2019) analysed the effect of financial innovation development on fraud cases in the Nigerian banking industry. The time scope spanned from 2009 to 2018. The study used trend analyses and descriptive statistics to examine the four major financial innovation channels including Point of Sale terminals (POS), Automated Teller Machine (ATM), Mobile Pay (MBP), and Web/Internet payment (WEBP) channels. The study found that the four major financial innovation channels stated are associated with rising incidence of fraud compared to the pre-innovation era and, therefore, called for drastic measures towards protecting the unsuspecting users of these channels. Effective regulations, guidelines, citizens' education and adequate monitoring were recommended as important in ensuring security.

Elumaro and Obamuyi (2018) studied the relationship between card frauds and customers' confidence in alternative banking channels (e-channels) in Nigeria and found a negative relationship between the two. This is because e-fraud breeds uncertainty in the financial ecosystem and subsequently leads to lack of trust in the alternative banking channels. This results in the avoidance of e-channels by the public. The study recommended collaborations among the banks and their regulatory agencies to nip card frauds occurrences at the bud.

On the contrary, Ogbeide (2018) found fraud amount to be statistically insignificant and negatively related to performance of DMBs. The study concluded intuitively that fraud may affect the capital base of banks in the long run. Perusing through the NDIC Report (2006 – 2014), it can clearly be seen that fraud amount increased until recently in 2015 and 2016, where it reduced drastically as a result of the regulations put on ground to check fraud by the NDIC and CBN.

Kolapo and Olaniyan (2018) examined the impact of fraud on the performance of deposit money banks in Nigeria between the periods 1994 to 2015. The Generalized Method of Moments (GMM) estimator was employed to analyze the data. The study showed that the amounts involved in fraud cases, amount lost to fraud and number of staff involved in fraud have a negative and significant influence on the deposit of banks in Nigeria. Meanwhile, the past value of bank deposit has a positive and significant relationship with deposit of banks in Nigeria. It was recommended that bank management should not only strengthen their internal control systems, but also utilize whistleblowing policy and other "speak-up" mechanisms, which have remained underused and underrated in the Nigerian financial sector, since greater dependence on the process-type fraud detection methods simply encourage complacency.

Kalapo and Olaniyan (2018) found a negative relationship between the total number of staff involved in fraud cases and performance of banks. Implying that as more staff commit fraud, the asset of the banks will be depleted, and banks will find it difficult generating a reasonable return on asset. The author added that the emergence of electronic banking options exposed the banking industry to more fraud cases.

Tade and Adeniyi (2017) examined ATM fraud in south-west Nigeria to determine the factors that are responsible for the susceptibility of victims to ATM frauds and suggested strategies to prevent the continuous occurrence of ATM fraud. The research design was exploratory with a sample of 20 respondents in Lagos and Oyo States, who were mainly victims of ATM fraud. The qualitative data gathered through in-depth interview were analysed using content analysis. The study found that illiteracy, ill-health and trust of relatives including children, friends, and lovers were factors that accounted for victims falling into the victimisation strategies of the fraudsters that used swapping of ATM card, card cloning, use of physical attacks during odd hours withdrawal (gun threats) and demobilizing the victims through the seizure of their mobile phones to commit frauds. The study recommended fraud prevention strategies which are: stringent penalty for culpable staff, continuous education and enlightenment of banks' customers and improvement in staff welfare. The study concentrated on ATM fraud without taking into consideration other e-frauds that are perpetrated in the Nigeria

banks. The possible involvements of employees of the banks were not taking into consideration as the study restricted fraudsters to relatives, friends and lovers of the victims.

Ibor (2016) investigated the involvement of employees of banks in fraud in Nigeria and the role of human resources in curtailing fraud in the banking sector. The relationship between the amount of fraud losses and the levels of employees that perpetuated fraud was determined using Ordinary Least Square (OLS) in estimating the secondary data obtained from Nigeria Deposit Insurance Corporation. The study found that 77% of the fraud cases were attributable to insiders while 23% were attributable to outsiders and that the contribution of officers to fraud losses was more than other categories of staff. Meanwhile, the study only determined the extent of involvement of employees in fraud generally without a focus on why employees of Deposit Money Banks commit e-fraud and how they perpetuate e-fraud.

**2.4. Gap in Literature**

Studies of Fakunmoju, Fasola, and Fashagba (2021); Ololade, Salawu, and Adekanmi (2020); Etale and Pouzigha (2020) used primary data sources. Studies of this nature are usually prone to window dressing. Hence, the use of secondary data would have made this research more robust. Meanwhile, some of the existing studies like the studies of Mawutor, Enofe, Embele, Ndu and Awodola (2019); Ogbeide (2018); Kolapo and Olaniyan (2018); Tade and Adeniyi (2017) focused on the effect of fraud on the performance of the Nigerian banking industry. Even Okafor (2019); Elumaro and Obamuyi (2018) whose studies dealt with the effect of technological innovations on fraud incidence using Point of Sales, Automated Teller Machine, Mobile pay, and Web/Internet payment channels as surrogates for technological innovations, focused more on number of frauds. The present study widens its time scope to cover 2009 – 2020 and applied the annual amounts of funds involved in fraud cases as a measure of fraud incidence as against previous studies.

**3. Materials and Method**

This study adopts the *ex-post Facto* research design because, although this gives the liberty to explain the observed phenomena, it does not have control over the possible cause. The study population is all the quoted 21 deposit money banks in Nigeria as at 31<sup>st</sup> December, 2020. Since the study involves aggregate data, the population equals our sample size.

In order to ensure that the model follows standard specification, attains the classical assumptions of the Ordinary Least Square, and ensures that the model did not produce spurious outcomes all the study variables were first subjected to various diagnostic tests, some of which include multi-collinearity test, Heteroskedasticity test, and CUSUM Test. The econometric package used for these analyses is the Econometric Views version 9.0.

Data for the study was sourced from Central Bank of Nigeria Statistical Bulletin (2020) and the annual reports of the Nigerian Deposit Insurance Corporation (2020) with respect to both the study variables and the time scope.

The model for the study was adopted from the empirical findings of Okafor (2019). Our model is stated thus:

$$FRI = f(TEIV)----- Equation 3.1$$

- FRI* = Fraud Incidence measured by Amount of Funds involved in Fraud cases annually
- TEIV* = Technological Innovations measured by automated teller machines (in volumes), Point of Sale (in volumes), Web Pay/internet banking services (in volumes), and Mobile pay/ banking services (in volumes).

The model is econometrically restated as:

$$AFIF = \beta_0 + \beta_1ATM + \beta_2POS + \beta_3INB + \beta_4MOB + Uit----- Equation 3.2$$

- Where:
- AFIF* = Amount of Funds involved in Fraud annually
  - ATM* = Automated teller machines (in volumes)
  - POS* = Point of Sales (in volumes)
  - INB* = Internet banking services (in volumes),
  - MOB* = Mobile Banking Services (in volumes).

$U_{it}$  = Stochastic Disturbance Term  
 $\beta_0$  = Constant  
 $\beta_1-\beta_4$  = Coefficient of independent variables

To avoid spurious regression result, all variables of interest were logged. The *a-priori* expectation is that a positive relationship should exist among technological innovation proxies and fraud incidence proxy. Hence, it is mathematically stated as:  $\beta_1, \beta_2, \beta_3, \beta_4 > 0$

#### 4. Results and Discussions

Data for the study was analyzed using both descriptive and correlation analysis. Each of them are presented and discussed in the foregoing sub-section.

##### 4.1 Descriptive Statistics

This section describes the dependent and independent variables under consideration. The descriptive statistics result is presented below:

**Table 4.1: Summary of Descriptive Statistics**

	<b>AFIF</b>	<b>ATM</b>	<b>POS</b>	<b>INB</b>	<b>MOB</b>
Mean	23796.26	3410.955	784.5714	892.8538	165.9979
Median	21540.71	3254.408	380.2921	394.4105	87.86565
Maximum	46676.00	6512.608	3204.753	5080.965	675.9167
Minimum	4832.170	399.7100	11.03000	1.270000	25.05000
Std. Dev.	13092.79	2288.897	1038.198	1443.754	201.4414
<b>Observations</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

*Source: Econometric Views Version 9.0 (2021)*

Table 4.1 above shows that amount of money involved in fraud incidences annually denoted by AFIF reported an average value of 23,796.26 and a low standard deviation value of 13,092.79. This suggests that the amount of financial fraud did not deviate far away from the mean value; with a reported minimum and maximum value of 4,832.170 and 46,676.00, respectively.

The result also proved that the volume of automated teller machine denoted by ATM has an average (mean) value of 3,410.955 and a low standard deviation value of 2,288.897. This suggests that current ratio did not deviate far away from the mean value. The volume of ATMs reported a minimum and maximum value of 399.7100 and 6,512.608 respectively.

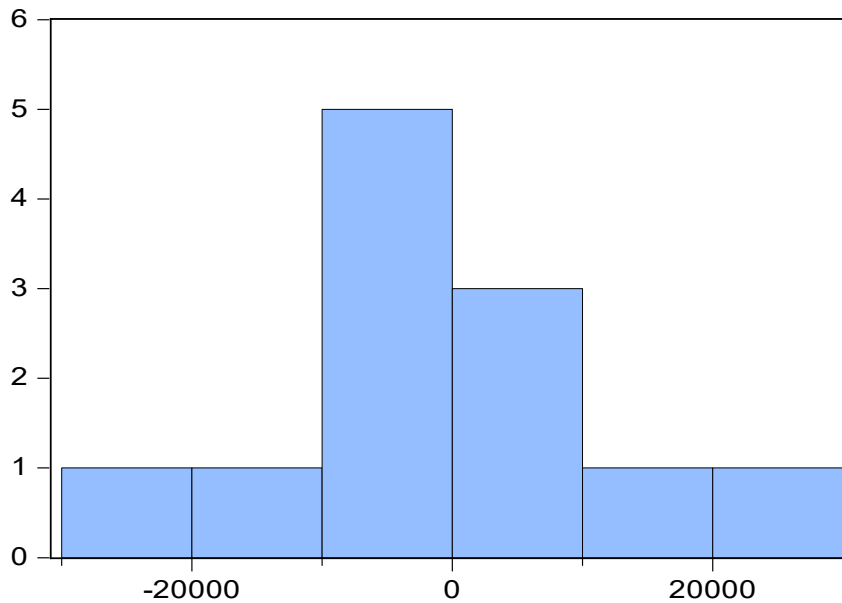
The result indicates that the volume of point of sales denoted by POS has an average (mean) value of 784.5714 and a low standard deviation value of 1,038.198. This suggests that volumes of point of sales did not deviate far away from its mean value. The volume of point of sales reported a maximum and minimum value of 11.03000 and 3,204.753 respectively.

The descriptive statistics confirmed that the volume of internet banking services denoted by INB has an average (mean) value of 892.8538 and a high standard deviation value of 1,443.754. This suggests that the volume of internet banking services reported high volatility. The volume of internet banking services reported a maximum and minimum value of 1.270000 and 5,080.965 respectively.

Lastly, the descriptive statistics evidenced that the volumes of mobile banking services denoted by MOB have average (mean) values of 165.9979 and a low standard deviation value of 201.4414. Meanwhile, it reported maximum and minimum values of 675.9167 and 25.05000 respectively.

##### 4.2. Robustness Check

To ensure that the model for the study meet the ordinary least classical assumptions of Normality, Homoskedasticity, stability, and absence of serial autocorrelation, we subjected our model to the following robustness checks:



<b>Series: Residuals</b>	
Sample 2009 2020	
Observations 12	
Mean	-5.96e-11
Median	-2261.812
Maximum	22578.99
Minimum	-20463.98
Std. Dev.	10957.55
Skewness	0.254794
Kurtosis	3.202399
Jarque-Bera	0.150322
Probability	0.927594

**Figure 4.1: Normality Test;**  
**Source: Econometric Views version 9.0 (2021)**

The normality test in figure 4.1 above reported a Jarque-Bera value of 0.150322 alongside an associated p-value of 0.927594. This suggests that the model is normally distributed and thus is reliable for prediction.

**Table 4.2: Heteroskedasticity Test: Breusch-Pagan-Godfrey**

F-statistic	2.408351	Prob. F(4,7)	0.1574
Obs*R-squared	8.009257	Prob. Chi-Square(4)	0.1557
Scaled explained SS	2.204948	Prob. Chi-Square(4)	0.8201

**Source: Econometric Views version 9.0 (2021)**

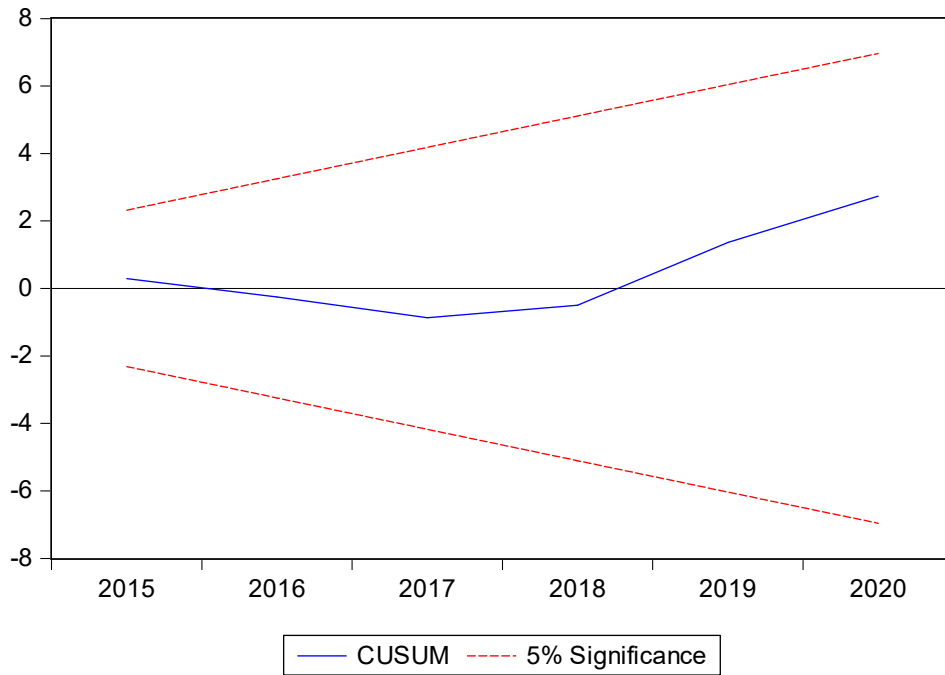
The Heteroskedasticity Test: Breusch-Pagan-Godfrey test reported in table 4.2 above clearly revealed that the model is Homoskedastic. This is because the p-values of the Heteroskedasticity Test: Breusch-Pagan-Godfrey test are all less than 5% suggesting that the mean of their variance are equally distributed. Hence, the model can be relied upon for prediction.

**Table 4.3: Breusch-Godfrey Serial Correlation LM Test:**

F-statistic	0.681206	Prob. F(1,6)	0.4467
Obs*R-squared	1.438861	Prob. Chi-Square(1)	0.2303

**Source: Econometric Views version 9.0 (2021)**

The Breusch-Godfrey Serial Correlation LM Test reported in table 4.3 above clearly revealed that the model is free from serial auto-correlation. This is because the p-values of the Breusch-Godfrey Serial Correlation LM Test are all less than 5%. Hence, the model can be relied upon for prediction.



**Figure 4.2: CUSUM Test**  
*Source: Econometric Views version 9.0 (2021)*

The CUSUM Test in figure 4.2 above reveals that the model is relatively stable since the blue line did not traverse over the danger line. Thus, the model can be relied upon for prediction.

**4.3. Regression Results: Test of Hypotheses**

The regression result is presented in table 4.4 below:

**Table 4.4: Regression Result**

Dependent Variable: LOG(AFIF)  
 Method: Least Squares  
 Date: 10/20/21 Time: 16:06  
 Sample: 2009 2020  
 Included observations: 12

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.631602	0.915903	5.056870	0.0370
LOG(ATM)	-0.579221	0.166052	-3.488196	0.0005
LOG(POS)	0.603402	0.299655	2.013653	0.0440
LOG(INB)	0.626515	0.131369	4.769126	0.0000
LOG(MOB)	0.512949	0.153683	3.337710	0.0008
R-squared	0.940800	Mean dependent var		10.03375
Adjusted R-squared	0.851999	S.D. dependent var		0.516958
S.E. of regression	0.198878	Akaike info criterion		-0.131120
Sum squared resid	0.158210	Schwarz criterion		0.122086
Log likelihood	7.721163	Hannan-Quinn criter.		-0.290731
F-statistic	10.59453	Durbin-Watson stat		2.081422
Prob(F-statistic)	0.019405			

*Source: Econometric Views version 9.0 (2021)*

The regression result in table 4.4 above reveal a reported R-squared (coefficient of determination) value of 0.940800. This means that the independent variables jointly accounted for 94.08% total variation in the dependent variable, financial fraud, while the remaining 5.02 is explained by the error term. The adjusted R-squared with a value of 0.851999 suggests that the model has a high explanatory power. Meanwhile, the Durbin Watson statistics with a p-value of 2.081422 suggests that the model is free from serial auto-correlation. The F-statistic has a value of 10.59453 and a probability value of 0.019405 signifying that the model on the overall is statistically significant. The individual results are tested below:

**Table 4.5: Summary of Test of Hypotheses**

Study Variables	Coefficients	P-Values	Decision Rule	Conclusion
LOG (ATM)	-0.579221	0.0005	Reject H <sub>01</sub> if its P-value is <0.05, instead accept H <sub>01</sub> if its p-value is > 0.05.	Reject H <sub>01</sub>
LOG (POS)	0.603402	0.0440	Reject H <sub>02</sub> if its P-value is <0.05, instead accept H <sub>02</sub> if its p-value is > 0.05	Reject H <sub>02</sub>
LOG (INB)	0.626515	0.0000	Reject H <sub>03</sub> if its P-value is <0.05, instead accept H <sub>03</sub> if its p-value is > 0.05	Reject H <sub>04</sub>
LOG (MOB)	0.512949	0.0008	Reject H <sub>04</sub> if its P-value is <0.05, instead accept H <sub>04</sub> if its p-value is > 0.05	Reject H <sub>03</sub>

*Source: Researcher's Compilation Based on Econometric Views 9.0 Output (2021)*

#### 4.4. Discussion of Results

The individual results are discussed below:

##### 4.4.1. Automated Teller Machines (ATM) and Fraud Cases

The regression analysis in table 4.4 above revealed that Automated Teller Machines (ATMS) have a negative and significant effect on accounting frauds. This indicates that a 1% increase in the volumes of ATMS leads to 57.92% decrease in accounting frauds in Nigeria. Overall, an increase in ATM leads to a proportional decrease accounting frauds. To further substantiate this claim, this finding meets the *a-priori* expectation and the innovation diffusion theory. The result is in conformity with Okafor (2019); Elumaro and Obamuyi (2018) but deviates sharply from the findings of Etale and Pouzigha (2020).

##### 4.4.2. Point of Sales (POS) and Fraud Cases

The regression result showed that volume of Point of Sales Terminals has a positive beta coefficient value of 0.603402 and a p-value of 0.0440. This means that volume of Point of Sales has a positive significant effect on accounting fraud. The implication of this result is that 1% increase in Mobile Phone Usage *vis-à-vis* volume of Point of Sales result to a corresponding increase in fraud incidence by a significant value of 60.34%. The justification for this is that individuals are sometimes anxious that POS agents are not trustworthy and they may hack into the account of individual after transaction. This account may lead to increased use of raw cash which negate the concept of cashless society which in turn has the potential to increase fraud occurrences in Nigeria. The result agrees with the *a-priori* expectation of the study. This result aligns with Okafor (2019); Elumaro and Obamuyi (2018) but again deviated sharply from the findings of Etale and Pouzigha (2020).

##### 4.4.3. Internet Banking Services and Fraud Cases

The analysis result reported that volume of internet banking services has a positive beta coefficient value of 0.626515 and a p-value of 0.0000. This implies that volume of internet banking services has a positive significant effect on fraud incidence. The implication of this result is that 1% increase in internet penetration *vis-à-vis* volume of internet banking services results to a corresponding increase in accounting fraud by a significant value of 62.65%. The result is in consonant with reality that the introduction of electronic platforms has increased crime rate in Nigeria. This result confirms the *a-priori* expectation of the study and agrees with Okafor (2019); Elumaro and Obamuyi (2018) but deviated sharply from the findings of Etale and Pouzigha (2020).

##### 4.4.4. Mobile Banking Services and Fraud Cases

The regression analysis in table 4.4 above reveals that Mobile banking (MOB) channels have a positive and significant effect on fraud cases in the Nigerian banking industry. This indicates that 1% increase in MOB value leads to a corresponding increase of 51.29%. The positive result is in consonance with the fact the problem of perceived risk associated with internet fraud, financial risk, social risk, poor network system, unnecessary bank charges, illiteracy and ignorance is common among Nigerians. This study is in line with the findings of Okafor (2019); Elumaro and Obamuyi (2018) but still deviated sharply from the findings of Etale and Pouzigha (2020).

## 5.1. Conclusion

This study analysed the effect of financial innovation on fraud cases in the Nigerian Deposit Money banks. The time scope was 2009 to 2020. The study used descriptive statistics to analyse four major financial innovation channels – Point of Sales Terminals, Automated Teller Machine, Mobile banking services, and Internet services. The model was subjected to robustness checks through the instrumentality of Econometric Views version 9.0. The ordinary least square estimation technique was used to test the hypotheses. The result showed that Point of Sale terminals (POS), Mobile banking services, and Internet services exerted positive significant effects on fraud cases in the Nigerian banking industry. However, Automated Teller Machine exerted negative significant effect on fraud cases in the Nigerian banking industry. The study concluded that Point of Sale terminals, Mobile banking services, and Internet services are associated with rising incidences of fraud cases in the Nigerian banking industry.

## 5.2. Recommendations

- a) Drastic measure towards protecting the unsuspecting users of ATM booths is needed. Management of Banks in Nigeria should ensure that ATM machines are serviced regularly and their tracking system is efficient. Nigerian banks should implement strong authentication controls at all their ATM Booths, and comprehensive infrastructure risk assessments should be conducted before installing ATM in any proposed ATM location;
- b) Management of banks in Nigeria and POS issuing bodies should advise their agents to utilize point-to-point encryption (P2PE) to safeguard POS data, and prior to recruiting agents and bank employees, adequate character checks should be conducted on prospective agents and employees;
- c) The Nigerian Government should educate the masses on the possible impact that money transfer can provide in a country's payment system;
- d) Banks should introduce training of staff in order to achieve competent management of financial innovation and this minimizes fraud cases occasioned by innovative banking technology;
- e) Strong control policies and regular public enlightenment concerning the use of innovative banking products and how to guide against fraud should be instituted by CBN and the various Deposit Money Banks in Nigeria.

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# COVID 19, INSECURITY AND SOCIO-ECONOMIC DEVELOPMENT OF NIGERIA

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## **Abstract**

*This study has a twin objective of examining the impact of COVID-19 and insecurity on socioeconomic development of Nigeria. The study employed a survey design using a structured 5-point Likert scale questionnaire to collect data electronically on Google forms from 397 respondents across the country. The data were analyzed using partial least squares structural equation modelling (PLS-SEM) and it was found that the proxies for COVID-19 (Lock down, personal protective equipment, remote work, and social distancing) have negative and significant impacts on socioeconomic indicators (education, employment, income, poverty, and social amenities) in Nigeria. The study also found that insecurity in terms of physical security, territorial security, food security and health security have negative and significant impact on socioeconomic development of Nigeria. Based on this, it is recommended that the government of Nigeria should not contemplate another lockdown but intensify sensitization COVID-19 protocols and should be sincere in their fight against insecurity.*

**Keywords:** COVID-19, Coronavirus, Insecurity, and Socioeconomic Development.

## **INTRODUCTION**

On December 31, 2019, the World Health Organization (WHO) was informed of an outbreak of “pneumonia of unknown cause” detected in Wuhan City, Hubei Province, China – the seventh-largest city in China with 11 million residents. As of January 23, there are over 800 cases of 2019-nCoV confirmed globally, including cases in at least 20 regions in China and nine countries/territories. The first reported infected individuals, some of whom showed symptoms as early as December 8, were discovered to be among stallholders from the Wuhan South China Seafood Market. The virus causing the outbreak was quickly determined to be a novel coronavirus. On January 10, gene sequencing further determined it to be the new Wuhan coronavirus, namely 2019-nCoV, a beta coronavirus, related to the Middle Eastern Respiratory Syndrome virus (MERS-CoV) and the severe acute respiratory syndrome virus (SARSCoV). As of September 6, 2021, over 221 million cases have been reported around the world with over 4.5 million death (Worldometer, 2021).

The first confirmed case in [Nigeria](#) was announced on 27 February 2020, when an Italian citizen in [Lagos](#) tested positive for the virus. By the end of June 2020, 561 cases and 17 deaths were reported, bringing the total number of confirmed cases and deaths to 25,694 and 590, respectively (NCDC, 2020). Although the cases were not as brutal as expected in Nigeria, but data from Worldometer (2021) showed that confirmed cases stood at 195,511 with 2,552 deaths as of September 6, 2021. The infection and growth rate of covid 19 led to several responses from the Federal Government of Nigeria, which includes lockdown. The lockdown affected security (especially food security) and socioeconomic indicators in Nigeria.

Nicola et al. (2020) observed that the COVID-19 pandemic has sparked fears of an impending economic crisis and recession. Social distancing, self-isolation and travel restrictions have led to a reduced workforce across all economic sectors and caused many jobs to be lost. Schools have closed, and the need for commodities and manufactured products has decreased. In contrast, the need for medical supplies has significantly increased. The food sector is also facing increased demand due to panic-buying and stockpiling of food products. In response to this global outbreak, the socioeconomic effects of COVID-19 on individual aspects of the world economy must be taken seriously. These phenomena of COVID-19 along with insecurity which have bedeviled this country have been subject of debates to all.

Insecurity is the state of being subject to danger or injury. The anxiety that is experienced when one feels vulnerable and insecure. Ezemonye (2011) affirmed the above definition of insecurity as “a state of being not secure, lack of confidence”. For over a decade, Nigeria has been fraught with insecurity challenges, from Boko Haram and their Islamic State West Africa Province (ISWAP) counterparts to Bandits and unknown gunmen. Amid all this, the statistics of unemployed youths and graduates in the nation has been rising to an alarming rate, the basic development infrastructures like electricity to enhance the industrialization of the nation to create employment opportunities has been lacking, thereby crippling other efforts to drive the economic resurgence of the country. The issue of insecurity in Nigeria are caused by failure in the socioeconomic indicators like poverty and unemployment; these contributes to frustration and anger that can result to one

taking to armed robbery, kidnapping, or pitching tent with agitators calling for dissolution of the nation under the guise of revolutionaries thereby creating more panic in the society (Pepple, 2021).

The issue of insecurity and violence persisted during the coronavirus pandemic. A USIP-commissioned surveys conducted in May and July 2020 of more than 10,000 Nigerians revealed that the prevalence of violence across the country can be correlated with people's opinions about the response to the coronavirus. While COVID-19 brings its own evident epidemiological challenges, past insecurity makes things worse. Controlling for other variables, respondents who reported personally experiencing insecurity or violence in the past 12 months are also more likely to negatively rate the response of the Nigerian federal government to COVID-19. Respondents without a recent experience of insecurity are more likely to rate the federal government's response positively.

Criminality and internal conflicts might seem to be entirely unrelated to tackling the coronavirus. There are data that suggests otherwise and implies that reducing insecurity would improve the confidence people feel in the government's response in other areas, such as regarding COVID-19. But with insecurity, nobody is taking the issue of COVID-19 serious, and this is undermining all the efforts at curtailing these challenges that are affecting the socioeconomic development of Nigeria. Thus, this study examines the impact of COVID-19 and insecurity on the socioeconomic development of Nigeria, and suggestion on the ways to curtail these challenges. The two major hypotheses postulated in this study are:

H<sub>01</sub>: COVID-19 has no significant impact on socioeconomic development of Nigeria.

H<sub>01</sub>: Insecurity has no significant impact on socioeconomic development of Nigeria.

The paper is divided into five sections: this introduction is the first section, and it is followed by brief review of literature on the concepts and their relationship with socioeconomic indicators. Then, the methodology of the study is followed by the results from the analysis as well the discussion of findings from these results. Finally in the last section, conclusions and recommendations were made to suggest way forward for these challenges.

## LITERATURE REVIEW

### Conceptual clarifications

According to World Health Organization (2020), Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes. Coronaviruses are a large family of viruses that are known to cause illness ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and severe acute respiratory syndrome (SARS). A novel coronavirus (COVID-19) was identified in 2019 in Wuhan, China. This is a new coronavirus that has not been previously identified in humans.

Regarding insecurity, Cameron and McCormick (1954) opined that the notions of security and insecurity probably began with the works of Thomas and Adler, although neither employed them exactly as we do today. Security need was the basis of the social contract between the people and the state, in which people willingly surrendered their rights to an organ (government) who oversees the survival of all (Ewetan & Urhie, 2014). In this light security embodies the mechanism put in place to avoid, prevent, reduce, or resolve violent conflicts, and threats that originate from other states, non-state actors, or structural socio-political and economic conditions (Stan, 2004).

Insecurity in a general term refers to a state of being subjected to fear, threat, danger, molestation, intimidation, harassment etc. in all aspects (Eneji & Agri, 2020). For example, insecurity can be conceived as threats to the state which often accounted for the race for arms and nuclear weapons to defend the state as opined by Ajodo et al. (2014). According to Saliu et al. (2007) human threats of life emanate not only from situation of violent conflicts but also other non-conflict sources. Thus, insecurity is a situation of fear or anything that causes fear, harm, or has the capability to cause fear, harm, and injury, destructions to an individual, group or nation.

The concept of insecurity connotes different meanings such as: absence of safety; danger; hazard; uncertainty; lack of protection, and lack of safety. According to Beland (2005) insecurity is a state of fear or anxiety due to absence or lack of protection. Achumba et al (2013) defined insecurity from two perspectives. Firstly, insecurity is the state of being open or subject to danger or threat of danger, where danger is the condition of being susceptible to harm or injury. Secondly, insecurity is the state of being exposed to risk or anxiety, where anxiety is a vague unpleasant emotion that is experienced in anticipation of some misfortune. These definitions of insecurity underscore a major point that those affected by insecurity are not only uncertain or unaware of what would happen, but they are also vulnerable to the threats and dangers when they occur. In the context of this paper insecurity is defined as a breach of peace and security, whether historical, religious, ethno-regional, civil, social, economic, and political that contributes to recurring conflicts, and leads to wanton destruction of lives and property.

Socio-economic development is a product of development and can be defined as the process of social and economic transformation in a society (Ewetan & Urhie, 2014). Socio-economic development embraces changes taking place in the social sphere mostly of an economic nature. Thus, socio-economic development is made up of processes caused by exogenous and endogenous factors which determine the course and direction of the development. Socio-economic development is measured with indicators, such as GDP, life expectancy, literacy, and levels of employment. Changes in less-tangible factors are also considered, such as personal dignity, freedom of association, personal safety, and freedom from fear of physical harm, and the extent of participation in civil society. Causes of socio-economic impacts are, for example, new technologies, changes in laws, changes in the physical environment and ecological changes.

### **COVID-19 and socioeconomic development**

The impact of COVID-19 on all the indicators of developments around the world are glaring. Several studies have been conducted to support or give credence to these impact, especially the socio-economic indicators. Ali et al. (2020) explored the community perception of the socioeconomic impact of COVID-19 pandemic in a rural mountain area of Pakistan. The conducted online survey through snowball sampling technique of 367 respondents, their results showed that the spread of novel coronavirus pandemic has significant socioeconomic impact on the lives of mountain communities in Gilgit-Baltistan. Financial uncertainty, decrease in income, fear of job loss, and food insecurity are some major challenges that mountain communities face due to outbreak of coronavirus in the region. This study has shown how the virus affected the socio-economic characteristics of the Pakistani.

Similarly, Lin et al. (2020) investigated the role of socioeconomic factors in the spread of COVID-19. Socioeconomic indicators like population, population density, gross domestic product, rural-to-urban migrants, urbanization rate, per-person disposable income, and level of health care) in these cities were also aggregated from the Bureau of Statistics. The data referring to travelers from Wuhan were collected from the Baidu Migration database. A multiple stepwise linear regression model was performed to identify the independent risk factors of the number of cases. Nine socioeconomic variables including the number of travelers from Wuhan, population, native population, gross domestic product, Per-person GDP, the number of hospitals, the number of rural-to-urban migrants, traffic capacity, and person-disposable income were recognized as potential contributors of the number of cases. Results of multiple linear regression showed a statistically significant association between the number of cases and the number of travelers from Wuhan ( $t = 6.746$ ,  $P = 0.000$ ) and the number of rural-to-urban migrants ( $t = 3.776$ ,  $P = 0.001$ ) in these cities. However, other seven potential contributors were not associated with the number of cases. This study does not state specifically how COVID-19 affected socio-economic indicators

The study of Biswas et al. (2021) compared the socioeconomic development (SED) of the countries listed in G7 (representing developed nations) and BRICS (Brazil, Russia, India, China and South Africa—developing countries) and delve into the nexus between the SED of a country and its resilience to the current pandemic, COVID-19. The initial apprehension is that a country with better SED can show better resilience. To test this assumption, they consider seven socioeconomic indicators representing income, employment status, educational level, health condition, government expenditures in essential areas, like health, research and development, and gender equality and apply a compromise solution-based multi-criteria decision analysis (MCDA) framework. Next, they consider three parameters, namely infected cases (IC), recovery rate (RR), and death rate (DR), as explanatory proxy variables to indicate the resilience of the countries to COVID-19 spread. Finally, they examine the association between the SED and resilience of the countries. The results show that the SED of a country does not lead to better resilience to COVID-19.

In Nigeria, Fagbemi (2021) appraised the emanating effect of COVID-19 on sustainable development goals (SDGs) in Nigeria through the systematic illustration of the prevailing incidents. It was affirmed that the preoccupation with the COVID-19 cases caused many other critical socioeconomic issues (like education, infrastructure development, and employment) to suffer a state of negligence or be overlooked. Like other developing countries, Nigeria could become poorer, given the increased unemployment rate and the anticipated difficulty in servicing debt resulting from the COVID-19 outbreak. Hence, festering challenges including poverty, limited access to health care, low education quality, poor road networks among others, could be further entrenched. These incidents could be detrimental to sustainable development goals (SDGs) 2030 agenda. The study concluded that COVID-19 poses as threat to Nigeria's development prospects, as it may take more time to recover, especially in the post-COVID-19 era. Thus, it is critical to recognize the significance of securing strong institutional regulatory setup and resources (including financial and material resources) needed to facilitate sustainable change in the economy.

Khalatbari-Soltani et al. (2020) briefly reviewed the extent to which socioeconomic position (SEP) has been considered as one of the potential risk factors of COVID-19 and opined that SEP is widely associated with

disease and mortality. Individuals with a more disadvantaged SEP are more likely to be affected by most of the known risk factors of COVID-19. The study hypothesized that SEP plays an important role in the COVID-19 pandemic either directly or indirectly via occupation, living conditions, health-related behaviours, presence of comorbidities and immune functioning. This brief overview of the literature highlights the important socioeconomic characteristics are being overlooked when data are collected. As COVID-19 spreads worldwide, it is crucial to collect and report data on socioeconomic determinants as well as race/ethnicity to identify high-risk populations. A systematic recording of socioeconomic characteristics of patients with COVID-19 will be beneficial to identify most vulnerable groups, to identify how SEP relates to COVID-19 and to develop equitable public health prevention measures, guidelines, and interventions.

Idris (2020) evaluates the social and economic impact of covid-19 in Nigeria taking into cognizance the effect on certain critical macroeconomic indicators. The study adopted an analytical approach to supplement the much ongoing documentations on the subject matter. Result shows that virtually all essential macroeconomic indicators are grossly affected with tax, remittances and employment exhibiting severe consequences. Also, uncertainty, panics and lockdown measures are key to motivating higher decrease in world demand. The supply disruptions and the death toll generate a heightened uncertainty and panic for household and business. This uncertainty and panic leads to drop in consumption and investment thereby causing a decrease in corporate cash flows and triggered firm's bankruptcy. Also, lay-off and exiting firms produce higher unemployment while labour income decreased significantly.

Martin et al., (2020) evaluated the socio-economic impact of COVID-19 on individuals, using micro-economic model they developed to estimate the direct impact of distancing on household income, savings, consumption, and poverty. The model assumes two periods: a crisis period during which some individuals experience a drop in income and can use their savings to maintain consumption; and a recovery period, when households save to replenish their depleted savings to pre-crisis level. The San Francisco Bay Area is used as a case study, and the impacts of a lockdown are quantified, accounting for the effects of unemployment insurance (UI) and the CARES Act federal stimulus. Assuming a shelter-in-place period of three months, the poverty rate would temporarily increase from 17.1% to 25.9% in the Bay Area in the absence of social protection, and the lowest income earners would suffer the most in relative terms. If fully implemented, the combination of UI and CARES could keep the increase in poverty close to zero, and reduce the average recovery time, for individuals who suffer an income loss, from 11.8 to 6.7 months. However, the severity of the economic impact is spatially heterogeneous, and certain communities are more affected than the average and could take more than a year to recover.

Varkey et al. (2020) examined the socioeconomic determinants of the occurrence of COVID in Asian countries considering the data as of June 18, 2020, for 42 Asian countries. A multiple regression analysis in a cross-sectional framework is specified and ordinary least square (OLS) technique with heteroscedasticity corrected robust standard error is employed to obtain regression coefficients. Explanatory variables that are highly collinear have been dropped from the analysis. The findings of the study show a positive significant association of per capita gross national income and net migration with the incidence of total COVID-19 cases and daily new cases. The size of net migration emerged to be a potential factor and positive in determining the total and new cases of COVID. Social capital as measured by voters' turnout ratio (VTR) to indicate the people's participation is found to be significant and negative for daily new cases per million population. People's participation has played an important role in checking the incidence of COVID cases and its spread. In alternate models, countries having high incidence of poverty are also having higher cases of COVID.

Josephson et al. (2021) documented the socioeconomic impacts of the pandemic among households, adults, and children in low-income countries. they rely on longitudinal household survey data from Ethiopia, Malawi, Nigeria, and Uganda, originating from pre-COVID-19 face-to-face household surveys plus phone surveys implemented during the pandemic. The study estimated that 256 million individuals—77% of the population—live in households that have lost income during the pandemic. Attempts to cope with this loss are exacerbated by food insecurity and an inability to access medicine and staple foods. Finally, the study finds that student–teacher contact has dropped from a pre-COVID-19 rate of 96% to just 17% among households with school-aged children.

Torkian et al. (2020) investigated the relation between COVID-19 incidence and mortality with development indexes in different regions of the world. This ecological study was conducted on data from January 11 to August 23, 2020. The development indexes included were Human development index (HDI), Inequality-adjusted HDI (IHDI), the Gini Coefficient, Gender Development Index (GDI), Gender Inequality Index (GII) and their components. The development indexes were obtained from the United Nations Development Program (UNDP). COVID-19 cases and mortality data of the countries involved in the pandemic were obtained from the European Centre for Disease Prevention and Control (ECDC). Data was analyzed by Spearman correlation coefficients and negative binomial regression. The study found that the highest and lowest incidence and mortality rates were in the AMRO and WPRO regions, respectively. The development indexes had no significant linear correlation with COVID-19 incidence and mortality except in WPRO, where there was direct

significant correlation between life expectancy at birth and inequality adjusted life expectancy with COVID-19 incidence and mortality.

Buheji et al. (2020) analyzed the socio-economic impact of COVID-19 to determine how the pandemic is causing various problems to the impoverished. The study stated that the outbreak of COVID 19 made many poor communities in different places of the world face incredibly challenging socio-economic and livelihood consequences. An integrative literature review was carried out to sample the consequences of the global pandemic economic crisis on the poor communities in four different continents. The research pointed out how it is hard on the poor to adhere to the restrictive measures of social isolation or the lockdown. Immediate strategies that minimize the pandemic impact on the livelihood and the socio-economic activities of the poor are suggested. Obi et al. (2020) examined the socio-economic effect of the lockdown policy on business, transport, and service/hospitality industries in three selected metropolises from three states within the period of relaxation. Using the multistage sampling method, they selected 300 respondents across the three sectors examined. Data obtained via structured questionnaires was analyzed using Multiple Regression Analysis, Coefficient for correlations of independent sample and analysis of variance (ANOVA) for significant impact samples. The findings revealed that the increasing number of lockdown days, interstate travel ban, social distancing, and restriction to essentials services severely affected the level of economic activities within the period under review. In contrast, CPL PSL RSM had negative relationship but significant impact in the model, while BSK and ITR negative non-significant impact in the models due to imposed restriction on internal movement, while the rest variables had positive significant effect on the level of economic activities.

Food security is an important area where the effect of COVID-19 is visible. There are number of research that looked at the relationship between food security and COVID-19. Among them are Smith and Wesselbaum (2020); Statistics Canada et al., (2020); Ahn and Norwood, (2021); Pereira and Oliveira (2020); Owens et al. (2020); Kent et al. (2020); Mishra (2020); and Niles et al. (2020). Smith and Wesselbaum (2020) investigated the coronavirus disease 2019 (COVID-19)–food-insecurity migration channel and develop a policy agenda. The interaction between COVID-19 and the decline in economic activity will lead to increased food insecurity within and across countries. Higher food insecurity may act as a multiplier for the epidemic due to its negative health effects and increased migration. Research has shown that food insecurity affects within-country and cross-border migration. Besides the mean prevalence rate, the distribution of food insecurity affects the migration decision. The impacts of COVID-19 are particularly strong for people in the lower tail of the food-insecurity distribution. In the current context, the effect of food insecurity therefore could be increased migration, including both rural–urban migration and international migration.

Mishra (2020) discussed the damages to lives caused by COVID-19 and hunger with implications for food insecurity, nutritional status, productivity, education, and wage earnings (based on literature). More importantly, they discuss various complimentary steps to preventing COVID-19 related deaths with steps to preventing deaths related to food insecurity and hunger for the immediate, medium, and long terms. Finally, they provide a concluding paragraph highlighting the need for the Indian government to carefully combine governmental and non-governmental interventions, in reducing India's food insecurity and hunger rates despite the COVID-19 related slowdown. However, in countries with economic problems and low economic capacity, the high prevalence of diseases is related to the high level of poverty. Socioeconomic difficulties are fuel to the fire caused by diseases, especially when the disease is preventable (Rosario et al., 2021).

Other studies on COVID-19 that are worthy of mention are Leddy et al.,(2020)who presented a conceptual model to understand the multiple mechanisms through which the economic and public health crises sparked by COVID-19 might increase food insecurity and contribute to poor health outcomes in the short-and long-term; Bodrud-Doza et al. (2020)who studied the public perception of socioeconomic crisis and human stress in resource-limited settings of Bangladesh during the COVID-19 outbreak; Cohen (2020)who argued that the coronavirus and COVID-19 undermine security and the efforts of movers to make informed decisions concerning their sojourns; Wolfson and Leung (2020)that examined the early effects of the COVID-19 pandemic among low-income adults in the US as social distancing measures began to be implemented; Kent et al. (2020) described the prevalence and socio-demographic associations of food insecurity in Tasmania, Australia, during the COVID-19 pandemic; Bodrud-Doza et al. (2020)that conducted a perception-based analysis to get the idea of the peoples' psychosocial, socio-economic crisis, and possible environmental crisis amidst the COVID-19 pandemic in Bangladesh; and Binh Dao et al. (2020) provided an overview and analysis of the unprecedented impacts of the COVID-19 pandemic outbreak on Vietnam's economy.

### **Insecurity and Socioeconomic Development**

While the links between insecurity and development are complex, there is little doubt that insecurity acts as a development disabler. In the 21st century, insecurity take many forms, from large and small wars to inter-communal political violence, banditry, kidnapping, criminal, gang and economically-motivated violence, and inter-personal or gender-based violence (Eneji & Agri, 2020). Each has its particular impact on socioeconomic development; together they add up to a major obstacle to achieving the sustainable development goals (SDG) agenda, which highlights the negative impact of insecurity on development, insecurity represents development

in reverse,” generating costs that adversely affect countries and communities for decades (Eneji & Agri, 2020; Ewetan & Urhie, 2014).

On the impact of insecurity on the economy, Arisukwu (2017) pointed out that the productive aspect of most manufacturing business depends largely on the availability and regular supply of raw materials for production. Insecurity has cut off the supply of such raw materials hence, jeopardizing production activities. Besides this, insecurity affects marketing of finished product as there is a continuous exodus from areas of insecurity. There is also an increase in security spending as most business organizations operating in Nigeria spend a lot in maintaining private security outfits.

In the case of Nigeria, there is also evidence of some businesspeople and manufacturing companies having to relocate particularly from the North in recent times to other peaceful parts of the country (Nwagboso, 2012). Many of the Igbo and Yoruba from Southern Nigeria who are engaged in various businesses in Northern Nigeria have had to return to their home states to avoid the violence orchestrated by the terrorist group Boko Haram (Suleiman, 2012). Thus the Boko Haram insurgency which begun in Maiduguri, Borno State, in 2009, has badly affected the economy of the North as major consumer goods and the companies which produce these consumer goods have withdrawn from the region (Eneji & Agri, 2020; Arisukwu, 2017).

Security is crucial for sustainable development and in the absence of it, economic growth and development cannot be sustained as it destroys economic, human and social capital (Purity & Anigbuogu, 2019). Under conditions of peace and security, people and government can direct their efforts and resources towards improving human life. Insecurity is a threat to sustainable development globally and it is a bane to economic growth and development and has simultaneously frustrated and undermined the dreams and aspirations of great dynamites owing to its obvious negative consequences (Purity & Anigbuogu, 2019). There are three components of sustainable development: economic development, social development and environmental protection. Sustainable development ensures a developed world with secured and healthy environment for all, human beings, animals and plants.

Sustainable development is only achievable when social, economic, political, and environmental sustainability elements in Nigeria are stable, secured, viable and equitable (Ndubuisi-Okolo & Anekwe, 2018). In Nigeria, government at all levels from the federal, states, and local governments have not fared well in the provision of public goods such as infrastructure, health, education, employment, and security despite the enormous oil revenues accruing into their coffers. Many people provide all the services that otherwise would have been provided by the government including security. Monies are allocated to the various tiers of government for the development of their areas, but it is diverted by those in position of authority into their private purse. Gwom (2011) opines that kidnapping and terrorism are signs and consequences that formal authority is ineffectual and checks and balances in governance are not working. Despite stupendous wealth in the country, majority of the youths are not gainfully employed while some lack the requisite skills to acquire a befitting job

According to Huizar et al. (2021), Food insecurity, malnutrition and obesity, independently, represent three of the most complex conditions threatening the livelihoods of populations in nearly every country, making them leading causes of poor health, globally. Food insecurity is defined as a limitation in the accessibility and/or the lack of resources (e.g., income, transportation, skills, etc.) for safe and nutritious food to support normal growth, affects more than a quarter (26.4%) of the world's population. The outbreak of the COVID-19 pandemic has been a proximate cause of a transcontinental food emergency, with impending threats to the food environment and nutrition, which is expected to be severe in the most vulnerable populations (Huizar et al., 2021).

## **MATERIALS AND METHODS**

This study adopted a survey research design which was designed to illustrate a cross-sectional study that apply a minimal degree of interference in the study. The population of the study comprises of all adults 18 years and above in all the 36 states of the federation and the FCT, Abuja. The sample size for the study was determined using the Cochran's formula, which is considered especially appropriate in situations with large populations.

The formula is given as:  $n_0 = \frac{Z^2 pq}{e^2}$ . There is the desired level of precision (i.e. the margin of error, which is 5%), p

is the (estimated) proportion of the population which has the attribute in question, which is assumed to be 50%, and  $q = 1 - p$  gives 50%. Thus, the minimum sample size to be selected as representative of the population for this study was 385, but an attrition rate of 20% was added to this sample to cater for low response rate, which made the sample size 462 respondents.

The data for the study were collected using 5-Likert structured questionnaire and this implies that the measurement scale is ordinal scale. The questionnaire was designed and administered electronically on Google forms using emails, WhatsApp, and other social media platforms. The questionnaire has section for demographic information of the respondents and sections for COVID-19, insecurity, and socioeconomic development. For the validity of the questionnaire, the convergent and discriminant validity methods were employed. The reliability of the questionnaire was conducted to determine its consistency in testing what it was intended to measure using the Cronbach's Alpha, rho-A and Composite reliability estimates. Any instrument

with a coefficient of 0.70 and above is valid and dependable. Thus, the instrument is deemed to be capable of producing same result under same condition and circumstance.

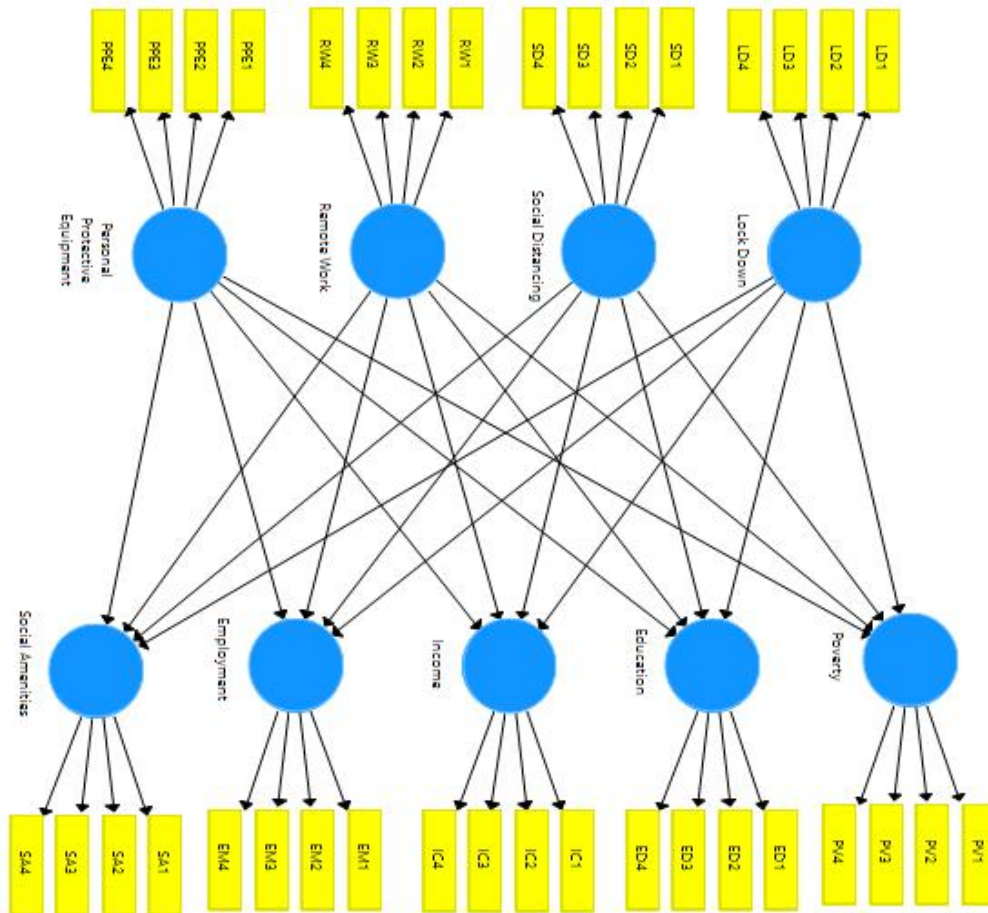
The data were analyzed using the Partial Least Square Structural equation model (PLS-SEM) to model the regression analysis and test the hypothesis to determine if there is an effect relationship between each of the independent variables and the dependent variable. Wold (1982) developed the PLS path modeling method, and its algorithm is a sequence of regressions in terms of weight vectors. PLS-SEM is a non-parametric method that does not require that the data meet certain distributional assumptions. However, the parametric significance tests (e.g., as used in regression analyses) cannot be applied to test whether coefficients such as outer weights, outer loadings and path coefficients are significant. Instead, PLS-SEM relies on a nonparametric bootstrap procedure (Efron & Tibshirani, 1986; Davison & Hinkley, 1997) to test the significance of various results such as path coefficients, Cronbach's alpha, HTMT, and  $R^2$  values.

Evaluating PLS-SEM results involves examining the measurement models, which differs for reflective and formative constructs. If the measurement models meet required criteria, researchers then need to assess the structural model (Hair et al., 2016). The first step in reflective measurement model assessment involves examining the indicator loadings. Loadings above 0.708 are recommended, since they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability. The second step is assessing internal consistency reliability, most often using Jöreskog's (1971) composite reliability. Higher values indicate higher levels of reliability. The third step is to assess the convergent validity of each construct measure, using the average variance extracted (AVE). Convergent validity is the extent to which the construct converges to explain the variance of its items. The minimum acceptable AVE is 0.50 or higher, which indicates that the construct explains 50 percent or more of the variance of the items that make up the construct. The fourth step is to assess discriminant validity, which is the extent to which a construct is empirically distinct from other constructs in the structural model. Discriminant validity problems are present when HTMT values are high.

When measurement model assessment is satisfactory, the next step in evaluating PLS-SEM results is assessing the structural model. This was done using the coefficient of determination ( $R^2$ ), the blindfolding-based cross-validated redundancy measure  $Q^2$ , as well as the statistical significance and relevance of the path coefficients. The model was assessed for out-of-sample predictive power by using the PLSpredict procedure (Shmueli et al. 2016). Structural model coefficients for the relationships between the constructs are derived from estimating a series of regression equations. The next step was examining the  $R^2$  value of the endogenous construct(s). The  $R^2$  measure the variance, which is explained in each of the endogenous constructs, and is therefore a measure of the model's explanatory power (Shmueli & Koppius, 2011). The  $R^2$  ranges from 0 to 1, with higher values indicating a greater explanatory power. As a guideline, the  $R^2$  values of 0.75, 0.50, and 0.25 can be considered substantial, moderate, and weak (Henseler et al., 2009; Hair et al., 2011).

The models in SEM are specified using diagrams rather than mathematical models. The Structural Equation Models adopted for this study is as follows.

### **Figure 1: Structural Model for COVID-19 and Socioeconomic Development**

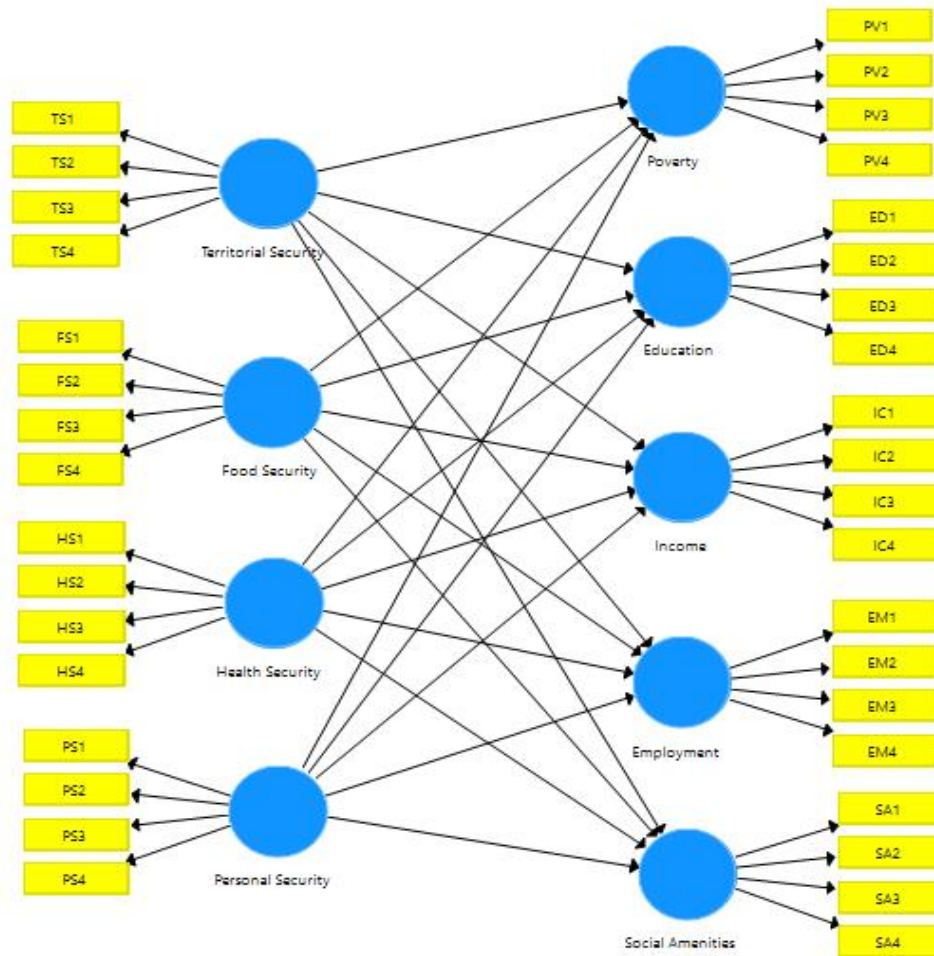


**Source:** *Source: Extracted from SmartPLS results, 2021*

COVID-19 is measured using lockdown (LD), social distancing (SD), remote work (RW), and personal protective equipment (PPE). The indicators of Socioeconomic development used are poverty, education, income, employment rates, and social amenities. The proxies for insecurity are territorial security (TS), food security (FS), health security (HS), and personal security (PS).

**Figure 2: Structural Model for Insecurity and Socioeconomic Development**





*Source: Source: Extracted from SmartPLS results, 2021*

## RESULTS AND DISCUSSIONS

### *Descriptive Statistics*

Table 1 shows the descriptive statistics of the measurement variables of the data collected. A total of fifty-two (52) questions were set in the questionnaire. The questionnaire responses were based on 5-point Likert scales of Strongly Disagreed, Disagreed, Undecided, Agreed and Strongly Agreed. These scales were coded as 1, 2, 3, 4, and 5, respectively. The responses were collected electronically through Google forms and as such did not leave room for missing values or outliers since the settings made all questions compulsory to prevent missing values and options were restricted to the range of 1-5 to prevent outliers.

The table shows the mean responses to each of the question for all the respondents, the median, the minimum, the maximum, and the standard deviation of the responses. The median is the proper measure of the average in this instance because of outliers. Although, from the minimum and maximum values, there is no sign of outliers, but it is still necessary to state that the best measure of average for an ordinal response is median.

**Table 1: Summary Statistics of the Measurement Variables**

<b>Code</b>	<b>Measurement Items</b>	<b>Mean</b>	<b>Median</b>	<b>Min</b>	<b>Max</b>	<b>Standard Deviation</b>	<b>Excess Kurtosis</b>	<b>Skewness</b>
LD1	All Nigerians to stay at their homes and isolate	3.013	3	1	5	1.574	-1.565	-0.005
LD2	COVID-19 Pandemic palliatives were distributed to all Nigerians	1.834	1	1	5	1.359	0.686	1.477
LD3	The lock down in different states were frequently relaxed	3.423	4	1	5	1.193	-0.893	-0.291
LD4	Curfews were enforced to ensure people stayed at home in all parts of the country	3.134	3	1	5	1.414	-1.327	-0.018
SD1	Spiritual gatherings were totally banned in all parts of the country	3.28	3	1	5	1.455	-1.369	-0.224
SD2	Social gatherings were totally banned in all parts of the country	3.239	3	1	5	1.436	-1.339	-0.195
SD3	People were mandated to avoid physical contact	3.864	4	1	5	1.258	-0.449	-0.876
SD4	Essential gatherings had strict population control measures	3.597	4	1	5	1.356	-0.925	-0.587
RW1	Many work opportunities were created for majority of Nigerians	2.378	2	1	5	1.457	-0.932	0.687
RW2	Many Nigerians had to leave their jobs voluntarily	2.526	2	1	5	1.315	-0.795	0.549
RW3	Most people with jobs had to work from home	3.65	4	1	5	1.34	-0.997	-0.578
RW4	Essential service workers also had to work from home	2.383	2	1	5	1.258	-0.798	0.545
PPE1	All Nigerians were mandated to use personal protective equipment	3.718	4	1	5	1.423	-0.98	-0.703
PPE2	The COVID-19 Pandemic protective equipment were available to all Nigerians	2.081	2	1	5	1.361	-0.046	1.135
PPE3	The COVID-19 Pandemic protective equipment were affordable for all Nigerians	2.083	2	1	5	1.284	-0.38	0.948
PPE4	The COVID-19 personal protective equipment had no factory flaws	2.534	3	1	5	1.128	-0.593	0.312
TS1	There are issues of armed militants controlling territories within Nigeria	3.937	4	1	5	1.251	-0.352	-0.919
TS2	The security agencies have been grossly unable to curtail insecurity	3.945	4	1	5	1.254	-0.242	-0.986
TS3	Informal groups have sprung up in most communities for self-security	3.98	4	1	5	1.181	0.175	-1.084
TS4	Most perpetrators of crime in the country do not face the punishment by law	4.191	5	1	5	1.191	1.015	-1.451
PS1	There have been cases of kidnapping and banditry in most parts of Nigeria	4.433	5	1	5	1.174	3.226	-2.129
PS2	There have been more occurrences of inter-ethnic and religious conflicts	3.856	4	1	5	1.323	-0.315	-0.946
PS3	Armed robberies are still a major issue in most parts of the country	3.798	4	1	5	1.248	-0.345	-0.84
PS4	Farmers-Herders' crises have been incessant in most parts of the country	4.048	5	1	5	1.276	0.053	-1.142
FS1	Food production in the country is consistent	2.257	2	1	5	1.269	-0.6	0.717
FS2	The country produces required quantity of food for National consumption	2.204	2	1	5	1.25	-0.563	0.758

FS3	There have been no issues of food shortage anywhere in the country	1.98	1	1	5	1.328	-0.065	1.145
FS4	All food produced in the country meet globally acceptable standard of quality	2.179	2	1	5	1.205	-0.287	0.789
HS1	There are adequate health care centers	2.028	2	1	5	1.226	0.02	1.034
HS2	There are adequate health care equipment and facilities	1.887	1	1	5	1.274	0.465	1.323
HS3	There are adequate health care personnel	2.154	2	1	5	1.235	-0.155	0.945
HS4	Available health care personnel are well trained and experienced	2.489	2	1	5	1.121	-0.539	0.437
PV1	Majority of Nigerians cannot afford proper housing	3.997	5	1	5	1.424	-0.09	-1.193
PV2	Majority of Nigerians cannot afford good food consistently	3.947	4	1	5	1.36	0.08	-1.19
PV3	Many people in Nigeria cannot afford good clothes to properly cover their bodies	3.501	4	1	5	1.285	-1.045	-0.389
PV4	The average poverty rate has been on an exponential increase	4.071	5	1	5	1.242	0.308	-1.236
ED1	Education in Nigeria is available to all and affordable by all	1.912	1	1	5	1.233	0.474	1.244
ED2	There are inadequate public schools in the country for the children of Nigeria	3.416	4	1	5	1.438	-1.276	-0.371
ED3	There are inadequate well-trained teachers to meet the needs of the children	3.534	4	1	5	1.323	-0.996	-0.48
ED4	The curriculum for primary and secondary schools is sufficient	2.599	2	1	5	1.257	-0.87	0.392
IC1	The average income of households has reduced greatly	4.025	5	1	5	1.335	0.061	-1.193
IC2	Many businesses have become bankrupt	3.884	4	1	5	1.332	-0.4	-0.954
IC3	Personal income for many individuals has reduced	4.078	5	1	5	1.278	0.442	-1.295
IC4	Sales income for many businesses has reduced greatly	3.869	4	1	5	1.298	-0.345	-0.927
EM1	There are inadequate jobs available to eligible people in the country	4.06	5	1	5	1.391	0.243	-1.308
EM2	Unemployment rate in the country has significantly increased	4.224	5	1	5	1.321	1.353	-1.668
EM3	Majority of workers in Nigeria are not satisfied with their jobs	4.093	5	1	5	1.273	0.702	-1.366
EM4	There are no plans in motion for more job creation in the country	3.622	4	1	5	1.361	-0.836	-0.611
SA1	Social amenities in Nigeria have been in deterioration	4.101	5	1	5	1.276	0.519	-1.323
SA2	Public assistance from government has been grossly inadequate	3.952	4	1	5	1.209	-0.129	-0.982
SA3	Public facilities are available for free use to all Nigerians	2.234	2	1	5	1.392	-0.504	0.897
SA4	There are still many social amenity projects uncompleted	4.02	5	1	5	1.266	0.226	-1.183

*Source: Extracted SmartPLS results, 2021*

### **Indicator Reliability**

The indicator loadings should be larger than 0.7 to ensure indicator reliability. From table 2, all the indicators are larger than 0.7 indicating that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability.

**Table 2: Reliability of the Indicators**

<b>Items</b>	<b>Loadings</b>	<b>P Values</b>
ED1 <- Education	-0.816	0.046
ED2 <- Education	0.594	0.036
ED3 <- Education	0.729	0.040
ED4 <- Education	-0.479	0.074
EM1 <- Employment	0.898	0.000
EM2 <- Employment	0.912	0.000
EM3 <- Employment	0.869	0.000
EM4 <- Employment	0.725	0.000
IC1 <- Income	0.853	0.000
IC2 <- Income	0.898	0.000
IC3 <- Income	0.944	0.000
IC4 <- Income	0.915	0.000
PV1 <- Poverty	0.940	0.000
PV2 <- Poverty	0.937	0.000
PV3 <- Poverty	0.777	0.000
PV4 <- Poverty	0.833	0.000
SA1 <- Social Amenities	0.863	0.000
SA2 <- Social Amenities	0.793	0.000
SA3 <- Social Amenities	-0.707	0.000
SA4 <- Social Amenities	0.588	0.000
RW1 <- Remote Work	0.834	0.000
RW2 <- Remote Work	0.551	0.000
RW3 <- Remote Work	-0.401	0.003
RW4 <- Remote Work	0.387	0.001
LD1 <- Lock Down	-0.118	0.341
LD2 <- Lock Down	0.925	0.000
LD3 <- Lock Down	-0.341	0.002
LD4 <- Lock Down	-0.399	0.000
PPE1 <- Personal Protective Equipment	-0.394	0.000
PPE2 <- Personal Protective Equipment	0.880	0.000
PPE3 <- Personal Protective Equipment	0.847	0.000
PPE4 <- Personal Protective Equipment	0.437	0.000
SD1 <- Social Distancing	0.690	0.000
SD2 <- Social Distancing	0.789	0.000
SD3 <- Social Distancing	0.845	0.000
SD4 <- Social Distancing	0.745	0.000
FS1 <- Food Security	0.776	0.000

FS2 <- Food Security	0.788	0.000
FS3 <- Food Security	0.852	0.000
FS4 <- Food Security	0.780	0.000
HS1 <- Health Security	0.925	0.000
HS2 <- Health Security	0.944	0.000
HS3 <- Health Security	0.903	0.000
HS4 <- Health Security	0.623	0.000
PS1 <- Personal Security	0.901	0.000
PS2 <- Personal Security	0.730	0.000
PS3 <- Personal Security	0.835	0.000
PS4 <- Personal Security	0.911	0.000
TS1 <- Territorial Security	0.761	0.000
TS2 <- Territorial Security	0.799	0.000
TS3 <- Territorial Security	0.851	0.000
TS4 <- Territorial Security	0.830	0.000

*Source: Extracted from SmartPLS results, 2021*

#### **Construct Reliability**

To establish internal consistency reliability of the construct, Cronbach's alpha and composite reliability (CR) should be higher than the threshold of 0.7. It is clear from table 3 that most of the latent indicators are dependable since their values are higher than the threshold value of 0.7. As an alternative to Cronbach's alpha and composite reliability, Dijkstra and Henseler (2015) proposed rho\_A as an exact measure of construct reliability, which usually lies between Cronbach's alpha and the composite reliability. Hence, rho\_A may represent a good compromise if one assumes that the factor model is correct.

#### **Convergent Validity**

Convergent validity is the extent to which the construct converges to explain the variance of its items. To assess convergent validity, the average variance extracted (AVE) should be larger than 0.5. In table 3, most of the construct's value of the average variance extracted AVE are larger than 0.5 which shows that our constructs satisfied the condition of convergent validity. It also indicates that all the construct explains 50 percent or more of the variance of the items that make up the construct.

**Table 3: Construct Reliability and Validity of the indicators**

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Education	0.114	0.677	0.004	0.448
Employment	0.876	0.903	0.915	0.731
Income	0.924	0.931	0.946	0.815
Poverty	0.898	0.924	0.928	0.765
Social Amenities	0.265	0.770	0.585	0.558
Lock Down	0.011	0.392	0.002	0.286
Personal Protective Equipment	0.436	0.689	0.592	0.459
Remote Work	0.376	0.354	0.412	0.328
Social Distancing	0.776	0.816	0.852	0.592
Food Security	0.814	0.842	0.876	0.639
Health Security	0.877	0.936	0.917	0.738
Personal Security	0.868	0.898	0.910	0.718
Territorial Security	0.831	0.858	0.885	0.658

*Source: Extracted from SmartPLS results, 2021*

#### **Discriminant Validity**

Discriminant validity is the extent to which a construct is empirically distinct from other constructs in the structural model. There are many traditional methods for discriminant validity assessment, such as cross loadings and the Fornell-Larcker criterion (Fornell & Larcker, 1981), but researchers are advised to apply the Heterotrait-Monotrait (HTMT) criterion (Henseler et al., 2014). This is because traditional methods fail to indicate a lack of discriminant validity, even when two constructs are perfectly correlated, rendering this criterion's use ineffective for empirical research. For this thesis, table 4 shows the HTMT criterion for all the latent constructs. The discriminant validity of the construct is valid if the upper bound of the 95% confidence interval of HTMT is lower than 0.9. From table 4, this condition is satisfied.

**Table 4: HTMT Criterion for COVID-19 and Socioeconomic Development**

	Educ ation	Empl oyment	Income	Lock Down	Personal Protective Equipment	Poverty	Remote Work	Social Amenities
Education	0.833							
Employment	0.799	0.841						
Income	0.568	0.810	0.821					
Lock Down	1.045	0.830	0.718	0.811				
Personal Protective Equipment	0.789	0.596	0.604	1.247	0.813			
Poverty	0.751	0.713	0.703	0.716	0.584	0.821		
Remote Work	0.771	0.447	0.545	1.457	0.805	0.512	0.772	
Social Amenities	0.829	0.990	0.812	0.881	0.638	0.711	0.552	0.611
Social Distancing	0.480	0.281	0.263	1.229	0.548	0.216	0.574	0.408

*Source: Extracted from SmartPLS results, 2021*

**Table 5: HTMT Criterion for Insecurity and Socioeconomic Development**

	Educatio n	Empl oyment	Food Security	Health Secur ity	Income	Personal Security	Poverty	Social Amenities
Education	0.833							

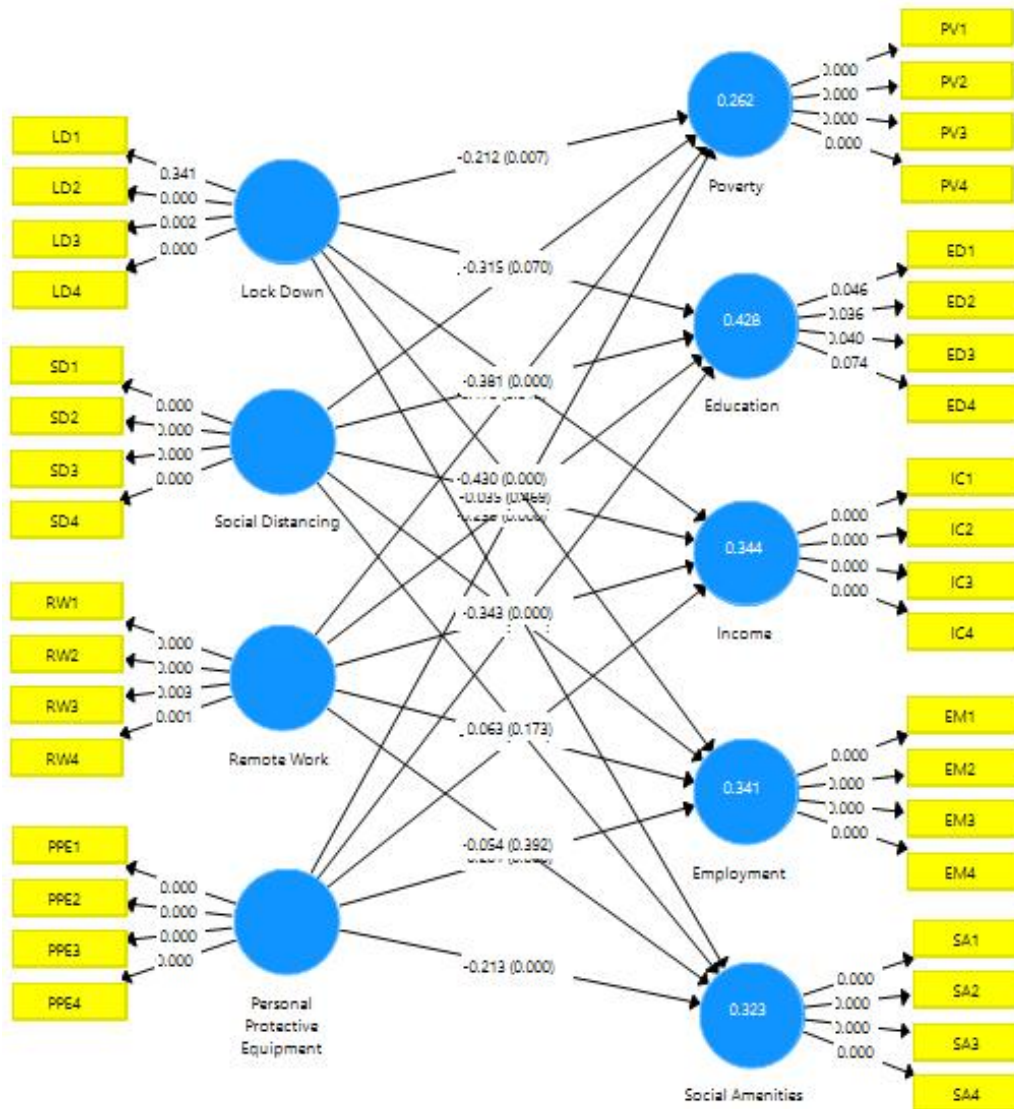
Employment	0.799	0.841						
Food Security	0.718	0.529	0.821					
Health Security	0.721	0.545	0.809	0.811				
Income	0.568	0.810	0.515	0.451	0.813			
Personal Security	0.675	0.727	0.655	0.623	0.661	0.821		
Poverty	0.751	0.713	0.583	0.515	0.703	0.581	0.772	
Social Amenities	0.829	0.990	0.683	0.638	0.812	0.790	0.711	0.611
Territorial Security	0.573	0.545	0.755	0.549	0.476	0.803	0.533	0.692

*Source: Extracted from SmartPLS results, 2021*

#### **Assessment of the Structural Model**

To assess the structural model, Hair et al. (2013) suggested looking at the  $R^2$ , beta, and corresponding t-values via bootstrapping procedure with a resample of 5000. They also suggested that, in addition to these basic measures, researchers should also report the predictive relevance ( $Q^2$ ) and the effect sizes ( $f^2$ ). Figure 3 showed the structural model results, the loadings and the  $R^2$  values for COVID-19 and socioeconomic development in Nigeria, while Figure 4 showed the values for insecurity and socioeconomic development in Nigeria. The resample of bootstrapping procedure was done using 5000.

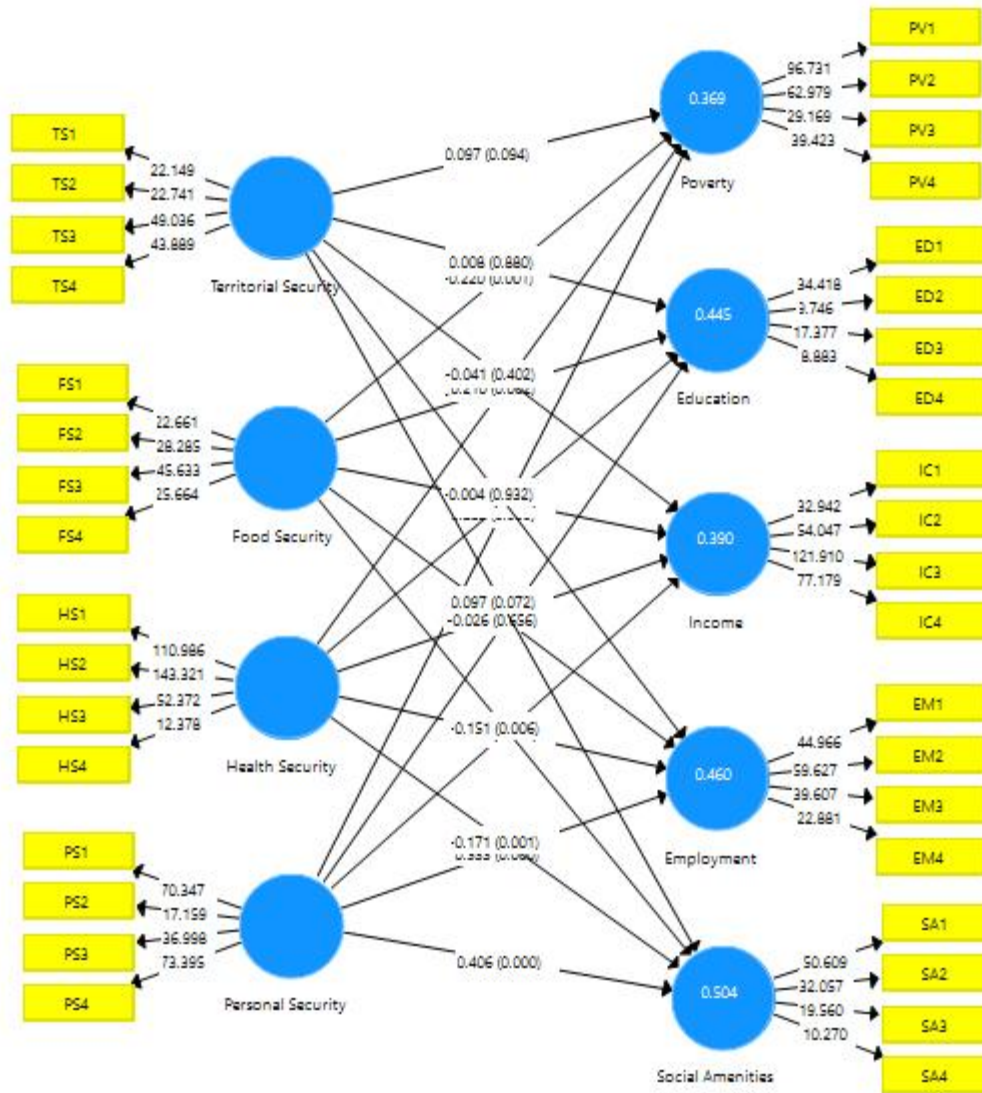
**Fig 3: COVID-19 and Socioeconomic Development in Nigeria**



Source: Extracted from SmartPLS results, 2021



**Fig 4: Insecurity and Socioeconomic Development in Nigeria**



*Source: Extracted from SmartPLS results, 2021*

**Test of Hypotheses**

Table 6 and 7 show the path coefficients of the regression results of the study. The results are displayed in two separate tables for impact of COVID-19 on socioeconomic development and impact of insecurity on socioeconomic development in Nigeria.

**Table 6: Path Coefficients for COVID-19 and Socioeconomic Development**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
Lock Down -> Education	-0.315	-0.271	0.174	1.814	<b>0.070</b>
Lock Down -> Employment	-0.430	-0.429	0.075	5.711	<b>0.000</b>
Lock Down -> Income	-0.381	-0.378	0.078	4.872	<b>0.000</b>
Lock Down -> Poverty	-0.212	-0.215	0.079	2.687	<b>0.007</b>
Lock Down -> Social Amenities	-0.343	-0.344	0.073	4.703	<b>0.000</b>
PPE -> Education	-0.239	-0.206	0.132	1.811	<b>0.070</b>
PPE -> Employment	-0.201	-0.200	0.055	3.677	<b>0.000</b>
PPE -> Income	-0.187	-0.186	0.062	3.005	<b>0.003</b>
PPE -> Poverty	-0.239	-0.236	0.063	3.765	<b>0.000</b>
PPE -> Social Amenities	-0.213	-0.211	0.056	3.775	<b>0.000</b>
Remote Work -> Education	-0.153	-0.137	0.090	1.704	<b>0.088</b>
Remote Work -> Employment	-0.031	-0.037	0.069	0.453	<b>0.651</b>
Remote Work -> Income	-0.127	-0.130	0.068	1.870	<b>0.062</b>
Remote Work -> Poverty	-0.175	-0.177	0.070	2.490	<b>0.013</b>
Remote Work -> Social Amenities	-0.054	-0.058	0.063	0.855	<b>0.392</b>
Social Distancing -> Education	0.102	0.094	0.064	1.586	<b>0.113</b>
Social Distancing -> Employment	-0.024	-0.023	0.047	0.516	<b>0.606</b>
Social Distancing -> Income	-0.035	-0.031	0.048	0.725	<b>0.469</b>
Social Distancing -> Poverty	-0.037	-0.034	0.049	0.752	<b>0.452</b>
Social Distancing -> Social Amenities	0.063	0.065	0.046	1.364	<b>0.173</b>

**Source:** *Extracted from SmartPLS results, 2021*

The results above show that all components of the COVID-19 measured by the study had negative effects on components of socio-economic development measured by the study except of social distancing that had a positive effect on education and social amenities although the positive effects were significant. This is consistent with the findings of Ali et al. (2020); Lin et al. (2020); Idris (2020); Martin et al. (2020); and Fagbemi (2021). But Biswa et al. (2021) has a contradictory finding to that of this study.

As for the negative effects, the ones that were statistically significant with p-values less than 0.05 were the effects between Lock Down and Employment, Lock Down and Income, Lock Down and Poverty, Lock Down and Social Amenities, PPE and Employment, PPE and Income, PPE and Poverty, PPE and Social Amenities, and Remote Work and Poverty. The results imply that majority of the COVID-19 variables (protocols) tested by the study had negative effects on socioeconomic development in Nigeria.

The findings indicate that the negative impact that exist between the variables implies that if the independent variable is continued, there will be a significant corresponding decrease in dependent variables studied (socioeconomic development components).

**Table 7: Path Coefficients for Insecurity and Socioeconomic Development**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
Food Security -> Education	0.210	0.209	0.066	3.167	0.002
Food Security -> Employment	-0.026	-0.023	0.059	0.446	0.656
Food Security -> Income	-0.145	-0.144	0.059	2.457	0.014
Food Security -> Poverty	-0.220	-0.221	0.069	3.182	0.001
Food Security -> Social Amenities	-0.151	-0.148	0.055	2.742	0.006

Health Security -> Education	0.271	0.274	0.070	3.888	0.000
Health Security -> Employment	-0.195	-0.198	0.050	3.883	0.000
Health Security -> Income	-0.071	-0.073	0.054	1.310	0.190
Health Security -> Poverty	-0.110	-0.112	0.070	1.569	0.117
Health Security -> Social Amenities	-0.171	-0.175	0.051	3.373	0.001
Personal Security -> Education	-0.299	-0.296	0.061	4.912	0.000
Personal Security -> Employment	0.533	0.533	0.052	10.280	0.000
Personal Security -> Income	0.511	0.508	0.053	9.602	0.000
Personal Security -> Poverty	0.282	0.281	0.069	4.086	0.000
Personal Security -> Social Amenities	0.406	0.406	0.055	7.382	0.000
Territorial Security -> Education	0.008	0.005	0.053	0.151	0.880
Territorial Security -> Employment	-0.004	-0.001	0.044	0.086	0.932
Territorial Security -> Income	-0.041	-0.038	0.049	0.839	0.402
Territorial Security -> Poverty	0.097	0.097	0.058	1.673	0.094
Territorial Security -> Social Amenities	0.097	0.099	0.054	1.800	0.072

*Source: Extracted from SmartPLS results, 2021*

Table 7 show that there were positive and significant effects of Food Security on Education, and Personal Security on Social Amenities, Personal Security on Employment, Personal Security on Income, Personal Security on Poverty, and Personal Security on Social Amenities with p-values less than 0.05. However, there were positive but insignificant effects of Territorial Security on Education, Territorial Security on Poverty and Territorial Security on Social Amenities. On the other hand, the study found negative and significant effects of Food Security on Income, Food Security on Poverty, Food Security on Social Amenities, Health Security on Employment, Health Security on Social Amenities, and Personal Security on Education with p-values less than 0.05. This implies that majority of the negative effects on socioeconomic development are from food and health security. However, there were negative and insignificant effects of Food Security on Employment, Health Security on Income, Health Security on Poverty, Territorial Security on Employment, Territorial Security on Income. The findings give credence to that of Arisukwu (2017); Purity and Anigbuogu (2019); and Huizar et al. (2020).

**Table 8: R<sup>2</sup> and Predictive Relevance of the Model**

	<b>R<sup>2</sup></b>	<b>Q<sup>2</sup>_Predict</b>	<b>P-Value</b>
<b>Education</b>	0.445	0.408	0.000
<b>Employment</b>	0.460	0.314	0.000
<b>Income</b>	0.390	0.318	0.000
<b>Poverty</b>	0.369	0.233	0.000
<b>Social Amenities</b>	0.504	0.294	0.000

*Source: Extracted from SmartPLS results, 2021*

The predictive sample reuse technique (Q<sup>2</sup>) can also effectively show predictive relevance (Chin et al., 2008). Based on the blindfolding procedure, Q<sup>2</sup> shows how well data can be reconstructed empirically using the model and the PLS parameters. In this study, Q<sup>2</sup> was obtained using cross-validated redundancy procedures. As a guideline, Q<sup>2</sup> values should be larger than zero for a specific endogenous construct to indicate predictive accuracy of the structural model for that construct. As a rule of thumb, Q<sup>2</sup> values higher than 0, 0.25, and 0.5 depict small, medium, and large predictive relevance of the PLS-path model, whereas a Q<sup>2</sup> less than zero means the model lacks predictive relevance. As shown in table 8, Q<sup>2</sup> for the dependent variables indicate acceptable predictive relevance.

#### **CONCLUSION AND WAY FORWARD**

This study sought to assess the effect of COVID-19 and insecurity on socioeconomic development in Nigeria. The study made use of partial least squares structural equation modelling (PLS-SEM) in SmartPLS. From the findings, the study concludes that COVID-19 and insecurity had negative and significant impact on socioeconomic development in Nigeria. However, the study further concludes that food and health security are the major elements of insecurity that significantly

affect most of the socioeconomic development indices like Poverty, Social Amenities, Employment and Education. Furthermore, the study concludes that the COVID-19 situation mostly had a negative and significant impact on socioeconomic development in Nigeria.

The study therefore recommends that following way forward:

- i. That the government should not contemplate another lockdown but intensify sensitization efforts regarding usage PPE and promoting social distancing, as well as remote work where possible. This should contribute immensely to reducing poverty, improving personal income as people would be gainfully engaged, reduce layoff by employers, and improve access to education.
- ii. Government should be sincere in their fight against insecurity. This is because it has driven people from farms, affected health facilities, make our borders porous, and people feeling insecure all the time.

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