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ILLEGAL TAXATION VERSUS TAX HOLIDAY: IMPLICATIONS ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN AWKA, ANAMBRA STATE

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Abstract

The study examined the effect of illegal taxation and tax holiday on the performance of Small and Medium Enterprises in Awka South Local government area of Anambra State, Nigeria. Specifically, the study ascertained whether concise implementation of tax holiday will significantly affect the performance of Small and Medium Enterprises. It also examined the measure of effect that illegal tax practices by Touts have on the performance of Small and Medium Enterprises. The descriptive survey research design was adopted while a total of one hundred and nineteen (119) respondents were sampled from a population of one hundred and sixty eight (168) Senior staff and Personnel of Finance Departments of eleven (11) selected Small and Medium Enterprises in Awka South Local Government Area of Anambra State, Nigeria using the stratified sampling technique. The primary data for this study were collated through structured questionnaire and consequently analysed using simple linear regression analysis statistical tool. Results obtained showed that concise implementation of tax holiday will have significant and positive effect on the performance of SMEs in Awka South Local Government Area of Anambra state (p -value = 0.000). It however observed that the measure of effect of illegal taxes by Touts on the performance of Small and Medium Enterprises in Awka south local government area of Anambra state was not only negative but the extent of such negative effect was statistically significant (p -value = 0.031). The study therefore concluded that tax incentives can encourage SMEs to reinvest its retained earnings if not forcefully taken away from it by way of illegal taxation towards achieving commendable expansion of such small businesses that lead to more job creation, and sustainable contribution to the local economy. Therefore, addressing corruption in tax administration will improve transparency and accountability, and promote ethical business practices that supports sustainability and growth of SMEs. As a result, it was recommended that government should consider providing more tax holidays to SMEs to encourage their growth and development. It was also recommended that government should take strict measures to curb the illegal activities of touts and protect SMEs from such illegal taxes.

Key Words: Illegal Taxation, Performances, Tax holidays, SMEs.

Introduction

As Nigeria continues to strive for economic resuscitation towards achieving economic growth and sustainable development, the need to redirect the focal lens of the government on the deteriorating challenge of illegal taxation that readily threatens the internal revenue generating capacity of the nation and the livelihoods of its micro, small and medium enterprises (MSMEs) cannot be overlooked. While

the government, especially at the State and Local Government levels, have since 1999 continued to turn blind eye to this monstrous illegality as though to consent to its prevalence and continuity, the need for the government to assure the citizenry that it is not in any way statutorily weak and incapacitated, thus benefitting from this stigma, need to be given thoughtful consideration as well. Kuta and Dauda (2021) argued that government's quest to exploit the provisions of tax laws has often led to the duplication of taxes already levied by other tiers of government under the guise of maximizing the internally generated revenue (IGR). Little wonder why Harmon (2023) lamented that despite efforts reported to have been made by the government to streamline the tax system in bid to curtail this illegal act, the prevalence of unauthorised levies and extortion by Touts has continued to cast shadows on the viability of the nation's economic activities and landscape at the grass root. According to NBS (2017), Small and Medium Enterprises (SMEs) in Nigeria readily account for about 96% of businesses operating in Nigeria, 84% of existing employment amidst contributing about 48% of the national GDP of the country on annual basis. However, a 2017 survey of Business Day reported that 80% of small businesses are not paying regular taxes to the government (Iruoma, 2021).

Trend observations has shown that taxation of Micro and Small businesses by the Local government has always been with the deployment of informal system of taxation due to the tax attitude of most Nigerians and Small businesses at the grass root. As much as over 85% of this class of businesses are known to be non-compliant to tax payment, the failure of the government to formalise the one-on-one or person-to-person contact pattern of taxation of Micro and Small businesses into a system that is legally built into a sustainable structure and institutions, may have paved further room for its abuse and consequent override by the same persons or group of persons who once served the State or Local government informally in that regard. Myeko and Madikane (2019) however maintain that the absence of adequate book keeping among micro and small businesses remains a major challenge. And this, no doubt, does obstruct the application of formal tax system on these categories of businesses mostly existent in the informal sector of the Nigeria economy. But could this be the reason for the use of the informal taxation approach that involves the enforcement of a fixed tax rate across board even where such daily income of these SMEs varies (some make higher profit than others on daily basis)? Could this be the reason for the use of untrained and unfriendly personnel also known as Agberos in enforcing such non-organised/unstructured system of taxation that often exposes SMEs to multiple taxation and in most cases, to illegal tax payments? It is pertinent to note that while the government may have attributed its tax enforcement approach on SMEs to the latter's decaying compliant attitude to tax payment, owners of SMEs have also hinged its actions on loss of trust and confidence on government who overtime have proven to lack accountability and transparency towards tax payers' monies. Agusti and Rahman (2023) noted that the behaviour of taxpayers could be viewed from the compliant and non-compliant perspective such that the tax

compliance perspective points to the extent to which taxpayers comply with tax regulations while the tax non-compliance perspective explains the failure of taxpayers to fulfil their tax obligations, either intentionally or unintentionally. Accordingly, tax compliance is grouped into voluntary and enforced tax compliance (ETC). Voluntary compliance means taxpayers voluntarily fulfil their obligations without the use of force or direct involvement of the tax authorities. This readily differs from what enforced tax compliance entails. ETC depicts that tax compliance is achieved through the intervention of tax authorities, in some cases, through the use of force or threat. While non-compliant behaviour is often associated with tax evasion and tax avoidance, the latter takes advantage of loopholes in the current legal boundaries (Agusti & Rahman, 2023). But should Small and Medium Enterprises (SMEs) pay taxes, despite their size? Appreciating the diverse views of small businesses in response to these questions is pertinent to the positive and meaningful attendance to the lingering issues of illegal taxation which has also been trailed as a consequence of the non-compliant attitude of most SMEs to tax payment.

Aside the low level of awareness and education on the importance of tax payment among micro and small businesses (Paco & Quezon, 2022), prevalence of gross corruption in public governance has also been linked to the poor compliant attitude of SMEs to tax payment. It has perhaps become a growing fear among SMEs that once tax is paid to the government, the same will be mismanaged or even squandered for personal gains. This may have also adversely undermined the tax payment morale of most SMEs in Nigeria. Abiodun (2021) opined that in taxing entrepreneurs, taxes should be levied in such a way that the income and survival of MSMEs is considered towards creating an enabling environment for the expansion of such businesses in the future. The scholar further noted that the taxation of private businesses in Nigeria appears to be challenging, given that most of the imposed taxes are duplicated under different names and guise that are usually without legal backing. The aftereffect of this has been the high price of conducting or operating business in Nigeria. This entails that the more multiple taxes SMEs pay, the more taxable liabilities they incur and the lower they perform financially. Ovajimoh (2019) is of the opinion that operation of SMEs in Kogi State was largely exposed to many setbacks among which the issue of multiple taxation stands out as the worm eating deep into the revenues of SMEs amidst threatening their growth and survival. But could this be true? Should the government design a policy that readily exclude vulnerable MSMEs, especially as most are one-man businesses, and do not have employees? It is pertinent to recall that Micro Scale businesses are businesses with less than 10 employees and operates with less than 5 million Naira worth of Assets that excludes land and building (SMEDAN, 2021). Unfortunately in Nigeria, most Micro business owners operate alone with an Asset worth of less than N200,000 (two hundred thousand naira only). And these are subjected continually to illegal taxes on daily basis by Local government and State government Agents? Accordingly, the performance of SMEs is a complex and multifaceted concept that

encompasses a range of factors, including financial performance, operational efficiency, customer satisfaction, and employee morale. The performance of SMEs has a significant impact on its long-term success and competitiveness, and is therefore an important area of study for both academics and practitioners. However, in Awka South local government area of Anambra State where this study was carried out; SMEs are burdened with a lot of expenses and unfortunately some of these businesses have to deal with illegal taxation. SMEs owners are often not able to efficiently sell most of their products on daily basis due to the presence of touts in the streets who are illegal tax collectors issuing out tickets not authorized by the State and Local governments, thereby frustrating the economic performance of SMEs. In most cases, these SMEs owners have no voice and cannot defend itself against wrong or illegal taxation without representation. To this, the Market Traders Association of Nigeria (MATAN 2022) had laid claims that the Federal Government has lost over N31trillion to illegal tax collectors who are extorting Nigerian traders. MATAN (2022) further decried the multiple taxation practices of the relevant government agencies, warning that if this is not timely curtailed, it would result in geometric increase in the prices of goods and wares at various markets in Nigeria. Lending credence to this prediction, Igbekoyi (2023) reported that stakeholders have identified multiple taxations, illegal levies and enormous tax burdens as imminent challenges facing Small and Medium Enterprises (SMEs) in Delta State. This is coming at a time when the Federal Inland Revenue Service (FIRS) has projected a significant increase in Nigeria's tax collection in year 2024 as part of its determination to enhance its non-oil revenues towards reducing the nation's extensive unhealthy reliance on oil sales which account for a substantial portion of foreign exchange receipts (Abdulrazaq, 2023). But what further efforts can the government make, aside tackling illegal or multiple taxation, to enhance the operationalisation and survival of SMEs under the present harsh economic conditions facing the nation?

Indeed, Tax holidays as a temporary reduction or elimination of certain taxes by the government, usually for a specific period of time, appear to be a better bail out option for the State and local governments in Nigeria. Aside its intent to stimulate economic growth and encourage investment in certain industries or regions (Bweseh, Maihankali & Galadima, 2021), tax holiday will enable the government to incentivize SMEs towards investing more in research and development, hire more employees, and increase their overall level of activity. Notably, the silent cry of many small businesses such as is represented in the quote below, may have become quite common among most SMEs in Africa due to the insensitivity of the government:

“I don't think my business can afford to pay tax now because the profit from my business is not even enough to reinvest into the business and cater for my daily needs, not to talk of paying tax. I

can only pay tax when I realise a lot of profits from my business.”
(Iruoma, 2021).

In other words, tax holiday was intended to provide economic relief to MSMEs over a defined period, and encourage such category of businesses to spend more on reinvestment, which can lead to increased economic activity and growth. This incentive helps to further reduce the tax burden on SMEs and encourage these small businesses to invest in new equipments that can lead to increased productivity and profitability. It is against this backdrop that the study seeks to examine the effects of illegal taxation and tax holidays on the performance of SMEs.

The broad objective of this study is to examine the effect of illegal taxation practices and tax holiday on the performance of Small and Medium Enterprises in Awka South Local government area of Anambra State in Nigeria. To achieve this, the study will specifically;

1. ascertain whether concise implementation of tax holiday will significantly affect the performance of Small and Medium Enterprises.
2. examine the measure of effect illegal tax practices by Touts have on the performance of Small and Medium Enterprises.

In order to arrive at a precise answer to the effect of fiscal policy implementation on the performance of Small and Medium Enterprises (SMEs), the following research questions were formulated:

- a. How will the concise implementation of tax holiday affect the performance of Small and Medium Enterprises?
- b. What measure of effect do illegal tax practices by Touts have on the performance of Small and Medium Enterprises?

The following hypotheses were formulated for the study in their null form only:

- H₀₁:** Concise implementation of tax holiday will not affect the performance of Small and Medium Enterprises significantly.
- H₀₂:** Illegal tax practices by Touts do not have any significant effect on the performance of Small and Medium Enterprises.

Literature Review

Conceptual Review

Tax Holiday

Tax holiday refers to a temporary exemption or reduction or elimination of certain taxes by the government, usually for a specific period of time (Guzman, 2023). The aim of tax holidays is to stimulate economic growth and encourage investment in certain industries or regions (Bweseh, Maihankali & Galadima, 2021). By reducing the tax burden on businesses, the government hopes to incentivize them to invest more in research equipments, and increase their overall level of activity. This, in turn, is expected to result in increased economic growth and job creation (Oludi & Onowu, 2022). Tax holidays can also be used to promote investment in specific industries, such as renewable energy or technology. By offering tax breaks to companies operating in these industries, the government aims to encourage investment and help these industries grow and become more competitive. Another type of tax holiday is the holiday provided to individuals, such as sales tax holidays or property tax holidays. These holidays are intended to provide relief to consumers and encourage them to spend more, which can lead to increased economic activity and growth. While tax holidays may seem like a good idea in theory, they can also have negative consequences. For example, if a company receives a tax holiday, it may simply use the savings to pay dividends to shareholders rather than investing in the economy (Bweseh, Maihankali & Galadima, 2021). Additionally, tax holidays can create an uneven playing field, as some companies may receive benefits that others do not.

Furthermore, tax holidays can have a significant impact on government revenue. By reducing or eliminating taxes, the government may lose a significant amount of revenue, which could negatively impact its ability to provide services and invest in infrastructure. This could lead to an increased national debt and a weakened economy in the long run. In Nigeria, tax holidays are a common tool used by the government to encourage investment and stimulate economic growth (Oludi & Onowu, 2022). These holidays are usually granted to companies operating in specific industries, such as agriculture, manufacturing, or the oil and gas sector. One of the most notable examples of a tax holiday in Nigeria is the Pioneer Status incentive, which provides a tax holiday of up to five years for companies operating in certain priority sectors. This incentive aims to encourage investment in these sectors, create jobs, and stimulate economic growth. Another example is the Capital Allowance incentive, which allows companies to claim a deduction from their taxable income for investments in machinery, plant, and equipment. This incentive helps to reduce the tax burden on companies and encourage them to invest in new equipment, which can lead to increased productivity and economic growth.

Performance of SMEs

Firm performance of SMEs refers to the effectiveness with which an SME is able to achieve its goals and objectives. This is a broad concept that encompasses a range of factors, including financial performance, operational efficiency, customer

satisfaction, and employee morale (Gbande, Udoh & Ime, 2018). The performance of a firm can have a significant impact on its long-term success and competitiveness, and is therefore an important area of study for both academics and practitioners (Tendengu, Kapingura & Tsegaye, 2022). Financial performance is one of the most widely used indicators of firm performance. This includes measures such as revenue growth, profitability, and return on investment. Financial performance is an important measure of a firm's success because it provides an objective view of its economic performance, and can help to inform decision-making and investment decisions (Abdullahi, Ardo, Hassan & Ibrahim, 2021).

Operational efficiency is another important aspect of firm performance. This refers to the ability of a firm to produce goods and services efficiently and effectively. A firm with high operational efficiency will be able to produce goods and services at a lower cost, which will in turn lead to higher profits and competitiveness. Operational efficiency can be improved through the use of technology, process improvement, and the development of a skilled workforce. SMEs with high levels of customer satisfaction will have a loyal customer base, which will in turn lead to increased revenue and profitability. SMEs can improve customer satisfaction by providing high-quality products and services, as well as by offering excellent customer service (Gbande, Udoh & Ime, 2018). The performance of SMEs is a complex and multifaceted concept that encompasses a range of factors, including financial performance, operational efficiency, customer satisfaction, and employee morale. The performance of SMEs has a significant impact on their long-term success and competitiveness, and is therefore an important area of study for both academics and practitioners.

Illegal Taxation

Illegal taxation and multiple taxation are synonymous terms. Although Kuta and Dauda (2021) viewed multiple taxation as the levying of tax by two or more jurisdictions on the same declared income (in the case of income taxes), assets (in the case of capital gains taxes), or financial transactions (in the case of stamp duties), Ilemona, Nwite and Oyedokun (2019) maintained that multiple tax is an unlawful and compulsory payment collected mostly by local and state government without legal backing. As such, it is a situation where a tax payer is forced by two (2) or more levels of government to pay either the same or similar taxes in desperate bid for these tiers of government to increase its revenue base regardless of its unjust nature and irreversible effect on the small businesses being extorted. In similar vein, Abdulrazaq (2023) described illegal taxes as often imposed by unauthorised individuals or groups, place an undue burden on businesses across various sectors. Small and medium-sized enterprises (SMEs), in particular, find themselves at the mercy of extortionists who demand payments for services that are neither authorised nor legitimate. This strain on businesses has been noted to stifle growth, limits

investment, hampers job creation, and undermines the very foundations of a thriving economy.

According to Harmon (2023), illegal taxation involves criminal elements seeking to exploit businesses and citizens for personal gain. This creates an environment conducive to corruption, extortion, and, in some cases, violence. The nexus between illegal taxes and insecurity adds an additional layer of complexity to the challenges faced by law enforcement agencies, requiring a multifaceted approach to address both economic and security concerns.

Theoretical Framework

Theory of Keynesian Economic Model

The Keynesian economic model is named after British economist John Maynard Keynes, who first propounded the theory in 1936. The theory is a macroeconomic theory that suggests that during an economic downturn (Olisaji & Onuora, 2021), governments should increase their spending to stimulate demand in the economy and ultimately increase gross domestic product (Daniel, 2021). The theory posits that increased government spending leads to higher employment levels, both in the public sector and in businesses that receive contracts or business from the government (Efe, 2021). This increased employment, in turn, leads to higher income and profits for firms, which can then invest in more workers to produce the goods and services that the government requires (Babalola, 2015).

The study's objectives are well-aligned with the Keynesian model of macroeconomic theory, which emphasizes the role of government spending in stimulating economic growth (Bodunrin, 2016). The Keynesian model posits that government intervention in the economy by way of tax holidays to MSMEs, particularly through increased spending during times of economic downturn, can help to boost aggregate demand and reduce unemployment (Efe, 2021). One key aspect of the Keynesian model is its focus on the potential negative impacts of fiscal contraction. According to the Keynesian model, fiscal contraction can lead to a decrease in aggregate demand, which can result in decreased investment, lower levels of output, and increased unemployment (Olisaji & Onuora, 2021).

The Keynesian theory of fiscal policy is highly relevant to the study, which aims to examine the impact of fiscal policy on the performance of SMEs in Nigeria. The study's objectives align well with the Keynesian model, which emphasizes the importance of government spending in stimulating economic growth, and highlights the potential negative impacts of fiscal contraction, such as double taxation and illegal taxes by touts, on SMEs.

Empirical Review

Kuta and Dauda (2021) conducted a survey investigation into the effect of multiple taxation on sales growth and investment decision of 60 restaurants in Minna metropolis of Niger State, Nigeria. After relevant regression analysis was carried out, it was observed that no significant effect of multiple taxation on restaurants sales growth. However, multiple taxation had a significant effect on investment decision of these restaurants.

Ilemona, Nwite and Oyedokun (2019) carried out a survey study and examined the effects of multiple taxation on the growth of 131 Small and Medium Enterprises (SMEs) operating at Lokoja, Kogi State, Nigeria. Finding obtained showed that multiple taxes negatively affects the growth of SMEs in the region as many operators of these businesses expressed unwillingness to venture into new enterprises or expand the existing ones for fear of multiple taxes that continue to take a significant portion of their earnings.

Abiodun (2021), in a survey research, investigated the impact of multiple taxations on 280 entrepreneurs of SMEs in Lagos state. Data derived were analyzed and the result of this study indicated that multiple taxations do have significant and negative impacts on entrepreneurs in Lagos state

Adekunle, Adesanya and Collins (2022) examined the effect of fiscal policy on the growth of SMEs in Nigeria. The study selected only 352 SMEs from the 2014 World Bank's Enterprise Survey and relied on multiple regression analysis so as to determine the impact of fiscal policy (taxation) on the performance of SME's and to also identify other factors affecting the operation of SME's in Nigeria. In order to estimate the multiple regression models, the study employed the Ordinary Least Square method (OLS), Logit and Probit approaches for robustness. Overall, findings showed that legal/ownership status, ease to access of electricity, ease of access to finance, capacity utilization and theft are significant determinants of SME's growth in Nigeria, while registration status, tax administration, extent of competition are insignificant determinants.

Ovajimoh (2019) examined the implications of multiple taxations of 380 Small and Medium Scale Enterprises (SMEs) on the survival of these sampled businesses in Kogi State. Data responses obtained were quantitatively analyzed with ANOVA and Goodman's and Kruskal's Gamma statistical techniques. Finding revealed that multiple taxations have negative effect on SMEs' survival in Kogi State.

Tendengu, Kapingura and Tsegaye (2022) examined the effect of fiscal policy instruments on economic growth in South Africa for the period from 1988 to 2018. Autoregressive distributed lag model was used to analyse the data collected. Empirical results revealed that there is a positive relationship between fiscal policy instruments (public sector expenditure, public consumption spending, and taxation)

and economic growth. Based on the findings, the study recommended that the government should distinguish between productive and unproductive spending and increase spending on productive sectors.

Evans, Kariuki and Wafula (2022) assessed the impact of fiscal policies on Kenya's foreign direct investment inflows. The independent variable included fiscal policy with external public debt, domestic debt, infrastructure and tax. The research was calculated quarterly on the basis of FDI inflows in the nation. For 20 years (January 1998 - December 2017) secondary data were gathered annually. In order to investigate the association between the variables the study utilized a descriptive research methodology using a Vector auto regression. Regression coefficients results showed that government expenditure on infrastructure and FDI are positively and significantly. It was also revealed that external debt and FDI are negatively and significantly related. Domestic debt and FDI are negatively and significantly related. The results regression results showed that taxation measured as tax revenues and FDI are positively and significantly related.

Makori, Matundura and Mose (2022) analyzed the role of fiscal and monetary policy on gross domestic savings in Kenya. This study was informed by the theory of Life cycle hypothesis. The study utilized explanatory research design. Yearly time series data was sourced from Economic surveys, World Bank reports and Statistical abstract of the period between 1990 and 2017. The time frame was viewed as the economic reform period; this was started in the country in the 1990s. Johannes co-integration methods were applied together with its vector error correction estimation approach to determine coefficients that define the relationship between variables under study and the gross domestic savings. Augmented Dickey Fuller test was applied for unit-root test. The regression result revealed that monetary and fiscal policy variables explained domestic savings in Kenya. The study recommended that monetary and fiscal policy implemented by the government should promote a favorable investment atmosphere through appropriate stabilization of lending rates, inflationary rates, and promoting income growth to ensure increase in national savings for economic sustainability in Kenya.

Ikechi, Ugwueze and Afolayan (2022) examined the effect of fiscal policy tools on economic growth in Nigeria using a time series data for the period 1999-2020. The data were analyzed using Ordinary Least Square method and a Vector Auto regression Analysis. In the model, Real GDP (taken as dependent variable) was regressed on tax revenues, capital and recurrent expenditures. Other independent variables include deficit financing, external and domestic debts. Findings of study indicate that in the short run, deficit financing, domestic debt and recurrent expenditures all had significant positive relationship with economic growth in Nigeria; while there exists a significant negative relationship between external debts

and real GDP. Capital expenditure and tax revenues did not have a significant relationship with economic growth in Nigeria in the short run.

Adegboyo, Keji and Fasina (2021) examined the impact of fiscal, monetary and trade policies on Nigerian economic growth from 1985 to 2020. This study adopted endogenous growth model (AK model) as its theoretical framework. The unit root test results reveal that there is mixed level of stationarity in the variables. The bound test result shows that the variables cointegrate. The ARDL long-run result showed that fiscal policies stimulate economic growth. The study recommended the following: Policymakers should place more emphasis on using fiscal policy which was found to be stimulating the country's growth rate. Whenever it is expedient to use monetary policy to stimulate economic growth, policy makers should make use of interest rates as it stimulates the growth of the economy in the short run.

Olisaji and Onuora (2021) examined the impact of fiscal policy on Nigerian economic growth between 2015 and 2019. The study used secondary data collected from the statistical bulletin of the Central Bank of Nigeria (CBN) 2020. The study also employed ex-post facto research design and regression model to analyze the data collected. In the model, Government Expenditure and Government revenue through Companies Income Tax (CIT) were regressed against dependent variable Economic Growth proxied by GDP growth. The result revealed, that there is a significant and positive relationship between Companies Income Tax (CIT) and Economic Growth (EG) measured using Gross Domestic Product (GDP) with a p-value of 0.030 which is less than the 5% level of significance adopted. On the same note, the study found an insignificant and negative relationship between Government Expenditure (GE) and Economic Growth (GDP) with a p-value of 0.334 which is greater than the 5% significant level adopted. The study therefore recommends that: government should formulate and implement workable fiscal policy options that will enhance economic growth.

Efe (2021) evaluated the relationship between fiscal policy and economic growth in Nigeria using time series data spanning from 1981 to 2019. The study adopted longitudinal research design. Data were sourced from the Central Bank of Nigeria Statistical Bulletin, 2019. The statistical tools employed in analyzing the data include descriptive statistics, Augmented Dickey Fuller unit root test, Johansen Cointegration test and Error Correction Model (ECM). The result of the descriptive statistics indicates that all the variables were normally distributed. Augmented DickeyFuller (ADF) test statistics showed that all the variables used in this study were stationary at first difference. Johansen Cointegration test indicate that there is a long run relationship between the variables used in the study. The estimation result indicates that non-oil revenue, capital expenditure and recurrent expenditure had significant positive relationship with economic growth. Oil revenue was found to have insignificant positive relationship with economic growth in Nigeria while

domestic debt, external debt and fiscal deficit were found to have negative relationship with economic growth within the period under review. The study therefore concludes that fiscal policy has significant relationship with economic growth in Nigeria.

Etale and Light (2021) evaluated the impact of small and medium enterprises development on economic growth in Nigeria. The study used aggregate asset base and aggregate capitalization of SMEs as the independent variables, while gross domestic product (proxy for economic growth) was adopted as the dependent variable. Secondary time series data were collected from the Central Bank of Nigeria Statistical Bulletin 2018, National Bureau of Statistics 2018, and National Survey of Micro Small and Medium Enterprises (MSMEs) 2013 & 2017 conducted by the Small & Medium Enterprise Development Agency of Nigeria (SMEDAN) for the period 2000 to 2018. Multiple regression analysis based on the OLS technique was employed as methods for data analysis. The findings showed that the aggregate asset base and aggregate capitalization of SMEs have little or no significant effect on the GDP. It was also discovered that there exists a long-run relationship among the variables even though the overall regression model was not statistically significant at 5%.

Yahaya (2020) examined the effect of fiscal policy on economic development of Nigeria. The study adopted an ex-post facto research design to enable the use of Nigerian time series data from 1990 to 2017 in an Ordinary Least Square (OLS) regression technique for analyses. Findings reveal that fiscal policy variables such as government revenue and expenditure have negative effect on the gross domestic product but positive and significant on human development index of Nigeria, while government debt has positive effect on GDP and significantly negative effect on HDI.

Daniel (2019) examined the impact of fiscal policy variable on economic development in Kenya. The fiscal policy variables considered in this study included Government recurrent and development (capital) expenditure, Tax revenue as well as external debt. Variables used to measure economic development were Gross Domestic Product (GDP) and Inflation rates. The study covered the period 2008 – 2017. Annual data was used in the estimation of multiple regression equations with the aid of excel spreadsheet model which produced output functions that showed that the variables were not statistically significance in the model. The independent variables used had too little predictive value in explaining the movement of dependent variables.

Symoom (2018) examined the impact of fiscal policy on economic growth in South Asia – for the period 1980 to 2016. The study utilised Error Correction Model (ECM) and Autoregressive Distributed Lag (ARDL) models on pooled cross-section

time-series data, and on panel data that can be handled by employing fixed-effects and random-effects estimators. Empirical results showed that both government expenditure and tax revenue have no significant impact on real GDP growth in those South Asian countries.

Bodunrin (2016) investigated the impact of fiscal policy on Nigerian economic growth from 1981 to 2015. Time series data were collected from the central bank of Nigeria (CBN), the international monetary fund (IMF) and the World Bank. Firstly, a vector autoregressive model (VAR) was applied, and then the vector error correction (VEC) model. The VAR model revealed that fiscal policy distorted real GDP but died out after one year.

Babalola (2015) examined the short and long run impact of fiscal policy on economic development in Nigeria between a period of 1981 and 2013. The study used annual time series data sourced from World Development Indicators (2014) and the Central Bank of Nigeria (2014). The model was estimated using Pair-wise Correlation to ascertain the relationship and then Cointegration and Error Correction Mechanism for impact after confirming the data's stationarity using Unit Root. The result showed that government recurrent expenditure and government investment have significant positive impact on economic development in both the short and long run within the period under consideration.

Methodology

The study deployed the exploratory research design. This design was adopted because the researcher intends to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions. The focus of this study is on the Small and Medium Enterprises (SMEs) in Awka South Local Government Area, which is located in the eastern region of Nigeria and predominantly populated by the Igbo community. The area is bordered by Awka North LGA to the north, Njikoka LGA to the west, Orumba North LGA to the east, and Anaocha LGA to the south. It spans an area of 170 square kilometers and comprises nine towns namely Amawbia, Mbaukwu, Nibo, Nise, Isiagu, Ezinato, Awka, Okpuno, and Umuawulu. The major economic activities in these towns include blacksmith, trading, farming, garri processing, hairdressing, oil processing, and service delivery. Awka South is the administrative headquarters of Anambra state, with Awka serving as the state capital.

The population of the study comprise of all the ninety-eight (98) senior staff and seventy-one (71) staff in the finance department of the selected SMEs in Awka South L.G.A, Anambra state. The population of the study, one hundred and sixty-nine (169), is given in Table 3.1 below.

Table 1. Population of the Study

Name of SMEs	Senior Staff	Finance Dept
1. Jocar Nigeria Limited	14	9
2. Electrihut Nigeria	8	5
3. Feraco Print Media	7	4
4. Joydins Investment Limited	9	6
5. Fedora Concept & Event Management	5	7
6. XMAC Communications	7	5
7. Zontal Fobis Limited	16	8
8. Infinity Tech-World	9	6
9. Encodeup Tech Hub	6	6
10. Beeman Integrated Services	11	7
11. Holy Family Table Water	6	8
	98	71
Total	168	

Source: Field Survey, 2023.

From a population size of 169, being the aggregate population of ninety-eight (98) senior staff and seventy-one (71) staff in the finance department of the selected SMEs in Awka South L.G.A, Anambra state, the researcher adopted Taro Yamane's formula to obtain the sample size. This is demonstrated as follows;

$$\text{Formula: Sample size (n)} = \frac{N}{1+N(e)^2}$$

$$n = ? \text{ (Unknown)}$$

$$N = 169$$

$$e = 5\%$$

Therefore, sample size (n) is obtained thus:

$$n = \frac{169}{1+169(0.05)^2}$$

$$n = 118.8049209$$

Approximately, $n = 119$

The study uses a sample size of one hundred and nineteen (119) staff members who will be drawn conveniently from the list of the eleven SMEs shown in Table 3.1. The 11 SMEs were conveniently chosen by the researcher on the basis of proximity and the staff members are also accessible. The categories of respondents covered in this study are senior staff and staff in the finance department of registered SMEs in

Awka South local government area, Anambra state. Below is the stratified sample size of the study using the formula:
$$\frac{\text{Number of Staff in a Firm}}{\text{Total Population Size}} \times \text{Sample Size} =$$

Table 2. Sample Size of the Study

Name of SMEs	Senior Staff	Finance Dept
1. Jocar Nigeria Limited	10	6
2. Electrihut Nigeria	6	4
3. Feraco Print Media	5	3
4. Joydins Investment Limited	6	4
5. Fedora Concept & Event Management	4	5
6. XMAC Communications	5	3
7. Zontal Fobis Limited	11	6
8. Infinity Tech-World	6	4
9. Encodeup Tech Hub	4	4
10. Beeman Integrated Services	8	5
11. Holy Family Table Water	4	6
	69	50
Total	119	

Primary data was used in this study. The primary data collection was conducted using questionnaires with closed-ended questions of five-part likert-scale type to increase standardization of feedback and enhance analysis of the data.

To measure the internal consistency reliability of the research instrument in this study, Cronbach's alpha was used, resulting in an overall alpha value of $\alpha=0.873$ for all 16 items. Field (2005) suggests a minimum alpha value of 0.7, which the instrument in this study exceeded with its alpha value of 0.811, indicating a high level of internal consistency. The reliability coefficient of the scale is presented in the table below.

Table 3: Questionnaire Reliability

Likert Scale	Grand Cronbach's Alpha Value
1. Fiscal policy implementation and SMEs Performance	0.873

Source: Researcher's Computation Using SPSS Version 22.

The hypotheses were tested using simple linear regression analysis statistical tool. The hypotheses testing was carried out with a significance level of 5%. If the p-value of the test is higher than 0.05, then the null hypothesis is accepted and the alternative hypothesis is rejected. On the other hand, if the p-value is less than or equal to 0.05, the alternative hypothesis is accepted and the null hypothesis is rejected.

Analysis and Results Discussions

Test of Hypotheses

Hypothesis One

H₀₁: Concise implementation of tax holiday will not affect the performance of Small and Medium Enterprises significantly.

Table 4 Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.544 ^a	.296	.289	2.027

a. Predictors: (Constant), Tax Holidays

Table 5 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	174.259	1	174.259	42.416	.000 ^b
	Residual	414.945	101	4.108		
	Total	589.204	102			

a. Dependent Variable: SMEs Performance

b. Predictors: (Constant), Tax Holidays

Table 6 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.893	1.652		4.173	.000
	Tax Holidays	.607	.093	.544	6.513	.000

a. Dependent Variable: SMEs Performance

Source: Analysis Output of SPSS Version 22

Tables 4 – 6 show the linear simple regression model was used to examine the relationship between tax holidays and SMEs performance. The model summary shows an R-squared value of .296, indicating that approximately 30% of the variance in SMEs performance can be explained by tax holidays. The ANOVA table shows that the F-statistic is 42.416, with a corresponding p-value of .000. This suggests that the model is statistically significant, and that tax holidays are a significant predictor of SMEs performance. The coefficients table shows that the standardized beta coefficient for tax holidays is .544, which indicates a moderate positive relationship with SMEs performance. Thus, as tax holidays increase, SMEs performance increases.

Decision: Since the p-value of .000 is less than 0.05, the null hypothesis was rejected while the alternate hypothesis was accepted. In conclusion, tax holidays has a significant and positive effect on the performance of SMEs in Awka south local government area of Anambra state (p -value = 0.000).

Tax holidays provide relief for SMEs that are struggling to compete in any given market by reducing their tax burden. This relief can help SMEs improve their cash flow, reinvest in their businesses, and create new jobs. Therefore, tax holidays can encourage investment and provide a boost to the overall economy, negating the conclusion made by Ajike, Maku and Amos (2018).

Hypothesis Two

H₀₂: Illegal tax practices by Touts do not have any significant effect on the performance of Small and Medium Enterprises.

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.212 ^a	.045	.036	2.360

a. Predictors: (Constant), Illegal Taxes by Touts

Table 8 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	26.584	1	26.584	4.772	.031 ^b
Residual	562.620	101	5.570		
Total	589.204	102			

a. Dependent Variable: SMEs Performance

b. Predictors: (Constant), Illegal Taxes by Touts

Table 9 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	22.291	2.172		10.261	.000
Illegal Taxes by Touts	-.263	.120	-.212	-2.185	.031

a. Dependent Variable: SMEs Performance

Source: Analysis Output of SPSS Version 22

Tables 7 - 9 shows the simple linear regression model used to examine the relationship between illegal taxes collected by touts and SMEs performance. The model summary table shows that the R-squared value of the model is 0.045, indicating that only 4.5% of the variation in SMEs performance can be explained by illegal taxes collected by touts. The ANOVA table indicates that the model is statistically significant ($F=4.772$, $p=.031$), which means that the predictor variable (illegal taxes by touts) has a significant effect on SMEs performance.

The coefficients table provides additional information about the relationship between the predictor variable and SMEs performance. The standardized coefficient (beta) for illegal taxes by touts is $-.263$, indicating that there is a negative relationship between the two variables. Thus means that the performance of SMEs gets reduced each time touts collect more illegal taxes.

Decision: Since the p-value of .031 is less than 0.05, the null hypothesis was rejected while the alternate hypothesis was accepted. In conclusion, illegal tax practices by Touts do have significant negative effect on the performance of Small and Medium Enterprises in Awka south local government area of Anambra state (p -value = 0.031).

This finding is consistent with previous research, which has shown that corrupt practices can have a negative impact on business performance. The imposition of illegal tax practices by Touts increases the tax burden on SMEs and reduces their profitability. Moreover, the practice of illegal taxation is often associated with corrupt practices, which can create uncertainty and hinder business growth and development as was argued by Ojeka and Atawodi (2012).

Conclusion and Recommendations

Tax incentives can encourage SMEs to invest in their businesses, create jobs, and contribute to the local economy. Therefore, addressing corruption in tax administration will improve transparency and accountability, and promote ethical business practices that supports sustainability and growth of SMEs.

Based on these, it was recommended that:

1. government should consider providing more tax holidays to SMEs to encourage their growth and development. Tax holidays can provide a significant boost to SMEs, allowing them to reinvest the tax savings into their businesses, leading to growth and expansion.
2. government should take strict measures to curb the illegal activities of touts and protect SMEs from such illegal taxes. The government could also provide channels for SMEs to report illegal taxation, and law enforcement

agencies could be empowered to enforce the laws against illegal taxation. “We need to develop a central point for SMEs. There should be a payment portal so that nobody will take advantage of them. Payment of taxes in cash should be stopped. This will stop those who are collecting extra cash for taxes. Simplifying the process will go a long way in having voluntary compliance.”

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APPENDIX A

Table 4.8 Responses to Concise Implementation of Tax Holidays

S/N	Statements	SA	A	U	D	SD	Mean	Decision
13	Tax holidays help to stimulate economic activity and promote investment	65	34	4	0	0	4.59	Accept
14	Tax holidays create a fairer tax system by providing relief to SMEs	54	40	7	2	0	4.42	Accept
15	Tax holidays enhance the local economy by attracting new businesses and creating jobs	56	36	5	5	1	4.37	Accept
16	The government monitors the effectiveness of tax holidays to ensure that they are achieving their intended objectives	52	32	10	7	2	4.21	Accept

Source: Field Survey, 2023

Table 4.8 presents the responses to a scale for tax holidays, with four different statements presented. Here's a breakdown of the interpretation of each statement:

“Tax holidays help to stimulate economic activity and promote investment”: The majority of respondents (65%) strongly agreed with this statement, with an additional 34% agreeing. This indicates that the participants believe tax holidays are an effective way to encourage economic growth and attract investment.

“Tax holidays create a fairer tax system by providing relief to SMEs”: Over half of the participants (54%) strongly agreed with this statement, and 40% agreed. Only a small percentage (9%) disagreed or were uncertain. This suggests that most respondents see tax holidays as a way to level the playing field for small and medium-sized enterprises (SMEs).

“Tax holidays enhance the local economy by attracting new businesses and creating jobs”: Similar to statement 14, a majority of participants (56%) agreed with this statement, and another 36% strongly agreed. However, a slightly higher percentage (11%) were uncertain or disagreed. Overall, this statement suggests that respondents see tax holidays as beneficial for the local economy.

“The government monitors the effectiveness of tax holidays to ensure that they are achieving their intended objectives”: While the majority of participants (52%) agreed with this statement, a significant percentage (19%) were uncertain or disagreed. This suggests that there may be some concern among respondents about how well tax holidays are monitored and evaluated by the government. However, the mean score of 4.21 still indicates overall agreement with the statement.

Table 4.9 Responses to Scale for Illegal Tax Practices by Touts

S/N	Statements	SA	A	U	D	SD	Mean	Decision
17	The imposition of illegal taxes by touts undermines government's efforts to increase tax compliance	54	46	3	0	0	4.50	Accept
18	The diversion of illegal tax revenues collected by touts contribute to a shortfall in the government's budget which impairs infrastructural development for businesses	54	46	3	0	0	4.50	Accept
19	The imposition of illegal taxes by touts reduces tax morale of citizens and businesses	56	45	2	0	0	4.52	Accept
20	Illegal taxes imposed by touts lead to a rise in corruption and a breakdown of the rule of law	47	54	2	0	0	4.44	Accept

Source: *Field Survey, 2023*

Table 4.9 presents the responses to a scale for illegal taxes imposed by touts. Here's an interpretation of each statement:

“The imposition of illegal taxes by touts undermines government's efforts to increase tax compliance”: 54 respondents strongly agreed, 46 agreed, 3 were undecided, and none disagreed or strongly disagreed. The mean score was 4.50, which suggests that the respondents accepted this statement.

“The diversion of illegal tax revenues collected by touts contributes to a shortfall in the government's budget, which impairs infrastructural development for businesses”: 54 respondents strongly agreed, 46 agreed, 3 were undecided, and none disagreed or strongly disagreed. The mean score was 4.50, indicating that the respondents accepted this statement.

“The imposition of illegal taxes by touts reduces tax morale of citizens and businesses”: 56 respondents strongly agreed, 45 agreed, 2 were undecided, and none disagreed or strongly disagreed. The mean score was 4.52, indicating that the respondents accepted this statement.

“Illegal taxes imposed by touts lead to a rise in corruption and a breakdown of the rule of law”: 47 respondents strongly agreed, 54 agreed, 2 were undecided, and none disagreed or strongly disagreed. The mean score was 4.44, indicating that the respondents accepted this statement.



HUMAN RESOURCES MANAGEMENT CAPABILITIES AND SUSTAINABLE OPERATIONAL EXCELLENCE OF MSMES

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Abstract

This study empirically measured the impact of human resources management capabilities on the sustainable operational excellence of some selected micro, small and medium enterprises (MSMEs) in Nigeria. The specific objectives of the study were to examine the impact of demographic characteristics on human resources management capabilities and sustainable operational excellence of MSMEs in Nigeria, and to investigate the impact of human resources management capabilities on sustainable operational excellence of MSMEs in Nigeria. The study used descriptive survey research design. The sample size of the study was 324 which was determined using Taro Yamane formula (1967). 324 copies of questionnaire were administered to departmental heads and middle level officers of MSMEs out of which 288 copies were validly retrieved and used for data analysis. Both descriptive and inferential (simple regression) statistics are employed for the test of the hypotheses. Data were analysed using Statistical Packages for Social Sciences Version 22. The findings of the study revealed that most of the MSMEs lacked useful capabilities (people management, and finance) because of their business size and nature. The study concluded that human resources management capability has significant impact on sustainable operational excellence of MSMEs in Nigeria. The study recommends that there is need for MSMEs in food, agro-allied and services to establish strong human resources management capabilities in order to enhance their relevance, survival, and growth of the MSMEs in Nigeria.

Keywords: Human Resources Management Capabilities, Sustainable Operational Excellence, Resource Based View, and Nigerian MSMEs.

Introduction

In previous and recent empirical studies, it has been well established that human resources management (HRM) capabilities play an important role in improving organisational performance. Effective HRM capabilities impact employee motivation, well-being, and behaviour, improving company excellence and ultimately improving organizational performance, according to the literature on this relationship (Omar, Aris, Alias, Mu'min, & Arokiasamy, 2023, Sutton & Atkinson, 2023). The resource-based view of management establishes that personnel are a strategically significant and indispensable resource for accomplishing an organization's goal, regardless of the size of the company (Barney, 1992).

HRM capabilities have become potentials being used in handling the processes of planning, organizing, directing, and controlling the activities related to the acquisition, development, and retention of human capital in an organization (Deb, 2006, Sharma, 2023). HRM capabilities play a vital role in the success of any business, especially MSMEs, which are often characterized by low capital, high risk, and limited access to finance. MSMEs in Nigeria face various challenges in managing their human resources effectively, such as lack of skilled and qualified workers, high turnover rate, low motivation and productivity, poor training and development opportunities, inadequate remuneration and benefits, and weak labour relations (Ali, Hanafiah, & Mogindol, 2023). These challenges affect the performance and competitiveness of MSMEs in the domestic and global markets.

Meanwhile, sustainable operational excellence is a business mindset and culture focused on reducing risk, complexity and cost while improving process safety, sustainability and productivity. Sustainable operational excellence is the modern buzz-word in the business community. Many organizations including MSMEs are expected to implement sustainable operational excellence initiatives within the organizations. The erstwhile Lean teams are being replaced with operational excellence teams in the modern organizations (Found, Lahy, Williams, Hu, & Mason, 2018). Sustainable operational excellence is a term which was popularized by the Shingo Institute at Utah State University. The difference between Lean teams and operational excellence teams are that it is envisaged to cover all the improvement methodologies (Found et al., 2018; Suri, 1998). Sustainable operational excellence in simple words is organizations making improvements to attain a competitive advantage. Modern day organizations do not only maximize the benefits for the organizations, but also the customer and other stakeholder's needs are taken care of.

Micro, Small, and Medium-Sized Enterprises (MSMEs) are widely seen as being essential to economic development and growth in developing nations (Okojie & Effiong, 2024). It has been claimed that MSMEs in Nigeria confront a number of issues, including difficulty in obtaining funding, restricted access to markets and contemporary technology, poor infrastructure, shortage of skilled labour, complex legal requirements, and difficulties with compliance (Etim, James, Ekong, & Jemil, 2023, Gumel & Badai, 2023). Due to a lack of resources, HR procedures are not well-established or even present in small and medium-sized businesses. However, in today's extremely uncertain environment, these firms also cannot afford to ignore their HR responsibilities. Instead, they must use effective HRM capability strategies to grow and preserve their human resources. Examining HRM capability procedures and their connection to sustainable operational excellence is essential and can help understand the importance of MSMEs to national economies as sources of money, jobs, and other benefits to the local communities and will enhance the understanding of managing these organizations effectively.

Therefore, many attempts have been made by the Nigerian government to sensitize owners and managers in the MSMEs sub-sector through series of programmes and policies initiated in the time past with view of improving the MSMEs. These programmes are established to responsible for the coordinating the development of the micro, small and medium scales enterprises and employment generation in Nigeria. In spite of this intervention by the government of the country, the majority of owners and managers of MSMEs in Nigeria still lacked useful human resources management capabilities to maintain sustainable operational excellence in Nigerian MSMEs sub-sector.

Statement of Research Problem

Micro, Small, and Medium-Sized Enterprises (MSMEs) have long been regarded as important actors in the sustainable development of both developed and developing nations (Ufua, Olujobi, Ogbari, Dada, & Edafe, 2020). The MSME sector is the main driver of employment in Africa and the foundation of nearly every African economy. But as time has gone on, the majority of developing countries' MSMEs have become much less productive and have a significantly smaller relative proportion of the sector in overall output and exports than do the more developed countries. In Nigeria, it has been determined that a few of the issues MSMEs have been facing, such as a lack of funding, inadequate infrastructure, uneven government regulations, a lack of entrepreneurial spirit, and bad management techniques, are to blame for their poor performance (Isaac, Moses, Borisade, Agarana, Edewor, Dele-Dada, & Obembe, 2023).

Human resources management capabilities, often known as men resources, is a key component of internal resources management capabilities of an organisation. It encompasses the activities of hiring, managing, and giving ongoing guidance and support to an organization's workforce. Since workers are a company's greatest asset, they should get commensurate compensation (Armstrong & Taylor, 2020). Poor human resources management capabilities demonstrated by MSMEs' owners and managers is one of the reasons why they donot survive after five years of operation, which is why this study is important (Cardon & Steven, 2004). Marlapa, Srihadi, Yuliantini, and Soelton (2023) noted that one of the key elements in MSMEs' performance is human capacity building management. Banjoko (2011) and Hassan and Bibi (2023) opined that success or failure of MSMEs is largely determined by the human resources managerial skills possessed by their owner and managers. Enhancing MSMEs' capabilities can significantly impact a nation's economic expansion.

Sustainable operational excellence is closely linked to enhancing performance and efficiency in all aspects of sustainability (economic, environmental, and social). Sutton (2012) defined operational excellence as focusing strategically on

maximizing the value that operations deliver to customers, through strong leadership, the power of people, the use of industry best practice and the application of value-add technologies. Scholars have argued that operations excellence enables sustained delivery of high-quality, cost-effective services and capabilities that provide exceptional customer value. Organisations such as MSMEs that leverage operations excellence as a strategic competitive advantage recognize that the effectiveness of their operation plays a central role in creating and sustaining customer satisfaction and loyalty (Sutton, 2012). Businesses are taking this endeavour in order to stay competitive in their respective industries. Improving quality, cutting costs, or increasing productivity are all possible outcomes of operational optimization for businesses, which can also lead to improved environmental performance. Not only are efficient manufacturing and agro-allied processes and supply chains more economical to operate, but they also utilize less energy, resources, and waste are produced. Many of the biggest companies in the world today are learning how to best take advantage of the synergies that exist between environmental benefits and operational excellence. They are doing this by planning and implementing improvement projects that meet sustainability and cost objectives.

Furthermore, MSMEs might find it beneficial to research on HRM capabilities given their pace of expansion, diversity, and expanding quantity (Sethakaset & Santimataneedol, 2008). In order to ensure organization's seamless operation and improve on performance, a system of strong HRM capabilities processes must be addressed (Godbless & Obaro, 2023). Therefore, in contrast to previous studies that had regional and continental arrangements, this study is set to identify what human resources management capabilities owners and managers of MSMEs consider useful in providing capacity utilisation and managerial insights in their business organizations and how those capabilities can be encouraged in enhancing sustainable operational excellence of MSMEs firms.

Objectives of the Study

The specific objectives of this study is to:

- (i) Examine the impact of demographic characteristics on human resources management capabilities and sustainable operational excellence of MSMEs in Nigeria
- (ii) Investigate the impact of human resources management capabilities on sustainable operational excellence of MSMEs in Nigeria

Research Questions

- i. What is the impact of demographic characteristics on human resources management capabilities and sustainable operational excellence of MSMEs in Nigeria?
- ii. How do human resources management capabilities impact sustainable operational excellence of MSMEs in Nigeria?

Research Hypotheses

Ho₁: Human resources management capabilities have no significant impact on sustainable operational excellence of MSMEs in Nigeria.

Ho₂: Demographic variables have no significant impact on human resources management capabilities and sustainable operational excellence of MSMEs in Nigeria.

Therefore, the sections of this paper are divided into introduction, literature review, methodology, results and discussions and conclusion and recommendations.

Literature Review

Concept of Human Resources Management Capabilities

Human resources management capabilities describe a manager role in training, developing and motivating employees to perform their best. This is the one of the competencies that demonstrates management decisions and actions that directly affect people as members of the organisations rather than as job holders (Chartered Institute of Personnel Development, 2011 & Henderson, 2011). Armstrong and Taylor (2020) argued that human resource capabilities are tailored towards the achievement of both individual aspirations and organisational aspirations. It is about managing the relationship between the employees and employers at work. Scholars like Stone, Cox, Gavin, and Carpini (2023) emphasise that human resources management capability describes the attitudes to work, orientation at work, individuals' differences, influence on behaviours, roles, and intelligences in enhancing sustainable operational excellence. When these attributes or capabilities are directed towards achieving sustainable operational excellence, it becomes easier for MSMEs to compete favourably and achieve their set goals within the expected time frame.

Over the past century, HRM capabilities have undergone significant theoretical, scientific, and practice changes. Its shape and function have undergone significant transition, primarily in the previous two decades. HRM has been forced to shift from its primary role of administrative tasks to that of a source of sustained competitive advantages in support of organizations operating in a global economy due to mounting pressure from both internal and external environmental factors (Agustian,

Pohan, Zen, Wiwin, & Malik, 2023). Human resource management capabilities have become concept, policy, structure, and practices that can influence employees' behaviour, attitudes, and performance (Marrucci, Daddi, & Iraldo, 2023).

HR planning, hiring, training and development, performance management, pay management, employee relations, safety and health, and more are all included in HRM activities where owners and managers have to exercise their capabilities to sustain operational excellence. Early on, the organization's management disregarded HRM capabilities as the primary factors influencing organizational success. The potential of HRM capabilities to improve the performance of organizations has only recently come to light. By fostering creativity, productivity, employee and customer satisfaction, and the growth of a positive reputation within the company's community, HRM capabilities can enhance organizational performance through sustainable operational excellence (Augustia, *et al.*, 2023, Omar, *et al.*, 2023).

Concept of Sustainable Operational Excellence

Sustainable operational excellence is a framework for businesses to focus on growth and execute their strategy better than their competitors. It is based on the principles of continuous improvement, customer focus, and employee empowerment (Patmawati, Dewi, & Asbari, 2023). This aims to deliver value to customers by optimizing the processes that create and deliver the products or services they need. Sustainable operational excellence can have a positive impact on successful business operations by: (i) Increasing excellence: Sustainable operational excellence can help reduce costs by eliminating waste and optimizing resources. It can also help increase productivity by streamlining workflows and enhancing output quality, (ii) Improving quality: Sustainable operational excellence can help improve quality by reducing errors and defects in products or services. It can also help ensure consistency by following standardized procedures and best practices, (iii) Enhancing customer satisfaction: Sustainable operational excellence can help enhance customer satisfaction by delivering products or services that meet or exceed customer expectations. It can also help build customer loyalty by creating value propositions that differentiate from competitors, and (iv) Fostering innovation: Sustainable operational excellence can help foster innovation by encouraging employees to generate new ideas and solutions for improving processes or products. It can also help facilitate collaboration among teams by creating a culture of learning from failures (Barnes, 2008).

Presented in the figure below.



Figure 2.1: Operational Excellence for Successful Business Operations

Source: Barnes, D. (2008). *Operations Management: An International Perspective*. London: Thomson Learning.

Once everyone can see normal and abnormal flow, the next step is to create what's known as standard work for abnormal flow. In this phase, we create standard work that corrects abnormal conditions when the flow begins to occur. This means that the people working in the flow (either on the manufacturing floor or in the office) have a standard methodology for correcting things when they go wrong. The end result is something called self-healing value streams, which means that when flow breaks down somewhere in the operation, the employees working in the flow are able to fix it *without the need for management intervention* (Barnes, 2008).

Concept of Demographic Variables

The gathering and analysis of data about the general traits of certain groups is the idea behind this concept. It is widely used as a tool for corporate marketing to analyze consumer behavior and find the most effective ways to connect with them. Businesses can calculate the size of a potential market by segmenting the demographics of the population. Demographic factors are the study of human populations and the differences in size caused by migration, fertility, and death. The word "demography" comes from the Greek word "describing people". Consequently, this discipline investigates the features of populations, taking into consideration factors like the sex ratio, age distribution, composition, spatial distribution, and density of the population (Callaghan, 2021). Occasionally, a distinction is made between "formal demography," also known as "demographic analysis," which includes the statistical analysis of population parameters and their dynamics, and "population studies," which involve looking at the causes and effects of changes in population structure in a larger context and in relation to other phenomena and processes.

Demographic considerations are also crucial for marketing and for managing the production and distribution of new goods and services, from the perspectives of business and entrepreneurship. Thus, the term "demographic variables" is generally used to refer to statistical studies that are based mostly on mathematical and statistical techniques used to data from population censuses, population change surveys, and systems (Klimczuk, 2021). Demographic data are used to ascertain the connections between specific demographic events. This concept is the collection and study of data regarding the general characteristics of specific populations. It is frequently used as a business marketing tool to determine the best ways to reach out to customers and assess their behaviour (Aransi, 2020).

Resource Based Theory

This study between human resources management capabilities and sustainable operational excellence is premised on the resource based theory. This theory “emanates from the principle that the source of firms competitive advantage lies in their internal resources as opposed to their positioning in the external environment (Barney, 1995). Rather than firms simply “evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the uniqueness of resources and capabilities possessed” (Barney, 1995). It was concluded that the resource based of the firm “predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance” (Ainuddin, et al., 2007). “Just of recent, much resource based research has focused on intangible assets of the organisation, which include information, knowledge and dynamic capabilities (Spender, 1996; Teece, Pisano & Shuen, 1997; &Sampller, 1998).

The employees of the organisation with the highest potentials and vibrancy are the best assets an organisation can have and use for competitive edge advantage. This is because of every resource an organisation can be proud of depend on the employees input, hence, organisation that have highly knowledgeable employees, with dynamic capabilities and first hand information about organisation should use them as a means of competitive advantage and business performance provides this platform. By implications, capable employees with necessary potentials can make profitable decision for the business firm that drives towards business performance through sustainable operational excellence thus resource based theory provides this strong justification for maximizing resources for organisation that want to have competitive advantage and superior performance for business performance through sustainable operational excellence in the sector its operating in (Barney, 1992) .

Empirical Studies

Nilawati, Sitio, and Prayoga (2021) investigated the relationship between best practices of human resource management and the operational effectiveness of MSMEs. The study used secondary materials collected from many international

publications that discuss MSMEs and HR best practice governance issues in many contexts. Data were sourced from an electronic search through the Google Scholar application. Next, we continue the analysis process by starting with a coding system, in-depth interpretation, critical evaluation, and final summary as the findings data on the analysis questions are valid and consistent. Based on existing data, we conclude a very close relationship between governance and HR best practices towards achieving the operational effectiveness of MSMEs to achieve profit and sustainability.

Egbuta, Omosigho, Akinlabi, and Ajike (2022) explored the impact of lean human resource initiatives and employee performance of selected Small and Medium Scale Enterprises in Nigeria. The survey research design was used in this study. In Lagos State, Nigeria, there were 8,396 small and medium-sized businesses. Sample size of 481 was ascertained using the Research Advisory Table. The participants were identified using a simple random sampling approach. According to the findings, lean human resource initiatives had a significant impact on employee performance in Lagos, Nigeria.. The study concluded that lean human resource initiatives had significant effect on employee performance of SMEs in Lagos Nigeria. The study recommended that small and medium scale enterprise owner/managers should embrace Lean Human Resource initiatives such as selective hiring, continuous improvement, mentoring, cross-functional team, and flexible information system which is geared towards human capital development to improve employee performance and boost their contribution to the organization.

Muhammad, Upadhyay, Kumar, and Gilani (2022) examined the achieving operational excellence through the lens of lean and Six Sigma during the COVID-19 pandemic. This article shows operational excellence achieved during the coronavirus disease 2019 (COVID-19) pandemic using the Lean, Six Sigma and sustainability practices in small medium enterprise (SME) manufacturing firms and its impact on the performance dimensions of efficiency, growth and profit for firms located in the industrial zones of Pakistan. A quantitative methodology was used and data were collected from a sample of top-level managers from 28 SME manufacturing firms located in the five industrial zones in Pakistan. A total of 62 questionnaires were included in the study. The findings showed that awareness levels of Lean, Six Sigma and sustainability are emerging, and firms are trying to implement these concepts. However, the results showed that while Lean and Six Sigma enhance firms' performance in terms of efficiency, profit and growth, sustainability has no impact on these three performance dimensions.

Njiru(2023) determined the effect of human resources management competence practices and on sustainability of SMEs in Kenya. The study employed descriptive survey design to realize the intended objectives. The study employed questionnaires and document analysis guides to collect required data from a sample of 102 SMEs.

The collected data was coded, quantified and analyzed qualitatively and quantitatively. Quantitative data was analyzed by the use of statistical package for social scientists (SPSS) whilst qualitative data was analyzed by content analysis. A substantial number of respondents had not applied entrepreneurial competence practices in their business operations. The study also established that majority of respondents measured business sustainability in terms by trends in profit, increase number of customers as well as age of business. The study concluded that the key entrepreneurial competence practices were found to have a substantial impact on sustainability of SMEs in Embu town and its environs.

Kusumastuti, Maruf, Fatmawati, Kartika, and Alam (2023) examined the increasing digital-based human resources competencies for profitable and sustainable MSME managers. This study discussed efforts to increase the competence of human resources for managing SMEs that are sustainable and profitable. The study collected several data and information from literature sources in the form of scientific publications, including academic books and websites that discuss issues of MSMEs and HR. Literature review carried out by coding and evaluating of data drew relevant conclusions to answer the problem with high point validity based on the study and reporting and discussion. The study concluded that efforts to increase human resources for digital-based HRM managers that are sustainable and profitable require strong will from managers. MSMEs to prepare programs that can increase MSME resources. Thus the language of hope for this finding is an essential input.

Methodology

Research Design and Population of the Study

The descriptive survey method was used in this study because it was successful in gathering data from a subset of the whole population. There were 24,65 registered MSMEs in Ogun State, Nigeria which made up the actual research population (SMEDAN, 2017).

Sample Size and Sampling Technique

Using a purposive sample technique, the study narrowed its emphasis to department heads and middle level officials from the population. Data on the factors under study were gathered from the respondents using a structured questionnaire. Sampling is the process of choosing a portion of a population to minimize error and gather data for generalizing about the larger group. Taro Yamane (1967) was utilized in the study to get the 344 sample size. Simple random and stratified sampling were applied as sampling technique. Four (4) significant cities (Abeokuta, Ifo, Ilaro and Ota) were selected in Ogun State, Nigeria because they have large concentration of MSMEs in the State. A total of 344 copies of the questionnaire were issued to the respondents; 288 of those copies were validly returned, given a response rate of 83.7%. Fifty-six (56) copies of questionnaire were rejected due to improper filling. To guarantee

representation among the heads of departments and middle-level officials of agro-allied and services MSMEs enterprises, stratified sampling was employed.

Method of Data Collection

Furthermore, data from primary and secondary sources were used. The primary source of data was the survey questionnaire; secondary sources were papers from online journals, textbooks, and publications. The survey questionnaire was the main tool utilized to collect data. There were two pieces to it. The respondents' demographic variables were recorded in Section A. The topic of human resources management capabilities and sustainable operational excellence of MSMEs in Nigeria were covered in Section B. A five-point Likert scale was used in the questionnaire's design.

Method of Data Analysis

Descriptive and inferential statistics were used in the data analysis process. In general, percentages and frequencies were utilized for data analysis, and the research hypotheses were tested using descriptive and inferential statistics (simple regression analysis) to investigate the impact of human resources management capabilities on sustainable operational excellence of MSMEs. Statistical Packages for Social Sciences (SPSS) version 22 made data analysis of this study easier.

Validity and Reliability of Research Instrument

In a same spirit, academic experts in the field examined the survey's face and content validity. The study instrument's reliability was assessed using the internal consistency approach. In order to accomplish this, the questionnaire was given to 20 respondents who were chosen at random from the study's population but were not involved in the primary investigation. Cronbach's Alpha was employed to assess the survey's reliability.

Results And Discussion Of Findings

Table 1: Impact of Demographic Characteristics on Management Capability and Sustainable Operational Excellence of MSMEs

Demographic Characteristics	Frequencies	Percentages
Gender		
Male	180	62.5
Female	108	37.5
Total	288	100%
Age		
24 years and below	96	33.3
25 – 40 years	159	55.2
41 years and above	33	11.5
Total	288	100%
Marital Status		
Single	60	20.8

Married	207	71.9
Others	21	7.3
Total	288	100%
Educational Qualification		
SSCE	33	11.5
OND/ NCE	123	42.7
B.SC/B.Ed./B.A	102	35.4
Others	30	10.4
Total	288	100%
Work Experience		
Below 6 years	84	29.2
6-10 years	126	43.7
11 -15 years	48	16.7
16 years and above	30	10.4
Total	288	100%

The demographic variables in Table 1 showed that 62.5% of the respondents represented by male and 37.5% were represented by female indicating that demographic profile of male is more than female in agro-allied sector of the State. This table indicated that 33.3% of the respondents fall within the age bracket below 25 years, while 55.2% represented 25 to 40 years and respondents within the age of 41 years and above constituted 11.5%. This is an indication of young and dynamic men finding interest and ways in embracing agro-allied sector.

On the marital status of the respondents, it was exhibited that 20.8% were single and 71.9% were married and 7.3% only were others. For the educational qualification, the table above showed that 11.5% of the respondents has SSCE certificate. 42.7% of the respondents represented OND/ NCE holder; while 35.4% had B.Sc/B.Ed/B.A and only 10.4% represented others like M.Sc/M.Ed/M.A and other professional certifications. The figure in the table showed that higher proportion of the respondents were literate represented by 88.9% who knew and valued human resources management capabilities as great assets for MSME in Nigeria.

For the distribution by period in business (experience), the table indicated that 29.2% of the respondents had 1-5 years' of experience on MSMEs, 43.7% have 6-10 years, while 16.7% also had 11-15 years' experience in business and 10.4% had 16 years of MSMEs experience and above. This implies that MSME owners and managers indicated by 71.9% as the respondents are assumed to have enough years of experience in business and experienced in human resources management capabilities practices adequately and appropriately in enhancing sustainable operational excellence.

H₀₁: Demographic variables have no significant effect on human resources management capability and sustainable operational excellence of MSMEs in Nigeria

In order to test hypothesis which states that demographic variables do not have significant impact on human resources management capabilities and sustainable

operational excellence of MSMEs, the simple regression analysis was used to test hypothesis one. Having enough experience in handling of human resources management capabilities practices would enable owners and managers to drive sustainable operational excellence that enhance relevance, growth and survivability of MSMEs in Nigeria. This study is in line with the submissions of Teece, Pisano, and Shuen (1997), Asenge, and Agwa (2018), Aransi (2020) and Saanu and Anjum (2023). Therefore, the hypothesis which says that demographic variables have no significant impact on human resources management capabilities and sustainable operational excellence of MSMEs is rejected and accept alternate hypothesis.

Table 2: Impact of Human Resources Management Capability on Sustainable Operational excellence of MSMEs

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD σ
1	Our organisation places the right person on the right job	66 22.9	36 12.5	15 5.2	108 37.5	63 21.9	288 100%	3.48	0.610
2	My organisation provides objective and fair evaluation of accomplishments	33 11.5	47 16.4	36 12.5	109 38.0	62 21.6	288 100%	3.35	0.480
3	My organisation promotes and facilitates professional development	30 10.4	30 10.4	51 17.7	72 25.0	105 36.5	288 100%	3.35	0.480
4	The training needs of the employees in our organisation are assessed on the basis of their appraisal.	60 20.8%	33 11.5%	15 5.2%	81 28.1	99 34.4	288 100%	3.54	0.538
5	We are assigned challenging jobs to charge our enthusiasm and develop our skills.	48 16.7	39 13.5	9 3.1	84 29.2	108 37.5	288 100%	3.39	0.601
6	We are being paid adequately for the work we do.	54 18.8	30 10.4	30 10.4	75 26.0	99 34.4	288 100%	3.36	0.691
7	Manages personnel promotions and recognitions effectively.	36 12.5	63 21.9	15 5.2	81 28.1	93 32.3	288 100%	3.32	0.618
8	My firm's facilitate continuous improvement of products to achieve competitive advantage	42 14.65	30 10.4	48 16.7	63 21.9	105 36.4	288 100%	4.28	0.727
9	My firm is satisfied with how various activities of the organisation are controlled to improve return on sales	52 14.6	48 16.7	27 9.4	63 21.9	108 37.5	288 100%	3.81	0.959
10	My firms product/service quality is relative to competition	48 16.7	39 13.5	36 12.5	63 21.9	102 35.4	288 100%	3.20	0.726
11	My firm is known for its continuous improvement	60 20.8	33 11.5	15 5.2	81 28.1	99 34.4	288 100%	4.17	0.756

Table 2 indicated that the sampled firms placed the right person in the right job and also provided objective and fair evaluation of performance and accomplishments. Moreover, the respondents agreed that the training needs of the employees in their firms were assessed on the basis of their performance appraisal, and were assigned challenging jobs to charge enthusiasm and develop their skills. Finally, it was shown that the firm managed personnel promotions and recognitions effectively. In the same vein, Table 2 indicated that the firm's facilitated continuous improvement of products to achieve competitive advantage. Surprisingly, the firms were satisfied with how various activities of the organisation were controlled to improve return on sales. The majority of the respondents with mean scores of 3.20, 3.32, 3.35, 3.36, 3.39, 3.36, 3.48, 4.17, and 4.28 strongly agreed that a good human resources management capability impact sustainable operational excellence of MSMEs in Nigeria.

Table 3: Coefficients Table of Human Resources Management Capabilities and Sustainable Operational Excellence

		Coefficients			T	sig.
Model		Unstandardised coefficients		Standardized coefficients		
		B	std. error	beta		
1	(constant)	1.116	0.177		6.301	0.000
	human resources management capabilities	0.695	0.054	0.797	12.810	0.000
a. dependent variable: sustainable operational excellence						

The coefficient of human resources management capabilities(HRMC) makes statistical significance in predicting sustainable operational excellence (SOP), at a 5% level of significance (1.116**) with a beta value (beta = 0.797, $p = 0.001$, Sig 0.000). This implies that human resources management capabilities have made a significant contribution to the prediction of sustainable operational excellence of MSMEs. The implication here is that increase in human resources management capabilities eventually leads to increase in sustainable operational excellences of MSMEs. However, the sampled firms need to formulate and implement strategies that will help them effectively manage personnel promotions and recognitions.

H₀₂: Human resources management capabilities do not have significant impact on sustainable operational excellence of MSMEs in Nigeria.

In order to test hypothesis which states that human resources management capabilities do not impact sustainable operational excellence of MSMEs, the simple regression analysis was used to test hypothesis two. This statistical tool was used to determine the significant contribution and predictive capability of human resources management on sustainable operational excellence of MSMEs. The findings relating

to human resources management capability and sustainable operational excellence were consistent with most studies in the strategic management, psychology, HRM and marketing disciplines that had investigated competencies that could result in the business success or failure (Combs, Liu, Hall, & Ketchen, 2006, Dada, & Adeigbe, 2022, & Godbless & Obaro, 2023, Indradevi & Sathya, 2023, Marlapa, *et al.*, 2023).

Conclusion and Recommendation

The findings of this study showed the importance of human resources management capabilities to sustainable operational excellence for business performance of micro, small and medium enterprises (MSMEs). Firms can improve their business processes and achieve better effectiveness and excellence through the engagement of human resources management entrepreneurial approaches. Human resources management capabilities proved to be a necessary aids to achieving results and securing a sustainable operational excellence for better performance.

The study recommends that MSME firms that desire better business performance should adopt sound human resources management capabilities and align it with basic aspects of their income generation and management activities such as investment decisions, employee productivity goals, and net income growth. Businesses can also improve their corporate image, be better positioned to attract professionals, and achieve better employee motivation by engaging and managing human resources capabilities.

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BANK CREDITS AND THE PERFORMANCE OF NIGERIA'S MANUFACTURING SUB-SECTOR

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Abstract

This study examined bank credit and Nigeria manufacturing subsector performance nexus using secondary data obtained from the Statistical Bulletin of Central Bank of Nigeria (CBN) and National Bureau of Statistics (NBS) annual reports and publications. The objectives of the paper are to: determine the effect of bank demand deposit on manufacturing subsectors; ascertain the effect of bank lending rate to mass on manufacturing subsectors; evaluate the effect of interest rate on manufacturing subsectors; examine the effect of exchange rate on manufacturing subsectors; determine the effect of workers incentives on manufacturing subsectors and ascertain the effect of employment generation on manufacturing subsectors.

Ordinary Least Square techniques were applied after determining stationarity of the variables using the ADF Statistic, as well as the cointegration of variables using the Johansen approach. The study discovered that the variables are stationary and have a long term relationship among the variables in the model. Bank demand deposit, bank lending rate, bank interest rate, exchange rate, workers incentives and employment generation are major determinants of manufacturing subsectors in Nigeria. The study recommends that: cheap credit should be made available for manufacturing sector investment in Nigeria; this will encourage more investors in the manufacturing sector to access adequate loan facilities to enhance manufacturing sector output in the long run. The apex bank of Nigeria should reduce bank. This important because it will make the loans less expensive for the commercial banks, thus encouraging the public capacity to take credit and will gradually increased the volume of credit demanded for investment in the manufacturing sector. The government should engender a market force induced interest rate. This will enhance more investment by channeling saving to productive investment and stimulate real output. The need to stabilize the exchange rate is imperative because one unit increase in exchange rate volatility leads to decline in manufacturing output growth.

Keywords: Bank credit, manufacturing subsector, performance, Nigeria.

Introduction

The rapid socio-economic development of the advanced nations of the world has been largely attributed to the acquisition of industrial capacities which has led to the massive development of the manufacturing subsectors in those climes (Sokunle & Harper, 2018). The manufacturing sector has opened up various sectors of the economies of these nations and has led to export expansion and less dependent on imported products, creation of massive employment to fill up vacancies in these

industries, strong currency and a pool of foreign exchange earnings, high standard of living, increased investment capital and a strong per capita income. It is therefore projected that for any meaningful development to take place in the underdeveloped nations of the world, they need to embrace industrialization of which manufacturing is a subsector. Thus, it is expected that manufacturing will play a major role in rejigging these economies back on the path of growth and development. It is further expected that manufacturing will deepen industrialization that will bring about structural transformation and technological advancement (Sokunle & Harper, 2018; Amaefule, Okuneye & Ogunmuyiwa, 2017).

Nigeria's economy before the discovery of oil in commercial quantity at Oloibiri in present day Bayelsa State was based on exports from agricultural proceeds through which she earned some foreign exchange and undertook developmental processes at her early growth stage after independence (Elwerfelli & Benhin, 2018). Manufacturing at this stage was less capital intensive with light industries which were mainly agro based scattered across the major regions of the country. Such light industries as food processing, consumer goods and textile industries contributed to the Gross Domestic Product (GDP). These low capital ventures were undertaken mainly by private individuals up until mid-70s to early 80s when government set up large factories to accommodate activities of the then thriving downstream oil sector. This thus signified the commencement of core manufacturing activities in Nigeria.

The manufacturing sector is seen as critical to economic growth and sustainable development and a panacea for the mass unemployment currently faced by the Nigerian nation. It is a wealth creator and a sure path to becoming an industrialized nation. In the literature, it has been noted that Nigeria's quest for industrialization has been hampered by low level of investment in the manufacturing sector. This has been attributed to the reluctance by money deposit banks to extend credit facilities to the manufacturing subsector. High interest rates and other stringent loan acquisition conditions have made it difficult for manufacturers to access bank credit (Sokunle & Harper, 2018; Ebi & Nathan, 2014).

Bank credit relates to the amount of loan facility extended to a borrower by a commercial bank (CBN, 2012), and it usually involves making available collateral to guide against default. The ability of the manufacturing sector to fully meet its economic potentials is tied to the availability of bank credit (Adegaju and Olokoyo, 2008; Sokunle & Harper, 2018). This in effect means that the banking subsector is relevant in bringing about economic growth by efficiently performing its roles among which is the provision of credit to the real sector of the economy. The extent to which bank credits propel the activities in the manufacturing sector cannot be overemphasized. Bank credits help to make up for the short falls in liquidity by manufacturers for business expansions and operational purposes (Yakubu & Affoi,

2014). Available evidence from the Central Bank of Nigeria revealed a continuous rise in the volume of bank credits from financial institutions to the real sector of the economy from about 15 billion in the mid-80s to over 21 trillion in 2016 (CBN, 2017). The government through the central bank of Nigeria has equally intervened in the manufacturing sector with over 200 Billion Refinancing/Restructuring of SME/Manufacturing Fund made available as part of key interventions in the real sector (CBN, 2012). Despite all these, the manufacturing sector in Nigeria has not performed impressively suggesting the need to critically understudy the impact of bank credit on this sector (Galor, 2009, Omolara & John, 2016)

The role of the manufacturing sector in the economic transformation of nations is no longer in doubt. Many studies have also pointed out the significant intermediating roles played by financial institutions in extending credit facilities to booster activities in the manufacturing sector especially in Nigeria. In spite of these facts, the Nigerian manufacturing sector is yet to assert itself as a veritable vehicle for rapid industrialization of the country and a catalyst for socio-economic development. Its contributions to the Gross Domestic Product (GDP) is reportedly low and it has been unable to absorb a substantial number of the nation's jobless youths, neither has it helped in alleviating poverty (Adenekan, 2010). Successive government's interventions at revamping the sector through monetary interventions of the Central Bank of Nigeria (CBN) and credit facilities from financial institutions especially the commercial banks are yet to yield positive results as most manufacturing firms complain of paucity of funds for operational activities. Constraints facing the sector as reported in the literature include high interest and exchange rates, stringent lending conditions, lack of foreign exchange for imports and inability to quickly access funds where available (Tomola, Adebisi & Olawale, 2012). Others include poor nature of the country's infrastructural facilities, inability to access new technology and unfriendly business environment. The subsector also suffers from apathy by most money deposit banks which prefer to extend credits to players in the downstream sector seen as cash cow of the nation. This has created a huge challenge for the sector which is faced with the paucity of funds as expansion drive of most manufacturing firms have been slowed down or halted completely. Studies on impact of bank credit on the manufacturing subsector in Nigeria are rather scanty with major focus on the agro and allied industries, while the few that dwelt on the manufacturing sector did not incorporate bank demand deposit, bank lending rate, exchange rate, workers incentives and employment generation as variables to be investigated and so a gap exist which this study fills. The objectives of the paper are to: determine the effect of bank demand deposit on manufacturing subsectors; ascertain the effect of bank lending rate to mass on manufacturing subsectors; evaluate the effect of interest rate on manufacturing subsectors; examine the effect of exchange rate on manufacturing subsectors; determine the effect of workers

incentives on manufacturing subsectors and ascertain the effect of employment generation on manufacturing subsectors.

Hypotheses

H01: Bank credit has no significant effect on manufacturing subsectors.

H02: Bank demand deposit has no significant effect on manufacturing subsectors.

H03: Bank lending rate has no significant effect on manufacturing subsectors.

H04: Interest rate has no significant effect on manufacturing subsectors.

H05: Exchange rate has no significant effect on manufacturing subsectors.

H06: Workers incentives have no significant effect on manufacturing subsectors.

H07: Employment generation has no significant effect on manufacturing subsectors.

Methodology

Model Specification

Bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, bank interest rate, exchange rate, workers incentives and employment generation are the explanatory variables, while manufacturing subsector is used as the dependent variable. Thus, the model for the study is specified as:

The functional form of the model is:

$$\text{MASS} = (\text{BNC}, \text{BD3}, \text{BLR}, \text{INT}, \text{EXR}, \text{WIN}, \text{EMG}) \quad (1)$$

The mathematical form of the model is:

$$\text{MASS} = \beta_0 + \beta_1 \text{BNC} + \beta_2 \text{BD3} + \beta_3 \text{BLR} + \beta_4 \text{INT} + \beta_5 \text{EXR} + \beta_6 \text{WIN} + \beta_7 \text{EMG} \quad (2)$$

The econometric form of the model is:

$$\text{MASS} = \beta_0 + \beta_1 \text{BNC} + \beta_2 \text{BD3} + \beta_3 \text{BLR} + \beta_4 \text{INT} + \beta_5 \text{EXR} + \beta_6 \text{WIN} + \beta_7 \text{EMG} + \mu_i \quad (3)$$

Where MASS = Manufacturing subsectors proxied by MASS output (aggregate)

BNC = Bank credits to Manufacturing subsectors (aggregate)

BD3 = Bank demand deposit

BLR = Bank lending rate to MASS (aggregate)

INT = Interest rate

E

X+R = Exchange rate

WIN = Workers incentives proxied by government expenditure on motivating MASS workers (aggregate)

EMG = Employment generation proxied by employment growth rate

β_0 = Constant term

$\beta_1 - \beta_7$ = Coefficient of parameters

μ_i = Stochastic error term

Description of variables

Manufacturing subsectors (MASS): The manufacturing sector is part of the goods-producing industries super sector group. The Manufacturing subsector comprises

establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector.

Bank credits to Manufacturing subsectors (BNC): The amount of credit available to a company or individual from the banking system. It is the aggregate of the amount of funds financial institutions are willing to provide to an individual or organization. In this study, bank credit to MASS will be determined to know whether it aids in generating self-employment, maintaining the sector to take advantage of economies of scale and help prevent an economic activity from total collapse in the event of a natural disaster as a result of enough funds in the sector.

Bank demand deposit (BDD): The sum of money that is given to a bank but can be withdrawn as per the requirement of the depositor. Amounts that are lying in the savings and current accounts are known as demand deposits because they can be used at any point of time. Funds held in an account from which deposited funds can be withdrawn at any time without any advance notice to the depository institution. BDD is used in this study to determine the power of the bank to give out credit to MASS for maximum productivity. When banks have high demand deposits, it means that they can give credit at will but reverse is the case when demand deposit is low. Hence, the study adopts the demand deposit in order to examine its impact on MASS performance.

Bank lending rate to MASS (BLR): The bank lending rate is the rate at which banks lend or borrow money to their most creditworthy customers, which are usually corporations. Bank lending rate to MASS is employed in this research to examine the rate at which the banks lend money or credit to MASS in Nigeria.

Interest rate (INT): Interest rate is the rate which is charged or paid for the use of money. It is also the amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets. Specifically, the interest rate is a percentage of principal paid a certain number of times per period for all periods during the total term of the loan or credit. The study adopts INT to ascertain the effects of interest rates on MASS performance.

Exchange rate (EXR): Exchange rate is the rate at which one currency may be converted into another. The exchange rate is used when simply converting one currency to another (such as for the purposes of travel to another country), or for engaging in speculation or trading in the foreign exchange market. An exchange rate

between two currencies is the rate at which one currency will be exchanged for another. It is used in the study to determine how the MASS produce will be affected in the foreign exchange market (internally and externally).

Workers incentives (WIN): An incentive is something that motivates an individual to perform an action. The study of incentive structures is central to the study of all economic activities (both in terms of individual decision-making and in terms of co-operation and competition within a larger institutional structure). The workers' incentives which this study has adopted as one of the variables in explaining the variations in the manufacturing subsector in Nigeria, does it lead to high productivity of the workers? Do workers' incentives help to facility and improve manufacturing subsector output in Nigeria? Thus, the study also seek to know whether credits to MASS have helped in given or providing incentives to workers in MASS in Nigeria.

Employment generation (EMG): Employment generation is a means of reducing unemployment and improving the standard of living of the citizens. It is therefore the target of every government to reduce the high rate of unemployment. Thus, employment generation is used as an explanatory variable in this study because the study wants to know whether supply of credits to manufacturing subsectors which probably results to its growth and development of MASS will create or generate employment opportunities and reduces the lengthy periods of unemployment in Nigeria.

Method of Data Analysis

The economic technique employed in the study is the ordinary least square (OLS). This is because the OLS computational procedure is fairly simple a best linear estimator among all unbiased estimation, efficient and shown to have the smallest (minimum variance) thus, it become the best linear unbiased estimator (BLUE) in the classical linear regression (CLR) model. Basic assumptions of the OLS are related to the forms of the relationship among the distribution of the random variance (μ_i).

OLS is a very popular method and in fact, one of the most powerful methods of regression analysis. It is used exclusively to estimate the unknown parameters of a linear regression model. The Economic views (E-views) software will be adopted for regression analysis.

Stationarity (unit root) test

The importance of this test cannot be overemphasized since the data to be used in the estimation are time-series data. In order not to run a spurious regression, it is worthwhile to carry out a stationary test to make sure that all the variables are mean reverting that is, they have constant mean, constant variance and constant covariance. In other words, that they are stationary. The Augmented Dickey-Fuller (ADF) test would be used for this analysis since it adjusts for serial correlation.

Decision rule: If the ADF test statistic is greater than the MacKinnon critical value at 5% (all in absolute term), the variable is said to be stationary. Otherwise it is non stationary.

Cointegration test

Econometrically speaking, two variables will be cointegrated if they have a long-term, or equilibrium relationship between them. Cointegration can be thought of as a pre-test to avoid spurious regressions situations (Granger, 1986). As recommended by Gujarati (2004), the ADF test statistic will be employed on the residual.

Decision Rule: if the ADF test statistic is greater than the critical value at 5%, then the variables are cointegrated (values are checked in absolute term)

Evaluation of Parameter Estimates

The estimates obtained from the model shall be evaluated using three (3) criteria. The three (3) criteria include:

1. The economic a priori criteria.
2. The statistical criteria: First Order Test
3. The econometric criteria: Second Order Test

Evaluation based on economic a priori criteria

This could be carried out to show whether each regressor in the model is comparable with the postulations of economic theory; i.e., if the sign and size of the parameters of the economic relationships follow with the expectation of the economic theory. The a priori expectations, in tandem with the manufacturing sector growth and its determinants are presented in Table 1 below, thus:

Table 1: Economic a priori expectations for the model

Parameters	Variables		Expected Relationships	Expected Coefficients
	Regressand	Regressor		
β_0	MASS	Intercept	+/-	$0 < \beta_0 > 0$
β_1	MASS	BNC	+	$\beta_1 > 0$
β_2	MASS	BD3	+	$\beta_2 > 0$
β_3	MASS	BLR	+	$\beta_3 > 0$
β_4	MASS	INT	-	$\beta_4 < 0$
β_5	MASS	EXR	+/-	$0 < \beta_5 > 0$
β_6	MASS	WIN	+	$\beta_6 > 0$
β_7	MASS	EMG	+	$\beta_7 > 0$

Source: Researchers compilation

A positive '+' sign indicate that the relationship between the regressor and regressand is direct and move in the same direction i.e. increase or decrease together. On the

other hand, a '-' shows that there is an indirect (inverse) relationship between the regressor and regressand i.e. they move in opposite or different direction.

Evaluation based on statistical criteria: First Order Test

This aims at the evaluation of the statistical reliability of the estimated parameters of the model. In this case, the F-statistic, standard error, t-statistic, Co-efficient of determination (R^2) and the Adjusted R^2 are used.

The Coefficient of Determination (R^2)/Adjusted R^2

The square of the coefficient of determination R^2 or the measure of goodness of fit is used to judge the explanatory power of the explanatory variables on the dependent variables. The R^2 denotes the percentage of variations in the dependent variable accounted for by the variations in the independent variables. Thus, the higher the R^2 , the more the model is able to explain the changes in the dependent variable. Hence, the better the regression based on OLS technique, and this is why the R^2 is called the co-efficient of determination as it shows the amount of variation in the dependent variable explained by explanatory variables.

However, if R^2 equals one, it implies that there is 100% explanation of the variation in the dependent variable by the independent variable and this indicates a perfect fit of regression line. While where R^2 equals zero. It indicates that the explanatory variables could not explain any of the changes in the dependent variable. Therefore, the higher and closer the R^2 is to 1, the better the model fits the data. Note that the above explanation goes for the adjusted R^2 .

The F-test: The F-statistics is used to test whether or not, there is a significant impact between the dependent and the independent variables. In the regression equation, if calculated F is greater than the F table value, then there is a significant impact between the dependent and the independent variables in the regression equation. While if the calculated F is smaller or less than the table F, there is no significant impact between the dependent and the independent variable.

Evaluation based on econometric criteria: Second Order Test

This aims at investigating whether the assumption of the econometric method employed are satisfied or not. It determines the reliability of the statistical criteria and establishes whether the estimates have the desirable properties of unbiasedness and consistency. It also tests the validity of non-autocorrelation disturbances. In the model, Durbin-Watson (DW), unit root test, co-integration test are used to test for: autocorrelation, multicollinearity and heteroskedasticity.

Test for Autocorrelation

This test is carried out to see if the error or disturbance term (μ_t) is temporarily independent. That is, the values of μ_t at every different period are not the same. It tests the validity of non autocorrelation disturbance. The Durbin-Watson (DW) test

is appropriate for the test of First-order autocorrelation and it has the following criteria.

1. If d^* is approximately equal to 2 ($d^* \approx 2$), we accept that there is no autocorrelation in the function.
2. If $d^* = 0$, there exist perfect positive auto-correlation. In this case, if $0 < d^* < 2$, that is, if d^* is less than two but greater than zero, it denotes that there is some degree of positive autocorrelation, which is stronger the closer d^* is to zero.
3. If d^* is equal to 4 ($d^* = 4$), there exist a perfect negative autocorrelation, while if d^* is less than four but greater than two ($2 < d^* < 4$), it means that there exist some degree of negative autocorrelation, which is stronger the higher the value of d^* .

Test for Multicollinearity

This means the existence of an exact linear relationship among the explanatory variable of a regression model. It is use to determine whether there is a correlation among variables.

Decision Rule: From the rule of Thumb, if correlation coefficient is greater than 0.8, we conclude that there is multicollinearity but if the coefficient is less than 0.8 there is no multicollinearity. Also, reject the null hypothesis (H_0), if any two variables in the model are in excess of 0.8 or even up to 0.8. Otherwise we reject.

Test for Heteroscedasticity

The essence of this test is to see whether the error variance of each observation is constant or not. Non-constant variance can cause the estimated model to yield a biased result. White's General Heteroscedasticity test would be adopted for this purpose.

Decision Rule: We reject H_0 if $F_{cal} > F_{tab}$ at 5% critical value. Or alternatively, we reject H_0 (of constant variance i.e., homoskedasticity) if computed F-statistics is significant. Otherwise accept at 5% level of significance.

Test for Research Hypotheses

This study will test the research hypothesis using t-test. The t-statistics test tells us if there is an existence of any significance relationship between the dependent variable and the explanatory variables. The t-test will be conducted at 0.05 or 5% level of significance.

Decision rule: Reject H_0 if $t_{cal} > t_{\alpha/2, (n-k)}$. Otherwise, we accept.

Nature and Source of Data

All data used in this research are secondary time series data which are sourced from the Central Bank of Nigeria (CBN) statistical bulletin and National Bureau of Statistics annual reports.

Data Presentation and Data Analysis

The OLS results of the model are presented and the parameter estimates subjected to some economic a priori, statistical and econometric tests.

Summary of Stationary Unit Root Test

Establishing stationarity is essential because if there is no stationarity, the processing of the data may produce biased result. The consequences are unreliable interpretation and conclusions. We test for stationarity using Augmented Dickey-Fuller (ADF) tests on the data. The ADF tests are done on level series, first and second order differenced series. The decision rule is to reject stationarity if ADF statistics is less than 5% critical value, otherwise, accept stationarity when ADF statistics is greater than 5% criteria value. The result of regression is presented in table 2 below.

Table 2: Summary of ADF test results

Variabl es	ADF Statistics	Lagged Difference	1% Critical Value	5% Critical Value	10% Critical Value	Order of Integrati on
MASS	-6.379781	1	-3.653730	-2.957110	-2.617434	$I(1)$
BNC	-3.989956	1	-3.653730	-2.957110	-2.617434	$I(1)$
BD3	-6.155715	1	-3.653730	-2.957110	-2.617434	$I(1)$
BLR	-6.853553	1	-3.653730	-2.957110	-2.617434	$I(1)$
INT	-10.23662	1	-3.653730	-2.957110	-2.617434	$I(1)$
EXR	-5.163307	1	-3.653730	-2.957110	-2.617434	$I(1)$
WIN	-5.526057	1	-3.653730	-2.957110	-2.617434	$I(1)$
EMG	-7.790108	1	-3.653730	-2.957110	-2.617434	$I(1)$

Source: Researchers computation

Evidence from unit root table above shows that none of the variables are stationary at level difference, that is, $I(0)$. All the variables are stationary at their first difference, that is $I(1)$. Since the ADF absolute value of each of these variables is greater than the 5% critical value, they are all stationary at their different integrated differences. They are also significant at 1% and 10% respectively. Since one of the variables is integrated at level form and some at first difference, we go further to carry out the cointegration test. The essence is to show that although all the variables are stationary, whether the variables have a long term relationship or equilibrium

among them. That is, the variables are cointegrated and will not produce a spurious regression.

Summary of Cointegration Test

Cointegration means that there is a relationship among the variables. Cointegration test is done on the residual of the model. Since the unit root test shows that none of the variable is stationary at level $I(0)$ rather all the variables are at first difference $I(1)$, we therefore test for cointegration among these variables. The result is presented in tables 3 below for Trace and Maximum Eigenvalue cointegration rank test respectively.

Table 3: Summary of Johansen Cointegration Test

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.930032	285.6241	159.5297	0.0000
At most 1 *	0.837419	197.8536	125.6154	0.0000
At most 2 *	0.780507	137.9065	95.75366	0.0000
At most 3 *	0.707391	87.86419	69.81889	0.0009
At most 4	0.454874	47.30985	47.85613	0.0562
At most 5	0.433594	27.28747	29.79707	0.0948
At most 6	0.227752	8.528835	15.49471	0.4107
At most 7	4.23E-09	1.40E-07	3.841466	0.9997

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.930032	87.77049	52.36261	0.0000
At most 1 *	0.837419	59.94710	46.23142	0.0010
At most 2 *	0.780507	50.04235	40.07757	0.0028
At most 3 *	0.707391	40.55434	33.87687	0.0069
At most 4	0.454874	20.02239	27.58434	0.3396
At most 5	0.433594	18.75863	21.13162	0.1040
At most 6	0.227752	8.528835	14.26460	0.3275
At most 7	4.23E-09	1.40E-07	3.841466	0.9997

Source: Researchers computation

Table 3 indicates that trace have 4 cointegrating variables in the model while Maximum Eigenvalue indicated also 4 cointegrating variables. Both the trace statistics and Eigen value statistics reveal that there is a long run relationship between the variables. That is, the linear combination of these variables cancels out

the stochastic trend in the series. This will prevent the generation of spurious regression results. Hence, the implication of this result is a long run relationship between MASS and other variables used in the model.

Presentation of Regression Result

Having verified the existence of long-run relationships among the variables in our model, we therefore, subject the model to ordinary least square (OLS) to generate the coefficients of the parameters of our regression model. The result of the regression test is presented in table 4 below.

Table 4: Summary of regression results

Dependent Variable: MASS

Method: Least Squares

Sample: 1999 2022

Included observations: 24

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	21.39482	9.097329	12.51769	0.0000
BNC	0.605847	0.008945	5.653702	0.0000
BD3	0.348385	0.421148	3.827227	0.0034
BLR	0.178778	0.563559	2.917230	0.0105
INT	-0.225220	0.457988	-4.491760	0.0001
EXC	0.173304	0.054769	3.164269	0.0038
WIN	0.573428	0.109624	5.230879	0.0000
EMG	0.902406	0.578999	2.558564	0.0107
R-squared	0.954408	F-statistic	80.74344	
Adjusted R-squared	0.942587	Prob(F-statistic)	0.000000	
S.E. of regression	6.861700	Durbin-Watson stat	1.820478	

Source: Researchers computation

Evaluation of Findings

To discuss the regression results as presented in table 4, we employ economic a priori criteria, statistical criteria and econometric criteria.

Evaluation based on economic a priori criteria

This subsection is concerned with evaluating the regression results based on a priori (i.e., theoretical) expectations. The sign and magnitude of each variable coefficient is evaluated against theoretical expectations.

From table 4, it is observed that the regression line have a positive intercept as presented by the constant (c) = 21.39482. This means that if all the variables are held constant or fixed (zero), MASS will be valued at 21.39482. Thus, the a-priori

expectation is that the intercept could be positive or negative, so it conforms to the theoretical expectation.

It is observed in table 4.3 that bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, exchange rate, workers incentives and employment generation have a positive impact on manufacturing subsectors in Nigeria, although, exchange rate was expected to be either positive or negative. This implies that a unit increase in bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, exchange rate, workers incentives and employment generation will lead to an increase in the MASS in Nigeria. On the other hand, bank interest rate has a negative impact on manufacturing subsectors in Nigeria. This means that as bank interest rate is increasing MASS will be decreasing in Nigeria.

From table 4, it is observed that all the variables conform to the a priori expectation of the study. Thus, table 5 summarises the a priori test.

Table 5: Summary of economic a priori test

Parameters	Variables		Expected Relationships	Observed Relationships	Conclusion
	Regress and	Regressor			
β_0	MASS	Intercept	+/-	+	Conform
β_1	MASS	BNC	+	+	Conform
β_2	MASS	BD3	+	+	Conform
β_3	MASS	BLR	+	+	Conform
β_4	MASS	INT	-	-	Conform
β_5	MASS	EXR	+/-	+	Conform
β_6	MASS	WIN	+	+	Conform
β_7	MASS	EMG	+	+	Conform

Source: Researchers compilation

Evaluation based on statistical criteria

This subsection applies the R^2 , adjusted R^2 , the S.E and the f-test to determine the statistical reliability of the estimated parameters. These tests are performed as follows:

From our regression result, the coefficient of determination (R^2) is given as 0.954408, which shows that the explanatory power of the variables is very high and/or strong. This implies that 95% of the variations in the growth of the manufacturing subsectors are being accounted for or explained by the variations in bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, bank interest rate, exchange rate, workers incentives and employment generation in

Nigeria. While other determinants of MASS not captured in the model explain just 5% of the variation in manufacturing subsectors in Nigeria.

The adjusted R^2 supports the claim of the R^2 with a value of 0.942587 indicating that 94% of the total variation in the dependent variable (manufacturing subsectors are explained by the independent variables (the regressors)). Thus, this supports the statement that the explanatory power of the variables is very high and strong.

The standard errors as presented in table 4 show that all the explanatory variables were all low. The low values of the standard errors in the result show that some level of confidence can be placed on the estimates.

The F-statistic: The F-test is applied to check the overall significance of the model. The F-statistic is instrumental in verifying the overall significance of an estimated model. The hypothesis tested is:

H_0 : The model has no goodness of fit

H_1 : The model has a goodness of fit

Decision rule: Reject H_0 if $F_{cal} > F_{\alpha}(k-1, n-k)$ at $\alpha = 5\%$, accept if otherwise.

Where; V_1 / V_2 Degree of freedom (d.f)

$V_1 = n-k, V_2 = k-1$:

Where; n (number of observation); k (number of parameters)

Where $k-1 = 8-1 = 7$

Thus, $n-k = 35-8 = 27$

Therefore, $F_{0.05(7,27)} = 2.01$ (From the F table) ... F-table

F-statistic = 80.74344 (From regression result) ... F-calculated

Since the F-calculated $>$ F-table, we reject H_0 and accept H_1 that the model has goodness of fit and is statistically different from zero. In other words, there is significant impact between the dependent and independent variables in the model.

Evaluation based on econometric criteria

In this subsection, the following econometric tests are used to evaluate the result obtained from our model: autocorrelation, heteroscedasticity and multicollinearity.

Test for Autocorrelation

Using Durbin-Watson (DW) statistics which we obtain from our regression result in table 4, it is observed that DW statistic is 1.820478 or approximately 2. This implies that there is no autocorrelation since d^* is approximately equal to two. 1.820478 tends towards two more than it tends towards zero. Therefore, the variables in the model are not autocorrelated and that the model is reliable for predications.

Test for Heteroscedasticity

This test is conducted using the white's general heteroscedascity test. The hypothesis testing is thus:

H₀: There is a heteroscedasticity in the residuals

H₁: There is no heteroscedasticity in the residuals

Decision rule: Reject H₀ if the computed f-statistics is significant.

Otherwise, accept at 5% level of significance. Hence, since the F-calculated is significant, we reject H₀ and accept H₁ that the model has no heteroscedasticity in the residuals and therefore, reliable for predication.

Test for Multicollinearity

This means the existence of an exact linear relationship among the explanatory variable of a regression model. This means the existence of an exact linear relationship among the explanatory variable of a regression model. This will be used to check if collinearity exists among the explanatory variables. The basis for this test is the correlation matrix obtained using the series. The result is presented in table 6 below.

Table 6: Summary of Multicollinearity test

Variables	Correlation Coefficients	Conclusion
BNC and BD3	-0.355885	No multicollinearity
BNC and BLR	0.107577	No multicollinearity
BNC and INT	0.360529	No multicollinearity
BNC and EXR	0.754336	No multicollinearity
BNC and WIN	0.712719	No multicollinearity
BNC and EMG	-0.059948	No multicollinearity
BD3 and BLR	0.615955	No multicollinearity
BD3 and INT	0.399306	No multicollinearity
BD3 and EXR	-0.301486	No multicollinearity
BD3 and WIN	-0.171593	No multicollinearity
BD3 and EMG	-0.160836	No multicollinearity

BLR and INT	0.727891	No multicollinearity
BLR and EXR	0.323525	No multicollinearity
BLR and WIN	0.449322	No multicollinearity
BLR and EMG	-0.460192	No multicollinearity
INT and EXR	0.500988	No multicollinearity
INT and WIN	0.591169	No multicollinearity
INT and EMG	-0.512462	No multicollinearity
EXR and WIN	0.705568	No multicollinearity
EXR and EMG	-0.137016	No multicollinearity
WIN and EMG	-0.331768	No multicollinearity

Source: Researchers computation

Decision Rule: From the rule of Thumb, if correlation coefficient is greater than 0.8, we conclude that there is multicollinearity but if the coefficient is less than 0.8 there is no multicollinearity. We therefore, conclude that the explanatory variables are not perfectly linearly correlated.

Test of Research Hypotheses

The test is used to know the statistical significance of the individual parameters. Two-tailed tests at 5% significance level are conducted. The Result is shown on table 7 below. Here, we compare the estimated or calculated t-statistic with the tabulated t-statistic at $t_{\alpha/2} = t_{0.05} = t_{0.025}$ (two-tailed test).

Degree of freedom (df) = $n - k = 35 - 8 = 27$

So, we have:

$T_{0.025(27)} = 2.052$... Tabulated t-statistic

In testing the working hypotheses, which partly satisfies the objectives of this study, we employ a 0.05 level of significance. In so doing, we are to reject the null hypothesis if the t-value is significant at the chosen level of significance; otherwise, the null hypothesis will be accepted. This is summarized in table 7 below.

Table 7: Summary of t-statistic

Variable	t-tabulated ($t_{\alpha/2}$)	t-calculated (t_{cal})	Conclusion
Constant	± 2.052	12.51769	Statistically Significance
BNC	± 2.052	5.653702	Statistically Significance
BD3	± 2.052	3.827227	Statistically Significance
BLR	± 2.052	2.917230	Statistically Significance
INT	± 2.052	-4.491760	Statistically Significance
EXR	± 2.052	3.164269	Statistically Significance
WIN	± 2.052	5.230879	Statistically Significance
EMG	± 2.052	2.558564	Statistically Significance

Source: Researchers computation

We begin by bringing our working hypothesis to focus in considering the individual hypothesis. From table 4.6, the t-test result is interpreted below;

For BNC, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. This means that BNC have a significant impact on MASS.

For BD3, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. Thus, BD3 do have a significant impact on MASS.

For BLR, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. This means that BLR do has a significant impact on MASS.

For INT, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. This means that INT has a significant impact on MASS.

For EXR, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. This means that EXR do has a significant impact on MASS.

For WIN, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. Thus, WIN does have a significant impact on MASS.

For EMG, $t_{\alpha/2} < t_{cal}$, therefore we reject the null hypothesis and accept the alternative hypothesis. This means that EMG do has a significant impact on MASS.

Conclusion and Recommendations

From the result of the OLS, it is observed bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, exchange rate, workers incentives and employment generation have a positive impact on manufacturing subsectors in Nigeria, although, exchange rate was expected to be either positive or negative. This implies that a unit increase in bank credits to manufacturing subsectors, Bank

demand deposit, bank lending rate, exchange rate, workers incentives and employment generation will lead to an increase in the MASS in Nigeria. On the other hand, bank interest rate has a negative impact on manufacturing subsectors in Nigeria. This means that as bank interest rate is increasing MASS will be decreasing in Nigeria. From the regression analysis, the result show that all the variables conform to the a priori expectation of the study which indicates that bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, bank interest rate, exchange rate, workers incentives and employment generation are major determinants of manufacturing subsectors in Nigeria. The F-test conducted in the study shows that the model has a goodness of fit and is statistically different from zero. In other words, there is a significant impact between the dependent and independent variables in the model. The findings of the study also show that bank credits to manufacturing subsectors, Bank demand deposit, bank lending rate, bank interest rate, exchange rate, workers incentives and employment generation are statistically significant in explaining inflation in Nigeria. Finally, the study shows that there is a long run relationship exists among the variables. Both R^2 and adjusted R^2 show that the explanatory power of the variables is very high and/or strong. The standard errors show that all the explanatory variables were all low. The low values of the standard errors in the result show that some level of confidence can be placed on the estimates.

The study recommends that: Cheap credit should be made available for manufacturing sector investment in Nigeria; this will encourage more investors in the manufacturing sector to access adequate loan facilities to enhance manufacturing sector output in the long run. The apex bank of Nigeria should reduce bank. This important because it will make the loans less expensive for the commercial banks, thus encouraging the public capacity to take credit and will gradually increased the volume of credit demanded for investment in the manufacturing sector. The government should engender a market force induced interest rate. This will enhance more investment by channeling saving to productive investment and stimulate real output. The need to stabilize the exchange rate is imperative because one unit increase in exchange rate volatility leads to decline in manufacturing output growth. Manufacturing companies should recognize and rewards employees. This will help engage and retain best people for the duration of their careers.

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ACCOUNTING ETHICAL STANDARDS AND FIRMS' PERFORMANCE IN NIGERIA

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Abstract

The research was carried out to ascertain the effect of ethical standard on firm performance. Ethical standards ensure that accountants act in public interest and protect the client or employing firm from any form of unprofessional behaviour that may come from the accountant. The broad objective of this study is to investigate the effect of accounting ethics on firms' performance. Primary data were used for the study. The research adopted a survey design method to draw data from respondents and questionnaires administered to respondents. The questionnaires were distributed to professional accountants in eastern Nigeria. A total of 300 questionnaires were distributed through random sampling to sampled professionals' opinion, which only 255 questionnaires were fully filled which constitute the valid questionnaire used for analysis. The validity of the questionnaire is done using the Cronbach Alpha criteria stipulated in section 3 of the study. The Cronbach Alpha coefficient of 0.9910 > 0.5 in the study. The data collected were analysed using ordinary least square (OLS). The results showed that the null hypothesis is rejected and the alternative accepted in respect to OBJ and PBH while the null hypothesis is accepted and the alternative rejected in respect to INJ, CMP, and CNF in H_1 ; In H_2 , the null hypothesis is rejected and the alternative accepted in respect to INJ, CMP and PBH while the null hypothesis is accepted and the alternative rejected in respect to OBJ and CNF and H_3 ; the null hypothesis is rejected and the alternative accepted in respect to INJ and CNF while the null hypothesis is accepted and the alternative rejected in respect to OBJ, CMP and PBH. The research recommends that managers should enhance adherence to the existing ethical standards and policies, ensuring they are well-communicated to all employees. Emphasize the importance of ethical behavior in accounting and financial reporting could strengthen the companies' policy that will likely improve their financial performance in terms of return on equity; the corporate governance structures should promote a culture of accountability where employees are encouraged to report any unethical behavior or accounting irregularities they come across. This may close leakages and increase the return on assets as financial performance index for the companies and the managers should tie employee performance evaluations and incentives to ethical behavior in accounting and financial reporting. They should further recognize and reward employees who consistently demonstrate ethical conduct towards whistle blowing issues of fraud in the company that may affect the profitability of the company negatively.

Keywords: Accounting, Ethical Standard and Firm Performance.

Introductions

The need to apply accounting ethics has become imperative in all facet of organizational endeavour. Ethics is the moral gauge that demarcates bad behaviour from good behaviour (Okonye and Omeziri, 2017). Ethics can be defined as values that humans have about behaviour based on good and bad will or the consequences of their actions (Emenike-Wali & Chukwu, 2021). Enofe, Utomwen and Danjuma (2022), posits that investors will not retain his investment in any firm where there are low rectitude or invest in a morally challenged firm. The investors rely on financial reports to take investment decisions which will positively improve the worth of the firm. Investments into a firm begin to dwindle once it is affirmed that such a firm, has integrity challenge (Okonye & Omeziri, 2017). According to Edi and Irin (2022), ethical standards refer to the principles that promote trust, good behaviour, fairness and governing the conduct of a professional accountant. Ethical standards are a set of principles established by an organization to communicate its underlying moral values. It is the codes that used as reference point in decision making. The channel of communication between the stakeholders and the firms is the financial reports therefore, there is need to guide the professional accountants who are involved in the affairs of the firms either as an employer or an auditor to comply with the laid down professional ethics not just for the growth of the firm alone but for public interest. According to Edi and Irin (2022),lack of accounting ethic within a firm is one of the factors encouraging fraudulent financial reporting; this has given rise to decline in the quality of financial reports. Ogoun and Ephibayerin (2020), were of the opinion that the decline in the quality of financial reports presented by firms as collaborated by professional accountants has brought the professional accountancy bodies' world over to public scrutiny and given the surge in fraudulent acts in recent times. A number of companies have collapsed even when they have a clean of health bill as having complied with stated standards, these companies include Enron, Bank of Credit, WorldCom, Commerce International, Global Crossing, Cadbury, Parmalat, and Polly Peck.(Zeghal & Mhedhbi, 2016). With the collapse of these companies, the need for high ethical standard became paramount (Rockness & Rockness, 2010).

Enofe and Osunfor (2015), assert that sequel to the embarrassments caused by the way these companies collapsed, the United States Congress passed the Sarbanes-Oxley (SOX) Act in 2002and also constituted the Public Company Accounting Oversight Board (PCAOB), the essence of this reform is to sustain ethical behaviour among professional accountants through ethical enlightenment among accounting practitioners and to enhance ethical decision making when faced with challenging choices. According to Ogbonna and Appah (2011), in order to curb unethical choices with their attendant multiplier effects, often manifested in the quality of financial reporting, the set of codes of ethical professional conducts attracted further scrutiny and strengthening. The primary objective of these codes is to guide professional

accountants with yardsticks to adopt in order to provide quality professional service and to meet the expectations of the clients or employers and other third parties who may rely on the financial reports to make a business decision.

Aifuwa, Embele and Saidu (2012), posit the main purpose of financial reports or financial statements is to communicate economic forecast and information concerning the affairs (the resources and performance) of a reporting firm. Alexander and Britton, (2000), said that the information as conveyed in the financial reports assist users in making financial decision which in turns either affects the company positively or negatively. Where the financial report is perceived to contain misleading information, both investors and intending investors may withdraw their investment. Arowoshegbe, Uniamikogbo, and Atu, 2017, are of the view that, due to this fact, it is perceived that the preparers and auditors of financial statements do a quality work as their reports are taken by stakeholders to be truthful. It, therefore, becomes imperative for firms to provide high quality financial information that will aid decision making of investors and other users of financial information (IASB, 2008). The study seeks to understand the extent compliance to ethical principles has strengthened firms' growth in Nigeria. Many works carried out in similar field have failed to address the issues surrounding firms' performance as a result of existence of ethical practices and compliance by firms in Nigeria. Edin and Irin (2022) undertook a study to analyse the effect of accounting ethics which are integrity, objectivity, competence, confidentiality, and professional behaviour toward the quality of financial report. Their study reveals that integrity, objectivity, competence and confidentiality have a significant effect to the quality of financial statement. Also Ogoun and Ephibayerin (2020), carried out a research on accounting ethics and quality of financial reporting. They found out that ethics is positive and significant in producing high quality financial reporting. Their findings agree with the study of Ogoun and Ephibayerin. Again Emenike-Wali and Chukwu (2021), carried out a research on accounting ethics and professional practice efficiency in Nigeria. Their work revealed that accounting ethics significantly affects faithful representation of financial statement of corporate firms and also impacts positively on the relevance of financial statements of the corporate firms. The results confirm the assertion that ethical principles enhances the quality of financial report produced in firms but did not address the nexus between ethical standard and firm's performance. Therefore, the current study seeks to examine the relevance of accounting ethics in improving investors' confidence, which in returns will lead to firms' performance. The aforementioned issues above lead us to the following questions:

1. what is the effect of accounting ethical standards on return on equity (ROE) of Nigeria's firms?
2. what effect do accounting ethical standards have on profit after tax (PAT) of Nigeria's firms?
3. to what extent do accounting ethical standards affect the return on assets (ROA) of Nigeria's firms?

Hypotheses of the Study

The following hypotheses were formulated:

- Ho₁: There is no significant relationship between accounting ethical standards and return on equity (ROE) in Nigeria.
- Ho₂: There is no significant relationship between accounting ethical standards and profit after tax (PAT) of firms in Nigeria.
- Ho₃: There is no significant relationship between accounting ethical standards and return on assets (ROA) in Nigeria.

Review of Related Literature

Conceptual Framework

According to Enofe, Utomwen, and Danjuma (2022) ethics is anchored on the context of outlined behaviour which are either written or unwritten based on agreed accepted standard guiding affected group(s). Okonye and Omeziri (2017) define ethics as a gauge for morality which differentiates what is right or wrong, good or bad. Ahinful, Addo, Boateng and Boaky (2017), describe ethics as a method of moral philosophy, by which individual dealings are judged good or bad or right or wrong", or "the rules of conduct recognized in respect of a particular class of human actions." Ethics arms at ensuring that both individuals and institutions are moderated to comply with the laid down standards that are reasonable and solidly based (Nathan, 2015). Ethics is so vital in society that many ethical principles of a society such as honesty, fidelity and excellent pursuits can be integrated into law.

Aguolu (2006), stated ethical standards ensures that humans comport themselves in order to live a fulfilled live, it does not consider oneself only but the feeling and welfare of others. It considers the general good of greater majority. The development of these dignified standards is philosophically seen as being reliant on the uniqueness of man that enables him find results to his environmental difficulties. Ethical standards include the developed some principles of morality, which are consistently adhered to, and accepted by the group. Accounting ethical standards ensures that professional accountants live within the tenet of the profession especially in communicating to the stakeholders through the preparation of financial reports (Ahinful, et al, 2017). Financial reports are the window through which interested stakeholders understands the happenings within the accounting period.

Aifuwa, et al (2021), see financial reporting quality as the extent at which financial report conveys information regarding the business activities within a given accounting period. The content and quality of information contained in financial reports depicts the extent shareholders will rely on such reports for decision making. Financial report quality is the extent of which financial report gives fair and verifiable information with regards to the financial positions of a firm (Ahinful et al., 2017). Tang, Chen and Zhijun, (2008), state that financial report with high quality attributes, is one that is able to communicate in complete terms all the financial activities of the firm, performance of the firm, and financial position of the firm. It must discern the activities of the business in relation to its cashflows generation that will enable the shareholders and other stakeholders to make informed financial decision concerning the business firm. The financial report must communicate complete, faithful and unbiased information at the end of the financial year.

Fundamental Principles of Ethical Standards

According to Okonye and Omeziri (2017), the professional accounting bodies have to put rules in place to guide its members in discharging their professional duties. Ordinarily, rules are encrypted in a code of ethics which is a guide to members of a professional community in carrying out their professional roles. These fundamental principles include; integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, technical standards and independence. Okonye and Omeziri (2017), posit that integrity imposes on the professional accountant to be honest in the discharge of his professional duties and even in his private life. Integrity is the quality of a person's characteristics which indicate consistency between actions, values, steps taken, measures used, principles held, hopes to be directed, and results (Edi & Irin 2022). A professional accountant should be conventional and truthful in all professional and business relationships that will not manifest a form of conflict of interest (Ahinful et al., 2017). A professional accountant must abstain from actual or obvious conflict of interest. This is necessary to ensure adequate discharge of any professional from actual or obvious conflict of interest and to perform their duties ethically.

Niyonzima and Soetan, (2018), state that the objectivity principle imposes on all professional accountant to be straightforward and not allow bias or other considerations affects his professional opinion. The IFAC code of ethics for professional accountants recognizes that the targets of the accountancy professional is to work to an extreme standards of professionalism, to achieve the apex levels of performance and generally to ensure that public interest requirement is being fulfilled. Lack of objectivity from the internal auditors may affect the possibility of fraud in the financial statements. The dispositions of a professional accountant are key to the sustainability of a company. Auditors must ensure quality and professional ethics to provide maximum audit quality results and avoid misrepresentation of audit

reports so as to eliminate the trust of investors and other shareholders (Edi & Irin, 2022). It is required that a professional accountant should possess professional knowledge and skills at a level that the client or employer will derive value for money spent in engaging the professional services of the professional accountant (Okonye & Omeziri, 2017). The required professional knowledge and skills should be based on current developments in accounting field, rules and procedures (Enofe, Edemenya & Osunbor, 2015). According to Osisoma (2000), skilled professional services require the professional accountant to apply high level of professional judgment and understanding in the discharge of professional engagements. According to Darwanis, Saputra, and Kartin (2016), the more competent officials of internal auditor who supervises the preparation of financial reports, the more the company begins to produce quality financial reports. The leader of the audit team has to apportion audit responsibilities to members of the team responsibilities according to each person's level of competence (Edi & Irin, 2022). However, according to Okonye and Omeziri (2017), there is a relationship between good internal audit and good auditor's competence. To produce a quality internal audit, there must be a competent auditor. Largely, the qualities of financial reports produced by some firms are stated to be poor due to lack of competent management of auditors (Edi & Irin, 2022). Also Palimbong, Rura, and Tawakkal, (2018), stated, the internal control system is an integral process in actions and activities carried out continuously by leaders and all employees to provide adequate confidence in achieving organizational goals through effective and efficient activities, reliability, financial reporting, safeguarding state assets, and compliance with laws and regulations. However, Osisoma (2000), maintenance of professional competence implores a continuous training and retraining of the professional accountant to align the professional with current development in practice. Continuing professional developments progress and sustain the abilities that empowers a professional accountant to execute competently within the professional environs. Agwor and Okafor, (2018), maintained that the principle of confidentiality imposes on professional accountant the responsibility to desist from disclosing information obtain from the client in the course of any professional engagement to a third party without appropriate and specific authority to do so from the client except where such disclosure is allowed legally or for professional right or duty to do so. The principle further stipulates that professional accountant must refrain from using confidential information obtained in the course of professional duties or business relation for personal advantages or for the gains of a third party. Humta and Göktürk (2021), further maintained that a professional accountant must maintain confidentiality even in a social circle. Professional accountant must be conscious of his discussion even within the firm to people who are not connected with audit. Even after the end of the business relation or professional relation, the accountant must maintain confidentiality (Okonye & Omeziri 2017).

The fundamental principles imposes on professional account the obligation to behave in a manner that will not bring accounting profession to disrepute (Enofe, et al 2015). As with any profession, an accountant should perform tasks and responsibilities with an eye to the highest personal and professional standards. These include completing tasks thoroughly and on time, following through on commitments and only accepting payments for services that have been rendered (Emenike, Wali & Chukwu, 2021). The way professionals view their profession by reflecting attitudes and behaviour can be assessed and measured through the principles of professionalism. Public accountants must also master the knowledge needed to support their profession in carrying out audit duties (Rahmawati & Hanun, 2015).

Measures of Firm Performance

Kamilah and Zabri (2016), posited in their research that performance measurement systems is a set of procedures that ensures organisations to run business operations effectively and efficiently in accomplishing goals. Edin and Irin (2022), stated that performance is seen as behaviour that is the way in which firms or individuals ensures that works are done. Omar (2019), states, organizational performance principally focused on the capability and ability of an organization to efficiently exploit the available resources to achieve accomplishments consistent with these to bjectives of the company, as well as considering their relevance to its users. Firms' performance is a way of evaluating how resource a business firm has been in a given fiscal year (Okonye & Omeziri, 2017). There are many variables for measuring firms' performance depending the perception of the interested party. Most of the studies reviewed used: return on assets (ROA), return on equity (ROE), return on sales (ROS), earnings per share (EPS), market capitalization growth, gross and net profit margin, economic profit, and Tobin's Q as variables used for measuring performance; Edin and Irin (2022). For the purpose of this study ROE, PAT and ROA will be used as the dependent variables and the measure of firms' performance in Nigeria.

Durand and Coeurderoy (2001) return on equity (ROE) is the measure of a company's net income divided by its shareholders' equity. ROE is a gauge of a corporation's profitability and how efficiently it generates those profits. The higher the ROE, the better a company is at converting its equity financing into profit. Olokoyo (2013), maintained that return on equity (ROE) is a measure of a company's financial performance that shows the relationship between a company's profit and the investor's return.

The theory of firm value is of essence to firms as it is the basis for measuring firm's prosperity within a given period. It symbolizes all the assets owned by a company (Omidiji, Adegbie & Ajayi, 2020). According to Okonye (2019) return on assets is a

variable that shows a company's profitability in relation to its total assets. ROA can be used by management, analysts, and investors to determine whether a company uses its assets efficiently to generate a profit. You can calculate a company's ROA by dividing its net income by its total assets. ROA is an accounting measure of firms' performance; the essence is to measure the operating and financial performance of a firm. A lower rate of ROA, is disadvantageous to the shareholders' wealth. However, a higher ROA indicates a more produce use of the asset to the benefits and advantage of the shareholders. Higher ROA also echoes the company's effective utilization of its assets in preserving the interests of the shareholders and ultimately the shareholders' wealth (Ibrahim & Samad, 2011).

Okonye, (2019), posits PAT is essential in measuring firms' performance, it indicates the actual amount that a company in a given fiscal year. It shows the cost and the cash earnings of the company, which then determines the operational efficiency and performance. Profitability is a means used for the ascertainment of the firms' efficiency utilization of resources and also ability of a firm to generate revenue which is capable of absorbing all necessary, exclusive and reasonable expenses, including tax and then leave a balance that could be revolved back into the business for expansion (Nathan, 2015).

Different theories from utilitarian theory (Bentham, 1984), expected behavior theory (Ajzen, 1991), reasoned action theory (Fishbein & Ajzen, 1967), agency theory (Jensen & Mackling, 1976), stakeholder theory (Freeman, 1984), and resource dependence theory (Freeman, 1984) were subject to accounting ethics and corporate governance characteristics (Fehmi & Ibrahim, 2021). An accountant is expected to act in the "public interest", this is the bane of professional accountant in today's world. In the code of ethics for professional accountant, the obligation to represent society and public is known as the public interest (Okonye and Omeziri, 2017). The professional accountant should serve the interest all the stakeholders - consumers, lenders, governments, employers, staff, investors, the business and financial community and others who depend on professional accountants' work (Fehmi & Ibrahim, 2021). The notion of public interest, therefore, means that the responsibility of the professional accountant is not limited to the needs of the particular client, the employer, or himself, but of all the stakeholders who depend on the reports which he has prepared and audited (Jackling, Cooper, Leung, & Dellaportas, 2007). Therefore the stakeholders' theory propounded by Freeman, 1984 as quoted in Fehmi and Ibrahim, (2021) which takes into account the interest of all the stakeholders in decision making is the anchor theory because it aligns with the concept which requires a professional accountant to act in public interest.

Empirical review

Edin and Irin (2022), took a study on analyzing the effect of accounting ethics towards the quality of financial report. They adopted purposive sampling method as the sampling techniques and used descriptive survey to obtain data for the research. Their research found out that integrity, objectivity, competence and confidentiality have significant effect to the quality of financial statements. Emenike-Wali and Chukwu (2021), their study was based on the impact of accounting ethics on professional practice of accountants in Nigeria. The study made use of questionnaire to elicit data needed for the research which were further analyzed using regression techniques. The result shows a positive and significant ($p \leq 0.05$) correlation between accounting ethics and professional practice of accountants in Nigeria. Ogoun and Ephibayerin (2020), they studied the effect of accounting ethics on financial reporting in Nigeria. They employed descriptive survey method to draw data from the respondents. Ordinary least square techniques were used to analyse the data obtained. They found out that high ethical standard is vital in attaining objective, reliable and transparent financial reports.

Enofe, Utomwen and Danjuma (2019); they examined the impact of ethics on accounting practice in Nigeria. They adopted survey design to obtain data from respondents. Chi-square parametric was utilized as the data analysis method. The findings indicate that firstly, ethics play a significant role in accounting practice. Secondly corporate governance improves ethical compliance of accounting professionals and thirdly, accounting regulatory bodies influences the level of compliance with ethical standards. Ahinful, Boateng and Oyebisi, Okere, Ayodotun, Abimbola and the empirical reviews above show the previous works done by different authors. It is discerning that none of the previous research tried to evaluate the effect of accounting ethical standards on firms' performances. This work will unveil whether any of the variables used in measuring ethical standard which will show a contrary relationship with the dependent variables (ROE, ROA and PAT).

Methodology

The population of this study is made up of 300 accountants, auditors and staff of accounting departments of selected firms in eastern Nigeria. A simple random sampling technique was used to sample 300 respondents (accountants, auditors and staff of accounting departments) in Nigeria. Questionnaires were used as tools for data collection for the study in order to derive the objectives. All questions in sections B were structured using a five-point scale ranging from strongly disagree (SD) = 1; Disagree (D) = 2; Neutral (N) = 3; Agree (A) = 4; strongly agree = 5. A total of 300 questionnaires were distributed. At the end of a one month period, 255 questionnaires were retrieved. Data collected from the field were checked for errors that will affect the analysis. The data obtained in the field survey were analysed

using the ordinary least square (OLS) estimation technique and the model is specified as:

Firm performance = f (Accounting Ethics) ----- 1

The model used in this study is modified form of Abosede and Kajola (2011). The model shows the relationship between ethical standard and overall firms' performance, while controlling for other firm specific factors. Model specification is as shown below:

$$ROE = \beta_0 + \beta_1 INT_{it} + \beta_2 OBJ_{it} + \beta_3 CMPDC_{it} + \beta_4 CONF_{it} + \beta_5 PRBH_{it} + e_{it} \text{ ----- (2)}$$

$$ROA = \beta_0 + \beta_1 INT_{it} + \beta_2 OBJ_{it} + \beta_3 CMPDC_{it} + \beta_4 CONF_{it} + \beta_5 PRBH_{it} + e_{it} \text{ ----- (3)}$$

$$PAT = \beta_0 + \beta_1 INT_{it} + \beta_2 OBJ_{it} + \beta_3 CMPDC_{it} + \beta_4 CONF_{it} + \beta_5 PRBH_{it} + e_{it} \text{ ----- (4)}$$

Where:

INT = Integrity
 OBJ = Objectivity
 CMPDC = Competence and due care
 CONF = Confidentiality
 PRBH = Professional behaviour

$\beta_1, \beta_2, \dots, \beta_5$ = coefficients of the explanatory/ control variables 1, 2, .., 5 for models.

e_{it} = error terms.

Data analysis

This section presents the outcome of the descriptive statistics of the responses. The questionnaire are distributed to professional accountants in Imo State. A total of 280 questionnaires were distributed to the sampled professionals and 260 questionnaires were returned. Out of the 260 returned questionnaires, only 255 questionnaires were fully filled which constitute the valid questionnaire used for analysis. The validity of the questionnaire is done using the Cronbach Alpha criteria stipulated in section 3 of the study. The Cronbach Alpha coefficient of 0.9910 > 0.5 in the study appendix reveals that, the questionnaires are valid for further analysis.

Descriptive Analysis of Responses

In this sub section, the mean response for each question is used to analyze 5 questions that constitutes each of the 8 variables namely; integrity, objectivity, competence, confidentiality, professional behavior, return on assets, return on equity and profit after tax.

Table 1: Return on equity

	Return on equity	\bar{x}	N
1.	Do you agree that integrity of professional has positive effect on the Return on Equity (ROE) of the company	4.3	255
2.	Do you agree that objectivity of professional has positive effect on the ROE of the company	3.7	255
3.	Professional competence and due care by professional accountant has significant effect on ROE in Nigeria.	3.4	255
4.	Confidentiality by professional accountant has no significant effect on ROE in Nigeria.	3.3	255
5.	Professional behaviour by professional accountant has significant effect on ROE in Nigeria.	3.5	255

Source; Field Survey, 2023

The table above showed the responses given on return on equity as financial performance by the respondent. The decision rule mean score of $\bar{x}3.00$ (Approximation) is used to take decision on all the five (5) point Likert scale. From table1 above, the respondent agreed (4.3) that, integrity of professional has positive effect on the Return on Equity (ROE) of the company. Also, they agreed (3.7) that, objectivity of professional has positive effect on the ROE of the company. Furthermore, the respondent agreed (3.4) that, professional competence and due care by professional accountant has significant effect on ROE in Nigeria. Again, they agreed (3.3) that, confidentiality by professional accountant has no significant effect on ROE in Nigeria. Finally, they agreed (3.5) that, professional behaviour by professional accountant has significant effect on ROE in Nigeria.

Table 2: Return on assets

		\bar{x}	N
6.	Integrity of professional accountant has significant effect on return on assets (ROA) in Nigeria.	4.6	255
7.	Do you agree that objectivity of professional has positive effect on the ROA of the company	4.2	255
8.	Professional competence and due care by professional accountant has significant effect on ROA in Nigeria.	4.1	255
9.	Confidentiality by professional accountant has no significant effect on ROA in Nigeria.	2.8	255
10.	Professional behaviour by professional accountant has no significant effect on ROA in Nigeria.	2.8	255

Source; Field Survey, 2023

The table above showed the responses given on return on assets as financial performance by the respondent. The decision rule mean score of \bar{x} 3.00 (Approximation) is used to take decision on all the five (5) point Likert scale. From table2 above, the respondent agreed (4.6) that, integrity of professional accountant has significant effect on return on assets (ROA) in Nigeria. Also, they agreed (4.2) that, objectivity of professional has positive effect on the ROA of the company. Furthermore, the respondent agreed (4.1) that, professional competence and due care by professional accountant has significant effect on ROA in Nigeria. Again, they disagreed (2.8) that, confidentiality by professional accountant has no significant effect on ROA in Nigeria. Finally, they disagreed (2.8) that, professional behaviour by professional accountant has no significant effect on ROA in Nigeria.

Table 3: Profit after tax

	Question	\bar{x}	N
11	Integrity of professional accountant has significant effect on return on assets (PAT) in Nigeria.	4.3	255
12	Do you agree that objectivity of professional has positive effect on the PAT of the company?	4.3	255
13	Professional competence and due care by professional accountant has significant effect on PAT in Nigeria.	4.6	255
14	Confidentiality by professional accountant has significant effect on PAT in Nigeria.	2.9	255
15	Professional behaviour by professional accountant has significant effect on PAT in Nigeria.	3.01	255

Source; Field Survey, 2023

The table above showed the responses given on profit after tax as financial performance by the respondent. The decision rule mean score of \bar{x} 3.00 (Approximation) is used to take decision on all the five (5) point Likert scale. From table3 above, the respondent agreed (4.3) that, integrity of professional accountant has significant effect on return on assets (PAT) in Nigeria. Also, they agreed (4.3) that, objectivity of professional has positive effect on the PAT of the company. Furthermore, the respondent agreed (4.6) that, professional competence and due care by professional accountant has significant effect on PAT in Nigeria. But they disagreed (2.9) that, confidentiality by professional accountant has significant effect on PAT in Nigeria. Finally, they agreed (3.01) that, professional behaviour by professional accountant has significant effect on PAT in Nigeria.

Table 4: Integrity

		\bar{x}	N
16	Integrity of auditor has greatly improved the quality of financial statements in Nigeria	4.1	255
17	There has not been improvement in the integrity of the auditor despite the laws in place in Nigeria	3.8	255
18	Professional integrity has improved earning capacity of the firms	3.7	255
19	Professional integrity has not improved earning capacity of the firms	2.3	255
20	Professional integrity has improved investors confidence	3.9	255

Source; Field Survey, 2023

The table above showed the responses given on integrity as ethics of professional accountants by the respondent. The decision rule mean score of \bar{x} 3.00 (Approximation) is used to take decision on all the five (5) point Likert scale. From table4 above, the respondent agreed (4.1) that, integrity of auditor has greatly improved the quality of financial statements in Nigeria. Also, they agreed (3.8) that, there has not been improvement in the integrity of the auditor despite the laws in place in Nigeria. Furthermore, the respondent agreed (3.7) that, professional integrity has improved earning capacity of the firms. But they disagreed (2.3) that, professional integrity has not improved earning capacity of the firms. Finally, they agreed (3.9) that, professional integrity has improved investors' confidence.

Table 5: Objectivity

		\bar{x}	N
21	Objectivity of the auditor has not improved the quality of financial statement in Nigeria.	4.1	255
22	Objectivity has improved earning capacity of the firms	4.6	255
23	Objectivity has not improved earning capacity of the firms performance	3.5	255
24	Objectivity has improved investors confidence	4.1	255
25	Professional competence and due care of the auditor has greatly improved the audit quality of financial statement in Nigeria	4.2	255

Source; Field Survey, 2023

The table above showed the responses given on objectivity as ethics of professional accountants by the respondent. The decision rule mean score of $\bar{x}3.00$ (Approximation) is used to take decision on all the five (5) point Likert scale. From table5 above, the respondent agreed (4.1) that, objectivity of the auditor has not improved the quality of financial statement in Nigeria. Also, they agreed (4.6) that, objectivity has improved earning capacity of the firms. Furthermore, the respondent agreed (3.5) that, objectivity has not improved earning capacity of the firms performance. But they disagreed (4.1) that, objectivity has improved investors confidence. Finally, they agreed (4.2) that, professional competence and due care of the auditor has greatly improved the audit quality of financial statement in Nigeria.

Table 6: Competence

		\bar{x}	N
26	Professional competence and due of the auditor has not improved the audit quality of financial statement in Nigeria	4.1	255
27	Professional competence and due has improved earning capacity of the firms	2.2	255
28	Professional competence and due has not improved earning capacity of the firms	2.0	255
29	Professional competence and due has improved investors confidence	3.9	255
30	Professional competence and due has not improved investors confidence	3.6	255

Source; Field Survey, 2023

The table above showed the responses given on competence as ethics of professional accountants by the respondent. The decision rule mean score of $\bar{x}3.00$ (Approximation) is used to take decision on all the five (5) point Likert scale. From table6 above, the respondent agreed (4.1) that, professional competence and due of the auditor has not improved the audit quality of financial statement in Nigeria. But they disagreed (2.2) that, professional competence and due has improved earning capacity of the firms. Furthermore, the respondent disagreed (2.0) that, professional competence and due has not improved earning capacity of the firms. But they agreed (3.9) that, professional competence and due has improved investor's confidence. Finally, they agreed (3.6) that, professional competence and due has not improved investors confidence.

Table 7: Confidentiality

	Question	\bar{x}	N
31	Confidentiality of the auditor has greatly improved the audit quality of financial statement in Nigeria	4.4	255
32	Confidentiality of the auditor has not improved the audit quality of financial statement in Nigeria	1.9	255
33	Confidentiality has improved earning capacity of the firms	3.6	255
34	Confidentiality has not improved earning capacity of the firms	2.4	255
35	Confidentiality has improved investors confidence	3.7	255

Source; Field Survey, 2023

The table above showed the responses given on confidentiality as ethics of professional accountants by the respondent. The decision rule mean score of \bar{x} 3.00 (Approximation) is used to take decision on all the five (5) point Likert scale. From table7 above, the respondent agreed (4.4) that, confidentiality of the auditor has greatly improved the audit quality of financial statement in Nigeria. But they disagreed (1.9) that, confidentiality of the auditor has not improved the audit quality of financial statement in Nigeria. Furthermore, the respondent agreed (3.6) that, confidentiality has improved earning capacity of the firms. But they disagreed (2.4) that, confidentiality has not improved earning capacity of the firms. Finally, they agreed (3.7) that, confidentiality has improved investors confidence.

Table 8: Professional Behaviour

	Question	\bar{x}	N
36	Professional behaviour of the auditor has greatly improved the audit quality of financial statement in Nigeria	4.0	255
37	Professional behaviour of the auditor has not improved the audit quality of financial statement in Nigeria	2.0	255
38	Professional behaviour of the auditor has not improved the audit quality of financial statement in Nigeria	2.3	255
39	Professional behaviourhas improved earning capacity of the firms	4.1	255
40	Professional behaviourhas not improved earning capacity of the firms	2.9	255

Source; Field Survey, 2023

The table above showed the responses given on professional behaviour as ethics of professional accountants by the respondent. The decision rule mean score of $\bar{x}3.00$ (Approximation) is used to take decision on all the five (5) point Likert scale. From table 8 above, the respondent agreed (4.0) that, professional behaviour of the auditor has greatly improved the audit quality of financial statement in Nigeria. But they disagreed (2.0) that, professional behaviour of the auditor has not improved the audit quality of financial statement in Nigeria. Furthermore, the respondent disagreed (2.3) that, professional behaviour of the auditor has not improved the audit quality of financial statement in Nigeria. But they agreed (4.1) that, professional behavior has improved earning capacity of the firms. Finally, they disagreed (2.9) that, Professional behavior has not improved earning capacity of the firms.

Data Validity Test

In order to ensure that the results are robust, the study conducted a multicollinearity test using the correlation values of the independent variables. The result is found in Table 9 below:

Table 9: Multicollinearity result

	ing	obj	cmp	cnf	pbh
ing	1.0000				
obj	0.3354	1.0000			
cmp	0.0481	0.2720	1.0000		
cnf	0.5254	0.4704	0.4306	1.0000	
pbh	0.3430	0.1669	0.5380	0.0783	1.0000

Source; Field Survey, 2023

From table 9 above, the correlation result shows that, the data set is free from multicollinearity issues since all the variables have low correlation values that are less than 0.7. The highest correlation is between PBH and CMP at 0.5380.

Table 10: Regression model 1

F(5, 249) = 857.66					Prob > F = 0.0000
R-squared = 0.9451					Adj R-squared = 0.9440
	roe	Coef.	t	P> t	
ing	.0552979	0.89		0.375	
	obj	.5630503	5.36	0.000	
cmp	.033407	0.34		0.731	
cnf	-.0131973	-0.15		0.882	
pbh	.3988223	4.49		0.000	
_cons	.0585695		0.50	0.615	

Source: Stata output in appendix

Table 10 presents the regression result between professional ethics and financial performance proxies. From the model summary table above, the following information can be distilled.

The regression result as presented in table above to determine the relationship

between ING, OBJ, CMP, CNF, PBH and ROE. The R^2 result shows that, professional ethics as a whole contributes to 94.51% variation in the ROE of the companies without considering other factors not included in the study model. The adjusted R-square value of 0.9440 shows that, when other factors are considered, the result will deviate by 0.0011(0.9451-0.9440). The constant value of 0.0585695 shows that, when professional ethics is held stationary; there will be a variation in ROE by 0.0585695 units. Regardless, a unit increase in ING will lead to increase in ROE by 5.5%. A unit increase in OBJ will lead to increase in ROE by 56.3%. A unit increase in CMP will lead to increase in ROE by 3.3%. A unit increase in CNF will lead to decrease in ROE by 1.3% and a unit increase in PBH will lead to increase in ROE by 5.8%. The F-ratio of 0.000 shows that the model is fit.

Table 11: Regression model 2

F(5, 249) = 2484.79			Prob > F = 0.0000
R-squared = 0.9804			Adj R-squared = 0.9800
roa	Coef.	t	P> t
ing	.7162847	23.59	0.000
	obj -.0634479	-1.24	0.217
cmp	-.1802551	-3.81	0.000
cnf	.0815617	1.87	0.062
pbh	.3275825	7.56	0.000
_cons	.6301207	11.09	0.000

Source: Stata output in appendix

Table 11 presents the regression result between professional ethics and financial performance proxy. From the model summary table above, the following information can be distilled.

The regression result as presented in table above to determine the relationship between ING, OBJ, CMP, CNF, PBH and ROA. The R^2 result shows that, professional ethics as a whole contributes to 98.04% variation in the ROA of the companies without considering other factors not included in the study model. The adjusted R-square value of 0.9800 shows that, when other factors are considered, the result will deviate by 0.0004 (0.9804-0.9800). The constant value of 0.6301207 shows that, when professional ethics is held stationary; there will be a variation in ROA by 0.6301207 units. Regardless, a unit increase in ING will lead to increase in ROA by 71.6%. A unit increase in OBJ will lead to decrease in ROA by 6.3%. A unit increase in CMP will lead to decrease in ROA by 18%. A unit increase in CNF will lead to increase in ROA by 8.1% and a unit increase in PBH will lead to increase in ROA by 3.2%. The F ratio of 0.000 shows that the model is fit.

Table 12: Regression model 3

F(5, 249) = 1975.50 Prob > F = 0.0000				
R-squared = 0.9754 Adj R-squared = 0.9749				
	pat	Coef.	t	P> t
ing	.3219042	8.38		0.000
	obj	-.0705489	-1.09	0.278
cmp	-.003541	-0.06		0.953
cnf	.7586696	13.78		0.000
pbh	-.0043645	-0.08		0.937
_cons	-.2960461		-4.12	0.000

Source: Stata output in appendix

The regression result is presented in the table above to determine the relationship between ING, OBJ, CMP, CNF, PBH and PAT. The R^2 result shows that, professional ethics as a whole contributes to 97.54% variation in the PAT of the companies without considering other factors not included in the study model. The adjusted R-square value of 0.9749 shows that, when other factors are considered, the result will deviate by 0.0005 (0.9754-0.9749). The constant value of -0.2960461 shows that, when professional ethics is held stationary; there will be a variation in PAT by -0.2960461 units. Regardless, a unit increase in ING will lead to increase in PAT by 32.1%. A unit increase in OBJ will lead to decrease in PAT by 7%. A unit increase in CMP will lead to decrease in PAT by 0.3%. A unit increase in CNF will lead to increase in ROA by 75.8% and a unit increase in PBH will lead to decrease in PAT by 0.4%. The F ratio of 0.000 shows that the model is fit.

HO₁: *There is no significant relationship between accounting ethical standards and return on equity in Nigeria.*

The calculated probability values review a figure of 0.375, 0.000, 0.731, 0.882, and 0.000 for INJ, OBJ, CMP, CNF, and PBH. The values for OBJ and PBH are less than the accepted probability value of 0.05 while that of INJ, CMP, and CNF are greater than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative accepted in respect to OBJ and PBH while the null hypothesis is accepted and the alternative rejected in respect to INJ, CMP, and CNF.

HO₂: *There is no significant relationship between accounting ethical standards and return on assets in Nigeria.*

The calculated probability values review a figure of 0.000, 0.217, 0.000, 0.062, and 0.000 for INJ, OBJ, CMP, CNF, and PBH. The values for INJ, CMP and PBH are less than the accepted probability value of 0.05 while that of OBJ and CNF are greater than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative accepted in respect to INJ, CMP and PBH while the null hypothesis is accepted and the alternative rejected in respect to OBJ and CNF.

H₀₃: *There is no significant relationship between accounting ethical standards and profit after tax in Nigeria.*

The calculated probability values review a figure of 0.000, 0.278, 0.953, 0.000, and 0.937 for INJ, OBJ, CMP, CNF, and PBH. The values for INJ and CNF are less than the accepted probability value of 0.05 while that of OBJ, CMP and PBH are greater than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative accepted in respect to INJ and CNF while the null hypothesis is accepted and the alternative rejected in respect to OBJ, CMP and PBH.

Conclusion

The study concludes that;

- i. Objectivity and professional behavior have significant relationships with the return on equity of companies in Nigeria while integrity, competence, and confidentiality have no significant relationship with the return on equity of companies in Nigeria.
- ii. Integrity, competence and professional behavior have significant relationships with the return on assets of companies in Nigeria while objectivity and confidentiality have no significant relationship with the return on assets of companies in Nigeria.
- iii. Finally, integrity and confidentiality have significant relationships with the profit after tax of companies in Nigeria while objectivity, competence, and professional behavior have no significant relationship with the profit after tax of companies in Nigeria.

Recommendation

As a result of the study conclusion, the following recommendations are made.

- i. Managers should enhance adherence to the existing ethical standards and policies, ensuring they are well-communicated to all employees. Emphasize the importance of ethical behavior in accounting and financial reporting could strengthen the companies' policy that will likely improve their financial performance in terms of return on equity.
- ii. The corporate governance structures should promote a culture of accountability where employees are encouraged to report any unethical behavior or accounting irregularities they come across. This may close leakages and increase the return on assets as financial performance index for the companies.
- iii. The managers should tie employee performance evaluations and incentives to ethical behavior in accounting and financial reporting. They should further recognize and reward employees who consistently demonstrate ethical conduct towards whistle blowing issues of fraud in the company that may affect the profitability of the company negatively.

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EFFECT OF AUDITORS' TENURE AND AUDITOR INDUSTRY SPECIALIZATION ON FINANCIAL STATEMENT FRAUD OF LISTED NON-FINANCIAL FIRMS ON THE NIGERIAN EXCHANGE GROUP

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Abstract

This paper aimed at ascertaining the effect of auditors' tenure and auditor industry specialization on financial statement fraud of listed non-financial firms on the Nigerian Exchange Group for a period of 2011 to 2022. The study employed ex-post facto design and secondary data. The population consisted of ninety-five (95) non-financial firms listed in the Nigerian Exchange Group as at December, 2022. The final sample consisted of seven-six (76) non-financial firms selected using purposive sampling. We applied Robust least square regression analysis in addition to the application of Benish M-score model to proxy the likelihood of financial statement fraud where applicable, via the E-view 9 software for the panel data in order to determine the relationship between the variables. Findings from this study indicated that auditors' tenure and auditor industry specialization have no significant positive effect on financial statement fraud of non-financial firms listed on the Nigerian Exchange Group. On the basis of the above findings, we recommended that regulatory authority should ensure a moderate audit tenure of 5 years, to enable the audit firm have time to understand client's business and give a thorough audit to reduce financial statement fraud. The study also recommended that since auditor industry specialization has no significant effect on financial statement fraud of listed non-financial firms, then regulatory bodies should enforce compliance on auditing guidelines by audit firms whether industry specialist or non-industry specialist auditors in order to reduce financial statement fraud.

Keywords: Auditors' Tenure; Auditor Industry Specialization; Fraud; Financial Statement Fraud

Introduction

The variation in the outlook of corporate organizations in terms of sizes, activities and articulate presentation of their financial statement does not connote the presence or absence of fraud. Investor's evaluation, compensation to managers and meeting contractual obligation depends on the earnings numbers being reported in the published annual reports of a firm (Ohidoa, 2021). Various decisions of a firm ranging from investment, financing, dividends or liquidity decisions depend on their earnings metrics. Even, the establishment and implementation of uniform financial reporting has not stopped the existence of fraudulent practices in corporate organizations. This was evidenced in the media report in the early 1990s and 2000s, where rampant shareholder unrest was at its peak. (Abdullah & Mansor, 2015). The financial statement is expected to provide stakeholders with timely and reliable

information, which is expedient for effective and efficient decision making. Being the tools used by management of corporate organization for reporting and communicating financial performance, the stakeholders do expect a zero level of manipulation in the preparation, presentation and reporting of financial statement. However, Alaryan (2015) opined that the reverse is the case in most corporate organizations, as records of manipulation occur in financial statement of companies with the aim to mislead users. This was evidenced in the cases of accounting and financial scandals such as: Enron (2001), WorldCom (2004), Cadbury (2006), Parmalat (2003) and Xerox (2002), that led investors to discredit financial statement information and central to these issues were corporate governance failure (Klein, 2008). These scandals were usually caused by the conflict of interest inherent in the relationship between the principals and the managers. These resulted in huge losses of stakeholders' funds in the collapsed firms. The role of financial statement fraud on the output and growth of non-financial firms in Nigeria has raised a lot of concerns, despite the fact that most of all these financial statements are audited by registered accountants/auditors in Nigeria; managements have always found loopholes in perpetrating financial statement fraud. Over the past few years, corporate failures observed in Nigeria have continued to raise burning question on the relevance and reliability of audit reports, especially where shareholders interest is not protected (Egbunike & Abiahu, 2017). However, financial statement frauds in Nigeria have not been resolved in a way that can boost investors' confidence; also, the public confidence has waned as a result of lack of check and balances in the political terrain and poor corporate governance practice. Also, lack of consensus among contemporary scholars about audit firm attributes and financial statement fraud generates academic debate and when effort had been made to resolve this argument empirically, the results appear more perplexing, hence the desirability of study in this area. To this end, the paper ascertains the effect of auditors' tenure and auditor industry specialization on financial statement fraud of listed non-financial firms on the Nigerian Exchange Group as at 31st December, 2022. The following null hypotheses will guide this study: Auditors' tenure does not have significant effect on financial statement fraud of listed non-financial firms in Nigeria.; Auditor's specialization does not have significant effect on financial statement fraud of listed non-financial firms in Nigeria.

Literature Review

Conceptual Review

Auditors' Tenure

The Cohen Commission (AICPA 2016) mentioned that a new auditor brings a fresh perspective to the audit. Audit tenure is the duration or length of the auditor-client relationship. A rather too long association between the auditor and his client may

constitute a threat to independence as personal ties and familiarity may develop between the parties, which may lead to less vigilance on the part of the auditor.

Sarbanes-Oxley Act commonly known as the SOX Act (2002), found it unlawful for a lead audit partner and reviewer of a registered public auditing firm to conduct audit of client if he has ever been involved in each of the five (5) previous audits of the same client. This Act however falls short of requiring audit firm rotation. It has been thought firms may go ahead and require audit firm rotation especially in cases where there is a change of the lead audit partner. Certainly, long audit tenure has been indicated as a devising factor that may have facilitated the many emerging corporate scandals. Knapp (1991) shared a similar opinion on the connection between audit tenure and competence with the US audit committee. They agreed that there are high chances that an auditor in the first year of his mandate will detect anomaly and that the ability to detect error decreases gradually, reaching its weakest level after 20 years of engagement hence negating the association of audit tenure with quality.

Auditor industry specialization

Auditor industry expertise encompasses the development of constructive ideas to help clients create added value and provision of novel perspectives/solutions for some issues with which clients may face in the scope of their industries. For auditors to be known as industry experts, they should recognize and well understand particular issues of the respective industry, identify key organizations operating in the industry, and know how particular issues of the industry may affect different sectors across the industry (Kend, 2008).

Although a great deal of attention has been dedicated to the subject matter of audit industry expertise within the recent years, a universal measure of audit industry expertise is yet to be developed (Neal & Riley, 2004). There are two preliminary criteria to recognize an auditor as one with industry expertise: Market share approach (Balsam et al., 2003; Dunn & Mayhew, 2004), and portfolio share approach (Krishnan, 2003). In addition, Neal and Riley (2004) proposed a new combined measure expressed as a function of market share and portfolio share.

Market share approach represents an auditor of industry expertise in terms of an audit institution which has made itself distinctive of its competitors in terms of its market share in a certain industry. This approach assumes that, one can achieve a measure of knowledge and industry expertise of audit institutions serving a certain industry, by observing their relative market shares in that industry. Accordingly, the institution with larger market share of a certain industry is supposed to enjoy a greater deal of knowledge and expertise within the scope of that industry.

Portfolio share approach considers, for each audit institution, relative distribution of audit services over different industries. Put it simply, every audit institution has

clients which together form its portfolio. The industry with the largest number of clients within the portfolio of an audit institution may represent the audit institution's industry of expertise. This approach relies on how important is each industry within the client portfolio of the auditor (Krishna, 2003).

The third measure for industry expertise is the combined measure proposed by Neal and Riley (2004). This measure combines the market share and portfolio share measures together.

Fraud

Fraud has no generally acceptable definition; the reason is that fraud implies different things to different individuals. Fraud is the intentional misrepresentation, concealment, or omission of the truth for the purpose of deception/manipulation to the financial detriment of an individual or an organization which also includes embezzlement, theft or any attempt to steal or unlawfully obtain, misuse or harm the asset of the organization. This indicates that fraud is distinct from mistake, since the latter is the consequence of human limitations without attempting to mislead (Hamilton & Gabriel 2014).

Financial Statement Fraud

Fraudulent financial reporting is an intentional misstatement or omission of amounts or disclosures with the intent to deceive others. Financial statement fraud is the deliberate fraud committed by management that injures investor and creditors with materially misleading financial statement (Khahn 2009). Financial accounting fraud consists of financial information falsification, by distorting entries in accounting records thus misleading stakeholders. It is therefore important to differentiate between financial statement error and financial statement fraud. Financial statement error refers to unintentional misstatement in financial statement, including the omission of an amount or a disclosure.

Reliability and Credibility of Financial Statement.

Reliability of audit report has to do with a condition in which the investors and all the company stakeholders consistently find the audit reports and opinion about a company's financial statements and position to be both dependable and credible (Mitra, Deis & Hossain 2009). Mitra, Deis and Hossain (2009) contend that the immediate objective of an audit is to improve the reliability of information. Improvement in the reliability of corporate disclosure minimizes the risk that an investor or creditor will make a poor decision simply because the information is inaccurate or wanting in quality. The higher the quality of information that investors and creditors use for the assessment of economic risk is, the better will be their chances of making sound decisions; their information risk becomes lower. According to Saputra (2015), this information risk perceived by investors and creditors is reflected in the hurdle rates of the firms. Both suppliers and users of

capital benefit from reliable corporate disclosure. Knechel, Krishman, Pevzner, Shechik and Velury (2012) recognize the fact that the way in which audit independence improves the reliability of information used for investment and credit decision is well understood both in theory and practice. Credibility of financial statements refers to the extent to which investors rely on the information reported in financial statements as a result of the faith or trust the investors have in the financial statements presented to them.

Theoretical Review

This section focuses on the review of theories that are related to the study.

Theory of Inspired Confidence/Rational Expectations Theory

Theodore Limperg of the University of Amsterdam in 1926 propounded a theory, known as the Theory of Inspired Confidence, which ultimately transformed into theory of rational expectations. The theory asserts that the worth of the auditors' report is a function of the auditor technical know-how, auditor independence and his professional competence. Generally speaking, this theory is a non-static theory which presupposes that as the business community evolves, so also the demand it put on the auditors' function (Millichamp & Taylor, 2012). Limperg proposed that the work performed by the auditor ought to be guided by the realistic expectation of the users of audit reports and the expectation should not be dashed by the auditor. In the other hand, auditors should not give auditee unrealistic hope that cannot be attained. Limperg's theory states that the usefulness of the auditor's opinion is based on the general understanding the society has about the usefulness of audit. Limperg stresses the social usefulness of auditors in meeting societal expectations for reliable financial information. The auditor must meet the expectations of the rationally well knowledgeable layman but should not create unrealistic expectations that cannot be justified by the work carried out. The auditor thus has a broader duty to society than a mere a watchdog for the shareholders (Millichamp & Taylor, 2012). Limperg's Theory dwells majorly on demand and the supply of audit services.

The Agency Theory

The Agency Theory is based on the relationship between the principal (owners) and the agent (managers) (Jensen & Meckling, 1976). The separation of ownership from management in modern corporations provides the context for the function of the agency theory. Modern organizations have extensively strewn ownership, in form of shareholders, who are not usually involved in the management of their companies (Patton, 1990). In these situations, an agent is appointed to oversee the daily operations of the company. This separation of ownership from control generates conflicts of interests between agents and principals, which result in costs associated with resolving these conflicts (Jensen & Meckling, 1976; and Eisenhardt, 1989). Thus, the key dilemma indicated by agency theory is ensuring that managers

pursue the interests of shareholders and not only their own interests. Eisenhardt (1989) elucidates that agency problems start when “The goal of the principal and agent conflict, and it is difficult and costly for the principal to verify what the agent is actually doing”. Controversy occurs because principals are unable to monitor the performance of agents (Jensen & Meckling 1976). Agency theory simply recognizes that the proclivity of agents, in this case, the directors or managers of the business, is to act rather more in their own interests than those of their employers and the shareholders.

This paper is anchored on theory of inspired confidence. The theory explained that the link between audit firm attributes and financial statement fraud is thought to be indirect because the auditor thus has a broader duty to society than a mere a watchdog for the shareholders. The theory of inspired confidence addresses both the demand and supply for audit services. Accountability in the non-financial firms may be realized through the issuance of periodic financial reports concerning the financial performance of various listed non-financial firms in Nigeria.

However, since this information provided by the management may be biased and outside parties have no direct means of monitoring, an audit is required to assure the reliability of this information in order to reduce financial statement fraud in the industries. Theory of inspired confidence provide a link between the users of information requirement for credible and reliable audit report and the capability and capacity of the audit processes to meet those needs.

Empirical Review

Okoye, Ajala and Adeniyi (2023) examined the impact of auditor’s specialization and ascertaining the non-audit services on the audit quality of non-financial firms listed in Nigeria. A population of ninety-five (95) non-financial firms listed on Nigeria stock exchange was limited to sixty-seven (67) firms using a purposive sampling technique for a period of 2011-2020. The study used an ex post facto research design. The method of data analysis was ordinary least square (OLS) multiple regression. The findings of the study revealed that auditor’s specialization has a significant positive effect on audit quality, while non-audit services have no significant positive effect on the audit quality of non-financial firms listed on the Nigerian Exchange Group.

Okeke-Muogbo and Egungwu (2019) examined the effect of audit tenure on earnings management of quoted non-financial companies in Nigeria. Secondary data were obtained from twenty-four (24) firms quoted on the floors of the Nigerian stock exchange for the period, 2007-2017 (11years). The study adopted ex-post facto research design. In the analysis of data, the study employed Hausman specification test to test between the fixed and random effects since data for the study involved

panel data. The white test (homoskedasticity test) was also conducted to check for constant variation of the disturbance term or whether the variance of the error term is not constant. The findings indicated that audit tenure, has a significant positive effect on earnings management of the Nigerian quoted companies.

Bambang, Wishnu, Ari, and Syntia (2019) analyzed the effect of financial liquidity, audit rotation and audit tenure on financial statement fraud. Population determined is a manufacturing company with a food and beverage subsector listed on the Indonesia Stock Exchange period 2013-2018. The sample selection is done by purposive sampling technique, the sample results that meet the criteria are 78 samples. The research method used is multiple linear methods, where the results of the research partially show that the liquidity financial variable does not significantly affect fraudulent financial statements, variable audit rotations significantly influence fraudulent financial statements, and variable audit tenure does not significantly influence financial statement fraud.

Hegazy and Hegazy (2018) investigated the effect of industry specialization on the audit quality and earnings quality. The study examines the relation between industry specialization and earnings quality, financial reporting quality, and audit quality. The research posits that industry specialization constrains earnings management. In addition, it hypothesized a positive relationship between industry specialization and financial reporting quality. An experiment was conducted in an audit firm with international affiliation in Egypt to test the research hypotheses. The results revealed that there is no significant difference between industry specialist auditors and non-specialists in constraining earnings management. In addition, the study further revealed that financial reporting quality was significantly higher when specialists conducted the audit. The findings provide empirical evidence consistent with the hypothesis that auditor industry specialization improves audit quality.

Eyenubo, Mohamed and Ali (2017), conceptualized the effect of audit firm tenure and financial reporting quality. There have been conflicting results from prior studies. One school of thought is of the view that the longer the audit tenure it may cause intimacy between the auditor and the client that will reduce the readiness of auditor to qualify audit report. On the other hand, the contrary view is that the longer the audit firm tenures it will bring familiarity with the operations and accounting system thereby enhancing the audit quality. This paper suggested that the audit firm tenure should be moderate between the range of one and three years.

Syahril and Mekha (2015) determined whether audit firm size and auditor industry specialization have significant influence on audit quality in Indonesian State-Owned Enterprises (SOEs). The research was conducted on 36 SOEs by using 108 financial statements of years 2010-2012. It found out that both audit firm size and auditor industry specialization have insignificant influence on audit quality of SOEs in

Indonesia. The findings of the present research were inconsistent with the earlier researches conducted on some listed firms that had found that both audit firm size and auditor industry specialization have significant influence on audit quality.

Odia (2015) examined the effect of auditor tenure, auditor rotation on audit quality. This study was done based on theoretical review. From researches reviewed, long term auditors tend to be better than new auditors and thereby provide no support of audit rotation. It also found that short audit tenure associates with low quality of audit while long tenure audit results in high audit quality. The study also revealed that when the cost of switching or changing auditors and consequences of low balling are considered, decisions about audit rotation will not be favourable in enhancing audit quality.

Methodology

This study adopted *ex-post facto* research design. The choice of Ex-post factor design was based on the fact that the design allows researchers to establish the time sequence of the variables on the basis of logical considerations. This is appropriate for a developing economy like Nigeria, and also, it is adequate enough to validly capture any behavioural change contrary to a cross-sectional design method usually associated with most studies in this area both in developed and developing economies.

The study is made up of 95 five (95) non-financial firms listed on Nigeria stock exchange as at 31st December, 2022. Purposive sampling techniques was used to select seventy-six (76) non-financial firms as our sample size. Secondary data was used for the study. The sources of secondary data used for the study include annual reports and accounts of companies, corporate website of companies and the Nigerian Stock Exchange Fact books. We applied correlation and robust least square regression analysis in addition to the application of Beneish M-score model to proxy financial statement fraud likelihood via E - View 9 software for data analysis.

Model Specification

The model for this study is explicitly expressed as;

$FRAUD = f(Auditors' Tenure, Auditor Industry Specialization, \mu)$ **equation 1**

$FRAUD_{it} = \beta_0 + \beta_1 AT_{it} + \beta_2 AIS_{it} + \mu_{it}$ **Model 1**

Where; FRAUD = Beneish M-score for model 1, AT = Auditor's Tenure; AIS = Auditor Industry Specialization.

β_0 is the constant, β_1 , β_2 , are the coefficients of the explanatory variables for the model; μ is the error term that captures the stochastic variables in the model; i is the collection of the firms; and t is the time factor. The *a priori* expectations are stated as: $\beta_1 > 0$; $\beta_2 > 0$;

Results and Discussion

Table 1: Normality Test for the Variables

	Beneishmscore	Auditortenure	Auditorspecialization
Jarque-Bera	38401779	234.9126	38405.14
Probability	0.000000	0.000000	0.000000
Observations	912	912	912

Source: Author's Computations, (2023)

The Jarque-Bera test in the study indicated whether the residuals are normally distributed. The results in Table1 showed that the probability values of the Jarque-Bera statistic for the three variables are 0.000, 0.000 and 0.0000. The null hypothesis posits that the residuals are normally distributed while the alternate hypothesis says otherwise. The alternate hypothesis that the residuals are not from normal distribution was accepted since the p-values are all less than 5%. Summarily, the OLS assumption of normality of residuals was not satisfied, possibly because of presence of outliers.

Table 2: Descriptive Statistical Analysis

	Beneishmscore	Auditortenure	Auditorspecialization
Mean	-1.893414	0.727027	0.031532
Maximum	336.0800	1.000000	1.000000
Minimum	-15.85000	0.000000	0.000000
Std. Dev.	10.66397	0.445688	0.174828
Observations	912	912	912

Source: Author's Computations, (2023)

The mean value of Beneish m-score was shown to be -1.893414 with a standard deviation of 10.66397. If the Beneish M-score of a non-financial company is greater than -2.22, there is a likely probability of profit manipulation. Therefore, the average value of Beneish m-score = -1.893414 implies that there is a very low possibility for profit manipulation amongst listed non-financial firms in Nigeria from 2011 to 2022. However, the standard deviation of 10.66 indicates that the Beneish M-score of the selected firms are widely dispersed. The lowest Beneish m-score of the firms under study was -15.85 while the highest Beneish m-score attained was 336.08. Auditor tenure had a mean value of 0.7270 with a standard deviation of 0.4457. The proportion of auditors' industry specialization over the years amongst the selected firms was 3.15% with a standard deviation of 0.1748.

Unit Root Test

Augmented Dickey-Fuller (ADF) was deployed to examine the Unit Root Test Results of the data. Table 3 shows the test results below.

Table 3: Summary of Unit Root Test Results Using Augmented Dickey-Fuller

Variables	T-ADF	Lag Length	Test critical values:@ 5% Level	Prob.	Remark
Beneishmscore	- 33.54533	1(0)	-2.863936	0.0000	Stationary
Auditor Tenure	- 25.87608	1(0)	-2.863939	0.0000	Stationary
Auditor Industry Specialization	- 10.92117	1(0)	-2.863939	0.0000	Stationary

Source: Author's Computations, (2023)

The unit root test results above showed that all of the variables (auditors' tenure, auditor industry specialization and Beneish m-score) are stationary at 5% levels of significance. Hence, since all the variables are stationary, the null hypothesis is rejected while the alternate hypothesis was accepted, which indicates that the variables are stationary or got no unit root. The decision rule is to reject the null hypothesis and accept the alternate hypothesis if T-ADF is more than the critical using absolute values.

Test for Serial Correlation

There are a number of classical assumptions of least square regression one of which is that residuals should not be correlated across time. Breusch–Godfrey test for serial correlation was used in assessing the serial correlation of the regression model. Table 4 shows the result of the Breusch–Godfrey test for serial correlation.

Table 4: Breusch-Godfrey Serial Correlation LM Test

F-statistic	0.067159	Prob. F(2,1102)	0.9351
Obs*R-squared	0.135276	Prob. Chi-Square(2)	0.9346

Source: Author's Computations, (2023)

The test for autocorrelation was performed to establish whether the residuals are correlated across time. The null hypothesis is that no first order serial /auto correlation exists. Based on the findings, the observed probability chi square = 0.9351 was not significant at 5% level of significance. Hence, the null hypothesis was accepted implying that there was no presence of first order serial correlation. Therefore, the assumption of no autocorrelation was satisfied.

Test for Heteroskedasticity

Heteroskedasticity occurs when the variances of the error terms are not constant. Glejser test of Heteroskedasticity was carried out as reported in Table 5 below.

Table 5: Heteroskedasticity Test: Glejser

F-statistic	1.650089	Prob. F(5,1104)	0.1440
Obs*R-squared	8.233750	Prob. Chi-Square(5)	0.1438
Scaled explained SS	21.94379	Prob. Chi-Square(5)	0.0005

Source: Author's Computations, (2023)

The null hypothesis of homoscedasticity is rejected if the Prob. (Chi-square) is greater than 5% level of significance. The results indicated that the observed probability chi square significance of 0.1440 was not significant hence the null hypothesis of existence of homoscedasticity is accepted. Therefore, the issue of Heteroskedasticity does not exist in the model since the variances of the error terms are constant. Also, the assumption of no Heteroskedasticity was as well satisfied.

Test of Hypotheses

The data used in the study did not satisfy the normality assumption of OLS. Spurious regression coefficients would be produced by OLS if there are outliers in the residuals. Thus, to avoid producing spurious regression coefficients, Robust Least Square regression technique was used to estimate the test results from which hypotheses testing was done.

Table 4.6: Robust Regression for Hypotheses Testing

Dependent Variable: BENEISHMSCORE

Method: Robust Least Squares

Sample: 1 912

Included observations: 912

Method: MM-estimation

S settings: tuning=1.547645, breakdown=0.5, trials=200, subsmpl=912,
refine=2, compare=5

M settings: weight=Bisquare, tuning=4.685

Random number generator: rng=kn, seed=793000606

Huber Type II Standard Errors & Covariance

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-2.808661	0.158199	-17.75395	0.0000
Auditor tenure	0.031896	0.061612	0.517693	0.6047
Auditor industry specialization	0.141470	0.144239	0.980800	0.3267

Robust Statistics			
R-squared	0.003137	Adjusted R-squared	-0.001378
Rw-squared	0.007320	Adjust Rw-squared	0.007320
Akaike info criterion	1561.657	Schwarz criterion	1594.115
Deviance	1029.478	Scale	0.814435
Rn-squared statistic	6.049710	Prob(Rn-squared stat.)	0.301412
Non-robust Statistics			
Mean dependent var	-1.893414	S.D. dependent var	10.66397
S.E. of regression	10.70869	Sum squared resid	126602.4

Source: Author's Computations, (2023)

The R_w^2 -value of 0.007, shows that about 1% variation in financial statement fraud (proxy by Beneish M- model) is explained by systematic changes in the auditors' tenure and auditor industry specialization. The Rn-squared statistic of 6.0497 and the corresponding Prob (Rn-squared stat.) of 0.3014 indicate that auditors' tenure and auditor industry specialization have no significant predictive relationship with financial statement fraud. This is because the Prob (Rn-squared stat.) of 0.3014 is greater than 0.05.

Hypothesis One

H₁: Auditors' tenure has significant effect on financial statement fraud of listed non-financial firms in Nigeria.

H₀: Auditors' tenure has no significant effect on financial statement fraud of listed non-financial firms in Nigeria.

Auditors' tenure has a positive coefficient of 0.031896 which means that an increase in Auditors' tenure by 1 unit will increase the financial statement fraud of listed non-financial firms by 0.031896. The null hypothesis was accepted because the prob(z) = 0.6047 for Auditors' tenure is greater than 0.05. In conclusion, Auditors' tenure has no significant positive effect on financial statement fraud of listed non-financial firms in Nigeria at 5% level of significance.

Hypothesis Two

H₁: Auditor industry specialization has significant effect on financial statement fraud of listed non-financial firms in Nigeria.

H₀: Auditor industry specialization has no significant effect on financial statement fraud of listed non-financial firms in Nigeria.

The regression coefficient showed that Auditor industry specialization has a positive coefficient of 0.141470. This implies that an increase in Auditor industry specialization by 1 unit will increase the financial statement fraud of listed non-financial firms by 0.141470. The null hypothesis was accepted because the $\text{prob}(z) = 0.3267$ for Auditor industry specialization is greater than 0.05. In conclusion, Auditor industry specialization has no significant effect on financial statement fraud of listed non-financial firms in Nigeria at 5% level of significance.

Conclusion and Recommendations

This paper ascertained the effect of auditors' tenure and auditor industry specialization on financial statement fraud of listed non-financial firms on the Nigerian Exchange Group from 2011 to 2022. The findings of the study revealed that auditors' tenure and auditor industry specialization have no significant positive effect on financial statement fraud of listed non-financial firms on the Nigerian Exchange Group. This suggests that audits performed by audit firms with a short-term relationship with clients had more audit failures while auditor may become less objective and apply less effort toward the detection of material misstatements when firm tenure is longer, hence auditors' tenure must be moderate in order to avoid unnecessary interfering of the audit firm with the business of its client. The study also suggests that auditor industry specialization does not statistically eliminate financial statement fraud of listed non-financial firms in Nigeria as compared to non-specialist auditors.

The study recommends that regulatory authority should ensure a moderate audit tenure of may be 5 years, to enable the audit firm time to understand client's business, give thorough audit and reduce financial statement fraud. The study also recommends that regulatory bodies should enforce compliance on auditing guidelines by audit firms whether industry specialist or non-industry specialist auditors in order to reduce financial statement fraud.

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EFFECTS OF SUSTAINABLE MARKETING ON BRAND EQUITY IN THE COSMETIC INDUSTRY IN AWKA, ANAMBRA STATE.

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Abstract

Marketers strive to increase brand equity with reference to their products and services in the market. However, it has been observed that low price does not work favourably for a company if it is infamous for non-sustainability. These assets can be grouped into four dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. This work dwelt on sustainability marketing and brand equity in the cosmetic industry. It was based on consumers of cosmetics in Awka, the capital of Anambra State, Southeast Nigeria. The study adopted cross sectional survey and questionnaire was used to collect data from select consumers of cosmetics in Awka metropolis. The sample used was 107 respondents and was based on the number of cases of independent variables. Data collected were analysed with ordinary least squares (OLS) multiple linear regression analysis with the aid Microsoft Excel 2019. This study found that perceived sustainability, social identity of the brands and social transformations have significant positive relationship with brand equity. The implications of the findings were discussed.

Keywords: Sustainable marketing, social transformations, perceived sustainability, social identity brands

Introduction

With rapid globalization, digital revolution, developments in technology in all sectors, limited non-renewable resources, unfair distribution of costs and benefits of economic activities, increase of interest in profits and materialism, and living in VUCA (volatile, uncertain, complex, ambiguous) times (Strategy Company, 2017) (in Borak, 2019), unfortunately, organizations have become more tolerant of unethical behaviour. On the other hand, consumers demand trust, honesty, authenticity, simplicity, speed, healthy products, fairness, transparency, accountability, and social and environmental responsibilities from the organizations. If the image of the company/brand is stained, consumers are shifting to other alternatives which create social value, support relevant causes, and have a brand purpose. Large corporations have become powerful, and since they have the privilege of using many resources of the society for their advantage, they are expected to give certain things back voluntarily; contribute to the improvement of social environment; pay back for the social costs of doing business; and since they

possess the resources and skills, which individuals do not have, they will be able to solve the problems more effectively and efficiently. Borak (2019) stress that all these developments have changed the role of marketing which now requires more accountability than the past; adding that marketers should consider the short- and long-term impacts of their activities on consumers, communities, and environment. Marketing 4.0 by Kotler et al. (2017) is a combination of both traditional and digital marketing, keeping the core elements, but having a sustainability-oriented holistic marketing. For an enduring organization and society, sustainability, as a component of ethical business practice, must balance economic, social, and environmental interactions and deal with specific issues such as responsible investment, sustainable production, sustainable sourcing, sustainable consumption, environmental management, risk management, and sustainable business ethics (Borak, 2019).

Several authors have conducted studies on various areas in sustainability marketing and have employed various constructs in their studies. This study borrows largely from these studies in order to define and conceptualize the present study. For instance, Kang and Hur (2011) employed green trust, green effect and green brand equity among others in their study on antecedents of green brand equity, a sustainable development approach. In an attempt to find out whether corporate social responsibility contribute to strengthen brand equity, Bhattacharya (2017) employed corporate social responsibility (CSR), social identity of the brands, social transformation and customer brand engagement among others; while Chen et al. (2020) looked at perceived sustainability and customer engagement in the online shopping environment. Our study employed perceived sustainability, social identity of the brands, and social transformations to explore the influence of sustainability marketing on brand equity in the cosmetic industry in Awka, Southeast Nigeria. Ng (2010) argued the role of sustainability for a firm and noted that one of the important findings in the area was that consumers hold favourable responses towards companies showcasing sustainability in their functioning. Nkamnebe (2011) highlighted sustainable marketing and its adoption in emerging markets. While stressing that sustainability marketing is important for accessing the global market, Nkamnebe however, emphasized that it is difficult to be adopted by emerging markets due mainly to external influences dominance, poverty, and challenging institutions.

Statement of the Problem

This study is on sustainability marketing and brand equity in the cosmetics industry. It will be based on select consumers of cosmetics in Awka, southeast Nigeria. Hence the problem of the study dwell on brand equity in the industry. Kotler et al. (2017) aver that in order to engage with customers consistently, marketers need to develop and create content that might contribute to their brand equity and improve their sales. Brand equity was defined as the brand assets (or liabilities) linked to a brand's name

and symbol that add to (or subtract from) a product or service (Aakar&Joachimsthaler, 2014). It was also observed that low price does not work favourably for a company if it is infamous for non-sustainability. These assets can be grouped into four dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. Brand equity is strategic, an asset that can be the basis of competitive advantage and long-term profitability and thus needs to be monitored closely by the top management of an organization. The goal of brand leadership is to build brand equities rather than simply manage brand images and sustainability marketing is important in building brand equities.

Objectives of the Study

The main objective of this study is to explore the effect of sustainability marketing on brand equity in the cosmetics industry. The specific objectives are to:

- i. ascertain the impact of perceived sustainability on brand equity in the cosmetic industry;
- ii. find out the effect of social identity of brands on the brand equity in the cosmetic industry; and
- iii. to ascertain the effect of social transformations on brand equity in the cosmetics industry.

Research Questions

The following research questions are formulated for the study.

- i. what is the relationship between perceived sustainability and brand equity in the cosmetics industry?
- ii. how would social identity of cosmetics brand impact brand equity in the cosmetics industry?
- iii. what is the effect of social transformations on brand equity in the cosmetics industry?

Formulation of Hypotheses

The following hypotheses are formulated for the study and are stated in alternate forms only.

- Ha1: There is a strong positive relationship between perceived sustainability and brand equity in the cosmetic industry.
- Ha2: Social identity of brands would significantly and positively impact brand equity in the cosmetic industry.
- Ha3: Social transformations would significantly and positively impact brand equity in the cosmetic industry.

Scope and Significance of the Study

Studies on sustainability marketing have been approached from two perspectives: company perspective and customer/consumer perspective. While company perspective focuses on sustainability marketing orientations of companies, the

consumers' perspective focuses on customers and how they perceive company's products and services to be. Hence the unit of analysis is always the customers. In this study, we adopt the customer perspective and cosmetic consumers will be the participants in this study. The study will not go into sustainability marketing orientations of companies. The significance of the study stem from the fact that sustainability marketing is a topical issue and this study will contribute to that debate and literature on sustainability. Evidences in the literature show that in the near future, only companies with sustainability orientation will thrive as customers show more positive responses and patronise only companies with sustainability intention.

Literature Review

Conceptual Review and Conceptual Framework

Sustainability comes naturally to the Earth, but not so naturally to humankind". Martin and Schouten (2014, p. 3) define it as Human Sustainability and describes it as per following: "being the opportunity for all people to maintain fulfilling, productive lives while preserving or replenishing the natural and economic systems that make their well-being possible". Societies have faced global scandals and currently are dealing with the problems related to business and social ethical issues such as trade secrets, unfair competition, unethical marketing practices, green marketing, and social responsibility. Societies are also confronted with sustainability issues such as unemployment, poverty, injustice, human rights, health care, malnutrition, mistreatment of vulnerable people, environmental issues, energy efficiency, education (Borak, 2019). Concern for and experience to cope up with these problems have changed the mind-set, especially in the marketing and business world, and generated public awareness and interest. In the past, ethics and sustainability issues were not crucial and/or were even perceived as constraints. However, they are now been integrated into the corporate strategy, providing challenges and opportunities leading to competitive advantage, enhancing corporate reputation, and balancing interests of "people, planet, and profits, prosperity, passion/purpose (Borak, 2019). The responsibilities of corporations have been described in three circles: execution of the economic function, awareness of social values and priorities, and newly emerging responsibilities (in Borak, 2019). In line with the Brundtland Report in 1987, the conceptual framework of sustainability was set. According to Borak (2019), the report had three dimensions: environmental protection, economic development, and social equity (fairness and social justice).

Nowadays, even with all existing technology that the humanity has, the world can face the shortage of the natural resources in few years. It was a concern twenty years ago and it is much more now. Sustainability is a mainstream issue in a world where the resources need to be preserved and this worry is evidenced by the growing interest shown in sustainable issues (Gordon, et al, 2011). Hawken (1993, p. 26) notes that: "because the corporations are the dominant institution on the planet, they

must squarely address the social and environmental problems that afflict humankind”. Sustainability has become the word of the moment and increasingly present in different firms. The definitions of sustainability are many, and according Martin and Schouten (2012, p. 2), it is: “the ability of a system to maintain or renew itself perpetually. All of the Earth’s natural systems function this way. Sustainability comes naturally to the Earth, but not so naturally to humankind”. Marketing plays a key role to promote the development worldwide, increasing living standards around the world. In other words, Marketing serves as a resource to support and propagate the sustainable thinking (Fisk 2001).

The brand leadership model encourages the development of brand equity measures to supplement short-term sales and profit figures. Aakar and Joachimsthaler (2014) point out that these measures, commonly tracked over time, should reflect major brand equity dimensions such as awareness, loyalty, perceived quality, and associations. They maintain that identifying brand identity elements that differentiate and drive customer-brand relationships is a first step toward creating a set of brand equity measures. Social and Green Marketing are connected to Sustainable Marketing, as does Corporate Social Responsibility, and this one provides examples of the concern and the organized efforts from the companies and their business to deal with the topics of sustainability.

Maintaining the earth’s ecosystems is not an option; it is a major issue today. Companies must demonstrate how they preserve the environment and the social responsibility to the community. The main focus is to understand the practice of Green Marketing, Social Marketing and Corporate Social Responsibility into a company and analyze its characteristics and effects on the consumers’ behaviour that reflects on brand equity. This study employed perceived sustainability, social identity of brands and social transformations to evaluate the effect of sustainability marketing on brand equity among customers of cosmetic products in Awka, Anambra State. This is shown in the schema and conceptual framework (figure 1).

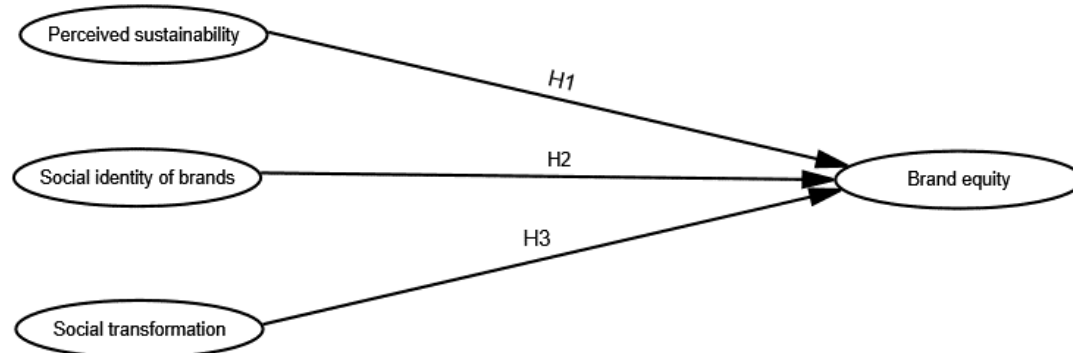


Figure 1: The Research Conceptual framework

From the figure 1, the three variables to the left are the independent variables while the brand equity to the right is the dependent variable.

Perceived Sustainability: Perceived sustainability combines product and service sustainability and is considered from the perspective of a customer concerns about whether products and services are based on materials that are considered environment-friendly materials (Leonidou et al., 2013). Hence, from the point of view of sustainability, Chen et al. (2020) defined perceived sustainability as a customer's perception of the environment related characters and performances of a product and/or service. As firms increasingly provide sustainable products and services in response to customers' environment concerns (Leonidou et al., 2013), numerous studies have discussed the effects of product/service sustainability on customer relationships. For instance, Chen et al. (2020), found positive effects of the perceived sustainability of products and services on customer satisfaction in the online shopping environment. The extents of the effects according to them are however, are different as the results show that product sustainability has a higher effect on satisfaction than online shopping service sustainability. The present study relied on perceived sustainability and brand equity in the cosmetic industry.

Social Identity of Brands: Social identity of the brands always has a strong effect on consumer brand selection (He et al. 2012); as it strengthens the consumer brand fit (Berné-Manero et al., 2016). Social identity of the brand relates to how a brand is visibly responsible towards the society that it always grabs attention of the potential buyers (Bhattacharya & Kaursar, 2016). According to Bhattacharya (2017) it happens because of the positive commitments of the corporate house towards the social development through systematic implementation of CSR initiatives. Bhattacharya (2017) found that CSR and social identity of the brand are positively associated; and those social transformations and social identity of the brand are positively linked. This present study utilized social identity of the brands as one of the independent variables to assess its impact on brand equity in the cosmetic industry.

Social Transformations: Sustainability marketing is ecological and social problems, both in general and in relation to products and services. Numerous brands are putting their effort to be associated with the consumer and the society at large through social transformations (Bhattacharya, 2017). Corporate social responsibility (CSR) has become one of the major platforms to relate and communicate with the prospective buyer by highlighting the greatness of the brand's social commitments, value additions and its honest contributions is social transformations (Bhattacharya, 2017). Brand social linkages show how the brand is generating social trust, social support and how the society is generating positive stories about the brand (Bhattacharya, 2017). The research that reveals these problems is usually concerned with investigating ecological and social problems at local, national and international

levels (Belz & Peattie, 2013). Consumer brand engagement can be viewed as how brand is becoming the topic for discussion within the society in terms of UGC (user generated content) at social media, word of mouth, and how the brand is able to generate social currency with the consumer community and emotional connect with the brand. Brand social linkage and consumer engagement jointly support the brand for enhanced brand equity through brand love, respect, and recall (Bhattacharya, 2017). It was established that social transformations strongly associate with social identity of the brand, that is how the brand is positioned in the society (Bhattacharya, 2017). Our study employed social transformations as one of the independent variables to explore its effect on brand equity in the cosmetic industry.

Empirical Review

Lucic (2020) explored how sustainable marketing orientation (SMO) should be properly implemented in an organization built on the theoretical model of market-oriented sustainability. The author collected data from 112 respondents that resulted the item purification and exploratory factor analysis, which confirmed three dimensions of SMO: strategic integration, societal engagement and ethical capabilities. The main study consisted of 174 respondents and confirmed the measurement instrument, which contains three subscales proposed by the theoretical model, each containing six, five and four items, respectively, with high degrees of proven reliability and validity. The paper confirmed and further explored the framework of multidimensional SMO; the measurement tool captured the actual implementation of the construct in practice, allowing it to be investigated across industries.

In a study on corporate social responsibility (CSR) and whether it strengthens brand equity Bhattacharya (2017) argue that CSR is one of the most vital components in the modern, competitive and complex business arena, contributing highly towards economic, social and environmental sustainability. The research was based on a sample of 386 respondents based on stratified sampling. Structural equation modelling and path analysis was used for data analysis the research contributed to literature in the domain of CSR and branding. The findings of the study show how CSR significantly contributes towards social transformations along with building of the social identity of the brands by generating brand social linkages and consumer brand engagement for higher brand equity.

Pooja et al. (2022) study point to the fact that consumers worldwide are becoming conscious of sustainability and that this has challenged marketers to cater to their needs, hence the shift towards sustainability marketing. The study reviewed research articles under the ambit of sustainability marketing, published from 2001 to 2022 using Harzing Publish or Perish software. The study shows that the environmental dimension is studied more than any other dimension. In addition, the findings also

represent a theoretical framework, wherein it traced the evolution of the sustainability concept, including some most researched aspects, and countries that have contributed the most to the study to area sustainability.

From the above, we see that diverse studies have employed diverse constructs to study the multi-faceted area of sustainability among diverse product categories. Not much have been conducted in the area of sustainability marketing in the cosmetic industry in Nigeria generally and in Awka, South-east Nigeria in particular.

Methodology

Quantitative research methodology was adopted in this study and this involves collecting data with structured questionnaire and analysing quantitatively. The study also adopted survey research design and this type of survey adopted is the cross-sectional survey research since data was collected at a period within the first quarter of 2023. The data was collected from customers of cosmetics products in Awka metropolis and the questionnaire was majorly distributed at event centres and notable shops that deal on cosmetics. The aim of this is to have fairly good representation of the cosmetics consumers. Quota sampling method was used which also meant that different segments of the cosmetics market in Awka were represented in the sample. The study was based on three predictor variables: perceived sustainability, social identity of the brand, and social transformations as well as brand equity which is the dependent variable. Three core predictor variables were measured with a number of items each using five-point Likert scale of strongly agree, agree, undecided, disagree and strongly disagree. All the items were measured with five-point Likert scale. Four socio-demographics: gender, age, education and occupation were included in the study. The population of the study includes all users of cosmetics products and is infinite. The sample size was determined using the **Rule of Thumb** which relates to the number of cases, that is the number of IVs (see: Tabachnick & Fidell, 2013). This study has three independent variables (IVs) hence the sample size is: $n = 104 + m$, where 104 is a constant and m is the number IVs. The sample size is $104 + 3$, which is 107 respondents. The copies of the questionnaire were distributed to the respondents on intercept basis; that is stopping a respondent and seeking for assistance in responding to the questionnaire. Where the person says no, another person is approached and so on. Discriminant validity was checked using inter-item cross correlation while reliability was checked using Cronbach alpha statistics. The data collected were analysed with multiple linear regression (MLR) analysis which is a parametric regression and this was done with the aid of Microsoft Excel 2019 version.

Results and Discussions

The sample size for this study is 107 respondents out of which 96 respondents representing approximately 89.72% of responses were returned as duly filled and usable. The response rate is quite for a study of this nature and was informed by the

method of distribution adopted by the researcher, which is the intercept method. Four socio-demographic variables were used in the study: gender, education and occupation. On gender, 69(71.9%) are males while 27(28.1%) are females. The results also show that 55(57.5%) of the respondents are within 20-30 years age bracket; 29(30.6%) fall within 31-40 years age bracket; 7(7.0%) are within 41-50 years age bracket while the only 5(4.8%) are above 51 years. On education, 9(9.0%) have basic education, 14(14.6%) have ND/NCE, 46(48.3%) are holders of HND and BSc, while 27(28.1%) are holders of postgraduate qualifications. The implication of this is that the respondents are reasonably educated to appreciate the import of the study and gave valid information. Lastly on occupation, 68(70.8%) of the respondents are civil/public servants, 23(23.6%) are private firm's employees while 5(5.6%) are self-employed. Our respondents are balanced among the various employment categories. The implications of these are that our respondents comprise majorly young and middle age who are internet and social media savvy; and that majority of the respondents have reasonable education to understand the import of the study. The next thing is that we look at the discriminant validity of the constructs using correlation matrix, that is inter item correlation.

Discriminant validity analysis

	<i>PS</i>	<i>SloB</i>	<i>ST</i>	<i>BE</i>
Perceived sustainability	1			
Social identity of the brands	0.588253	1		
Social transformations	0.342663	0.57913385	1	
Brand equity	0.556134	0.38243975	0.492945	1

The correlation matrix or inter-item correlations above was employed to check for collinearity and discriminant validity. High correlation of 0.7 and above between a DV and IV is good but high correlations between IVs of 0.7 and above show signs of collinearity (see: Pallant, 2016). The correlations between IVs as shown are below the 0.7 threshold hence there is no problem of collinearity in our constructs. This is also an indication that our variables/constructs have discriminant validity and therefore merit further analysis. The next thing we look at is the reliability analysis.

Reliability Analysis with Cronbach Alpha

Constructs	Number of Items	Cronbach Alpha
Perceived sustainability	6	0.825
Social identity of the brands	4	0.778
Social transformations	4	0.814
Brand equity	5	0.901

Cronbach alpha statistics/correlation was employed to check internal reliability and consistency between the construct items. As shown in the above, all the three IVs and the DV have Cronbach alpha well above the 0.6 threshold value of 0.6 and this is an indication that our items and their constructs have internal consistency reliability and therefore merit further analysis. No item or construct need to be eliminated in further analysis. The next is the MRA analysis and hypotheses validation.

SUMMARY

OUTPUT

<i>Regression Statistics</i>					
Multiple R	0.71254421				
R Square	0.50771925				
Adjusted R Square	0.48455310				
Standard Error	0.52532542				
Observations	96				
<i>ANOVA</i>					
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	4	24.19282237	6.048206	23.46312	1.8738E-12
Residual	91	23.45717763	0.257775		
Total	95	47.64			

The first output/information from MRA is Model Summary and from this we see that Multiple R that is coefficient of multiple correlations is 0.713 which is high. The coefficient of determination (R Square) is 0.5077 while the Adjusted R Square is 0.4846. This means that between 48.5% to 50.8% of variations in brand equity are accounted for by the three independent variables. ANOVA as part of regression output provides the statistical test for the overall model fit in terms of the F ratio (Hair et al. 2010). This is equivalent to the null hypothesis that all correlations between dependent variable (DV) and independent variables (IVs) are zero. For this analysis our F ratio is 23.463 which is significant at .000 hence the null hypothesis that Multiple R between IVs and DV are zero is rejected. Based on this we proceed to interpret the coefficients and use them to validate the hypotheses.

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	-9.556E-05	0.423272236	-0.00023	0.99982	-0.8416742	0.841483
Perceived sustainability	0.25300372	0.09482286	2.668172	0.009132	0.06447047	0.441537
Social identity of the brands	0.45668282	0.141275345	3.232573	0.001747	0.17578958	0.7375761
Social Transformations	0.13113607	0.055447977	2.365029	0.013486	0.03245712	0.3161816

Perceived sustainability ($\beta = 0.253$; $t\text{-value} = 2.668$; $p\text{-value} = 0.009$), the p -value is well below the 0.05 margin of error and the 95 per cent confidence interval has no zero in-between hence Hypothesis One is validated and accepted. Social identity of the brands ($\beta = 0.457$; $t\text{-value} = 3.233$; $p\text{-value} = 0.002$), the p -value is well below the 0.05 margin of error and the 95 per cent confidence interval has no zero in-between hence, Hypothesis Two is fully validated and accepted. Social transformations ($\beta = 0.131$; $t\text{-value} = 2.365$; $p\text{-value} = 0.013$), the p -value is well below the 0.05 margin of error and the 95 per cent confidence interval has no zero in-between hence, Hypothesis Three is fully validated and accepted.

Discussion

This study found that there is a significant positive relationship between perceived sustainability and brand equity thus contributing to the increasingly discourse that firms provide sustainable products and services in response to customers' environment concerns. Leonidou et al.(2013), maintain that numerous studies have discussed the effects of product/service sustainability on customer relationships. For instance, Chen et al. (2020), found positive effects of the perceived sustainability of products and services on customer satisfaction in the online shopping environment. Our finding shows that there is a significant and positive relationship between social identity of the brands and brand equity. This finding is in line with Bhattacharya and Kaur sar (2016) social identity of the brand relates to how a brand is visibly responsible towards the society that it always grabs attention of the potential buyers. Our study established that there is a significant and positive relationship between social transformations and brand equity among the cosmetics consumers/customers in Awka metropolis. It was established that social transformations strongly associate with social identity of the brand, that is how the brand is positioned in the society. Brand social linkage and consumer engagement jointly support the brand for enhanced brand equity through brand love, respect, and recall (Bhattacharya, 2017). Pooja et al. (2022) study point to the fact that consumers worldwide are becoming conscious of sustainability. This has compelled marketers to cater to their needs, and thereby shift towards sustainability marketing. However, Nkamnebe (2011) argued that sustainable marketing and its adoption in emerging markets is difficult to be adopted by emerging markets due mainly to external influences dominance, poverty, and challenging institutions. This calls for government actions towards addressing these issues hampering sustainability.

Conclusions and Implications

This study is on sustainability marketing and brand equity in the cosmetics industry. It was based on select consumers of cosmetics in Awka metropolis, Southeast Nigeria. Hence the issue is on brand equity in the industry. Brand equity refers to the brand assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service. This study found that there is a significant

positive relationship between perceived sustainability and brand equity. This study found that there is a significant positive relationship between perceived sustainability and brand equity. Our study established that there is a significant and positive relationship between social transformations and brand equity among the cosmetics consumers/customers in Awka metropolis. Social transformations strongly associates with social identity of the brand, that is how the brand is positioned in the society. So, for cosmetics marketers, positioning their brands in society is a good way to enhance brand image equity. Brand social linkage and consumer engagement jointly support the brand for enhanced brand equity through brand love, respect, and recall (Bhattacharya, 2017). Consumers generally are becoming conscious of sustainability and this has compelled marketers to cater to their needs, and thereby shifting towards sustainability marketing. It was also observed that low price does not work favourably for a company if it is infamous for non-sustainability. These assets can be grouped into four dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. Brand equity is strategic, an asset that can be the basis of competitive advantage and long-term profitability and thus needs to be monitored closely by the top management of an organization. The goal of brand leadership is to build brand equities rather than simply manage brand images and sustainability marketing is important in building brand equities.

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SECURITY CHALLENGES AND NATIONAL DEVELOPMENT: EMPIRICAL EVIDENCE FROM NIGERIA

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Abstract

The study was set out to assess the effect of insecurity on economic growth with particular focus on Nigeria. The study identified activities of Boko haram, Fulani herdsmen, banditry, Unknown Gun Men as the major security challenges ravaging Nigeria while economic growth was proxy using foreign direct investment, gross domestic product and life expectancy of citizens. Primary data which was obtained through questionnaire was analyzed using T-test aided by SPSS version 23. Findings revealed that insecurity has made significant negative effects on the socio-economic lives of citizens living in Nigeria. The study recommended that the root cause of insecurity such as religious extremism, illiteracy, unemployment, nepotism should be urgently addressed. Again it recommended that the government of Nigeria should be sincere in its fight against insecurity and stop attaching religious and ethnic sentiments to the very serious issue ravaging the entire country. Finally the need to restructure the country and addressing the issue of resource control, state policing and equal representation of every region in the national assembly should be addressed to douse the agitations in the southern Nigeria.

Keywords: *Insecurity, economic growth and development, Nigeria*

Introduction

The primary responsibility of every government is the protection of life and property of its citizens. Section 14 (2) (b) of the 1999 Constitution of the Federal Republic of Nigeria, as amended, provided that the security and welfare of the people shall be the primary purpose of the government. This is so because security of life and property play very important role on the socio-economic lives of the people living within the territory. But it is instructive to note that there cannot be growth in the economy without secured socio-economic activities to stimulate it. As rightly put by Adebayo (2014) among the many factors that determine the economic growth of a nation, security is of utmost important as investors in any economy want to be assured of the safety of their investments.

For over a decade, Nigeria has been weighed down with insecurity challenges, ranging from activities of Boko Haram, Fulani herdsmen, Bandits, ISWAP to unknown gun men who have been terrorizing, killing, maiming and destroying properties worth billions of naira almost on daily bases. Economic activities that will propel growth and development are seriously affected. Insecurity increases the risk of doing business to the extent that investors,

who are to facilitate industrial growth and employment generation, are discouraged due to unfavorable business environment in which insecurity and investment may not coexist without friction. For instance, parents are of the view that it was no longer save to send their children to school due to reported cases of kidnapping of school children by boko haram terrorist just as farmers are of the view that it was not save to go to farm due to constant attacks on farmers by Fulani herdsmen. Again frequent kidnapping of travelers on the high ways either for ransom or ritual purpose as well as attacks at worship centers, recreation centers, market places, military formations etc may have somehow impacted on the economic activities of the nation. In 2019, Nigeria was ranked 3rd after Afghanistan and Iraq who came 1st and 2nd respectively, out of a total of 138 countries in the Global Terrorism Index.

According to Boma (2021), in view of the insecurity challenges rocking Nigeria, statistics of unemployed youths and graduates in the nation has been rising to an alarming rate, couple with the lack of basic development infrastructures like motor able road, health care facilities, electricity etc to enhance the industrialization of the nation in order to create employment opportunities. This has crippled efforts to drive the economic resurgence of the 7th most populous nation in the world. How to end insecurity in Nigeria has remained a one million question that is still begging for answer (Callista, 2015, Adebayo, 2014). It is generally believed that the recent high cost of living and deaths in Nigeria may be attributable to insecurity ravaging the country in alarming proportion even on daily basis. Somehow the effect of insecurity on economic growth and development in Nigeria has not been fully accessed, hence the need for this study.

Objective of the study:

The main objective of this research is to assess the effect of insecurity on growth of the Nigerian Federation. While the specific objectives are:

- To assess the effect of insecurity on Foreign Direct Investment (FDI)
- To assess the effect of insecurity on Gross Domestic Product (GDP)
- To assess the effect of insecurity on Life Expectancy (LE)

Research Hypothesis

Ho: Insecurity has no significant effect on nation's Foreign Direct Investment

Ho: Insecurity has no significant effect on nation's Gross Domestic Product

Ho: Insecurity has no significant effect Life Expectancy Index of the Nation.

Conceptual Review

While security is the guarantee to the safety of human life and resources, insecurity is the absence of the assurance that human life and resources are save. It is the state of fear or anxiety resulting from a concrete or alleged lack of protection (Beland, 2005).

Although criminal activities has been witnessed in Nigeria as far back as the country was created, a new dimension was birthed with the emergence of boko haram, the nefarious activities of herdsmen suspected to be foreign Fulanis and the killing spree of unknown gun men.

Boko haram simply means western education is evil. The philosophy of boko haram is to do away with the national constitution and uphold the Islamic sharia law. As put by Nwanegbo & Odigbo (2013), it is a “home-grown” terrorist group that is suspected to be enjoying the support of some elements in the Northern part of Nigeria. Another group causing insecurity in Nigeria is the cattle herdsmen.

Foreign Fulani Herdsmen are nomadic cattle herders who move around with sophisticated weapons. They came into limelight in 2015 and since then a lot of wanton destruction of lives and properties have been credited to them.

Unidentified gun men. These are terrorists groups with no known identity but whose activities are similar with that of boko haram and the herdsmen as discussed above. They are simply referred to as Unknown Gun Men (UGM) due to the fact that they have hidden identity and have never come out in the open, unlike Boko Haram and the herdsmen, to take responsibility for any attack on particular target. Attacks of the unknown gun men have frequently been targeted at government institutions like INEC, Police and the Military. Some politically exposed persons in the society have also been attacked at one time or the other.

Economic Prosperity

Sabrina Jiang (2020) viewed economic growth to include increase in the amount of physical capital goods, technological improvement, growth in labour force and increase in human capital. While Kazeem (2014) identified labour, life expectancy, degree of openness and *economic freedom* as *factors affecting* economic growth.

In this study we defined economic prosperity in terms of positive contribution of Foreign Direct Investment, growth in the Gross Domestic Product and Improved Life Expectancy of citizens.

A foreign direct investment (FDI) is a purchase of an interest in a company by a company or an investor located outside its borders, (Investopedia Team, 2021). Foreign Direct Investment will accrue to a nation that could provide safe environment for investors to do business. The home industries too need safe environment to operate.

Economic growth is the increase in the value of goods and services produced by economy over a given period of time. It is conventionally measured as the percent rate of increase in real gross domestic products (Ezeala, Okeke & Akunna, 2021).

Life expectancy is the estimated number of years remaining for an individual or group of persons before death. Statistically, life expectancy, according to Wikipedia, is the mean number of years remaining for an individual or a group of people at a given age.

Our study is focused on how Insecurity could affect any of the elements of economic growth as highlighted above.

A good deal of studies have been carried out on insecurity in Nigeria, Abraham (2019) pointed out that increasing poverty, unemployment, poor housing facilities, diseases, poor medical care and total collapse of social security among other things have remain major setback to economic growth and development in Nigeria today. He argued

that despite the abundant natural and human resource in the country majority of her citizens still live in abject poverty due to faulty policies being pursued by the government. Using the theory of causality, the study concluded that economic deprivation, frustration, and desperation among the youths especially the lower-class are the underlying causes of national insecurity in Nigeria today. It recommended that insecurity that has pervaded the nation rest on the need to address the issues of economic poverty and social deprivation of the masses by increasing the basic necessities of life.

Adeleke (2013) who assessed insecurity as a threat to human existence and economic development in Nigeria, attempted to examine the causes of insecurity in Nigeria, the effort made by the Nigerian government in addressing insecurity and fostering peace as well as the effect of insecurity on the citizens and the nation's economy at large. The researcher was of the view that in Nigeria, insecurity has become a hydra headed monster which security agents in Nigeria appear incapable of handling vis a vis its multifaceted manifestations like bombing, kidnapping/hostage taking, destruction of property, creation of fear, to mention but a few. On the causes of insecurity the study concluded that refusal of power to shift from the north to a minority geo-political zone of Southern Nigeria due to lack of trust is currently on top in the list of issues that are instigating groups and individuals against the interests of the state. Intra/inter-party rancor, porous boundaries; unemployment, jobs racketeering and illiteracy were also mentioned as other factors responsible for insecurity in Nigeria. The study revealed that insecurity has some negative effects on the general well being of the people with its resultant effects in the areas of illnesses; low life expectancy; low quality of life and even death. Again it concluded that insecurity has successfully uprooted the ease of doing business in Nigeria leading to the destruction of business, properties and equipments; relocation and closing down of businesses. The study recommended that the Nigerian government should allow for dialogue through the convocation of a conference of ethnic and minority groups to fine-tune a more peaceful way-forward for Nigeria.

Adebayo (2014) made a critical review of the effect of Boko Haram Terrorism on National Development in Nigeria. He submitted that the Boko Haram brought in the act of terrorism into Nigeria with their characteristics trademark of wanton destruction of lives and property with reckless abandon, through bombings, kidnapping for ransom and slaughtering of human beings like rams, especially those who do not share the same ideology, of establishing a sharia state, with them. The researchers identified illiteracy, unemployment, insincerity on the part of government etc as causes of insecurity. The study concluded that insecurity has caused enormous damage to the economic development of Nigeria and has led many to early graves. The study suggested that Nigerian government should be serious in her fight against insecurity by intensifying effort in intelligent gathering, proper regulation of influx of immigrants and aliens into the country. They also recommended that, instituting programmes that will alleviate poverty in the land, putting in place policies that will create jobs and encourage youths to be independent and self employed will go a long way in addressing the challenge of insecurity in Nigeria. Finally it recommended that terrorism must be seriously discouraged by ensuring that they are adequately punished and not the style of releasing them in the guise that they have repented while the war against terrorism is still ongoing.

The study conducted by Calistar (2015) focused on the implication of insecurity and terrorism acts on national development from 1990 to 2012. Calistar (2015) identified terrorism activities in Nigeria to include bombing, suicide bomb attacks, sporadic shooting of unarmed and innocent citizens, burning of police stations, churches, kidnapping of school girls and women, e.t.c. Kidnapping, rape, armed robbery and political crises, murder, destruction of oil facilities by Niger Delta militants alongside the attacks carried out by Fulani Herdsmen on some communities in the North and South. The researcher submitted that so many lives and properties have been lost and a large number of citizens rendered homeless. A lot of families have lost their loved ones due to insecurity leading to increase in the number of orphans, widows and widowers, while some families are completely wiped out. Government had made frantic efforts to tackle these challenges posed by terrorism and insecurity in the country and put an end to it but the rate of insurgency and insecurity is still increasing in alarming rate. Obtaining secondary data from Central Bank of Nigeria (CBN) statistical bulletin, Newspapers and related journal articles on security issues, the study deployed ordinary least square method to analyze the data. Findings showed that (1) terrorism and insecurity have negatively affected the nation's economic development by forcing government to divert resources meant for development purposes to security votes. (2) Government expenditure on security matters had significantly and positively impacted on economic development implying that expenditure on security matters has helped to ameliorate the negative effect of terrorism and insecurity despite the fact there is a crowding-in effect of security expenditure on economic development. The study recommended that government should declare war on terrorism and seek help from international communities who have in the time past faced this kind of challenge and were able to tackle it.

Ebeh (2015) made a critical review of the relationship between national security and national development. The researcher described security and development as two sides of the same coin that must coexist. He identified injustice and corruption, on the part of government across the three levels, as the two major factors undermining the security of any nation including Nigeria. The study viewed injustice in the area of resource allocation and unaddressed environmental degradation of host communities to have led to violent eruption particularly in the Niger Delta.

Defining corruption as dishonest or illegal behaviour especially of people in authority, the study argued that as the Nigerian society continues to honour and recognize people who became rich through dubious and questionable means it sends wrong signals that crime pays. This often discourages hard work and honesty and encourages others to take crime as a way of life. They highlighted poverty, religion extremism and collapse of infrastructure as other factors that breed insecurity in the land. The study recommended dialogue, respect for agreement earlier reached, equity in resource allocation, proactive intervention to address likely to undermine security, patriotism and self involvement on issue of security.

Folashade (2002) had argued that unemployment, religion extremism, election fraud, allegiance to ethnic-group, intra-cultural and inter-ethnic antagonism, hostility, aggression, bitterness, hatred, mistrust in the country have one way or the other contributed to violence which in turn results to insecurity. By means of descriptive analysis of related literature, the study concluded that insecurity has negatively impacted on the national development

leading to destruction of properties and loss of lives. They recommended, among others, the following: The need to promote policies which will reduce the level of poverty and ensure equity in the distribution of resources among the citizens. The need to pursue and prosecute elites who have committed large scale corruption against the nation in the past, and their ill-gotten assets seized to serve as deterrent to others who are considering to tow that path. The need provide employments to redirect the energies of our youths from crime, cultism and other vices towards more useful pursuits and other practical endeavours. The need to educate and enlighten Nigerians on the need to develop and promote the culture of tolerance and peaceful coexistence with people of different backgrounds.

Ezeala & Afolalu (2022) examined government expenditure on security as a prerequisite for achieving sustainable economic growth and development in Nigeria. They proxy economic growth with Gross Domestic Product (GDP) and Human Development Index (HDI). Time series data from 1994 to 2020 was sourced from Central Bank of Nigeria publications and World Bank World Development Indicators (WDI). Using Analysis of Variance (ANOVA) to test the impact of government expenditure on security on economic growth and development at 0.05% level of significance for significance determination, they concluded that government expenditure on security has some significant effect on economic growth and development. The study therefore recommended more spending on security so as to sustain the gains already achieved.

Tracing the era of militancy in the Niger Delta to the time of Jaja of Opobo, Ovonramwen Ogbaisi of Benin establishing that the British interest in the Niger Delta or Oil Rivers goes back to 1851 earlier before the 1885 proclamation of the region as a British protectorate, Gubak & Bulus (2018) assessed national security challenges and sustainable development in Nigeria with particular focus on the Niger delta region. The study posited that the security challenges in Nigeria specifically in the Niger Delta region, have long historical antecedence. The study identified the conflicts in the Niger Delta region as consequences of several years of exploitation, neglect and deliberate abandonment of the region by successive governments and oil multinationals. The exploitation and neglect of the host communities resulted into various categories of insecurity such as kidnapping for ransom, oil bunkering, struggle for resource control etc. The study revealed that the conflict and violent agitations in Niger Delta have claimed many lives, others displaced and properties worth billions of dollars have been destroyed rendering the region one of the most dangerous zones to live in Nigeria today. The study went further to reveal that the resultant loss of lives, destruction of valuable government facilities and rising budgetary spending on security have caused some devastating consequences on sustainable economic development in the country. They recommended the formulation of and effective implementation of policies that will address the root causes of insecurity in the Niger delta region and that more efforts should be made by the federal government as well as the oil companies to improve the quality of human lives in the region and the nation at large.

Ndubuisi & Theresa (2019) assessed Insecurity in Nigeria: the Implications for Industrialization and Sustainable Development. The study highlighted activities of Fulani Herdsmen; Boko Haram Insurgencies, Armed Robber Attacks, kidnapping, political/religious crisis, murder, destruction of oil facilities by Niger Delta militants, Child Abduction/ Trafficking destruction of vehicles; burning of churches, police stations,

schools, hospitals, clinics, shops, army barracks and residential houses; abduction of expatriates as constituting insecurities in Nigeria. They noted poverty, unemployment, illiteracy, religion extremism, porous border, lack of trust and more as causes of insecurity. Secondary data on number of attacks between 2009 and 2018 were obtained via the internet, library, and other documented materials relevant to the study. Their study revealed that insecurity is a pivotal factor hindering the growth of industrialization and sustainable development in Nigeria. They concluded that industrialization and sustainable development is only possible when the challenges of insecurity are successfully addressed. The study recommended that Government be sincere addressing issues bordering on injustices, marginalization, nepotism, discrimination etc. Again government should make and execute policies that will encourage business activities and sustainable development

A Survey on insecurity and Nigeria's Socio-Economic Development was carried out by Wojuade (2021). The itemized factors fuelling insecurity in Nigeria to include: inability of government to deliver on basic needs, poverty and marginalization of some persons, ethno-religious conflicts, politically motivated violence, unemployment, cultism and terrorism. Primary data was obtained through four scale likert questionnaires administered on one hundred and fifty respondents. Using descriptive method of analysis, findings show that insecurity has some negative effect on socio-economic development in Nigeria. It has discouraged local and foreign investment as it makes investment unattractive to business people, close down businesses that were initially flourishing and wasted many lives. Again it was found that insecurity in Nigeria has resulted to Social dislocation and population displacement, created social tensions and new pattern of settlements which encourages Muslims/ Christians or members of an ethnic group moving to Muslim/Christian dominated enclaves, heightens citizenship question which encourages hostility between indigenes and settlers, created general atmosphere of mistrust, fear, anxiety and frenzy, dehumanization of women, children, and men especially in areas where rape, child abuse and neglect are used as instruments of war; Deepening of hunger and poverty in the polity. They recommended the creation of an economy with relevant social, economic and physical infrastructure for business operations to thrive thus leading to industrial growth. This, they hope, will provide gainful employment, high level of educational facilities, and medical care for the people.

Nwanegbo & Odigbo (2013) assessed the effect of boko haram activities on national development in Nigeria. The researchers identified unemployment, illiteracy and religious extremism as causes of insecurity in Nigeria. Findings showed that although security has been a big challenge in Nigeria's effort to achieving economic development, Boko Haram insurgence has compounded the existing threatening security situation in Nigeria. They recommended that government and stakeholders to explore alternative avenues (basically dialogue) rather than force to finding lasting solution to the security lapses and the menace of Boko Haram. This is in tandem with Udeh & Ihezue (2020) who recommended effective leadership and good governance as a panacea to solving the problems of unemployment, poverty and illiteracy which they considered as causes of insecurity in Nigeria.

Ogadimma (2017) examined the relevant issue of insecurity in Nigeria and its implication on socio-economic development in Ilorin metropolis. They argued that unemployment, poverty, ethno-religious conflict, political conflict, porous border etc are the major causes

of insecurity in Nigeria. They obtained primary data, which was later analysed using descriptive statistics of frequency and percentages, by means of questionnaire administered within Ilorin Metropolis in Kwara State. The study revealed that insecurity has influenced socio- economic development negatively, about 44.2% of the respondent gave their understanding of insecurity as fear of attack and presence of violence, about 40.8% of the respondents who are traders said, testified that their shops have been looted at one time or the other. On the causes of insecurity, about 6.1% of the respondents said Ethno-religious conflict is the cause of insecurity, 24.2% of the respondent are of the opinion that terrorism is the cause of insecurity, 26.5% of the respondents are of the opinion that our nonchalant attitude towards our borders allows illegal migrants especially from neighboring countries like Chad, Cameroon which contributes to the cause of insecurity, 15.9% of the respondent are of the opinion that systemic and political corruption is the cause of insecurity. The study concluded that insecurity has negatively impacted on the socio-economic lives of the people, thereby affecting economic growth and development of the nation.

Ewetan & Urhie (2014) submitted that insecurity in Nigeria has retarded socio economic development in Nigeria in various ways which include: Social dislocation and population displacement, Social tensions and new pattern of settlements which encourages Muslims/Christians or members of an ethnic group moving to Muslim/Christian dominated enclaves, Heightens citizenship question which encourages hostility between indigenes and settlers, dislocation and disruption of family and communal life, general atmosphere of mistrust, fear, anxiety and frenzy, dehumanization of women, children, and men especially in areas where rape, child abuse and neglect are used as instruments of war, deepening of hunger and poverty in the polity.

Ozoigbo (2019) reviewed the genesis, consequences and panacea to insecurity in Nigeria, The study identified, amongst so many other factors, illiteracy, unemployment/joblessness, poor leadership, porous nature of our borders, proliferation of arms, non-compliance with the rule of law as the major causes of insecurity in Nigeria. By means of descriptive analysis, the study concluded that insecurity has negatively affected the development of the country. They noted underdevelopment, poverty, hunger, insurgency, militancy, youth restiveness, kidnapping, armed robbery, fear, drug abuse, political thuggery, etc as consequences of insecurity. The study recommended sincerity of purpose and undivided commitment on the part of the leadership of the country. It maintained that the issue of security is the concern of everybody both the leaders and the led and all are beckoned to contribute to its sustenance. It stressed the importance of reliable and genuine information from the citizenry to the government and the need for government to protect the identity of the informant. Furthermore, advised the government to listen to the citizens and address the contentious issues being raised which contributed to insecurity, they recommended that the country be restructured as demanded by most of the populace, implementation of community policing to tackle insecurity from the grass root, genuine enforcement of rule of law and quality leadership and spirit of nationalism to be enshrined in the minds of the citizenry.

Pulla & Wilson (2020) examined the impact of national insecurity on economic growth in Nigeria. They identified kidnapping, robbery, and activities of Fulani herdsmen, ethno-religious crisis and Terrorism as causes of insecurity in Nigeria. They obtained secondary

data from the statistical bulletin of the Central Bank of Nigeria (CBN), National Bureau of Statistics and OPEC annual report. The researchers used descriptive analysis to explain the data gathered for the study. Quoting Nnamdi (2007), the descriptive analysis is usually used to verbally summarize the data generated in a research. It calls for detail explanation and illustrative description, that generates meaningful results. Their findings showed that insecurity has impeded the attainment of sustainable economic growth in Nigeria. It further revealed that insecurity has caused some drastic decline in economic activities in all the six geo-political zones in the country. They recommended that government should develop strategies to enhance good governance, increase government expenditure on security, put in place workable anti-terrorism measures, and build strong and legitimate institutions that can safely curb the menace of insecurity in the country.

Jeremiah (2016) in his study on poverty, insecurity and national development in Nigeria argued that insecurity in Nigeria emanated from poverty, socio-economic disparity, illegal possession of fire arms, lack of transparency and accountability by the government, nepotism and ethnic favoritism, and unlawful arrest and detention. To overcome the challenge of insecurity, the study recommended, among others (1) the provision of basic infrastructure and services that are efficient at affordable to the common man (2) the need for greater investment in human capital development especially in areas like education, housing, health care and other social services. This will increase the productivity of the poor and make the state less vulnerable to menace of insecurity in the country (3) the need to address proliferation of fire arms to reduce the availability of weapons often used in committing all manner of crimes and terrorisms (4) the for accountability and transparency by the government and need to review those policies that do not favour the citizens so as to prevent officials who use state policies for criminal ends

Methodology

The study adopted survey research design. Survey research is appropriate when we are studying large and small population usually as sample that are representative of such population in order to discover the relative incidence, distribution and inter relationships (Osuala 2005). Data was obtained from questionnaire administered on a sample of 132 respondents selected randomly from a population generated online. The question was designed using the five points likert scale such that respondents indicate the extent to which they agree or disagree with each of the question.

Data collection and Analysis

Data obtained for the research work is shown in appendix 1, 2 and 3 while the mean score for analysis is presented in tables 1, 2 and 3 below. Researchers adopted one sample T-test to test hypotheses of the study. Application of one sample T-test is appropriate when the desire of the researcher is to compare the mean score found in an observed sample to some hypothetical value.

The one sample T-test is considered appropriate for this study because researchers wish to determine whether the mean of the sample (responses) differ significantly from the hypothesized mean of 3 that represents the population mean. A mean score of 3 and above is considered to be an acceptable mean score while a mean score of any other number below 3 is considered unacceptable mean score and therefore rejected.

The rule is to accept the null hypothesis and reject the alternative hypothesis if p-value from the test statistics is greater than 0.05 at 95% degree of freedom.

Table 1

Mean Response on Insecurity and Foreign Direct Investment (FDI) in Nigeria

Question	Mean Response
1	4.4469697
2	4.43939394
3	4.58333333
4	4.33333333
5	4.53030303

Source: Authors' computation

Table 2

Mean Response on Insecurity and Gross Domestic Product (GDP) in Nigeria

Question	Mean Response
6	4.43181818
7	4.51515152
8	4.15909091
9	4.62878788
10	4.73484848

Source: Authors' computation

Table 3

Mean Response on Insecurity and Life Expectancy (LE) in Nigeria

Question	Mean Response
11	4.81818182
12	3.87121212
13	4.46969697
14	4.20454545
15	3.93181818

Source: Authors' computation

Test of hypotheses

Hypothesis one-

Insecurity in Nigeria has no significant effect on Foreign Direct Investment (FDI)

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
FDI	5	4.4667	.09562	.04276

Author's computation aided by of SPSS version 23

One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
FDI	104.456	4	.000	4.46667	4.3479	4.5854

Author's computation aided by of SPSS version 23

A means score of 4.4667 which is greater than the hypothesized mean of 3 is acceptable. This position is further strengthened by a p-value of .000 as obtained from the test table above which is less than 0.05. Based on this position, we reject the null hypothesis and accept the alternative hypothesis which states that insecurity has significant effect on the country's Foreign Direct Investment.

Test of Hypothesis two

Insecurity in Nigeria has no significant effect on Gross Domestic Product (GDP)

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
GDP	5	4.4939	.21946	.09815

Author's computation aided by of SPSS version 23

One-Sample Test

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
GDP	45.788	4	.000	4.49394	4.2214	4.7664

Author's computation aided by of SPSS version 23

From the statistics table, a mean score of 4.4939 was obtained which is more than the predetermined mean of 3. This position is further strengthened by a p-value of .000 as obtained from the test table above which is less than 0.05. Based on this position, we reject the null hypothesis and accept the alternative hypothesis which states that insecurity has significant effect on the country's Gross Domestic Product (GDP).

Hypothesis three-

Insecurity in Nigeria has no significant effect on the Life Expectancy (LE) of the citizens

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
LEXP	5	4.2591	.39290	.17571

Author's computation aided by of SPSS version 23

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
LEXP	24.240	4	.000	4.25909	3.7712	4.7469

Author's computation aided by of SPSS version 23

Computations from the statistics table showed a mean score of 4.2591 which is considered acceptable. This position is further enhanced by a p-value of .000 as obtained from the test table above which is less than 0.05. Based on this position, we reject the null hypothesis and accept the alternative hypothesis which states that digital innovation has significant effect on the life expectancy of the residence in Nigeria

Summary of results

Null Hypothesis	1	2	3
Hypothesis Statement	Insecurity in Nigeria has no significant effect on the nation's Foreign Direct Investment	Insecurity in Nigeria has no significant effect on the nation's Gross Domestic Product	Insecurity in Nigeria has no significant effect on the life expectancy of the citizens
Sample mean	4.4667	4.4939	4.2591
Hypothesized mean	3.0000	3.0000	3.0000
Decision on null hypothesis	Reject	Reject	Reject

Conclusion

Results from the data analyzed above showed that:

- 1) Insecurity in Nigeria has negative effects on the nation's ability to attract foreign investment
- 2) Insecurity in Nigeria has significant effect on the Gross Domestic Product
- 3) Finally it was revealed that insecurity in Nigeria has significant effect on the life expectancy of people living in the country.

Based on the above findings, we conclude therefore that insecurity has significant effect on the economic growth of Nigeria.

In order to address the problem of insecurity in Nigeria, the study made the following suggestions:

The Nigerian government should address the root cause of insecurity in the country. Issues like religious extremism, illiteracy, unemployment, nepotism should be urgently addressed.

This will discourage the youths from making themselves available for use by those sponsoring banditry and terrorism in the country.

The government of Nigeria should be sincere in its fight against insecurity and stop attaching religious and ethnic sentiments to the very serious issue ravaging the entire nation. This should be demonstrated by ensuring that those involved in the nefarious acts are punished in line with the provision of the law and not releasing them under the pretext of repentant. Lastly, government should restructure the country back to true Federalism that brought all the geopolitical zones together in the first instance. The issue of resource control, state policing and equal representation of every region in the national assembly should be addressed to douse the agitations in the southern Nigeria.

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Appendices

Appendix 1

Questionnaire administered to respondents

S/N	STATEMENT	SA [5]	A [4]	U [3]	D [2]	SD [1]	TOTAL (X)	No. of Respond ents	Mean Score
1	Kidnapping of foreign expatriates in Nigeria can be attributed to insecurity	340	224	21	2	0	587	132	4.45
2	Insecurity has lead to relocation of some companies out of Nigeria	360	212	6	6	2	586	132	4.44
3	Security situation of a nation is generally one of the factors usually considered by potential investors	450	132	15	8	0	605	132	4.58
4	In a bid not to lose their investments, investor usually resolve to divesting from unsecure business environment	385	144	27	12	4	572	132	4.33
5	Insecurity in a nation could affect the ease of	415	164	15	2	2	598	132	4.53

	doing business in that country								
6	Insecurity has resulted in displacement of people from their homes and exposing them to all manner of dangers in the society	350	224	3	6	2	585	132	4.43
7	Kidnapping for rituals is as a result of insecurity	365	220	9	2	0	596	132	4.52
8	Large number of death cases in Nigeria recently is associated with insecurity	275	236	24	8	6	549	132	4.16
9	Insecurity in Nigeria has, in recent time, increased the number of orphans and widows in the society	475	120	9	6	1	611	132	4.63
10	Attacks at soft sports such as schools, churches, mosques, motor parks, market places etc are subject of insecurity in Nigeria	515	100	9	0	1	625	132	4.73
11	Farmer/ Herder crisis in Nigeria has lead to destruction of farm products as well as cattle rustling	545	88	3	0	0	636	132	4.82
12	The general food shortage currently being experienced in Nigeria is	175	280	30	18	8	511	132	3.87

	associated with insecurity								
13	Agriculture may no longer contribute significantly to national income if insecurity is not subdue in Nigeria	350	228	6	6	0	590	132	4.47
14	The high cost of food items in Nigeria is attributed to insecurity	285	252	6	4	8	555	132	4.20
15	Hardship and poverty being experienced by larger number of citizens in Nigeria is due to insecurity in the country	205	256	36	14	8	519	132	3.93



EFFECTS OF CONTRIBUTORY SCHEMES ON NIGERIAN ECONOMIC GROWTH

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Abstract

This study assessed the effect of contributory schemes on Nigerian economic growth. Nevertheless, poor enrolment of Nigerians to contributory schemes is one of the major impediments to supporting and sustaining the real sectors of the economy. The following specific objectives guided the study: to assess the effect of contributory pension scheme (CPS) on Nigerian economic growth, to ascertain the effect of contributory life insurance scheme (CLIS) on Nigerian economic growth, to assess the effect of contributory national housing fund (NHF) on Nigerian economic growth, to evaluate the effect of tertiary education trust fund (TETFUND) on Nigeria economic growth. Based on the objectives of the study, four research questions and hypotheses were formulated. Ex-Post facto research design was adopted. The time series data were for a period of seventeen years spanning from 2006 to 2022 was obtained from Central Bank of Nigeria, National Bureau of Statistics and the World Bank Publications, TETFUND Annual Report, Nigerian Insurer's Digest from (NAICOM), Federal Mortgage Bank of Nigeria (FMBN) annual reports and Pension Commission (PENCOM) annual reports. The study employed descriptive statistics and inferential statistics using Ordinary Least Square (OLS) regression analysis. Specifically, contributory pension scheme has a significant and positive effect on economic growth of Nigeria ($\beta_1 = 0.891720$; $p\text{-value} = 0.0000 < 0.05$); contributory life insurance scheme has a significant and positive effect on economic growth of Nigeria ($\beta_2 = 0.430095$; $p\text{-value} = 0.0003 < 0.05$); contributory national housing fund has a significant and positive effect on economic growth of Nigeria ($\beta_3 = 0.238632$; $p\text{-value} = 0.0146 < 0.05$); contributory tertiary education trust fund has a significant and positive effect on economic growth of Nigeria ($\beta_4 = 3.699614$; $p\text{-value} = 0.0010 < 0.05$). This study therefore concludes that contributory scheme components exert significant influence on the economic growth of Nigeria at 5% level of significance. It was recommended that pension fund administrators should continue to develop the contributory pension scheme in order to develop its financial market to achieve international standards and attract more investors. Nigerians in employment, whether self-employed or in paid employment or not, to be integrated and captured under the NHF Act No.3 of 1992. Life insurance should continuously serve as financial intermediaries between investors and economic agents that lack sufficient financing: households, businesses and in some cases even governments. TETEFUND scheme should be sustained for an improved economic growth as it increases students' enrolment through scholarship grants to mainly poor and vulnerable youths.

Keywords: Contributory schemes, economic growth, gross domestic product, poor enrolment, premiums, and contributions.

Introduction

Nigerian economy is faced with the problem of how to improve economic growth so as to become investment choice for international investors (Nyong & Duze, 2011). However, other factors like money supply, agricultural export, foreign private investment, interest rate, federal government expenditure and rate of savings also contribute significantly to the national income and economic growth (Stephen & Andabai, 2017). It is assumed that contributory schemes are beneficial and increases economic growth of any society. It is hopeful that the available contributory schemes in Nigeria namely amongst others; the contributory pension scheme (CPS), tertiary education trust fund (TETFUND), contributory life insurance scheme (CLIS) and contributory national housing fund (CNHF) could also affect Nigerian economic growth. There is a critical relationship between the well-being of a society and the quality of contributory schemes in operation in today's global society. Afzalur (2017) stated that, economic growth increases the ability of the population to pay up their contributions. (Charles, 2014) stated that, Gross Domestic Product (GDP); is the market value of final goods and services produced in a domestic economy by everybody in that economy no matter where he/she comes from, provided he/she resides within the economy during a period.

Housing is considered to be one of the best indicators of a person's standard of living and place in the society (Jiboye, 2009a). Contributory housing scheme forms the base upon which people could rebuild their lives following the disruptive impacts and trauma of homelessness (Smith, Albanese & Truder, 2014). However, there is increase in contributors from 4.8m in 2018 to 31.6m contributors with increase to the contribution to national housing fund to #285bn in 2024 (Gbeleyi, 2022)

The pension system prior to 2004 was characterized with many problems that precipitated the pre-reform pension Act of 2004 such as unsustainable pension deficit of over N2 trillion was recorded and this shows a deeper crisis ahead (Balogun, 2006). The greatest achievement of the Contributory Pension Scheme (CPS) was that, it had been able to address problems of funding pension arrears and future liability which crippled the old pension scheme. Adebayo and Dada (2012) opines that the major problem of the pension fund administration was the non-payment of pension and gratuity. Pension fund assets rose to #17.66tn naira as at 31st January, 2023 (PENCOM, 2023).

(Nwaobia, Kwarbai & Ajibade, 2015). A thriving life insurance business is not only an evidence of an efficient financial service sector, but it is also a key barometer for measuring a healthy economy (Omoke, 2012). Kumar and Prakash (2012) stated that, the positive contribution of life insurance to economic growth is primarily through the channel of financial intermediation and long term investments, Life insurance business recorded a total asset of #1.07trillion in third-quarter of 2023 (NAICOM report, 2023).

TETFUND was established as an intervention agency. Tertiary Education Trust Fund is charged with the responsibility of managing, disbursing and monitoring education tax to public tertiary institutions in Nigeria. The main source of income available to the agency is the two per cent education tax paid from the assessable profit of Companies and Banks registered and doing business in Nigeria by the Corporate Affairs Commission (CAC). The Fund is specifically for provision and maintenance of essential physical infrastructure, teaching and learning, instructional materials and equipment, research and publication, academic staff training and development. From the foregoing, the impact the contributory schemes will have on the economic growth of a society led the researcher to determine the effect of contributory schemes on economic growth in Nigeria.

Economic growth is linked to policies that were aimed at transforming the real sectors of the economy in which contributory schemes is one of them. However, considering that GDP is a good tool to determine economic growth of a nation populace wellbeing. Nevertheless, poor enrolment of Nigerians to contributory schemes is one of the major impediments to supporting and sustaining the real sectors of the economy. After noting many problems that had affected the contributory schemes in Nigeria as a result of poor enrolment that has led to poor economic growth like; poor risk management, insufficient investment of savings from contributory schemes in lucrative ventures, lack of awareness about the schemes and its benefits, stringent conditions given by operators to contributors when they want to access their benefits, non-remittance of contributed funds to appropriate institutions/operators accounts, non-compliance to policies and reforms that guides the different contributory schemes in Nigeria, huge arrears of benefits unpaid by scheme's operators, lack of government sponsorship and support to the contributory schemes, lack of adequate social welfare data for Nigerians, payment of contributor's benefits as at when due, lack of fiscal discipline from operators of the scheme, lack of stable polity/policy summersault, lack of regular monitoring and reconciliation of contributed funds accounts amongst its stakeholders, negative attitude of Nigerians to contributory schemes, creation of unfunded accounts by employers after getting compliance certificate for contract bidding are some of the major bottlenecks to contributory schemes in Nigeria. The provoking thoughts of facing uncertain future after retirement and at old age by workers and the aged is responsible for bureaucratic corruption in our institutions yet most Nigerians are not embracing the contributory schemes available in the country for their future welfare

In the light of the growing controversy surrounding the effectiveness of contributory schemes, this study seeks to determine 'Effects of Contributory Schemes on Nigerian Economic Growth. To this end, the following specific objectives guided this study:

1. To assess the effect of contributory pension scheme (CPS) on Nigerian economic growth
2. To ascertain the effect of contributory life insurance scheme (CLIS) on Nigerian economic growth.
3. To assess the effect of contributory national housing fund (NHF) on Nigerian economic growth
4. To evaluate the effect of tertiary education trust fund (TETFUND) on Nigerian economic growth

Research Questions

The following specific research questions will guide the study:

1. To what extent does contributory pension scheme (CPS) affect Nigerian economic growth
2. What effect does contributory life insurance scheme (CLIS) have on the Nigerian economic growth
3. What effect does contributory national housing fund (NHF) have on the Nigerian economic growth
4. What effect does tertiary education trust fund (TETFUND) have on Nigerian economic growth

Research Hypothesis

The following specific null hypothesis will guide the study:

1. Contributory pension scheme (CPS) does not have significant effect on Nigerian economic growth
2. Contributory life insurance scheme (CLIS) does not have significant effect on Nigerian economic growth.
3. Contributory national housing fund (NHF) do not have significant effect on Nigerian economic growth
4. Contributory tertiary education trust fund (TETFUND) do not have significant effect on Nigerian economic growth.

Conceptual Review

Concept of economic growth

In Nigeria, the years of corruption, civil war, military rule, and mismanagement have hindered economic growth of the country. Nigeria is endowed with diverse and huge resources both human and material. However, years of negligence and adverse policies have led to the under-utilization of these resources (Economic Watch, 2010). Lucas (2015) argues that successive administration over the years have neglected other sectors of the economy since crude oil was discovered. With rapid population growth in Nigeria, economic growth has become a thing of great concern

to enlightened individuals, organizations and government, considering the ills of social crimes, security challenges, corruption, low standard of living, low productivity, among others which are associated with unmanaged population growth (Gbarato, Visan, Eguru & Pamogho, 2019). (Loveridge & Morse 2016) stated that economic growth represents an increase in jobs and income in the community. It is referred to the expansion in economic activity in the states and country.

Concept of Gross Domestic Product (GDP)

Samuelson (2005), explained Gross Domestic Product as the name given to the total market value of the final goods and services produced within a nation during a given year. From his description, of Gross Domestic Product, GDP is used for many purposes but the most important one is to measure the overall performance of an economy and this overall performance could be measured as a flow of final products or as a flow of cost. (Weil, 2013), GDP is the country's total economic output for each year. It's equivalent to what is being spent in an economy. This is why some countries are rich and others so poor.

Theoretical Framework:

The theories upon this study was anchored were the agency theory and the deferred wage theory **Agency Theory:**

Ingram (2009): In an agency relationship, someone called agent takes decisions and act in place of someone else, called the principal. The agency theory seeks to find and solve problems from dealings between a principal and agent. When someone administers someone else financial affairs, specific agency relationship exist between the corporate executives and the company shareholders. Financial planners and mutual fund managers act like agents in place of individual clients and fund participants. Agents who are the managers and Chief executives were expected to act towards meeting his principal's goals, in this case the workers and the government are the primary function of that relationship. The contributions made from deductions on worker's salaries as pensions, life insurance premiums, housing funds and TETFund contributions from 2% education tax on assessable profit of all registered companies in Nigeria were meant to be deducted by the managers and remitted to appropriate service funds for their principals/employee benefits. In the same vein employers make official deductions as agents in the form of contributions from their worker's monthly pay and domicile each deduction in a separate account so as to provide them with better care during their active service and subsequently after active service as the case may be. These deductions could be made towards contributing funds in a pool to provide for dependents, housing needs, better education and also as provident fund upon retirement.

Deferred Wage Theory:

The deferred wage theory views the contributory schemes as a means of deferring some compensation until an employee retires or the reward of his/her benefits are due for payment or to be used. This implies that the employee defers gratification, such that some part of the benefit he should have gotten at the moment of service is held back by the employer till retirement when the employer provides the contributed funds in exchange for the services rendered during active period. Some private establishments in the developing economies and Nigeria in particular have found it difficult to engage in the pension, education, housing and life assurance contributory schemes as provided in the 2014 Pension Reform Act, NAICOM Act, TETFUND establishment Act of 2011 from 2% education tax on assessable profit of all registered companies in Nigeria and Federal mortgage bank Act of 1977. This is where these Acts have its strong point since it has provided that the pension contributions, life assurance premiums, TETFUND contributions and national housing contributions are done at the moment of active service, such that the employer can see it as part of the employees' remuneration, only to be deferred by the employer (Edogbanya, 2013).

The relevance of these two theories points to the fact that someone a Manager/Administrator has the mandate to make deductions from the contributor's pay and remit the contributed funds to the relevant authorities concerned for implementation of set objectives for the different contributions made for the wellbeing of the contributors.

Methodology

Research Design

Research design is the guideline which directs the researcher towards solving the research problem. This study adopted the *ex-post facto* method of research and time series design procedure.

Source of Data

This study used secondary data from different sources: These data were to be collected from the Annual Reports of National Pension Commission (PenCom) (2006 – 2020), Federal Mortgage Bank of Nigeria (2006 – 2022), Central Bank of Nigeria Statistical Bulletin annual economic reports and financial Statistical Bulletin, World Bank economic reports for Nigeria's GDP (2006 – 2022), Nigeria Insurer's Digest (2006 -2020) from (NAICOM) and TETFUND (2006 – 2022) for a seventeen (17) year period ranging from 2006-2022

Model Specification

To ascertain the effect of contributory schemes on Nigerian economic growth, this study adapted and modified the model of Ndum, Okoye and Amahalu (2019):

$$RGDP = \beta + \beta_1CPS + \beta_2CNHF + \beta_1PFI$$

Where:

RGDP = Real Gross Domestic Product

PFI = Pension Fund Investment

By adapting the model of Ndum, Okoye and Amahalu (2019) the following linear equation was estimated:

$$GDP_t = \beta_0 + \beta_1 CPS_t + \beta_2 CLIS_t + \beta_3 CNHF_t + \beta_4 TETFUND_t + \mu$$

Where:

β_0 stands for the intercept term.

μ is the error term

β_1 = Coefficient of Contributory Schemes

GDP = Gross Domestic Product for period t

CPS = Contributory Pension Scheme for period t

CLIS = Contributory Life Insurance Scheme for period t

CNHF = Contributory National Housing Fund for period t

TETFUND_t = Tertiary Education Trust Fund for period t

Decision Rule:

Reject the null hypothesis if the t-calculated (p-value) is greater than the t-critical of 5% significance level while the alternate hypothesis is otherwise accepted at 5% level of significance.

Data Presentation and Analysis

Presentation of Data

The time series data extracted from the publications of Central Bank of Nigeria, National Bureau of Statistics and the World Bank Publications, TETFund Annual Report, Pension Commission (PENCOM) annual reports, Federal Mortgage Bank of Nigeria (FMBN) and Nigeria Insurer's Digest from (NAICOM) for seventeen years (2006-2022) period were presented in the Appendix.

Research Hypotheses

Research Hypothesis I

H₀₁: Contributory pension scheme (CPS) has no significant effect on economic growth of Nigeria

H₁: Contributory pension scheme (CPS) has significant effect on economic growth of Nigeria

Table 4 Ordinary Least Square regression (OLS) analysis showing the effect of CPS on GDP

Dependent Variable: DGDGP

Method: Least Squares

Date: 12/29/23 Time: 10:21

Sample: 2006 2022

Included observations: 17

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.146824	1.197349	4.298515	0.0006
DCPS	0.891720	0.108570	8.213325	0.0000
R-squared	0.151303	Mean dependent var		13.18266
Adjusted R-squared	0.111943	S.D. dependent var		1.024839
S.E. of regression	1.030941	Akaike info criterion		3.008951
Sum squared resid	15.94258	Schwarz criterion		3.106976
Log likelihood	-23.57609	Hannan-Quinn criter.		3.018695
F-statistic	15.11165	Durbin-Watson stat		1.685198
Prob(F-statistic)	0.000009			

Source: E-Views 10.0 regression Output, 2023

Interpretation of Estimated Regression Coefficients

The effect of contributory pension scheme on gross domestic product of Nigeria is evaluated based on the result of table 4:

$$GDP = 5.146824 + 0.891720CPS + \mu$$

The drawn inference from the model implies that one unit increase in CPS will cause GDP to increase by 89.17%. From table 4, CPS with a positive co-efficient of 0.891720 has a significant effect on GDP as indicated by the t-statistic of 8.213325 and its associated probability value of $0.0000 < 0.05$. The R squared which examines the extent to which the predictor (CPS) explain the variations in the dependent variable (GDP) shows that the R Squared figure of 0.151303 indicates that, reliance on this model will account for 15.13% of the variations in the dependent variable (GDP), while the remaining 84.87% is accounted by other factors outside the scope of this model The Durbin-Watson value of 1.685198 buttressed the fact that the model does not contain auto-correlation, since the value 1.685198 is not more than 2 approximately, thereby, making the regression fit for prediction purpose. The analysis resulted in F-value of 15.11165 with corresponding p-value of 0.000009. This confirms that, the model is significantly reliable. That means one can rely on the model to predict GDP with high accuracy.

Decision

Since the p-value of the test = 0.000009 is less than the critical significant value of 5%, thus H_1 is accepted and H_0 rejected. Therefore, this study upholds that contributory pension scheme (CPS) have a significant and positive effect on economic growth of Nigeria at 5% level of significance.

Research Hypothesis II

H₀₂: Contributory life insurance scheme (CLIS) has no significant effect on economic growth of Nigeria

H₂: Contributory life insurance scheme (CLIS) has significant effect on economic growth of Nigeria

Table 5: Ordinary Least Square regression (OLS) analysis showing the effect of CLIS on GDP

Dependent Variable: DGDP

Method: Least Squares

Date: 12/29/23 Time: 10:29

Sample: 2006 2022

Included observations: 17

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.849786	1.742389	2.783412	0.0155
DCLIS	0.430095	0.093126	4.618414	0.0003
R-squared	0.248009	Mean dependent var		13.18266
Adjusted R-squared	0.215457	S.D. dependent var		1.024839
S.E. of regression	1.032729	Akaike info criterion		3.012418
Sum squared resid	15.99795	Schwarz criterion		3.110443
Log likelihood	-23.60555	Hannan-Quinn criter.		3.022162
F-statistic	10.76989	Durbin-Watson stat		1.745975
Prob(F-statistic)	0.000324			

Source: E-Views 10.0 regression output, 2023

Interpretation of Regressed Result

The regressed coefficient correlation result in table 5 shows the existence of a positive relationship between GDP and CLIS. The coefficient of determination obtained is 0.248009 (24.80%), which is commonly referred to as the R^2 . The R-Squared value shows that 24.80% of the systematic variations in the dependant variable (GDP) can be predicted by the independent variable up to 24.80%. 75.20% was explained by unknown variables that were not included in the model. The overall significance of the model Prob > F-statistic is statistically significant at 5%.

Model Specification:

$$DGDP = 4.849786 + 0.430095DCLIS + \mu$$

The implication is that for there to be a unit increase in GDP, CLIS has to increase by 43%.

Decision:

Considering the p-value of 0.0003 which is less than the critical p-value of 0.05, hence H_1 is accepted and H_0 rejected.

Research Hypothesis III

H₀₃: Contributory national housing fund (CNHF) has no significant effect on economic growth of Nigeria

H₃: Contributory national housing fund (CNHF) has significant effect on economic growth of Nigeria

Table 6 Ordinary Least Square regression (OLS) analysis showing the effect of CNHF on GDP

Dependent Variable: DGDP
Method: Least Squares
Date: 12/29/23 Time: 10:34
Sample: 2006 2022
Included observations: 17

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.506897	0.111110	4.562131	0.0005
DCNHF	0.238632	0.087168	2.737603	0.0146
R-squared	0.138163	Mean dependent var		13.18266
Adjusted R-squared	0.080707	S.D. dependent var		1.024839
S.E. of regression	0.982613	Akaike info criterion		2.912928
Sum squared resid	14.48293	Schwarz criterion		3.010953
Log likelihood	-22.75989	Hannan-Quinn criter.		2.922672
F-statistic	6.904683	Durbin-Watson stat		1.750795
Prob(F-statistic)	0.014612			

Source: E-Views 10.0 regression output, 2023

Interpretation of Estimated Regression Coefficients

The effect of contributory national housing fund on gross domestic product in Nigeria is evaluated based on the result of table 6:

$$GDP = 0.506897 + 0.238632CNHF + \mu$$

The drawn inference from the model implies that one unit increase in CNHF will cause GDP to increase by 23.86%. From table 6, CNHF with a positive co-efficient of 0.238632 has a significant effect on GDP as indicated by the t-statistic of

2.737603 and its associated probability value of $0.0146 < 0.05$. The R squared which examines the extent to which the predictor (CPS) explain the variations in the dependent variable (GDP) shows that the R Squared figure of 0.138163 indicates that, reliance on this model will account for 13.82% of the variations in the dependent variable (GDP), while the remaining 86.18% is accounted by other factors outside the scope of this model. The Durbin-Watson value of 1.750795 buttressed the fact that the model does not contain auto-correlation, since the value 1.750795 is not more than 2 approximately, thereby, making the regression fit for prediction purpose. The analysis resulted in F-value of 6.904683 with corresponding p-value of 0.014612. This confirms that, the model is significantly reliable. That means one can rely on the model to predict GDP with high accuracy.

Decision

Since the p-value of the test = 0.014612 is less than the critical significant value of 5%, thus H_1 is accepted and H_0 rejected. Therefore, this study upholds that contributory national housing fund (CNHF) has a significant and positive effect on gross domestic product in Nigeria at 5% level of significance.

Research Hypothesis IV

- H₀₄:** Contributory tertiary education trust fund (TETFUND) has no significant effect on economic growth of Nigeria
- H₄:** Contributory tertiary education trust fund (TETFUND) has significant effect on economic growth of Nigeria

Table 7: Ordinary Least Square regression (OLS) analysis showing the effect of TETFUND on GDP

Dependent Variable: GDP

Method: Least Squares

Date: 12/29/23 Time: 10:49

Sample: 2006 2022

Included observations: 17

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.974275	2.327106	3.426692	0.0037
DTETFUND	3.699614	1.001292	3.694842	0.0010
R-squared	0.252067	Mean dependent var		13.18266
Adjusted R-squared	0.202205	S.D. dependent var		1.024839
S.E. of regression	0.915380	Akaike info criterion		2.771175
Sum squared resid	12.56880	Schwarz criterion		2.869200
Log likelihood	-21.55499	Hannan-Quinn criter.		2.780919
F-statistic	5.055278	Durbin-Watson stat		1.936280
Prob(F-statistic)	0.040011			

Source: E-Views 10.0 regression output, 2023

Interpretation of Regressed Result

The regressed coefficient correlation result in table 7 shows the existence of a positive relationship between GDP and TETFUND. The coefficient of determination obtained is 0.252067 (25.21%), which is commonly referred to as the R^2 . The R-Squared value shows that 0.252067 of the systematic variations in the dependant variable (GDP) can be predicted by the independent variable UP TO 25.21%. 74.79% was explained by unknown variables that were not included in the model. The overall significance of the model Prob > F-statistic is statistically significant at 5%.

Model Specification:

$$DGDP = 7.974275 + 3.699614DTETFUND + \mu$$

The implication is that for there to be a unit increase in GDP, TETFUND has to increase by 3.699614 units.

Decision:

Considering the p-value of 0.040011 which is less than the critical p-value of 0.05, hence H_1 is accepted and H_0 rejected.

Summary of Findings

Based on the analysis of this study, the following findings were deduced:

- i. Contributory pension scheme (CPS) has a significant and positive effect on economic growth of Nigeria at 5% level of significance ($\beta_1 = 0.891720$; p-value = $0.0000 < 0.05$).
- ii. Contributory life insurance scheme (CLIS) has a significant and positive effect on economic growth of Nigeria at 5% level of significance ($\beta_2 = 0.430095$; p-value = $0.0003 < 0.05$).
- iii. Contributory national housing fund (CNHF) has a significant and positive effect on economic growth of Nigeria at 5% level of significance ($\beta_3 = 0.238632$; p-value = $0.0146 < 0.05$).
- iv. Contributory tertiary education trust fund (TETFUND) has a significant and positive effect on economic growth of Nigeria at 5% level of significance ($\beta_4 = 3.699614$; p-value = $0.0010 < 0.05$)

Conclusion

This study explored the effect of contributory schemes on economic growth of Nigeria. The data set used for this analysis is the annual series of the selected variables from 2006 to 2022. The specific findings indicated clearly that contributory pension scheme has a significant and positive effect on economic growth of Nigeria ($\beta_1 = 0.891720$; p-value = $0.0000 < 0.05$); contributory life insurance scheme has a significant and positive effect on economic growth of Nigeria ($\beta_2 = 0.430095$; p-

value = 0.0003 < 0.05); contributory national housing fund has a significant and positive effect on economic growth of Nigeria ($\beta_3 = 0.238632$; p-value = 0.0146 < 0.05); contributory tertiary education trust fund has a significant and positive effect on economic growth of Nigeria ($\beta_4 = 3.699614$; p-value = 0.0010 < 0.05). This study therefore concludes that contributory scheme components exert significant influence on the economic growth of Nigeria at 5% level of significance.

Recommendations

Based on the conclusion and findings of this study, the following were suggested:

- i. Pension fund administrators should continue to develop the contributory pension scheme in order to develop its financial market to achieve international standards and attract more investors by providing pension funds to be used for investment purposes in Nigeria be it in infrastructure, money/capital market investments and persuading more informal sector organizations to join the scheme to increase Nigerian economic growth.
- ii. It is suggested that life insurance should continuously serve as financial intermediaries between investors and economic agents that lack sufficient financing: households, businesses and in some cases even governments. When total premiums are paid to the beneficiaries or next of kin of the insured persons upon the death of the insured, this provides funds to the beneficiaries for any intended investments of their choice thereby increasing the economic growth of the nation.
- iii. There will be a huge pool of long-term funds available for investments by government at various levels, which will lead to national economic growth when the occupants pay tenement rates and other land taxes to the government.
- iv. TET-Fund scheme should be sustained for an improved economic growth as increases students' enrolment through scholarship grants to mainly poor and vulnerable youths thereby increasing human capacity building and empowerment.

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APPENDIX A: PANEL DATA SET

YEARS	GDP	CPS	CLIS	CNHF	TETFUND
2006	13.24193	10.522	10.1038	10.423	9.599804
2007	13.51669	11.91116	10.27416	10.42158	9.784477
2008	12.01848	12.041	10.46687	11.61253	9.736466
2009	13.82922	12.18469	10.53529	11.46964	10.06719
2010	13.86151	12.3075	10.59988	11.46964	9.646734
2011	11.97588	12.38923	10.7348	10.42158	10.10962
2012	12.18063	12.43759	10.81231	10.49093	9.94925
2013	12.23149	12.30745	10.90591	11.12099	10.30854
2014	12.29709	12.66276	10.93276	11.10537	10.00199
2015	14.21138	12.72451	10.96214	11.12916	10.06341
2016	13.65	12.78992	10.98	11.06957	9.643787
2017	13.99597	12.87506	10.93504	11.85907	10.34916
2018	11.07512	12.93601	10.96726	11.11834	9.960185
2019	13.08008	13.0086	10.88666	11.11653	10.18843
2020	14.09689	13.08991	10.74766	11.40133	12.1692
2021	14.3484	13.13862	10.95605	11.35403	12.32938
2022	14.4945	13.57	12.04139	11.45248	12.95559

Source: Researcher's extract from Annual reports and statistical bulletins (various issues), 2023



DETERMINANTS OF PUBLIC EXPENDITURE ON GOVERNMENT EXPENDITURE IN NIGERIA

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Abstract

This study examined the determinants of public expenditure on government expenditure in Nigeria. The specific objectives are to: determine the effect of public debt growth on total government expenditure growth in Nigeria, ascertain the effect of total revenue growth on total government expenditure growth in Nigeria, evaluate the effect of inflation rate on total government expenditure growth rate in Nigeria, examine the effect of exchange rate on total government expenditure growth rate in Nigeria, and compare the democratic eras on government expenditure growth in Nigeria. Time series data were extracted from the publications of Central Bank of Nigeria (CBN) Annual Reports and National Bureau of Statistics (NBS) bulletin, Budget Office of the Federation from 2008 to 2022 to cover the two immediate past era of governance. The hypotheses were tested using pool multiple regression analysis. The study revealed that public debt and exchange rate were statistically significant at 5% level of significance, while total revenue and inflation rate shows negative and positive insignificant effect respectively. Consequently, the study recommended that government should enhance its expenditure on productive and fecund activities in order to increase the total output of the economic system as this has a tendency to lessen the charge of inflation in the financial system in preference to exacerbate it.

Keywords: Government expenditure, Public debt, Exchange rate, Total revenue and Inflation rate

Introduction

Globally, the need for government expenditure in any economic system varies now and again. It is a preferred presumption that authorities expenditure supports the growth objectives of all economies global (Ajudua, 2018) and as such is a critical macroeconomic policy instrument available to the authorities for promoting growth. Normally, the government consists of expenses on several tasks or applications inclusive of roads, strength, schooling, health care, economic welfare of its residents, protection of life and houses, and so forth (Imoisi, et al, 2023). Given that authority's expenditure has been cautioned to make a contribution to growth, the connection among government expenditure and economic growth in developing countries is an important issue. Government expenditure on social and monetary infrastructure can enhance rising industries, lower unemployment and poverty prices, stabilize well known prices inside the economy, raise human standards of residing, and encourage higher productivity, all of that may enhance the economy's overall performance (Ajudua & Ojima, 2015).

However, government expenditure stays a vital device utilized in the system of development. It performs a pivotal position in the functioning of any economic system at nearly all tiers of growth and development. Maximum developing and developed nations these days use public expenditure to enhance income distribution, direct the allocation of assets in desired regions, and have an impact on the composition of country wide earnings (Assi et al., 2019; Vtyurina, 2020). In growing nations as an example, the version in government spending sample is not simplest projected to assure stabilization but additionally to spur financial growth and make bigger employment opportunities (international financial institution, 2015). Government expenditure is the value incurred to ensure the availability of the wishes of society.

This underscores that government expenditure is a crucial approach to attain an identical society with the aid of imparting welfare infrastructure and social comfort facilities. From the perspective of Abdulai (2016), public expenditure is the fund allocated for the public benefits. The expenses incurred will be grouped into recurrent and capital costs. It is far recurrent if the rate occurred intermittently to fulfil up with the developing wishes of the residents at the same time as capital expenditure includes all the government investment, switch price and intake.

Empirical evidences at the impact of government expenditure on output growth specially for growing economies like Nigeria, present opposing perspectives, some suggesting that authorities expenditure has bad impact on output increase (Gukat & Ogboru, 2017; Saidu & Ibrahim, 2019; Segun & Adelowokan, 2015). An “immoderate” length of presidency is regularly imagined to be the cause of many monetary ills in both advanced and developing nations, together with gradual financial boom, large deficits, internal imbalances, and external imbalances. Studies have given many elements that necessitate the upward push in government expenditure as overseas aid (Njeru, 2003), earnings (Akpan, 2011), and so forth. Nigeria has constantly had deficit spending over time without an equal fee of economic growth.

Similarly, many criticisms are been stage and upward push closer to authorities concerning the increment of yearly prices in each and every financial budget. Lot of questions are left to be answer on what cause the tremendous increment of this expenditure. The debate on the determinants of government expenditure is necessary due to the fact the ones determining factors are needed now not most effective for managing monetary imbalances but additionally to inspire economic stability in the country. This study examines the determinants of public expenditure growth on government expenditure growth of Nigeria. The specific objectives are to:

1. Determine the effect of public debt growth on total government expenditure growth in Nigeria
2. Ascertain the effect of total revenue growth on total government expenditure growth in Nigeria
3. Evaluate the effect of inflation rate on total government expenditure growth rate in Nigeria.
4. Evaluate the effect of exchange rate on total government expenditure growth rate in Nigeria.
5. Compare the democratic eras on government expenditure growth in Nigeria.

Literature Review

Public expenditure refers to expenditure on government, public expenditure is properly known as government expenditure or spending by Adolf Wagner, a cited German monetary theorist of the 19th century. Government expenditure is the money spent via the government out of its revenue to satisfy various desires of the economic system (Adigwe, Anyanwu & Udeh, 2016). The idea of government expenditure emanates from the activities of government which includes paying for and presenting goods and offerings, investment in cloth and human capital in addition to transfers. Maluleke (2018) discovered that there is a long-run dating among government expenditure and its determinants. The take a look at discovered that urbanization rate, national earnings, poverty price and the wage price considerably have an impact on the size of presidency expenditure in South Africa. Ukwueze (2018) public expenditures may be disaggregated or categorized into subheadings, which include recurrent costs and capital prices. The recurrent prices are prices or purchases of stationeries, wages and salaries of workers, gasoline, strength payments and other bills, and many others. Capital costs are structures undertaken by the government on roads, bridges, fitness Centres, schools, navy installations and hardware, etc. The writer is of the view that the concept of public costs arose from the attitude that any expenditure undertaken by the government is public (Basiru, 2022).

Public debt also called authorities debt or national debt is money owed through government or total debt of all governmental gadgets, inclusive of kingdom and nearby governments. Public debt is described as the total monetary duties received by using governmental our bodies of a country, which includes cash that is owed to individuals, mutual finances, hedge finances, pension funds, overseas governments and others (Odo, et al 2016). Over time, Nigeria's growing public debt has continually been a source of difficulty. As an example, Rafindadi and Musa (2019) found that there has been an extraordinary rise in Nigerian public debt in 2004. Consistent with the Debt management office (DMO) as stated in Urama, Ekeocha, and Iloh (2018) Nigeria's debt stock profile (both home and overseas mortgage) stood at NGN22.7 trillion as at March 2017. Nigeria external debt for 2020 was \$70,524,292,158, a 17.46% boom from 2019.

Government sales may encompass reserve financial institution foreign money, which is printed, and this is recorded as improve to the retail financial institution collectively with a corresponding forex in stream. The earnings are derived from the reliable cash rate for gadgets together with ninety days bills (Oyedikachi et al., 2020). Tax and non-tax sales are the important sources of presidency revenue in Nigeria. The number one characteristic of taxation is to offer budget for public offerings. Due to the atypical nature of the economy, the assets take the form of oil and non-oil revenue, However the difference, oil and non-oil revenues nevertheless paperwork imperative part of tax sales (Obiechina, 2010). The Keynesian economists were of the opinion that the obligation of governments to carry out their expenditure is to guarantee that the economy is stable, intensify productive activities and assure the reallocation of income between the wealthy and indigent. On the other hand, the assertion that rising government expenditure might decelerate how the economy functions generally are the perception of classical economists. For instance, if the government attempts to finance its increasing expenditures, it may raise taxes and/or borrow, reducing individuals' disposable income. From the perspective of neo-classical economists, government expenditure by means of intervention programs could lead to high levels of inflation based on the assumption of full employment (Olayungbo, 2013).

Inflation is the incessant upward push in the preferred charge level in a financial system; it's far a key trepidation for policymakers (Bawa, Abdullahi & Ibrahim, 2016). Even when macroeconomic shocks are non-existent, inflation well-knownshows the propensity of creating a replica of itself from one segment to the other (Campêlo & Cribari-Neto 2003). Inflation is a conventional macroeconomic snag bedevilling each advanced and less advanced international locations. Over the past decades, this phenomenon has been at the increase in developing economies and Nigeria isn't an exception. In Nigeria, several factors were identified to be liable for causing inflation. These consist of alternate price (Audu & Amaegberi 2013), economic deficits (Ezeabasili, et al 2012), government spending (Ojarikre, et al 2015; Ogbole & Momodu 2015), cash deliver (Dikeogu, 2018).

The term inflation rate referred to as change price is used to degree the ratio of one state's forex to any other. Within the view of Saheed and Ayodeji (2012), it refers back to the fee at which one foreign currency is exchanged for any other, or the cost of one foreign currency in phrases of another. Ojo and Alege (2014) defined alternate price as the home price of overseas foreign money. They went on to say that it may clearly be notion of because the fee of 1 currency in terms of every other. The above definitions connotes that exchange rate is a comparison of the fee of one currency in phrases of every other. As an example, the fee of Nigerian Naira can be in comparison to those of US Dollar or UK. Moreover, foreign exchange is a monetary

transaction in which the fee of 1 country's currency is exchanged for the currency of any other (Usman & Adejare, 2012).

Empirical studies

Imoisi, et al (2023) decided the correlation between Nigeria's government expenditure and inflation rate inside a multivariate framework from 1970-2020. Information sourced from the country wide Bureau of records, the critical bank of Nigeria and the arena financial institution were utilized for this research. The examine used ARDL to test the statistics, from the end result, a protracted-run dating exists among the variables within the model; they have an impact on government expenditure on the inflation rate within the short and longer term is negative and insignificant, while that of change fee on the inflation charge is tremendous and insignificant in both periods; they have an impact on cash deliver on inflation price each in the brief and longer term is superb and enormous. Ndanshau and Mdadila (2023) investigated how government expenditure affects upon economic growth in Tanzania for the period 1967 – 2020. Autoregressive distributed Lag (ARDL) bounds cointegration take a look at revealed financial increase and government expenditure had been cointegrated, given the conditioning factors; and, revealed a small but statistically good sized tremendous long term effect of government size on monetary growth. The pairwise Granger causality check rejected the null hypothesis of no uni-directional or bi-directional causality between the variables. The study observes also that longer term impact of inflation on financial boom was terrible and statistically sizeable. The ECM results screen the short run effect of government size on financial increase became negative and statistically insignificant; and, the impact of personal investment on financial growth changed into nice and statistically insignificant. Basiru (2022) tested the determinants of government expenditure in Nigeria from (1986-2021). Data have been source from international development indicators and imperative financial institution of Nigeria. Descriptive and inferential data employed for statistics analysis; the end result suggests that the information for evaluation became stationary. Again, the result of ARDL confirmed that inflation and population have a long-run courting with overall government expenditure in Nigeria. Ologbenla (2022) tested the connection between inflation and government spending in Nigeria from 1985 to 2017. The study applied Augmented Dickey-Fuller unit root test, Johansen co-integration; Granger causality check and Vector blunders Correction model (VECM) processes. The secondary data variables in consideration are authorities spending (GEXP), inflation price (INF), exchange fee (EXR) and huge cash supply (MS2) and they have been soured from CBN Statistical bulletins. The regression estimate based on the fast run and long run VECM confirmed that inflation rate has a fine significant impact on government spending in Nigeria over the look at period. Money deliver is positively related with government spending inside the latest years. Meanwhile change fee over the observe durations confirmed a great discount in authorities spending in Nigeria in the latest years because a rise

in exchanger fee reduced the fee of naira and for this reason have an effect on the government expenditure negatively. Chandana, et al (2021) investigated the impact of Nigerian government expenditure (disaggregated into capital and recurrent) on economic increase the use of time collection records for the period 1970-2019. The paper employs Autoregressive distributed Lag (ARDL) model. The findings of the study shows that capital expenditure has high-quality and giant effect on financial increase both in the short run and long term at the same time as recurrent expenditure does not have widespread impact on economic increase both inside the quick run and long term. Akobi, et al (2021) tested the government expenditure and inflation rate in Nigeria; the findings imply that government expenditure on schooling has a superb and insignificant impact on the inflation charge. It was also observed that government expenditure on agriculture and authorities expenditure on schooling have superb however insignificant impact on the inflation price, even as government expenditure on fitness and authorities expenditure on telecommunications have high quality and great impact on inflation charge. Churchill, Ugur and Yew (2017) investigated the nexus between public spending and output boom; the result upheld the conventional belief that huge government size is unfavorable to growth. Magazzino (2016) tested the nexus among public spending and output boom the use of Italian statistics spanning from 1861 to 2008 and the locating established a non-linear dating among public expenditure and financial growth for Italy. Ezebuilo (2015) investigated the determinants of the dimensions of Public Expenditure in Nigeria; the locating indicates that the dimensions of revenue and boom rate of countrywide profits (output) and private funding significantly have an effect on the scale of public expenditure each in the quick run and longer term. Outside and domestic debts significantly affect the scale of government expenditure most effective in the quick run. Onifade, et al (2020) the usage of ARDL model and 1981-2017 Nigerian records, observed that recurrent expenditure negatively effects on countrywide output while capital expenditure, albeit insignificantly, definitely impacts GDP. Olayungbo and Olayemi (2018) the usage of Vector error Correction version for 1981-2015 Nigerian information set up authority's expenditure have bad and significant effect on financial growth in both brief and long runs. Ebong, et al (2016) examined the effect of capital and recurrent expenditure on financial increase in Nigeria over the duration 1970-2012 the use of VECM. The end result shows that capital expenditure on infrastructures positively and considerably impacts economic growth in both short and long runs. Ezebuilo (2015) ascertained the determinants of size of presidency expenditure in Nigeria. Brief-Run blunders Correction model and long-run static equation were used for evaluating the have an effect on of those variables on the size of government spending. The lengthy-run static equation served as a test to evaluate short-run dynamics with the long-run relationships. Regular least squares (OLS estimation method was used. The outcomes of this study show that the scale of revenue and growth charge of national income (output) and private funding significantly have an effect on the size of public expenditure each within the

quick run and long run. External and domestic debts appreciably influence the scale of government expenditure handiest within the brief run.

Methodology

Time series data were extracted from the publications of Central Bank of Nigeria (CBN) Annual Reports and National Bureau of Statistics (NBS) bulletin, Budget Office of the Federation from 2008 to 2023 to cover the two immediate past era of governance.

Model Specification:

This study modified the model of Eze, et al (2023) as stated below;

$$GDP_t = \beta_0 + \beta_1 PD + \beta_2 INTR + \beta_3 EXR + \beta_4 IFR U_t - - - - i$$

Where;

GDP = Gross Domestic Product; PD = Public Debt; INTR = Interest Rate; EXR = Exchange Rate; IFR = Inflation Rate; β_0 = Constant; β_1 = Parameter Estimates; U_t = Error Term

Thus, the modified model:

$$GXP_t = \beta_0 + \beta_1 DBT + \beta_2 TRV + \beta_3 IFR + \beta_4 EXR + U_t - - - - i$$

Where;

GXP = Government expenditure;

DBT = Public Debt;

IFR = Inflation Rate;

EXR = Exchange Rate;

β_0 = Constant;

β_1 = Parameter Estimates;

U_t = Error Term

Method of Data Analysis

Descriptive and Inferential statistics of the data were used in this study via E-View 9.0 statistical software, using:

- i) Descriptive statistics: is a good measure of central tendency that provides information on the mean, standard deviation, skewness, kurtosis, minimum and maximum values of the variables observed during the period under investigation.
- ii) The study employed ordinary least square (OLS) with aid of e-view 9.0

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal than the alpha and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

Data Analysis**Table 1 Descriptive Statistics**

	GXP	DBT	TRV	IFR	EXR
Mean	7363.292	15119.24	8212.810	1.996875	263.2719
Median	5521.940	2795.210	7933.695	0.125000	241.1100
Maximum	14000.61	87000.91	11116.85	17.16000	435.5700
Minimum	3240.820	523.2500	4844.590	0.080000	118.5500
Std. Dev.	3875.118	24515.32	1907.360	5.163386	117.3415
Skewness	0.740868	1.869172	-0.110471	2.364294	0.158656
Kurtosis	1.965916	5.621059	1.878852	6.772318	1.290804
Jarque-Bera	2.176580	13.89678	0.870525	24.39328	2.014691
Probability	0.336792	0.000960	0.647095	0.000005	0.365187
Sum	117812.7	241907.9	131405.0	31.95000	4212.350
Sum Sq. Dev.	2.25E+08	9.02E+09	54570342	399.9083	206535.3
Observations	16	16	16	16	16

Source: E-View output, 2024

Interpretation of Descriptive Statistics

The descriptive statistics in table 1 revealed that the government expenditure (GXP) is 7363.29; the maximum of 14000.61 with a minimum of 3240.82 with a standard deviation of 3875.12. The average public debt (DBT) observation is 15119.24; standard deviation of 24515.32; a maximum of 87000.91 with a minimum value of 523.25. The mean value of total revenue (TRV) stood at 8212.81, a standard deviation of 1907.36; maximum observation of 11116.85 with a minimum value of 4844.59. The mean of inflation rate (IFR) is at the average of 2.00; standard deviation of 5.16; a maximum observation of 17.16 with a minimum value of 0.08. The mean of exchange rate (EXR) is at the average of 263.27; standard deviation of 117.34; a maximum observation of 435.59 with a minimum value of 118.55.

Skewness is the measure of how much the probability distribution of a random variable deviates from the normal distribution. Table 1 delineates that the probability distribution for DBT (0.001); TRV (0.647); IFR (0.0.000) and EXR (0.365) are positively skewed distribution.

Table 2: Pearson Correlation Matrix

	GXP	DBT	TRV	IFR	EXR
GXP	1				
DBT	0.88260	1			
TRV	-0.05084	-0.06104	1		
IFR	0.66366	0.85591	0.06893	1	
EXR	0.92283	0.75612	-0.12533	0.53394	1

Source: E-Views 9.0 Correlation Output, 2024

The Pearson Correlation Matrix in table 2 shows the existence of a positive relationship between DBT, IFR, and EXR at a coefficient value of 0.883, 0.664 and 0.923. On the other hand, the coefficient factors of -0.051 is an indication that TRV negatively correlates with GXP.

Test of Hypotheses

In other to examine the impact relationships between the dependent variable debt and the independent variables (GXP, DBT, TRV, IFR and EXR) and to also test our formulated hypotheses, the study used a pooled multiple regression analysis since the data had both time series (2008-2023) and cross sectional properties. The pooled interaction based multiple regression results are presented and discussed in Table 3 below.

Table 3 Panel Least Square Regression analysis testing the relationship between GXP, DBT, TRV, IFR and EXR

Dependent Variable: GXP

Method: Least Squares

Date: 01/23/24 Time: 22:35

Sample: 2008 2023

Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	144.1988	1623.710	0.088808	0.9308
DBT	0.088977	0.031844	2.794159	0.0175
TRV	0.130835	0.157688	0.829704	0.4243
IFR	-96.96513	118.4285	-0.818765	0.4303
EXR	18.96493	4.032478	4.703047	0.0006
R-squared	0.937755	Mean dependent var		7363.292
Adjusted R-squared	0.915121	S.D. dependent var		3875.118
S.E. of regression	1128.979	Akaike info criterion		17.14632
Sum squared resid	14020517	Schwarz criterion		17.38775
Log likelihood	-132.1706	Hannan-Quinn criter.		17.15868
F-statistic	41.43042	Durbin-Watson stat		1.669911
Prob(F-statistic)	0.000001			

Source: E-Views 9.0 Correlation Output, 2024

Interpretation of Regression Result

In Table 3, R-squared and adjusted Squared values were (0.94) and (0.92) respectively. The indicates that all the independent variables jointly explain about 92% of the systematic variations in government expenditure (GXP) over the sixteen years periods (2008-2023). Table 3 revealed an adjusted R^2 value of 0.92. The adjusted R^2 , which represents the coefficient of multiple determinations imply that 92% of the total variation in the dependent variable (GXP) in Nigeria is jointly explained by the explanatory variables (DBT, TRV, IFR and EXR). The adjusted R^2 of 92% did not constitute a problem to the study because the F- statistics value of 41.43042 with an associated $\text{Prob.} > F = 0.000$ indicates that the model is fit to explain the relationship expressed in the study model and further suggests that the explanatory variables are properly selected, combined and used. The value of

adjusted R^2 of 92% also shows that 8% of the variation in the dependent variable is explained by other factors not captured in the study model.

Test of Autocorrelation: using Durbin-Waston (DW) statistics which we obtained from our regression result in table 3, it is observed that DW statistics is 1.670 and an Akika Info Criterion and Schwarz Criterion which are 17.15 and 17.39 respectively also further confirms that our model is well specified. In addition to the above, the specific findings from each explanatory variable are provided as follows:

Hypothesis One

Ho₁: Public debt growth has not significantly affect government expenditure in Nigeria.

H₁: Public debt growth has significantly affect government expenditure in Nigeria.

Table 3 indicates that public debt has a positive significant effect on government expenditure in Nigeria. This can be observed from the beta coefficient (β_1) of 0.088977 with p value of 0.02 which is highly statistically significant at 5% level of significance. Since the P-value of the test was 0.02 less than 0.05 (5%), this study upholds that public debt has a positive significant effect on government expenditure in Nigeria. thus, null hypothesis is rejected and alternative hypothesis accepted.

Hypothesis Two

Ho₁: Total revenue has not significantly affect government expenditure in Nigeria.

H₁: Total revenue has significantly affect government expenditure in Nigeria.

Table 3 indicates that total revenue has a positive insignificant effect on government expenditure in Nigeria. This can be observed from the beta coefficient (β_1) of 0.130835 with p value of 0.424 which is highly statistically insignificant at 5% level of significance. Since the P-value of the test was 0.424 higher than 0.05 (5%), this study upholds that total revenue has not significantly affect government expenditure in Nigeria. thus, null hypothesis is accepted and alternative hypothesis rejected.

Hypothesis Three

Ho₁: Inflation rate has not significantly affect government expenditure in Nigeria.

H₁: Inflation rate has significantly affect government expenditure in Nigeria.

Table 3 indicates that inflation rate has a negative insignificant effect on government expenditure in Nigeria. This can be observed from the beta coefficient (β_1) of -96.96513 with p value of 0.430 which is highly statistically insignificant at 5% level of significance. Since the P-value of the test was 0.430 higher than 0.05 (5%), this study upholds that inflation rate has not significantly affect government expenditure in Nigeria. thus, null hypothesis is accepted and alternative hypothesis rejected.

Hypothesis Four

Ho₁: Exchange rate has not significantly affect government expenditure in Nigeria.

H₁: Exchange rate has significantly affect government expenditure in Nigeria.
Table 3 indicates that exchange rate has a positive significant effect on government expenditure in Nigeria. This can be observed from the beta coefficient (β_1) of 18.96493 with p-value of 0.00 which is highly statistically significant at 5% level of significance. Since the P-value of the test was 0.00 less than 0.05 (5%), this study upholds that exchange rate has a significantly affect government expenditure in Nigeria, thus, null hypothesis is rejected and alternative hypothesis accepted.

Hypothesis Five

H₀₅: There is a significant difference between the democratic era of president Yardua/Jonathan (YJEXD) and Buhari (BEXD)

**Table 4: The Summary of Regression analysis of BEXD and YJEXD
(See appendix)**

YJEXD				BEXD			
Variables	Coefficient	t-Statistic	Prob.	Variables	Coefficient	t-Statistic	Prob.
C	2288.650	2.680081	0.0365	C	6661.845	6.073657	0.0009
GXP	0.211873	2.498860	0.0466	GXP	0.098853	4.172813	0.0059
R²			0.5100	R²			0.7437
AR²			0.4283	AR²			0.7010
F-stat(p-val)			0.0466	F-s(p-val)			0.0059
D W			1.6507	D W			1.0707

Source: Author's Computation, (2024)

The Durbin-Watson (DW) is used to check for the appropriateness of the model in this analysis. Comparing the two regression models, these show to have the value of 1.651 and 1.071 for both YJGXP and BEXP respectively, and this seems to be less than two, as an indication that it has non-auto-correlation and thus it is appropriate but the model probability F-statistics has the value as 0.047, and 0.006 for both YJGXP and BEXP respectively, and they seems to be less than the normal decision value of 5% level of significance decision of this study.

The valve of R-squared coefficient of determination stood at 0.510, 0.744 for both YJGXP and BEXP respectively which implies that 51% and 74% respectively of the systematic variations in the dependent variable government expenditure (GXP) were able to be predicted by the independent variable of democratic eras; while about 49% and 26% respectively were unexplained, and possibly these were captured by the stochastic error term. On the other hand, the adjusted R-squared are 0.428 (43%), and 0.701(70%) for both regimes respectively, these also show that the independent variable have the power to explain about 43%, and 70% of the systematic variation in the change of GXP of YJGXP and BEXP era for the period covered, while the

balance of 57%, and 30% of both democratic eras respectively are the stochastic elements that represent all other endogenous and exogenous variables affecting YJGXP and BEXP era within government expenditure which were not captured in the study models of both era.

Comparative Hypotheses Testing in YJGXP and BEXP

H₀₅: There is no significant effect of government expenditure determinants on government expenditure in both YJGXP and BEXP.

The abridged regression models coefficient values of 0.211873, 0.098853 for both YJGXP and BEXP eras respectively and their probabilities values are 0.04 and 0.006 for both YJGXP and BEXP respectively. Thus using our decisions stand, which is 5% significance level, we conclude that the determinants of government expenditure are positive and significant in YJGXP and BEXP.

Discussion and Conclusion

This study examined the determinants of public expenditure on government expenditure of Nigeria. Specifically, the study ascertained the effect of public debt, total revenue, inflation rate and exchange rate on total government expenditure in Nigeria, as well, the study compare the two recent democratic eras (Yar'adua-Jonathan and Buhari) government expenditure in Nigeria. Data were generated from publications of Central Bank of Nigeria (CBN) Annual Reports and National Bureau of Statistics (NBS) bulletin, Budget Office of the Federation from 2008 to 2022. The hypotheses were tested using pool multiple regression analysis. The study revealed that public debt and exchange rate were statistically significant at 5% level of significance, while total revenue and inflation rate shows negative and positive insignificant effect respectively.

It shows that public debts are necessary to meet shortfall internal resources, and stimulate the economy. However, it must be properly utilized to avoid serious consequences. This should be the most important thing agitating the mind of any good accountant and Economist whenever external debt is contemplated. However, the coefficient of government expenditure is negative and statistically insignificant in the short and long run, inferring that a rise in government expenditure decreases the inflation rate. However, it was realized that the, while the exchange rate was positive and statistically significant.

The subsequent suggestions have been made based on the findings:

- i. Debt control office should set mechanisms in motion to ensure that loans are applied for the cause for which they were obtained. This can be done via right monitoring of the use to which the funds are put.

- ii. Government officials saddled with the obligation of sales generation should be expressly catered for. This could growth their performance and consequently accrues more sales to the purse of the authorities.
- iii. Government should enhance its expenditure on productive and fecund activities in order to increase the total output of the economic system as this has a tendency to lessen the charge of inflation in the financial system in preference to exacerbate it.

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Appendix

Dependent Variable: YJGXP

Method: Least Squares

Date: 01/24/24 Time: 22:01

Sample: 2008 2015

Included observations: 8

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2288.650	853.9481	2.680660	0.0365
YJEXD	0.211873	0.084788		0.0466
R-squared	0.509976	Mean dependent var		4370.926
Adjusted R-squared	0.428305	S.D. dependent var		698.3784
S.E. of regression	528.0473	Akaike info criterion		15.58857
Sum squared resid	1673004.	Schwarz criterion		15.60843
Log likelihood	-60.35427	Hannan-Quinn criter.		15.45462
F-statistic	6.244300	Durbin-Watson stat		1.650754
Prob(F-statistic)	0.046600			

Dependent Variable: BGXP

Method: Least Squares

Date: 01/24/24 Time: 22:04

Sample: 2008 2015

Included observations: 8

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6661.845	1096.843	6.073657	0.0009
BEXD	0.098853	0.023690	4.172813	0.0059
R-squared	0.743725	Mean dependent var		10355.66
Adjusted R-squared	0.701013	S.D. dependent var		3350.181
S.E. of regression	1831.870	Akaike info criterion		18.07638
Sum squared resid	20134477	Schwarz criterion		18.09624
Log likelihood	-70.30552	Hannan-Quinn criter.		17.94243
F-statistic	17.41237	Durbin-Watson stat		1.070763
Prob(F-statistic)	0.005860			



FEDERAL GOVERNMENT EXPENDITURE ON ADMINISTRATION AND ITS EFFECT ON THE NIGERIAN ECONOMY (1997-2021)

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Abstract

The study examined the Federal government expenditure on administration and its effect on the Nigerian economy (1997-2021). The cost of administration in Nigeria has been on the increase over the years to the extent that concerned citizens are apprehensive about its effect on the nation's economy. The objectives of the study are to determine the effect of recurrent administrative expenditure and capital administrative expenditure on the Nigerian economy, using Vector Autoregressive and Granger Causality Test. The findings made from the results reveals that cost of administration (represented by recurrent administrative expenditure) has a negative effect on gross domestic product in Nigeria. The study also reveals that cost of administration (represented by capital administrative expenditure) has a positive effect on gross domestic product in Nigeria. Based on the findings of this study, the following recommendations are made ; the need to reduce recurrent administrative expenditure to a sustainable level through reducing irrelevant expenses, as well as, making capital spending more effective. Regulatory authorities in Nigeria should ensure that all salaries and allowances of civil servants, public servants including political office holders conform to appropriate process. Capital expenditures on administrative services should receive more attention, and expenditures should focus primarily on productive economic activities, to stimulate activities in the economic sectors for effective growth in RGDP.

Keywords: Administration, recurrent, Capital expenditure, Nigerian economy

Introduction

In every sector of an economy and stages of development, government expenditure plays a crucial role that enables the economy satisfactorily function irrespective of the type of economy whether less-developed or developed nations. (Onabote, Ohwofasa and Ogunjumo, 2023) Government expenditure is the fund, government spends on its affairs and promoting the growth of the affairs of the nation, it is an important instrument for government to control the economy (Ufoeze, Okoro and Ibenta 2017).

Government expenditure on administration is any cost associated with the operation of the government. It is the cost of performing political obligation, discharging civil services to the public and to support the administrative structure of government, for any society to make meaningful progress there should be an adept and cost effective management system that is proficient of maximizing the nation's meager resources

to the benefit of all. However, citizens would perceive government as a burden when its recurrent administrative expenditure is repeatedly higher than its capital administrative expenditure, which should impact positively on the economy, especially in the areas of employment generation, investment and other activities that induce growth. This is the challenge that Nigeria economy is facing.

In recent times, there had been reawakened interest among economists, policy makers and researchers on government expenditure on administration and its productivity. The concern springs up from the continuous increase in government administrative expenditure. Available data on public finance of developed and developing economies shows remarkable growth in the size of government expenditure on administration in absolute term, in relation to gross domestic product (GDP) and by type of expenditure (Udo, Ekere and Inibeghe 2022).

Nigeria had its independence in 1960 from Britain. Its governance structure is comprised of 3 levels, namely the federal, state and local governments. Currently, the Country has a total of 36 states, with a Federal Capital Territory located in Abuja and 774 Local governments (NBS 2022). Every government, be it federal, state or local government, is established with a vision to provide facilities that would advance the wellbeing of its citizens. For government to achieve this objective, it is required to adopt measures which would ensure effective revenue generation, as well as, judicious utilization of resources at its disposal.

It is now irrefutable that the cost of running a government is elevated in Nigeria. In the 2021 budget a total of N2,168.45 billion was allocated for recurrent administration expenses, also in the 2020 and 2019 budget, a total of N2,294.2 billion and N2,105.20 billion respectively was also allocated to recurrent administrative expenditure. The capital administrative expenses allocated in the year 2019, 2020 and 2021 was N591.26 billion, N417.14 billion, N635.73 billion respectively (CBN statistical bulletin, 2022). The need to cut down the crushing and exorbitant cost of administration in Nigeria has been on the national agenda for years. Nigeria is currently in need of growth like most other nations of the world. The general view is that expanding cost of administration remains a major obstruction in the government policies and the welfare of the citizens. According to Nurudeem and Usman (2010), the increasing government expenditure has not translated to meaningful growth and development, as Nigeria ranks among the poorest countries in the world. In addition, many Nigerians have continued to wallow in abject poverty, while more than 50 percent live on less than US\$2 per day (World Bank). Evidence reveals that investment and good governance are key determinants of sustainable long-term economic growth. Despite these propositions that government expenditure on administration should positively affect the economy, many researchers still report otherwise. Some factors responsible for

insignificant effect of the government spending are the high incidence of corruption and inequity in income distribution occasioned by poor corporate governance in both in the public and private sectors (Sanusi, 2010).

Statement Of The Problem

There is need for a significant economic growth and development in Nigeria, with it's vision on improving the standard of living of citizens. The cost of running government in Nigeria has been on the increase over the years, without much effect . Economic activities of Nigeria has been uneven over the years, and this impelled Nigerians to express their opinions on the productivity of the money spent by the government . This problem has continued to generate public concern and national discourse because of the negative implication on investment, industrial expansion, infrastructural development and growth of the real sectors of the economy. Based on this challenge, some measures are put in place to work on the high cost of administration in Nigeria and its productivity, the measures include, restructuring fiscal and monetary policy, providing and maintaining the Infrastructure, conducting periodic auditing in the ministries and stern execution of the budget. Despite all these measures, the cost of administration does not have significant effect on the economic growth and development in Nigeria. This prompted the researcher to work on the topic; Federal government expenditure on administration and it's effect on the Nigerian economy.

The broad objective of the study is to investigate the effect of administrative expenditure on the economic growth of Nigeria. The specific objectives include:

1. To examine the effect of recurrent administrative expenditure on the Nigerian economy.
2. To examine the effect of capital administrative expenditure on the Nigerian economy

Conceptual issue

Cost of administration

Cost of Administration refers to the expenses which government incurs to run the operations and the affairs of the economy. Adewole and Osabuohien (2007) decomposed cost of administration into two: recurrent administrative expenses and capital administrative expenses.

Economic Growth

Economic growth is an increase in the production of economic goods and services in one period of time compared with a previous period. It can be measured in nominal or real (adjusted to remove inflation) terms. Economic growth according to Ogbulu and Torbira (2012) "is defined as a sustained rise in the output of goods,

services and employment opportunities with the sole aim of improving the economic and financial welfare of the citizens”.

Theoretical Framework

Keynesian theory of public expenditure

This study anchors on Keynesian theory of public expenditure. According to John Maynard Keynes (1883–1946), the government must run the economy through taxation and government spending in order to advance output, growth, and employment. The theory consists of two components: adjustments to government spending and adjustments to taxes. According to Keynesian economics, spending is what increases output, which in turn produces income and employment. This theory is founded on the idea that overall expenditure, or aggregate demand, encourages businesses to provide goods and services.

Empirical Review of Related Studies

A number of studies were conducted to ascertain the relationship between government expenditure on administration and the economy of different countries. These authors include, Andinyanga and Anietie (2023) analyzed the effect of Government Consumptions on Performance of Annual Capital Expenditure in Nigeria. (1981-2021). The data collected were analyzed using Johansen Co-integration test and vector error correction model (VECM). The findings revealed that besides administrative consumption, other explanatory variables economic service consumption, social and community services consumption, and transfers' consumption had positive and significant effect on the performance of annual capital expenditure.

Okonkwo, Ojima, Ogwuru, Echeta, Duru, Akamike, and Manasseh (2023) scientifically examine the effects of government capital expenditure in its disaggregated form (administration, social and community service, economic services, transfers, and government deficit) on Nigeria's economic growth rate from 1981 to 2021 in addition to evaluating how well government expenditure performed in the years following the pandemic in 2021. Secondary data sourced from the CBN statistical bulletin, 2021, were used in the analysis. the study used the autoregressive distributed lag model. The bounds test showed a longrun association between the studied variables. The error correction model showed a strong and positive association between administrative and economic services and the rate of economic growth in Nigeria. Onabote, Ohwofasa and Ogunjumo (2023) examined the effects of government sectoral spending on human development in Nigeria using annual data spanning the period 1986–2021. This study contributed to the literature by examining the effects of government sectoral spending on human development using a robust human development index that captures the multifaceted state of economic development in terms of educational attainment, life expectancy and per capita

income, the results from the Autoregressive Distributed Lag (ARDL) model employed indicated that both in the short and long run, there is no link between government sectoral spending and human development in Nigeria.

Udo, Ekere and Inibeghe (2022) examined the effects of government expenditure on economic growth in Nigeria for the period (1981-2018) using bound test (ARDL) approach. ARDL result shows that total government expenditure (LTGE) impacted positively on economic growth in Nigeria. The granger causality test result indicates the existence of uni-directional causal relationship from LGDP to LTGE. Edet (2018) examines the effect of institutions infrastructure on economic performance in Nigeria. Time series data from 1986 to 2016 were sourced from the Central Bank of Nigeria, World Bank, etc. Multiple regression model was employed for data analysis and ECM was adopted. The findings shows that economic and regulatory institutions significantly impact economic growth.

Ben, Udo, Abner, Ike Ttingir and Ibekwe (2018) examined the effect of administrative capital outflow on recurrent outflow on economic development in Nigeria, with the fundamental intent to examine the effect, causes, and affiliation between government overheads and economic growth and development in Nigeria. The study adopted annual time series data from 1999-2016. The Classical Regression Model, Augmented Dickey-Fuller test along with an array of a diagnostic test where employed. The Johansen test for co-integration was equally employed with two co-integrating factors. Empirical proof bared a long-run affiliation flanked by government outflow and growth in Nigeria. The Results documented the manifestation of a significant affiliation flanked by real gross domestic product, total recurrent expenditure and community services, with a non-significant affiliation flanked by GDP and economic services.

Ufoeze, Okoro, and Ibenta (2017) studied, the effect of cost of governance on economic growth in Nigeria. The variables of cost of governance are broken into general administration, defense, internal security and national assembly and used as the explanatory variable while GDP served as the dependent variable and proxy for economic growth. The study covered the civil rule in Nigeria forth republic of 1999 to 2014. The review of the hypotheses indicated that the federal government cost of general administrations has no positive significant effect on economic growth in Nigeria; federal government cost of defense has positive significant effect on economic growth in Nigeria, federal government cost of internal security has negative significant effect on economic growth in Nigeria; and government cost of national assembly has positive significant effect on economic growth in Nigeria. Ifere, Okoi and Bassey (2015) examined the relationship between institutional quality, macroeconomic policy and economic development in Nigeria. The study used data obtained from Central Bank of Nigeria for the period from 1995 to 2013.

Their results revealed an insignificant impact of domestic institutions on Nigeria development indices. Nwanne (2015).

Evaluated the effect of government capital expenditure on the manufacturing sector output in Nigeria. The study used quantitative time series data and multiple regression techniques in the analysis. The result of the co-integration test indicates long run relationship between dependent and independent variables. It also reveals that capital expenditure on road infrastructure (CEXR) and telecommunication (CEXT) affects the manufacturing sector output in Nigeria significantly while government capital expenditure on power has insignificant effect on manufacturing sector in Nigeria.

Agu(2013) assessed cost of governance and revenue assurance mechanisms at states level in Nigeria. The methodology adopted by the paper involves the use of quantitative data for 9 years, from 2002 to 2010, which was generated from the annual report and accounts of the Central Bank of Nigeria. The findings shows that Cost of governance in Nigeria has to a great extent increased due to superfluous increase in the number of government agencies, high number of Commissioners, Special Advisers, Special Assistants and Personal Assistants, gigantic pay of political office holders. Ejuvbekpokpo (2012) studied the impact of cost of governance on economic development in Nigeria using recurrent and capital administrative expenditures as proxy for cost of governance and gross domestic product is used as a proxy for economic growth. Using data from 1970 to 2010 and the Ordinary Least Squares (OLS) technique of analysis, the study reveals that cost of governance impedes economic development in Nigeria. Nworji, Okwu, Obiwuru and Nworji (2012) examined the effect of public expenditure on economic in Nigeria for the period 1970 – 2009. Using OLS multiple regression models .The major objective of the study was to analyze the effect of public government spending on economic in Nigeria based on time series data on variables considered relevant indicators of economic growth and government expenditure. The findings from the analysis showed that capital and recurrent expenditure on economic services had insignificant negative effect on economic growth during the study period. Also, capital expenditure on transfers had insignificant positive effect on growth. But capital and recurrent expenditures on social and community services and recurrent expenditure on transfers had significant positive effect on economic growth.

Methodology

The econometric method of analysis was employed to empirically examine federal government expenditure on administration and its effect on the Nigerian economy. The data collected were subjected to different kind of tests namely Unit root test to examine the stationarity property of the time series data, Co-integration test to ascertain the existence of long and short run effect of the variables.

Model of the Study

This study adapted and modified the model of (Udo, Ekere and Inibeghe,2022) on Government expenditure and economic growth in Nigeria: aggregate level analysis using the bound test approach

$$Y = F(K, L, TPE) \quad (1)$$

$$Y = F(K, L, TPE, FISB, INFL, M2, TOP) \quad (2)$$

variables are fiscal balance (FISB), inflation rate (INFL), broad money (M2) and trade openness (TOP) which are assumed to affect economic growth are included in the model.

Modified model for the study

$$RGDP = \alpha_0 + \alpha_1 RAD + \alpha_2 CAD + \mu_t \quad (3)$$

$$RGDP = \alpha_0 + \alpha_1 RAD + \mu \quad (4)$$

$$RGDP = \alpha_0 + \alpha_1 CAD + \mu_t \quad (5)$$

Description of the Variables

For the purpose of this study, the variables studied in this research work are split into two categories; the dependent variables and the independent variables.

The dependent variable is

RGDP: Gross Domestic Product (Proxy for economic growth)

The independent variables are described as follows;

RAD: Recurrent Administrative Expenses

CAD: Capital Administrative Expenses

Data Analysis

Table 1: Descriptive statistics results

Variables	Obs	Mean	Standard Dev	Min	Max	Skewness	Kurtosis
RGDP	25	49870.68	18228.62	23469.34	73382.77	-0.144250	1.478488
RAD	25	886.1244	671.9282	50.68000	2294.720	0.600911	2.424063
CAD	25	227.2620	162.4981	35.27000	635.7300	0.968732	3.462792

Source: Computer analysis using E-views 12.0

Table 1 displays the descriptive statistics findings for the entire study sample. We found that the mean (or standard deviation) values for gross domestic product, recurring administration costs, and capital administrative expenses, respectively, for the entire sample are 49870.68, 886.1244, and 227.2620 (or 18228.62, 671.9282, and 162.4981). The three variables have maximum and minimum values that fall between 73382.77 and 23469.34, respectively. The skewness has both negative and

positive values, indicating that the distribution is both negatively and positively skewed.

Table 2 Correlation Matrix

	RGDP	RAD	CAD
RGDP	1.000000	0.922471	0.805630
RAD	0.922471	1.000000	0.898077
CAD	0.805630	0.898077	1.000000

Source: Computer analysis using E-views 12.0

From the findings on the correlation analysis between RGDP and the other study variables in table 2 indicates a positive correlation coefficient RAD (0.922471), CAD (0.805630) and RGDP respectively. In order to ascertain the stationarity of the variables, augmented Dickey-Fuller (ADF) unit root test was employed.

Tables 3, 4, and 5 demonstrate that none of the variables are stationary at the level, only at the first and second differences.

Table 3: Result of ADF Unit Root Test at Level

Variables	ADF Test Statistic	Test Value at 1%	Critical Value at 5%	Remark
RGDP	-0.763227 (0.8115)	-3.737853	-2.991878	Not Stationary
RAD	0.466830 (0.9817)	-3.737853	-2.991878	Not Stationary
CAD	-0.190624(0.9273)	-3.737853	-2.991878	Not Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Table 4: Result of ADF Unit Root Test at 1st Diff

Variables	ADF Test Statistic	Test Value at 1%	Critical Value at 5%	Remark
RGDP	-2.970415(0.0528)	-3.752946	-2.998064	Not Stationary
RAD	-3.774198(0.0095) **	-3.752946	-2.998064	Stationary
CAD	-5.976288 (0.0001) **	-3.752946	-2.998064	Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Table 5: Result of ADF Unit Root Test at 2ndDiff

Variables	ADF Test Statistic	Test Value at 1%	Critical Value at 1%	Test Value at 5%	Critical Value at 5%	Remark
RGDP	-5.603969(0.0002) **	-3.769597		-3.004861		Stationary
RAD	-5.320624(0.0003) **	-3.769597		-3.004861		Stationary
CAD	-9.000506 (0.0000) **	-3.769597		-3.004861		Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Phillips-Perron (PP) unit root test was used to verify the variables' stationarity, and the test also demonstrates that the variables were stationary at the first and second difference, which led to the employment of Vector Autoregressive Estimates (VAR) as a method of data analysis.

Table 6: Result of PP Unit Root Test at Level

Variables	PP Test Statistic	Test Value at 1%	Critical Value at 1%	Test Value at 5%	Critical Value at 5%	Remark
RGDP	1.546838 (0.9989)	-3.752946		-2.998064		Not Stationary
RAD	2.693598 (1.0000)	-3.752946		-2.998064		Not Stationary
CAD	-2.047711 (0.2660)	-3.752946		-2.998064		Not Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Table 7: Result of PP Unit Root Test at 1st Diff

Variables	ADF Test Statistic	Test Value at 1%	Critical Value at 1%	Test Value at 5%	Critical Value at 5%	Remark
RGDP	-3.005110(0.0480)	-3.769597		-3.004861		Not Stationary
RAD	-3.434676(0.0206) **	-3.769597		-3.004861		Stationary
CAD	-7.026733 (0.0000) **	-3.769597		-3.004861		Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Table 8: Result of PP Unit Root Test at 2ndDiff

Variables	ADF Test Statistic	Test Value at 1%	Critical Value at 1%	Test Value at 5%	Critical Value at 5%	Remark
RGDP	-3.025110(0.0480) **	-3.769597		-3.004861		Stationary
RAD	-3.434676(0.0206) **	-3.769597		-3.004861		Stationary
CAD	-7.026733 (0.0000) **	-3.769597		-3.004861		Stationary

Source: Author's Computation, Computer analysis using E-views 12.0

Short Run Relationship

Table 9: Results of Vector Autoregressive Estimates Normalised on RGDP

Parameters	Coefficient	Standard Error	t-statistic
RGDP (-1)	1.418361	0.20142	7.04180
RAD (-1)	-5.855597	2.61112	-2.24256
CAD (-1)	2.225605	4.56956	0.48705
C	3572.821	1354.71	2.63733

Adjusted R-squared = 0.99

F-Statistic = 718.2563

Source: Output Data from E-views 12.0

Table 9 shows the result of VAR analysis and it indicates that RGDP, CAD and C have positive effect on RGDP while RAD has negative effect on RGDP. A one percent change in one-year lag of RGDP, CAD and C will result to a positive change in RGDP by 1.42 percent, 2.225 percent and 3572.821 percent respectively. On the other hand, a one percent change in one-year lag of RAD will result to negative change in RGDP by -5.855597 percent. On the performance of the individual variables, the results reveal that only one-year lag of RGDP, RAD and C are statistically significant given the high value of the t-statistic. The result revealed that government expenditure on administration has positive and insignificant effect on Nigeria economic growth for the period of the study.

According to the adjusted R-squared value of 0.99%, the combined effects of the independent variables account for nearly 99% of the fluctuations in RGDP. Additionally, it suggests that the model does a decent job of describing the relationship. Additionally, the F-statistic, which assesses the model's overall significance, had a high value of 718.2563.

Table 10 Granger Causality Test

Null Hypothesis:	Obs	F-Statistic	Prob.
RAD does not Granger Cause RGDP	23	5.49927	0.0137
RGDP does not Granger Cause RAD		1.82946	0.1891
CAD does not Granger Cause RGDP	23	0.72238	0.4991
RGDP does not Granger Cause CAD		3.51737	0.0514

Source: Output Data from E-views 12.0

According to Table 10, there is a unilateral causal relationship between RAD and RGDP, with a progression from RAD to RGDP. The causal relationship between CAD and RGDP is insignificant. The likelihood level of less than 5% indicates that the causality shifts from ongoing administrative costs to real gross domestic product

(RGDP). The findings suggest that raising recurrent administrative costs will support Nigeria's economic expansion, which will increase job opportunities and lower the rate of poverty in the country and improve the economic activities.

Conclusion

The findings made from the results presented and interpreted above, reveals that cost of administration (represented by recurrent administrative expenditure) has a negative effect on gross domestic product in Nigeria. An increase in expenditure on administration reduces expenditure on development projects, which adversely affect growth. Also, the study reveals that cost of governance (represented by capital administrative expenditure) has a positive effect on gross domestic product in Nigeria.

Recommendations

Based on the findings of this study, it is recommended that there should be the need to trim down recurrent expenditure to sustainable level through reducing waste, of resources, as well as, make capital spending more effective. Policy makers in Nigeria should ensure that all salaries and allowances of civil servants, public servants including political office holders conform to the constitutional rules and regulations. Capital expenditures on administrative services should receive more attention, and expenditures should be focused primarily on productive economic activities, to stimulate activities in the economic sectors for effective growth in RGDP.

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VERTICAL DIVERSIFICATION AND ORGANIZATIONAL COMPETITIVENESS OF MANUFACTURING COMPANIES IN SOUTH EAST, NIGERIA

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Abstract

This study examined the nexus between vertical integration (backward and forward) and organizational competitiveness with reference to listed manufacturing firms in South-East, Nigeria. Descriptive survey research design was adopted. The population of study comprised of 594 (managers, supervisors and administrative) staff of listed manufacturing firms in South-East, Nigeria. A sample size of two hundred and thirty-nine (239) was drawn from the population using Taro Yamene formula while stratified proportionate random sampling technique was used for the sample unit. Two hundred and fifteen (215) copies of questionnaire retrieved were completely filled and used for the study. The Spearman Rank Correlation (ρ) was used to ascertain the relationship between vertical integration and organizational competitiveness. The result of the bivariate analysis reveals that backward integration and forward integration had a significant positive relationship with the organizational competitiveness. The findings led to the conclusion that vertical integration is imperative in improving the competitiveness of manufacturing firms in Nigeria, South-East. The study recommends among other things, that manufacturing companies should integrate backwardly as to control the quality of their input and products, also forwardly as to get first-hand information from end users for taking informed decision that will enhance their competitiveness.

Key words: vertical integration, backward, forward, organizational competitiveness

Introduction

Manufacturing industry plays catalytic role in a modern economy and has many dynamic benefits that are crucial for economic development and transformation (Opaluwa, Umeh & Ameh, 2010) in (Olowu, et al, 2023). It contributes to the Gross Domestic Product (GDP) of a country (Muhammad, 2019), may be one of the highest employer of labour due to series of activities it engages upon. Behun, et al (2018) noted that the Industry accounts for a major part of the European economy, generating 24% of GDP and employing up to 50 million people, representing one out of five jobs in the EU. The manufacturing industry forms the basis of many national economies, which is reflected in its high share of total output, employment and revenues, and in the creation of sustainable economic growth (Herman, 2015).

However, this sector of the Nigeria economy is facing great challenges from both internal and external business environments' owing to the volatility of the

environment it operates. For instance, the increasing demand for foreign currencies for importation of raw materials and lackadaisical attitude of the intermediaries, incursion of new market entrants' especially foreign investors into the manufacturing industry also change in taste and preference, have called for the attention of firms and investors to come up with strategies on how best to achieve customer satisfaction through provision of quality product (Haim, 2015; Hanafi, et al, 2018; Marangu, et al, 2014). Similarly, there is also an urgent need for growth through vertical integration as to improve the competitiveness of manufacturing firms. Baum, et al (2012) believe that companies today operate in an increasingly dynamic and challenging environment; organizations must be able to act quickly in response to opportunities and barriers. To cushion the effects of these challenges, manufacturing firms must strategize on how to succeed and grow their businesses. Moreover, Mayila, et al (2017) stated that Companies must develop a highly detailed understanding of specific emerging markets, as well as the needs of their existing customers. They further suggest that manufacturing firms will also require agile approaches to the development of strategy—using scenario planning rather than point forecasts, they gave instance of firm making big bets on long-range opportunities, such as tapping new markets in developing economies or switching to new materials, but must do so in ways that minimize risk.

The ability of manufacturing companies to overcome relies on the competitive strength of a firm (Barney, 2017). Porter (2016) asserts that business succeed when they possess some advantages relatively higher to their competitors. African Development Indicators (2013) suggest that the potential for edging and achieving sustainable competitiveness in a relatively dynamic, complex and uncertain business industry is based on two premises and advantages: cost advantage and resource advantage. According to Pearce and Robinson (2018), a scheme developed by Michael Porter, for a firm that seeks to build competitive advantage, it should strive for overall low-cost leadership in the industry, the firm should be able to use its low cost advantage to charge lower prices and yet enjoy higher profit margins. Organizations may also need to improve on their product quality, channel of distribution, delivering of service above expectations of the customers for competitive edge over others in the industry.

Furthermore, with the amplified change in competition, globalization and economic-political environment; firms are bound to think outside the box of the strategies that can aid in achieving corporate competitiveness for sustainable growth. In quest to attain and sustain this competitive advantage, manufacturing firms may require to follow different strategic directions. A strategy of a corporation forms a comprehensive master plan stating how the corporation will achieve its mission and objectives (Wheeller & Hunger, 2014). This corporate strategy maximizes competitive advantage and minimizes competitive disadvantage. Diversification is one of the corporate strategy that can ensure growth

of an organization. Diversification is developing a wide range of products, interests or skills in order to be more successful or reduce risks (Nickels, 2012). Manufacturing firm can diversify vertically, when it takes over a function previously provided by a supplier or distributor (Wheeller & Hunger, 2014). In agreement to this, Abuh and Echechukwu (2020) affirmed that vertical diversification occurs when the firms go back to previous stages of their production cycle and therefore get forward to other stages of similar cycle of production of raw materials or distribution of the final product. In other words, it entails expanding in a backward or forward direction along the production chain of a product. Some manufacturing firms in Nigeria have keyed into this form of diversification by sourcing their raw material or reaching out to their customer (retailers and end users). Backward integration may facilitate timely supply of raw material and assures the quality of same. Again, two most celebrated works, Desai (1981) and Ahluwalia (1985) observed that backward integration leans more towards import substitution strategy than exports promotion which invariably reduces pressure on the limited foreign exchange available. Coscharis group, Dangote sugar Plc, BUA cement, Lafarge cement and host of others are into backward integration. On the other hand, forward integration ensures prompt delivery of goods to the consumers, ensures offering of optimal price by removing profit of the intermediaries (Pearce & Robison, 2010), and enhances quality of the product (Barney, 2017).

Diversification enhances organizational competitiveness hence Marangu, et al (2014) argued that as more diversified firm is, more competitive advantage it possesses and can survive the stiff competition in the industry. A firm is said to be competitive over rivals when it is able to create more economic value than other competing firms (Barney, 2017). Economic value is the difference between perceived benefits gained by a customer that purchases a firm's product or service and the full economic cost of these products and services. In the light of the foregoing, this paper intends to examine the extent backward and forward integration relate with the competitiveness of selected listed manufacturing companies in south east Nigeria.

Manufacturing sector in Nigeria is being choked with lots of challenges emerging from both internal and external environment of the industry. They include scarcity of foreign currency, unhealthy competition, customers' preference, intermediaries' sharp practices, high cost of custom duties for importation of raw materials used in local production, continuous fall of the naira against the dollar, corruption, poor management, production of fake products, and lots more that largely erode the competitiveness of the industry in the regional markets and Nigeria at large (Oloda, 2017, Ohimain, 2014 and Olannewahu, 2016). These conditions have significantly constrained capacity utilization in the manufacturing industries in Nigeria (Anyanwu, 2020). Hence, their competitiveness and eventual

growth is like a hurricane task to most of them leading to closure of some of the firms.

A lots of studies have been carried out to ascertain the effect of backward and forward integration on manufacturing firms but there are still unsolved questions about its relationship in regards to organizational competitiveness, particularly when it comes to certain publicly traded manufacturing enterprises in Nigeria's south east states. For instance, Scholars like Desai (1981) Oji, et al (2014); Marangu, et al (2014); Oloda (2017); Muculloch, et al (2017) Kaiser and Obermaier (2020) have examined critically backward and forward integration and their connection on various parameters. Yet there are inconsistency on the results obtained hence this study intends to explore the extent backward and forward integration relate with the competitiveness of listed manufacturing companies in south east, Nigeria.

The broad objective of this study is to investigate the nexus between vertical diversification strategy and competitiveness of listed manufacturing companies in South East, Nigeria. The specific objectives are to:

1. analyze the extent to which backward integration links with the competitiveness of listed manufacturing companies;
2. evaluate the extent to which forward integration relates with the competitiveness of listed manufacturing companies.

The following research questions were posed to address the study objectives:

1. What is the extent to which backward integration relates with competitiveness of listed manufacturing companies?
2. To what extent does Forward integration relates with competitiveness of listed manufacturing companies?

H₀₁: There is no significant relationship between backward integration and the competitiveness of listed manufacturing companies in south east, Nigeria.

H₀₂: Forward integration has no significant relationship with the competitiveness of listed manufacturing companies in south east, Nigeria.

This research centers on examining the extent of effect vertical diversification has on competitiveness of four listed manufacturing companies in South East of Nigeria. The content scope cut across two dimensions of vertical diversification which include, backward and forward integration and organizational competitiveness. The geographical spread of the study is the manufacturing firms in South East states of Nigeria namely: Abia, Anambra, Ebonyi, Enugu and Imo. However, the scope covers only four listed manufacturing companies that have diversified and their plants are located at south east of Nigeria. They include: PZ Cusson Nig PLC, Aba, Abia, Nigerian Breweries (NB) PLC, Ama, Enugu; Guinness

Nig PLC, Aba, Abia; Cutix PLC.Nnewi,Anambra. The unit scope of the study centers on the managers, supervisors and administrative staff of the selected manufacturing companies.

Review of Related Literature

Vertical Diversification

Vertical diversification involves a company investing along the production chain by taking control of different production stages along the supply chains. When a company takes control of its materials supply, it is called backward integration, and when it takes control of its product distribution, it is referred to as forward integration (Kenton, 2019). Sudarsaam (2010) in Ahmed and Simba (2019) summarizes vertical diversification as the combination of successive activities in a vertical chain under a common coordination and control of a single firm. It is presumed that a company improves the control of the supply chain in vertical integration when it increases its market share by taking over its competitors in the related markets at the same level of the supply chain in horizontal integration (Oloda, 2017).

Backward integration

According to Kenton (2019) backward integration strategy is an offshoot of vertical integration strategy in which an organization undertakes tasks previously embarked upon by businesses in the supply chain through merging with or acquiring businesses or doing it on their own. He asserts that the company engages in backward integration in order to improve efficiency and save costs. For, Nagambu (2020), backward integration enables a company to have control over the supply chain and have direct access to the required raw materials, which enables them to achieve efficiency and competitiveness over other companies in the industry.

Forward Integration

Forward integration occurs when a manufacturing firm diversifies by performing the job of distribution or middlemen or going closer to the customers. Forward integration allows a manufacturing company to assure itself of an outlet for its products and it allows a firm to have more control over how its products are sold and serviced (Barney, 2017). A manufacturing firm can be more effective and efficient by diving into distribution activities usually done by middlemen (Marangu, et al, 2014). By opening its own retail outlets, a firm is often better able to control and train the personnel selling and servicing its equipment (Barney, 2017). More recently, firms take their products to the market through the sales representatives so as to remain competitive. According to Pearce and Robinson (2010), some firms employ forward integration strategies to eliminate the "profits of the middleman."

For instance, Nestle PLC uses sales representative to move closer to the retailers and end users of their products boycotting the activities of the intermediaries. Adeleke, et al (2019) stated that forward integration helps to improve the ability to differentiate the product and enables firms to access the distribution channels, thereby removing any bargaining power the channels may have. Also it provides better access to market information by allowing the firm to determine the quantity of demand for its products sooner, than if it had to infer it indirectly from customers' orders. Finally, it allows higher price realization to the organization.

Organizational competitiveness

According to Wilfred, et al (2014) organizational competitiveness refers to its ability to create more economic value than other competing firms. Similarly, enterprise competitiveness refers to its ability to design (Ambastha & Momaya, 2004), produce and/or market products superior to those of offered by competitors, considering the price and non-price product qualities (Sadegh, et al, 2015). Diaz-Chao (2015) relates organizational competitiveness to continuous presence in markets, profit making and the ability to adapt production to demand.

Competitiveness at the firm level, constitute an important matter for practitioners, in order to create and develop abilities, a proper performance of resources and management of factors that influence the results in the market place are paramount. If a company, wants to grow and being superior, obtaining sustainable competitive advantages and superior performance over competitors such firm must strategize. Sharma and Kesner (2016) argued that diversifying entrants enter at a bigger scale and are more likely to survive and grow than undiversified entrants; consequently diversifying entrants pose a bigger threat, in increasing rivalry and challenging incumbents' market share, than undiversified entrants. This entails that a more diversified firm is more competitive having several products to offer that facilitate survival of the stiff competition in the industry. Once more and more customers perceive benefits they gain by purchasing a firm's product, then they tend to buy more of the products which lead to gaining more market share which is an indicator of competitiveness (Barney, 2017).

Theoretical Review

Vertical diversification theory has its root in transaction costs economics traceable to the Coase (1937) seminar work titled "The nature of the firms". Coase (1937) argues that a firm would not exist if there were no explicit transaction costs. He emphasized that all activities embarked upon by firms can be explained if transaction costs exist. According to him, with limited resources and uncertain environment, economic agents would always seek the most cost-effective means of achieving their goals. The principle of marginalism comes into play in decision making as regards

to cost. At the margin, these “costs must be equal to each other (marginal revenue) or equal to the costs involved in leaving the transaction” to be “organized” by the price mechanism. The firm would undertake the task or embark on production if the cost of embarking on production through the market price mechanism is higher than that of embarking on the production within the firm. But if the cost of undertaking the task or production within the firm is higher, it pays the firm to allow the goods to be produced or task to be undertaken through the price mechanism (decision to make or buy).

Transaction costs economists believe that organizational economies help to reduce management costs. They held that a firm may produce what other firms produce and compete with them, what makes the difference is that the firm is likely to be organized differently or use different technologies.

This theory is related to this study because for an organization to be competitive it must offer lower price products and of a higher quality. This is achievable through minimization of cost which vertical integration can guarantee. Koch (1980) in Oshodi (2022) asserts that vertical diversification allows a firm to reduce cost, increase efficiency, reduce and restrict competition.

Empirical Review

Oji, et al (2014) examined the impact of backward integration policy on Nigerian cement industry, 1999-2012. The study was anchored on some basic propositions emanating from the Marxian political economy theory. Data for the study was collected through primary and secondary data (written descriptions), face-to-face elite interview with a total of thirteen interviewees and indirect observation of the cement market dominance and price fluctuations at different intervals. The data was analyzed using Herfindahl-Hirschman index and found out that the backward integration policy on cement increased the output of cement in Nigeria also that the restriction of license to import cement in Nigeria has led to the empowerment of the local cement producers. It recommends for review of backward integration policy for more positive effects.

Adeleke, et al (2019) explored the effect of forward integration strategy on organizational growth, evidence from selected insurance and banking organizations in Nigeria. Specifically the study sought to evaluate the relationship between direct marketing and profit performance of twelve selected insurance and banking institutions in south west, Nigeria. The study adopted descriptive survey design using questionnaire to solicit for information from 753 respondents that were staff of the sampled organizations. The result revealed that there was a significant positive relationship between direct marketing activities and profit growth in the selected organizations. Informed by the finding, the study concluded that there were a limited number of strategic integration moves, especially vertical integration among most of

the Nigerian financial organizations. It recommended that the Nigerian banking and insurance organizations are to enhance the personalization of their services to ensure that the existing customers remain locked in and new customers continue to be attracted.

Oshodi (2022) investigated the impact of the backward integration policy on manufacturing firms' value added in Nigeria. The study sourced its data from the annual reports and statement of accounts of 49 sampled manufacturing firms, Central Bank of Nigeria statistical bulletin, National Bureau of Statistics annual abstract and Nigeria Customs Service tariff books for the period (2002-2020). The Fisher-type Augmented Dickey-Fuller (ADF) unit root test procedure was employed to examine the stationarity properties of each of the variables used in the study. Pooled Ordinary Least Squares (OLS) method was employed for the regression analysis. The findings show that backward integration policy through the use of local raw materials in production significantly led to an increase in manufacturing firms' value added in Nigeria. An increase in the use of local raw materials in production led to an increase in value added by all sampled firms across manufacturing industries in Nigeria. The findings also reveal that fixed assets, employment, energy cost and exchange rate have a significant positive influence on the value added of all sampled manufacturing firms.

Kaiser and Obermaier (2020) investigated the impact of vertical (dis-)integration on Firm performance: A Management Paradigm Revisited. The researchers used a sample of 434 German manufacturing firms between 1993 and 2013 who have a decreasing trend of vertical integration over time. Applying multiple regression analysis, they found a positive, but diminishing relationship between the degree of vertical integration and financial performance. These two findings described a paradox of vertical disintegration. Probing further, they observed that the decreasing trend mainly emerged because lower performing firms outsourced their activities significantly whereas high performing firms did not show such a development. They concluded that their results indicated that German manufacturing firms might have gone too far in their vertical disintegration strategy by following a management paradigm which needs much more critical reflection.

Lin, et al (2014) considered two competing supply chains, each consisting of supplier, a manufacturer, and a retailer. The suppliers exert effort to improve product quality, and the retailers sell products competitively. Each manufacturer chooses one of the three strategies: forward integration, backward integration, or no vertical integration. The paper seeks for a sub game perfect Nash equilibrium and study the resulting market structure. Moreover, the study examined the effect of vertical integration on profitability, product price, and quality in a competitive setting. In contrast, the study found that, when both forward and backward

integration options are considered, disintegration cannot be an equilibrium outcome. In this case, both manufacturers either forward or backward integrate, and the degree of product perishability, cost of quality, and how much consumers value quality are critical for the chosen direction of integration. Furthermore, competition increases attractiveness of backward integration relative to forward integration. The study showed that, while integrating backward unilaterally is always beneficial, unilateral forward integration can harm a manufacturer's profitability. Finally, vertical integration can result in a better quality product sold at a lower price.

Research Method

The study adopted a descriptive survey design. The study was carried out on four listed manufacturing companies located in south-east, Nigeria. The population of the study was 594, and a sample size of 239 was drawn, using the method of Taro Yamane. The sample size stated was selected using stratified proportionate random sampling technique. This sampling technique was used so as to ensure equal and fair representation from each strata. Data for the study was collected from the primary source through questionnaires that were administered to the managers, supervisors and administrative staff of these selected firms. Information collected through the questionnaire was presented in tables using descriptive statistic: frequency, mean, standard deviation and percentage. A 4-point likert scale of SA-Strongly Agree (4), A-Agree (3), D-Disagree (2), SD-Strongly Disagree (1) was used to develop the answer options for the questionnaire. The instrument was validated by experts based on face and content validity. A Cronbach's method of reliability test was carried out on the instrument to determine its reliability. The result showed a score of 0.94, which implied that the test instrument is above the recommended reliability of 0.70, thereby indicating high reliability. Two hundred and three-nine (239) questionnaires were administered out of which 226 copies were retrieved, and out of this number, 11 being 4.9% were wrongly filled. Hence 215 (95.1%) questionnaires were used for the data analysis. The hypotheses of the study were tested with Theil-sen regression while the extent of relationship between the variables were determined using Spearman rank correlation analysis with the aid of SPSS 23.

Research Findings

Findings under this section were based on the means and standard deviation for the data that was collected through the likert scale, measuring the level of agreement of the respondents with respect to the given aspects of vertical diversification. The results were as presented in Tables.

Table 1: Backward Integration (BI)

Statements	SA	A	D	SD	N	Mean	Std Dev
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My firm maintains the quality of our raw material and products so as to ensure the right standards.	142	32	36	5	215	3.45	0.89
The productivity of my firm has improved due to the introduction of BI	135	59	9	12	215	3.47	0.82
My firm operates in full capacity because there is no stock out situation.	191	11	14	0	215	3.84	0.53
My firm achieves optimal price for our products due to BI	201	13	1	0	215	3.93	0.30
My firm takes advantages of emerging opportunities afforded by an expanding economy and government policies.	120	18	53	24	215	3.09	1.15

Source: Field survey (2023)

Table 1 shows the responses of all the respondents in terms of mean and standard deviation on statements measuring the relationship between backward integration and competitiveness of the listed manufacturing companies. All the statements were agreed upon as the competitive drive of BI to manufacturing firms.

Table 2: Forward Integration (FI)

Statement	SA	A	D	SD	N	Mean	Std Dev
My firm reduces the risk of distribution value chain bottleneck by engaging in FI.	197	15	3	0	215	3.9	0.34
My firm effectively delivers goods as at when needed.	181	23	10	1	215	3.78	0.54
Direct sale creates room for immediate feedback which facilitates product improvement.	203	10	0	2	215	3.91	0.34
Our customers' needs are well understood and form the basis of the	141	28	32	14	215	3.38	0.96

organizational
operations.

My firm timely adapts
to the market Changes
and customers' needs.

162 37 15 1 215 3.67 0.62

Source: Field survey (2023)

According to the findings on table 2, the respondents with means of 3.9, 3.78, 3.91, 3.38 and 3.67 respectively agreed upon the statements itemized in the instrument as the benefits of FI with respect to manufacturing companies' competitiveness. Also standard deviation values of 0.34, 0.54, 0.34, 0.96 and 0.62 show slim variations in the responses of the respondents to the statements.

Table 3: Organizational Competitiveness

Statement	SA	A	D	SD	N	Mean	Std Dev
My firm has competitive edge in the industry,	130	60	12	13	215	3.43	0.85
My firm's products enjoy customers' loyalty.	199	6	8	2	215	3.87	0.50
My firm dominated the market place thereby creating barriers for new entrants.	121	81	6	7	215	3.47	0.71
Competitors' current and future plans are well predicated by my firm.	60	45	92	18	215	2.68	1.39
Information regarding competitors' action is regularly collected and discussed to inform the formulation of new strategies.	158	33	13	11	215	3.57	0.82

Source: Field Survey, (2023)

According to findings on table 3, the respondents with a mean of 3.43 and standard deviation of 0.85 agreed upon the statement that their firms have competitive edge in their industry. Also on the statement, my firm's products enjoy customers' loyalty was strongly agreed by the respondents with a mean of 3.87 and standard deviation of 0.24. Furthermore, the statement that my firm dominated the market place thereby creating barriers for new entrants was agreed upon with mean of 3.47 and standard

deviation of 0.71. Further findings show that the Competitors' current and future plans are well predicated by the firms was agreed upon with a mean of 2.68 and standard deviation of 1.39. The respondents also agreed with the statement, information regarding competitors' action is regularly collected and discussed to inform the formulation of new strategies with mean of 3.57 and standard deviation of 0.82.

Research Questions/ Test of Hypotheses

Research Question One

What is the extent to which backward integration links with competitiveness of listed manufacturing companies?

Table 4. Spearman's Rank Correlation Summary for Backward Integration and Competitiveness

Variables	n	Σ	\bar{X}	SD	R
Backward Integration	215	3259	15.158	2.850	0.789
Competitiveness	215	2977	13.847	3.845	
High Relationship					

Source: Extracted from SPSS Output

Table 4 shows the result obtained in respect of research question one. The result reveals that the Spearman rank correlation coefficient is 0.789, which is high. This implies that backward integration has a strong relationship with the competitiveness of listed manufacturing companies.

Testing of Hypothesis One

H₀₁: Backward integration does not significantly relate with the competitiveness of listed manufacturing companies.

Table 5: Theil-Sen Regression Summary for Backward Integration and Competitiveness

Response:	Df	Sum of Squares	Mean Squares	F-value	p-value
Competitiveness					
Backward Integration	1	1738.6	1738.6		

				199.64	0.000
Residuals	213	1855.0	8.71		

Source: Extracted from R-Studio Output

The result in Table 5 shows the mean squares of 1738.6 for backward integration and 8.71 for residuals, F-calculation value of 199.64 and a p-value of 0.000 which is less than 0.05. This indicates statistically significant result. Therefore, the null hypothesis that stated that backward integration does not significantly relates with the competitiveness of listed manufacturing companies is rejected. Hence, the study concludes that backward integration significantly relates with the competitiveness of listed manufacturing companies.

Research Question Two

To what extent does forward integration relate with competitiveness of listed manufacturing companies?

Table 6: Spearman's Rank Correlation Summary for Forward Integration and Competitiveness

Variables	n	Σ	\bar{X}	SD	R
Forward Integration	215	3242	15.079	3.326	0.480
Competitiveness	215	2977	13.847	3.845	
Moderate Relationship					

Source: Extracted from SPSS Output

Table 6 shows the result obtained in respect of research question two. The result reveals that the Spearman rank correlation coefficient is 0.480, which is moderate. This implies that forward integration has a moderate relationship with the competitiveness of listed manufacturing companies.

Testing of Hypothesis Two

H02: Forward integration does not significantly relate with the competitiveness of listed manufacturing companies.

Table 7: Theil-Sen Regression Summary for Forward Integration and Competitiveness

Response: Competitiveness	Df	Sum of Squares	Mean Squares	F-value	p- value
Forward Integration	1	1331.81	1331.81	344.26	0.000

Residuals	213	824.01	3.87
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Source: Extracted from R-Studio Output

The result in Table 7 shows the mean squares of 1331.81 for forward integration and 3.87 for residuals, F-calculation value of 344.26 and a p-value of 0.000, which is less than 0.05. This indicates statistically significant result. Therefore, the null hypothesis, which stated that forward integration does not significantly affect the competitiveness of listed manufacturing companies, is rejected. Hence, the study summarizes that forward integration significantly relates with the competitiveness of listed manufacturing companies.

Discussion of Findings

Relationship between Backward Integration and Organizational Competitiveness of listed Manufacturing firms in south east, Nigeria.

The outcome of the analysis on how Backward Integration relates with Organizational Competitiveness revealed that there is a noteworthy relationship between Backward Integration and Organizational Competitiveness, given the p-value of 0.000 which is less than the level of significance of 0.05 ($p=0.000 < 0.05$). The hypothesis which was given in null form was thus rejected and the alternate hypothesis was accepted. The Spearman rank correlation coefficient (ρ) of 0.789 indicates a strong positive relationship between Backward Integration and Organizational Competitiveness of listed manufacturing companies in South-East, Nigeria. The positive relationship implies that the organizational competitiveness increases when there is an increase in Backward Integration. In essence, when Backward Integration is low, such could hinder competitiveness in manufacturing companies. Hence, Backward Integration is an essential factor in manufacturing organizations that facilitates increase in organizational competitiveness. This finding concurred with that of Marangu, et al (2014); Oji, et al (2014); Ahmed and Simba (2019) and Oshodi (2022) who argued that backward integration secures the ownership to the sources of various inputs from suppliers which increases the ability to influence the specific types of inputs required for quality product that foster customer satisfaction thereby gaining competitive advantage to the manufacturing firms. This finding has extended the argument by clearly demonstrating that with increase in backward integration, these manufacturing firms are sure of increasing their product quality, offer optimal price and meet their customers' expectations, by extension amplified their competitiveness.

Relationship between Forward Integration and Organizational Competitiveness of Listed Manufacturing firms.

The outcome of the second hypothesis on how Forward Integration relates with organizational competitiveness showed that the p-value was 0.000 which was less

than 0.05 level of significance ($p = 0.000 < 0.05$). This connotes that Forward Integration influences significantly the competitiveness of manufacturing firms in South-east, Nigeria. The null hypothesis in accordance with the decision rule was rejected and the alternate hypothesis was accepted. Furthermore, there is a moderate relationship between forward Integration and organizational competitiveness with a positive correlation value of 0.480. This is to say that forward Integration has a moderate positive relationship with the competitiveness of the listed manufacturing firms. By implication, a unit change in forward Integration will account for 48% total variation in competitiveness of the manufacturing firms. Thus, one can assert that higher forward Integration is a contributory factor to higher level of firm's competitiveness. This finding agrees with that of Adekeke, et al (2019) who submitted that direct sales can give an organization a competitive edge in an industry. Also accessibility of the products as when needed brings about customers' satisfaction. This assertion agrees with the finding of Lin, et al (2014) that Forward integration enables a manufacturer to better manage the demand side by directly controlling the retail price and its accessibility which gain a firm competitive advantage. Thus, this study provides empirical support for Marsh (2019), who argued that effective vertical integration helps a firm to incorporate the necessary technology both at upstream and downstream which helps them to increase their competitiveness.

Conclusion

Organizational competitiveness is paramount for survival and growth of manufacturing companies hence vertical integration is diversification strategy that can position a firm to gain competitive advantage over competitors in an industry. Vertical integration entails backwards and forward moves along the value chain activities thereby internalizing the activities and transactions that were previously carried out by a number of separate and segregated business entities. Manufacturing companies' organizational competitiveness is critical for ensuring that they compete favorably with competitors. Manufacturing companies have to integrate vertically (backward and forward) for it has been empirically proved to have a clear link between backward and forward integration and organizational competitiveness.

Recommendations

This study recommends the following in light of its results and perspective on the relationship between backward and forward integration and organizational competitiveness of listed manufacturing firms in South-East, Nigeria.

1. Manufacturing firms' management should continually ensure that their value chain is enhanced in order to provide optimal customer satisfaction,

- for this will assist the firms to improve their competitive position.
2. Manufacturing firms should explore the local content policy by the government of the day by diversifying backwardly as to control the quality of their inputs, product and maximize their capacity.
 3. Forward integration is suggested to manufacturing firms for more robust relationship between the firms and retailers / end users, which can facilitate first-hand information on product performance and innovation.

Contribution to knowledge

The study shows empirically that vertical diversification positions manufacturing companies to gain competitive advantage over her competitors in the industry. Compared to previous studies where vertical integration was linked to organizational performance using financial indicators, this study has expanded its horizon by measuring organizational competitiveness using primary source of data. A different method of data analysis (Spearman rank: rho) was used to ascertain the nexus of both variables. This further supplements the spectrum of knowledge on the essentials of vertical integration (forward and backward) on organizational competitiveness of manufacturing companies in Nigeria and a strategic path for managerial decision to outsmart their competitors.

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THE LEGISLATURE AND CONSTITUENCY RELATIONS IN NIGERIA: AN ANALYSIS OF ANAMBRA STATE 6TH ASSEMBLY

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Abstract

It is truism that the legislature is generally seen as a crucial institution of the State in any democratic governance. This is attributable to the central role legislature plays in public policy process and the fact that its representative nature is such that strives to convey or put into cognizance the opinions of their constituents why performing their representative duties. In Anambra State, the Anambra State Legislature carries and indeed performs the duties of the legislature. This study therefore examines Legislature and Constituency Relations in Nigeria, with a specific emphasis on the Anambra State 6th House of Assembly. It argues that executive dominance of legislative activities, poor constituency project implementation and inadequate oversight function has grave legislative implications on the relationship of the constituents and the legislature in Anambra State. The study uses documentary methods which entails qualitative descriptive analysis. It is guided by structural functional theory. It concludes that imperious executive influences and poor relations of the legislators contributed to slow pace of development in the State within the period under study. It therefore recommends administrative and financial autonomy of the legislature both at Federal and State level to ensure effectiveness and unhindered legislative activities of the legislature in the State.

Keywords: Anambra State, Constituency Relations, Legislature, Legislator, Nigeria

Introduction

Legislators are human beings and as such some outperformed others in their core and peripheral functions. The cause and consequences of their effectiveness or otherwise has been studied by various authors. In Nigeria, accessing such impact has remained a daunting challenge because of paucity of data and failure to build relevant variables. Thus, to many Nigerians, the legislators have not been able to rise beyond or even at average to the reasonable expectations of their constituents. Others argue that legislative functions in Nigeria are underdeveloped and the legislators are inexperienced as a result of the long-standing military dictatorship that weakened the legislature and totally positioned it to be like appendage of the executive arm of government (Egwu, 2005; Benjamin, 2010). However, after many years of representative democracy, representative politics is yet to show apparent evidence of people representation or show tangible evidence of achievement in the various constituencies (Yusuf & Zengeni, 2018).

The above assertion is essential especially when put into cognizance the functions a legislator is saddled with. In fact, Wahike (1962) posited that they are four basic

functions of the legislature. According to him, in virtually every political system, the legislature performs decisional, legitimizing, representative functions.

While we acknowledge that a legislator performs all functions as a representative, yet it would be right to state that a legislator performs two key field functions; Law making and oversight”. Thus, the law making function includes the participation in debate and actual making of the laws, rules, guidelines and regulation that enhances governance within the state, whereas the oversight functions are those regulatory and supervisory functions of the legislature. This enables legislators to ensure that other arms of government are operating within the ambit of the law and, perhaps more importantly, in the interest of the citizenry. When looked at in a different way, it would be said to be the representation of the electorates in controlling their government agencies.

It would therefore be right to assess the relationship of the legislators with the constituent in their performance of the representative function which is core, and their personal productivity as an individual state officer. Interestingly, in spite of the enormous expectation of the people especially on their representatives, it appears that many legislators turn their back on their constituents. To some of them, it was a case of serving the bigger master (the entire state) as the smaller master’s interest is by that also protected. While this argument should not stand, it raises the question on whether the legislators are really becoming productive (which is their second function), even at the detriment of the core representative function. Again, is to look at how consciously they applied the legislative and legal processes in achieving their objectives, this is in consideration that the people’s opinions were already encoded in the constitution.

The measure of performance of the legislative functions of law making has always been through the nature of debates that take place in the various legislative Houses (and in the committees). Yet, good numbers of legislators, through their conducts, do not seem to understand their duties as representatives of the people or their constituencies, those who supposedly have elected them. It is shown in the dearth of consultation between the people and their elected representatives.

Evidently, from the challenges facing the legislature in Nigeria, two major arguments appear discernable. One, is that over two decades of its existence under democratic governance in Nigeria, the legislature both at the federal and the state levels has failed to provide necessary guide for efficient and effective governance and is yet to march peoples’ expectation (Egwu, 2005; Agbeje & Adebani, 2005; Lafenwa, 2009; Ewuim, Nnamani & Eberinwa, 2014; Akomolede & Bosede, 2012; Omenka, 2008). In their separate views, poor performance of oversight functions has not encouraged accountability and responsiveness in governance.

Second, is a group of scholars who have interrogated the continued party influences on the legislature and the conflicts arising from these influences, the impacts of corruption in the process of carrying out legislative responsibilities and how it has impeded legislative performance in Nigeria and more specifically in Anambra state (Mba, 2014; Nnorm & Odigbo 2015; Nnabugwu, & Odigbo, 2017; Awotokun & Okotoni, 2020). More specifically, Nnorom & Odigbo (2015) contended that the need to reduce legislative-executive friction, enhance legislative performance and closeness to the constituents necessitated the commencement of constituency project in 1999 to bridge the widening gap between the people and their representatives, provide avenue for interaction and ensure a minimum presence of government in every constituency by having some grass-roots projects sited in each constituency, during the budgeting process.

Literature Review

The concepts of Legislature and Constituency Relations Examined

The legislature is a strategic institution in governance all over the world as it represents the people, makes laws and participates in policy making as well as checks particularly on the Executive arm of government (Lefanwa, 2006). The term legislature has been given different names across nations of the world. It is referred to as "Parliament" in Britain, „National Assembly" (the central legislature) in Nigeria, "Congress" in United States etc. (Lafenwa, 2009). In spite of the variations in nomenclature, scholars seem to be more consensus than divergence in their definitions and perceptions of the concept of legislature.

As can be seen, the definitions of legislature have focused more on the critical roles and functions the legislature performs in every society. Thus, Awotokun (1998) sees the legislature as the branch of government made up of elected representatives or a constitutionally constituted assembly (body) of people whose duties among other things are to make laws, control executive activities and safeguard the interest of the people. In view of this functional definition, Anyaegbunam (2000) conceptualizes the legislature as having the role of making, revising, amending and repealing laws for the advancement and well being of the citizenry that it represents. In doing this, the legislature is saddled with huge responsibilities to guide and also prescribed, amend and watch over the government of the day.

Similarly, Lafenwa (2009) defines the legislature as an official body, usually chosen by election, with the power to make, change, and repeal laws; as well as powers to represent the constituent units and control government. For Okoosi-Simbine (2010) the legislature is a law-making, deliberative and policy persuading body operating for the sole aim of deepening democratic practice in a political system. He describes the legislature as the First Estate of the Realm, the realm of representation and the

site of sovereignty, the only expression of the will of the people. It follows from this analysis that the authority of the legislature is derived from the people and should be exercised according to the will of the people who they represent.

On the other hand, there is no doubt that representative democracy has continued to spread all over the world. Very recently, such form of governance seems to be described as a requisite condition for responsive and effective governance. Thus, in every representative government, there is a practice of demarcating, dividing and grouping people for the purposes of voting. This political demarcation is mainly known as constituency. A constituency according to Benjamin (2010) is a community or an area represented by an office holder. He further stated that it is a community whose electorates send a representative to the legislature. A constituency is a political community or electoral district in a country divided for the purposes of elections, and from which the legislative members are elected to serve in a parliament (Benjamin, 2010).

In Nigeria, every state is demarcated into three senatorial districts and there are also 360 federal constituencies in the entire country (Benjamin, 2010). In Nigeria, the constituencies are the creation of the constitution. For instance, section 71 of the constitution of the Federal republic of Nigeria provides that the Independent National Electoral Commission (INEC) is to divide every state of the federation into three districts for the election of senators. Moreover, subject to the provision of section 49 the INEC is to divide the country into 360 constituencies for the election into the federal House of Representatives (Benjamin, 2014). In division and delineation of the entire country, population index is important.

Theoretical Framework of Analysis

At the heart of this study is finding explanation on the actions, activities of the legislature in Anambra State and perhaps more importantly, is to interrogate how the 6th Assembly manage the recurring issue of legislature and constituency relations in Anambra State. In the literatures examined, explanations for the widening gap between the legislature and constituencies vary.

Indeed, it is important to note that explanations of the trajectories of ineffectiveness, abandoning of the constituencies and poor representation in Anambra State cannot be exclusively located within the context of internal dynamics of poor performance of institutions (legislature) of the state which is a subset of the contest, rather, the explanation should also be sought from the character of the State and the unrestrained drive by political leadership to influence and direct the actions and inactions of institutions saddled with the responsibilities of making good laws for the people they represent. However, the emphasis of this study is to interrogate how legislature and its relationship with constituents engendered peace and progress in Anambra State especially the 6th Assembly. Following from the above illustrations this study adopts the structural functional theory as its theoretical framework. Thus,

the structural-functional theory is an earlier version of system theory that emanated from sociology. The theory was developed by Gabriel Almond and J.S Coleman in 1960.

Functionalism became important when Darwin evolutionary theory began to influence thinking about human and institutional behaviour (Ishiyama & Breuning, 2010). The theory emphasizes how different part of the societal structures fit together and how each part contributes to the stability of the whole society. (Ormerod, 2020; Brym cited in Olutola, 2019, p.3). As rightly deduced from the proposition of functionalist theorists such as; Durkheim, Spencer, Merton, Radcliff-Brown, all systems have social structure, subsystem and institutions that are independent and interrelated, it's self-maintaining functions and orders influences changes that may likely affect the efficacy and functions of the others. This implies that the functioning of any political system, is predetermined by the role or functions performed by the structures, which could be synonymously be referred to as the institutions. These institutions could however be political parties, pressure group, the mass media, judiciary, legislature, specialized agencies among others. According to Almond (cited in Anifowose & Enemu, 2015) every political system performs certain functions which included among others the input and output functions of the political system.

In the application of structural functionalism to the study therefore we interrogate how the legislature as a political structure functions in Nigeria with specific reference to the Anambra State 6th Assembly. The major issue of legislature-constituency relation is anchored on the fact that the representative of the people will always sort for contributions and perceptions of the people he represents. This will make him or her to make an informed decision on what his people want or did not want. Regular consultations also endear the legislature closer to the constituents. In fact, such legislators are easily re-elected by the constituents.

Undoubtedly, this institution (legislature) tends to have suffered more in Anambra state than other institutions. The implication is that the people the legislature represents also have suffered unduly under a supposedly people oriented government. The poor relationships of the legislature in Anambra State and the people are seemed from two perspectives. First, the overarching interest of the chief executive is constraining the legislature from listening to people and making more people oriented legislations. The executive also determine the funds of the legislature thereby using it as a tool to checkmate legislative activities. For instance, the inability of the legislature in Anambra State to have official offices at the legislative house in Awka created a problem of no avenue of discussion. Until, very recently and more specifically in 2016, the legislators in Anambra State did not have offices in the Assembly complex. This makes visitations and consultations difficult especially when virtually all the legislators did also not have constituency offices.

However, the completion of the StaCte Assembly complex that offers the legislature the opportunity to have offices can essentially be critical to cementing robust relations between the legislature and the constituents. The sixth Assembly appears to have enjoyed popular support. This can be attributed to the entire governance stability and the closeness of the people to their representatives. However, such closeness has not commensurately impacted on the constituency development and consideration of the views of the constituent in the process of legislative bills.

This theory is essential as it has been able to explain the place of the legislature in a political process and the extent it can help to ensuring that the opinion of the constituents are considered in the law making process. This theory is therefore fundamental if not the bedrock of this paper.

Enhancing Legislative Relations in a Democratic Setting

The enhancement of legislative relations for an effective representation is paramount in any democratic setting. Notwithstanding the constraints identified with effective legislative-constituent relations, the question is how can they be strengthened? Accordingly, Johnson, (1997) outlined activities and structures to enhance legislative constituency relations. These according to him include:

Inadequate, inaccessible meeting facilities and insufficient time for legislators to meet with constituent's act as constraints on relations between legislators and their constituents. Legislative buildings may be inaccessible to constituents. In many nations citizens must pass guards armed with machine guns to enter the national legislature, and may not enter without an appointment. On the other hand, in many western democracies, legislative buildings are open to the public, there are public galleries in the legislature so that any citizen can observe parliamentary proceedings, and parliamentary debates are broadcast and/or televised to the general public. School children often make visits to legislatures, meet legislative members and observe legislative proceedings.

Secondly, legislators in many nations are provided neither the time, space nor resources to interact with their constituents on a regular or meaningful basis. In the opinion of Johnson (1997) newer parliaments and many developing country legislatures, the procedures, processes and codes of conduct guiding parliamentary operations and members of the parliament activities are primarily focused on the internal workings of parliament and on its legislative and oversight responsibilities. However, in order for MPs to effectively fulfill their representational role, they require routine communication and easy access to their constituents in order to exchange views. Some opportunities for constituency interaction include the following:

Thirdly, in many countries, each legislative member is allocated office space within the legislature. These offices serve as a venue for legislators to meet with and be informed by individual constituents, civil society groups, and/or experts independent of the legislature.

Fourthly, in most countries constituents live too far from the capital to be able to travel to it to meet with their legislators. Some nations bring legislators to the constituents by establishing district offices where legislators or their staff can meet with citizens, handle constituent problems, meet with local citizen groups and learn about local concerns and issues to raise in the legislature.

Fifthly, constituent offices and constituent affairs do not run themselves. They require staff, budgets and the time of legislative members. In developed countries, parliaments provide budgets for legislative members to hire staff and to run constituency offices. In many cases, volunteers augment staff resources. Constituency office staffs play an important role in dealing with press relations, preparing press releases for members, in hearing constituency complaints, responding to mail from constituents and in arranging appointments for members with constituent groups.

Finally, just as citizens must understand the legislature in order to influence it, so must civil society groups. In countries with a poor history of legislative democracy, state agencies, civil society groups tend to lack the knowledge of legislative processes even though they may be well organized around a particular issue and/or at implementing programs to address their particular concerns. And yet, in legislative systems, civil society organizations have a critical role to play whether in lobbying legislators for policy change or in representing the aspirations of their constituents at public hearings. Legislative information in the form of publications or the Internet information referred to above can help supply some of the knowledge needed, but civil society groups also can benefit from formal training designed to help them deal more effectively with the legislature.

Opinion of the Constituents and the debates of the Legislators in the floor of the Anambra State 6th House of Assembly

Traditionally, law making remains the exclusive preserve and concern of the legislature. In the contemporary societies, the law making process is also practiced and observed in other ministries, institutions that are not legislature. The outcome of this is that many issues emanating outside the legislature, play a vital role in shaping, determining and forming what is generally seen as legislative output or what is simply called an act of the parliament. Thus, the theory of separation of power between the executive and legislature tends to give way to the practice whereby the executive or the government takes a considerable large initiative in introducing, initiating and drafting of proposal bills to the legislature and sometimes gives

impetus to unbearable executive influences. A bill is a draft or proposal law waiting for consideration by the legislators. A new bill or bill tends to repeal, change or make new law, if considered and assented.

Thus, sections 58 and 100 of 1999 constitution state that the exercise of legislative powers is by means of bills passed into law by the legislature (be it the States or National legislature) and assented to by the chief executive (president or governor). Legislative practices have shown that legislative bills can be initiated through three principal sources. According to Udoh (2009) the three principal sources are the executive, the legislators themselves, and interest, professional groups or private individuals. He further stated:

- (a) Executive: the president or in the case of a State, the governor, can initiate in the House what is known as government or executive bill. The contents of such bills are formulated by heads of parastatals, ministries and corporations, assisted by civil servants (in some cases) and are usually deliberated and approved by the cabinet before they are presented or forwarded to the legislature.
- (b) Members of the legislature: any member of the legislature acting alone or in conjunction with a number of his or her colleagues can come up with a private member bill. The bill, which may seek to make a new law, amend or out rightly repeal an existing one, may arise from sundry sources including campaign promises made during elections and the observation of lapses in the application of the existing laws.
- (c) Interest or pressure groups associations who feel concerned with the making or amendment of a particular law can initiate a bill through a member of the House who would sponsor it (see Udoh, 2009. p.36-37).

However, why it is important to state that processes of law making in Nigeria and indeed Anambra State House of Assembly with specific reference to 6th Assembly appear not to have being in dispute, there is still divergent opinions on the extent of inclusiveness or whether the opinions of the constituents are consider in the process of law making in Anambra State. Since the return to democratic governance in 1999 it is common knowledge that a good number of members of the legislative houses at both federal and state levels pursue pure personal interests that often inhibit them from combating the challenges of law-making. For instance, members tend to pursue contracts from the leadership of the houses and even from the executive and tend to easily compromise when it comes to contributing meaningfully to debates on the floor of the house. More worrisome is the degree of negligence of the opinion of the people or disregard to subjecting developmental policies and programmes of the state government to the public through public hearing or enlightenment.

Specifically, the present increasing state of indebtedness by Anambra State government can be attributed to legislative compromise by the 6th Assembly Legislature that leverages the executive to borrow more and invest less.

Arguably, it is a legislative tradition that all matters concerning the people, government expenditure, agencies and parastatals are resolved on the floor of the House through debate. But it is more fundamental to point at the lapses, compromises and inordinate pursuit of personal gains that have limited members of the 6th Assembly from resolving matters on the floor of the house to reflect the aspirations and wishes of the people. It has also led to a condition where majority of bills passed in the Anambra State House of Assembly are executive bills. The members who represent the people introduce little and sometimes their bills after passing rigorous processes would not be signed by the executive. Some of the bills passed by the 6th Assembly are stated below as:

Table:1 Some of the Bills Passed by the 6th Assembly in Anambra State

S/N	Title	Sponsor	Date Passed	Date Assent
1	Anambra State Gaming Bill 2017	Executive	21/03/17	20/02/18
2	Anambra State Data production Bill 2017	Hon. Uche Okafor and 28 others	21/03/17	07/04/2017
3	Chukwuemeka Odimegwu Ojukwu University Teaching Hospital, Amuku, Awka Bill 2017	Hon (Dr.) G. Nnamdi Okafor and 16 others	13/06/17	Bill Accordingly stood down 13/07/17
4	Chukwuemeka Odimegwu Ojukwu University Teaching Hospital Amuka Awka Bill 2017	Executive	29/06/2017	6/07/17
5	Anambra State Polytechnic (Establishment) Bill 2017	Executive	13/07/17	22/08/17
6	Customary Court of Appeal (Repeal) Bill 2017	Executive	13/07/17	18/07/17
7	Anambra State Housing Corporation Bill 2016	Executive	09/4/16	Not Stated
8	Anambra State Vigilante and Security Bill 2016	Executive	06/06/16	Not Stated
9	Tourism and Hospitality Bill 2016	5 Members	11/02/15	Not Stated

Compiled by the author from (Nation Newspaper, 2016; Sun Newspaper, July 2017; Vanguard Newspaper, April 2018).

While the above listed bills were aimed to touch the lives of the people, ensure security of lives and property, its applicability is dependent on the extent people

were consulted in the process of making the laws. Most importantly is to note that the 6th Assembly passed 10 bills and over 100 motions within one year of its existence.

However, a worrisome issue that also resonated within the same period is the increasing trend of some members resorting to absenteeism from the floor of the house and sometimes they do not participate at all in the proceedings except during budget approvals and discussions on some rewarding executive bills. Secondly, and perhaps more importantly is the fact that many of the legislators have ambitions to contest for leadership positions in the house or membership and chairman of juicy committees. A lot of valuable legislative time is wasted while pursuing these ambitions.

It is often rumored that bills hardly sail through the legislature until members have had their hands greased. The 6th Anambra State House of Assembly is always accused of this especially when the executive sends bills to permit it to borrow. However, in more critical issues representatives mostly rely on opinions of their constituents through public hearing and consultation. When people are not well consulted, Nnorom & Odigbo (2015) argued that people seem to oppose state policies. For them, this is because people are either not consulted, not informed of the importance of the policy or that the policy seems to be different from the priority needs of the people. Indeed, people may sabotage a good policy if not well informed. Such undermines the essence of constituency, representation and representative governance in Anambra state and Nigeria in general (Nnorom & Odigbo, 2015). The implication of this, therefore, is that debates on such bills either at the plenary or committee levels cannot be subjected to thorough scrutiny in the best interest of the constituents who are the objects and subjects of such bills eventually when they become laws. It is not too gratifying that such primordial and mundane issues have roles to play in passage of bills into law.

In all, the very reason for representation seems to be defeated in a situation where constituents are not consulted for laws purportedly meant for them. A true representation is not only expressed by the presence of someone but by the degree upon which the representative carries along the opinions and aspirations of his/her constituents.

No doubts, debates of the legislature are very crucial to arriving at people-oriented laws. Therefore, bills must be for the best interest of the people. Incidentally, while bills are rarely sponsored by members of the public, most bills sponsored by either the executive or members of the State Assembly are subjected to public hearing. Public opinions are by this harvested to enable the law-makers reflect, where necessary, the concerns and interests of the public in the bill before it is finally

passed into law. For instance, on October 1st 2021, Anambra State House of Assembly held public hearing on open grazing bill. At the end, the acceptance of anti-open grazing bill in Anambra State is based on peoples' decision and palpable evidence of shortages of land in the State. More logically, the state who is in dire need of land following the menace gully erosion and the size of the State cannot afford to designate lands for personal businesses. Thus, following from the data presented and the analysis made, we therefore validate our first hypothesis which says that the opinion of the constituents is included in the debates of the legislators in the floor of the Anambra State 6th House of Assembly.

Oversight Function of the legislators' and Effective Implementation of Constituency Projects in Anambra State

The return of civil rule in 1999 led to the inauguration of the National Assembly and State Houses of Assemblies. As a result, the political atmosphere was seemingly unconducive for adequate functioning of the legislative institution. This can be attributed to years of military regimes that created legislative lacuna in the Nigerian political space. Indeed, at the beginning of the democratic practice, there seems to be bitter conflicts and rivalries that resulted in persistent change of leadership both at the National Assembly and State Assemblies. It did actually not provide the atmosphere for legislative scrutiny of ministries and prompt oversight functioning. Also, unbearable executive interferences on legislative matters tend to undermine legislative oversight performance that would assist effective implementation of programmes and policies of government. These interferences characterized the first eight years of democratic experiment under former president Obasanjo's government. Evidently, between 1999 and 2007 during former President Obasanjo dispensation there was reckless executive interference in the affairs of the National Assembly which also trickled down to State Assemblies in Nigeria. Undoubtedly, crisis ridding political environment, interferences in legislative issues seem to create room for political instability that tends to undermine implementation of some critical policies of the state.

Legislative oversight refers to the set of activities that a legislature performs to evaluate the implementation of policies (Micabbin & Schwartz, 1984; Olson & Mezey, 1991). It has also been defined by Kaiser (2006) as referring to the "review, monitoring and supervision of federal agencies, programs, activities and policy implementation".

In Anambra State, the 6th Assembly engaged in several forms of oversight activities. These include the visitation of parastatals and investigation into approved constituency project under execution by the members of the House. For instance, in October 8th 2016, the Anambra State House Committee on Public Account visited Onitsha North Local Government Area, to verify the account of the Local

Government. The essence of this oversight duty is to discourage or uncover financial recklessness. It also keeps parastatal and government bodies in check and ensures compliance to government approvals. Also, on September 25th, 2017, House Committee on Public Account embarked on verification of financial transactions of ministries, departments and agencies in Anambra State. This activity conducted at the state level is also geared towards compliance government expenditure.

On the other hand, in Nigeria, implementation of constituency project is sometimes faced with controversies. Beyond earlier contestations that it will amount to legislators usurping executive function, the prevailing challenge is on where to site the project, when and who to certify its implementation. As it is, no lawmaker has direct control over the implementation of projects aside from oversight function. Legislators occupy a better position to monitor and proactively ensure the execution of every project by reaching out to agencies in charge. Financing and supervision of projects are the best preserves of appropriate agencies (monitored by Legislature), citizens and civil society organization also have the right to engage both the legislature and executive to request details and implementation status.

Surprisingly, the federal of government in 2019 announced that in the last ten years, the government allocated a minimum of one trillion for constituency projects. Incidentally, some of these projects are abandoned, not sited or even replicated different budget year. It therefore heightens the issues surrounding the rational for constituency projects in Nigeria. Many legislators have not realized the enormity of abandoning the project meant to bring governance closer to the people.

In Anambra state, the implementation of constituency projects by the legislature is faced with the similar challenges as in the case of Federal Legislature. In fact, constituency projects have remained more haphazardly done or totally abandoned. Onu (2016) explained that over 15% of constituency projects in Anambra State are either partially implemented or completely abandoned. For instance, the legislators in some cases provide transformers to various communities and will fail to ensure that such transformers are connected to the national grid. At the end of the day, monies earmarked for connection are embezzled with no one asking right questions. It is also important to note that half done constituency projects only attract criminals to vandalize and steal the existing ones. Indeed, despite the huge amount of money that has been annually allocated to constituency project in Anambra State, yet the actual projects completed are not commensurate with what was budgeted. The implications are numerous. First, it has defeated the real essence or rational behind constituency projects. It could be recalled that the major argument for constituency projects is to bring closer to the people the minimum presence of government to the grassroots especially through developmental projects.

Thus, following from the data presented and the analysis made, we therefore validate our second hypothesis which says that the oversight duty of the legislators' in the 6th Assembly has failed to ensure effective implementation of constituency projects in Anambra State.

Representative Duties of the Legislature and Constituents' Relations in Anambra State

The roles the legislature performs in a democracy and the extent to which the roles are performed vary. In many democracies, the systems of government in place also vary from one country to another so as the duties of the legislature. Essentially, the legislative institution provides for the citizenry the platform to participate in political process.

Government in a democratic system implies the rule of the majority. Apparently, the legislature is one democratic institution that allows the various constituencies to which a state is delineated elect their representatives. When elected, the representatives are expected to represent the views, concerns and interests of their constituents in the legislature. In fact, central to representative democracy is the notion that elected representatives of the people constitute the legislative arm of government (Kousoulos, 1982). Indeed, representation of citizens in parliament is at the core of liberal democracy.

The legislature, hence, is saddled with enormous roles in any democratic system. This is even especially so where the institution enjoy a huge measure of autonomy in determining their internal operations, where there is constitutional provisions for operational and institutional independence. According to Fashagba (2009) in modern democracies the roles of representation, law-making and oversight of administration are often ascribed to the legislature. It is however important to point out that while legislatures are often vested with the law-making role, some legislatures contribute effectively in initiating bills and raising policy issues for the House to deliberate upon but others simply debate whatever proposals the executive present to it. Of course, the former in addition to initiating bills deliberate on policy proposals and bills emanating from the executive.

The modern legislature equally performs representational function. Principally, the people's representatives for the singular fact that they are elected by the people, especially under a democratic regime, hold the mandate of their constituencies within the polity (Davies, 2004). Implicitly, it therefore means that the essence of representative democracy lies in the delegation of governmental power and responsibility to a small number of people by the citizenry as a whole' (Davies, 2007, p. 179).

Essentially, the elected members of the parliament are expected to pursue good public policies for national development; this is most characteristic of electorates in the developed democracies of the world. In the emerging democracies some variation may be seen, in terms of what the representational roles of the legislators specifically are. Beyond public policy goals, patronage opportunities for members of the constituencies are expected, by electorates in emerging democracies, from their elected representatives in the legislature. This other electorates are so predisposed as the result of their high level of impoverishment and their neglect especially under the prolonged military rule.

It is noteworthy that the modern legislature serves as an agent of reform in the state (Reed & Scheimer, 2003). In a state where some members of parliament are ideologically inclined the desire to implement their reform agenda will greatly influence their behaviors in the assembly. There is the instance of Japan in 2003 when some members of the ruling party switched parties to form a new party: the party defectors sought to push for their reform agenda which they could not achieve in their former part. Moreover, Nelson Polsby (cited in Ornstein, 1992) observed that the legislature may be broadly categorized into area and transformative legislatures (cited in Ornstein, 1992).

Thus, a legislative assembly serves as forum for discussion of ideas and policies. In fact it drives the process of discussions and debates on the affairs of the people and state. It provides a formal platform for deliberation among significant political forces in the life of a political system. Conversely, the transformative legislature actively translates ideas into laws. The transformative legislature enjoys a huge measure of institutional autonomy to act on bills or policy proposals emanating either within the assembly itself or from the executive arm of the government. They mold and transform bills and proposals into laws, irrespective of the source.

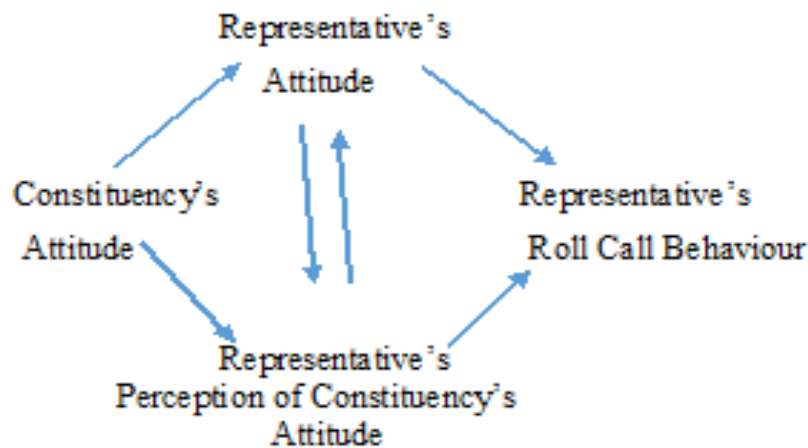
Nevertheless, a legislature can be transformative in function, a reformer in character, but such behavior is cautiously exhibited. According to Saffell (1989, p. 66), a common strategy is for congressmen to be conservative, clinging to past positions, while cautiously reaching for new positions on a few issues. This suggests that a legislature may sometimes find it very difficult to openly and passionately champion the necessity for a drastic reform, unless the action will improve the political fortune of the members pushing for the reform. Discarding old ideas for new ones thus means that not only has the society bought into the reform proposals but also the expected benefits of electoral rewards for the proponents far outweigh the cost. When this is the case, very many legislators willingly pursue reform agenda in the legislature. However, where the political cost is seen to outweigh the benefit, personal interest of the legislators will dictate that they tread with caution, as far as reform agenda are concerned. This perhaps explains why reform agenda have been difficult to push through in the Nigerian

legislature in the current fourth republic. Notwithstanding, some legislators have attempted to push for one reform or the other (Lewis, 2009).

The Anambra State House of Assembly has numerous duties being performed by the legislature but at different frequencies. The approaches and manners in conducting or executing these responsibilities tend to bring the legislature or legislators in the State closer to the constituents. Apart from initiating and executing projects in their various constituents, the legislators attend ceremonies and functions in their constituents. They also assist constituents who have individual problems and strive to attract the attention of the government (executive) to come to the aid of their constituents.

Legislators in Anambra State especially the state assembly legislators are fundamentally closer to the people and play critical role for the development of their constituencies. Such roles are symbiotic as both sides (both the legislator and the constituent) reinforce each other. Warren & Stokes (1963) demonstrated how constituencies influence the representatives and vice-versa. They argue that constituents are said to control the actions of representatives by choosing candidates who so share their views that, in following their own convictions they act in the constituents will, or by representatives following what they perceive to be the constituency attitude in order to win a re-election, they are being controlled in some way by the constituents. This idea was succinctly developed in their famous triangle which provides a model that shows the connection between constituent attitude and the representative role call behaviour where the constituents tend to control in some way the actions of their representatives.

Figure 1: Constituency's Attitude and Representatives Roll Call Behaviour



Source: Warren & Stokes (1963, p. 51)

The triangle shows that the representative's vote is according to what he thinks the constituent wants because he believes that his opinion is the same as that of the constituent. This is shown by the arrows connecting the two intervening factors

which are the representative's attitude and the constituency attitude. Warren & Stokes (1963) however reported that the results of their analysis are different for different policy domains. In the domain of legislative representation in Anambra State there is seemingly correlation between the roll call behaviour of the representatives and their constituency relations. It needs to be noted that while, the triangle shows some kind of connection between the constituency views and the representative's votes in the House, it fails to show whether the votes were influenced by the constituents' preferences or how much control the constituents may or may not have over the actions of the representatives. Following from the above, we therefore validate our third hypothesis which says that the representative duties of the legislature have enhanced its relationship with the constituents in Anambra State.

Conclusion and Recommendations

We have to reiterate that we evaluated the Legislature and Constituency Relations in Nigeria's Fourth Republic with specific focus on the Anambra State 6th Assembly and to this end the study found that the 6th Assembly was faced with perennial challenge of consultation. This makes it difficult for the legislature to understand properly the views and perspectives their constituents wish to want government follow in addressing critical issues affecting them.

This has made relations between some of the legislators and rulers in Anambra State to be less harmonious. It is based on the above analysis that we state the following findings; that in spite of the visible relations between the constituents and the legislature, there is still gap between the legislature and the constituents in the 6th Assembly in Anambra State. This is as a result of poor consultation. The 6th Assembly in Anambra State was not able to explore all necessary avenues for inclusive engagement; that the oversight duties of the legislators' in the 6th Assembly have failed to ensure effective implementation of constituency projects in Anambra State; that the representative duties of the legislature have enhanced its relationship with the constituents in Anambra State.

In the light of the above findings of this study, we put forward the following recommendations for policy makers or decision makers in Anambra State:

1. There should be an expansion of the forum for legislative consultation in Anambra State. This will enable the legislators to exhaust all stages of consultation prior to contributing to the debates in the floor of the House. Such wider consultations are needed for people to be carried along and the constituents to fill sense of belonging in the process of law making in Anambra State.

2. The State Legislature should establish a framework of evaluation that will enable independent body to determine the extent of implementation of constituency project in Nigeria and specifically in Anambra State.
3. There has to be a legislative orientation at the beginning of any legislative assembly. This will provide the opportunity to educating especially debutant legislators on their responsibilities especially as the representative of the people.

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CREDIT MANAGEMENT AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

The study determined the effect of credit management on the financial performance of deposit money banks in Nigeria. The specific objectives of the study are to determine the effect of non-performing loan ratio and capital adequacy ratio on the return on assets of listed commercial banks. Ex post facto research was adopted for the study. A sample of ten banks was used in this study from thirteen banks in Nigeria. Data were extracted from annual accounts of the sampled banks in Nigeria from 2012 to 2022. OLS regression analysis is suitable because it is adjudged to be an objective measure in examining the effect of independent variables. The study found that non-performing loan ratio has a significant negative effect on the return on assets of banks in Nigeria while capital adequacy ratio was insignificant on the return on assets on the banks in Nigeria. Based on the findings, the study recommends among others that banks should implement more stringent credit risk assessment measures to reduce the likelihood of default by borrowers, which will in turn reduce their non-performing loan ratio.

Keywords: *Non-performing loan ratio, Capital adequacy ratio and Financial performance*

Introduction

Deposit money banks in Nigeria are known for their services such as accepting deposits, issuing commercial loans and offering basic investment products. Such banks mostly deal with corporate or large corporate deposits and loans and differ from investment banks due to differences in banking regulations. The primary function of deposit money banks is to facilitate the transfer of funds between depositors and investors, which is often referred to as the distribution function (Bala, Auwal, & Salisu, 2022). Financial intermediation includes credit operations, where part of the deposits are distributed to people who need money in the form of microloans, housing loans, short-term and long-term loans, e.g. (Qazi, Ahmad, Khan, and Riffat, 2022). When deposit money banks make these credit transactions, the tendency is that the banks can debtors #039; failure to repay the total amount of debt within a certain period of time (Michael and Enang, 2022), hence the need for credit management to protect the bank against credit risk (Dunyoh, Ankamah and Kosipa, 2022).

Credit management refers to the planning that a bank uses to achieve credit goals, gain customer trust, gain competitive advantage through bank loans, and achieve a solid market position (Alhassan and Islam, 2021). On the other hand, banking performance refers to how well the bank uses the funds of its core business to generate income. In short, bank profitability is a general measure of a bank's overall financial health over a period of time (Riak and Bill, 2022). With poor credit risk strategy, inefficient credit risk structure, poor credit rating system, supervision and control, savings banks face enormous challenges in maximizing wealth for their shareholders. Inefficient credit management sabotages all efforts to achieve a sustainable return on invested funds. This is because interest from bank loans is the main source of income (Ramazan and Gulden, 2019). The ability to mitigate credit risks has been a contemporary and controversial debate in literature (Adegbie & Otitolaiye, 2020), sparking the interest of many researchers to ascertain the implication of rising non-performing loans and other parameters of credit management on the financial performance of commercial banks. Various schemes, reforms and guidelines have been put in place by regulatory frameworks to guard bank stability and financial viability. Yet, the banking industry continued to witness different forms of distress which are often attributed to poor credit management. The essence of credit management is to help banks collect back the funds they lend to their customers to avoid risk of losing the principal or interest (Dunyoh, Ankamah & Kosipa, 2022).

Deposit money banks cannot avoid credit risks as their future depends on the income/earnings that help boost their operations. Loss of earnings via credit default erodes the value of banks and this has a direct adverse consequence on the shareholders' funds and return on assets of the banks (Michael & Enang, 2022). As a result, the impending negative effect of credit risks force banks management and credit officers to exercise necessary cautions to avoid losses that may arise from bad loans and advances, non-performing loans and capital inadequacy. In addition, capital adequacy which is a fundamental aspect of credit management that shows the financial strength of a bank is indicated by the extent to which the bank's capital is able to provide cushion to its risky loans. Unhealthy capital adequacy ratio tells badly of both the financial stability of banks and the efficiency in the protection depositors' funds (Echobu & Okika, 2019).

Due to these factors, some banks are unable to achieve their credit goals, gain customer trust, gain competitive advantage through bank loans, and achieve a solid market position (Alhassan and Islam, 2021). A study by Osuka and Amako (2015) found that the credit losses of commercial banks in Nigeria are very high and argued that commercial banks in Nigeria fail in the past due to poor management of their credit risk portfolio which affects performance and leads to decline. . viability As a result, banks such as Intercontinental, Oceanic, Equatorial Trust and more recently

Diamond and Skye Banks failed due to less effective credit management policies (Hamisu, Ibrahim and Zango (2021). Thus, deposit banks achieved financial success due to an ineffective credit management system. This threatens the viability and sustainability of deposit money banks and at the same time hinders the achievement of the financial goals that deposit money banks are supposed to achieve. As far as the researcher is aware, existing studies such as and Bill (2022); Bala, Auwal and Salisu (2022); Qazi, Ahmad, Khan and Riffat (2022); Otitolaiye (2019); Kajola, Olabisi, Adedeji and Babatolu (2018); and others have largely ignored observing the impact of other changes in the financial performance of the banking industry. Without proper control for these other factors, the empirical results of previous studies are most likely to be biased. This study therefore addresses this gap by incorporating other factors such as bank size, revenue base and board size to provide empirical evidence on how credit management influences performance of deposit money banks in Nigeria. This study therefore, examines the effect of credit management on the performance of deposit money banks in Nigeria. The specific objectives of the study are:

1. To determine the effect of non-performing loan ratio on the return on assets of deposit money banks.
2. To examine the effect of capital adequacy ratio on the return on assets of deposit money banks.

Conceptual Review

Credit management refers to the planning that a bank uses to achieve credit goals, gain customer trust, gain competitive advantage through bank loans, and achieve a solid market position (Alhassan and Islam, 2021). It is a part of financial management that includes credit analysis, credit assessment, credit rating and credit reporting (Bala, Auwal and Salisu, 2022). Credit management simply means handling credit transactions because it is impossible to have zero credit or default risk (Riak and Bill, 2022). Credit risk is the risk that a borrower will miss payments and fail to meet their debt service obligations. Risks arise when the borrower is unable to pay his debts in the agreed manner or fails to repay the debts on time. Neglect of a small number of customers can cause a huge loss to a bank. Effective credit risk management is inextricably linked to the development of banking technology, which enables quick loan decisions and at the same time lowers administrative costs (Afolabi, 2021). Credit management entails the policy, principles and structures which are developed by top administration that neglect the company's credit division and analyze execution against established procedures in increasing credit benefits (Dunyoh, Ankamah & Kosipa, 2022). It effectively places the system of rules to reduce credit-related costs while expanding its benefits. Nwanna and Oguezie (2017) also conceptualized credit risk management strategies as procedures adopted by banks in the mitigation or reduction of the negative effect

of credit risk. A comprehensive credit risk management structure is vital because it helps increase the revenue and survival.

Non-Performing Loan Ratio

A non-appearing mortgage (NPL) refers to a borrowed sum wherein the borrower has did not make the scheduled bills for at the least ninety days. This sort of mortgage is both in default or near it and the probabilities of complete compensation are taken into consideration to be low. NPL is calculated as the proportion of mortgage values which have now no longer been serviced for 3 months or extra. The International Monetary Fund (IMF) has described NPL in its framework of Financial Soundness Indicators (FSIs), that is extensively identified globally. According to Kajola, Olabisi, Adedeji and Babatolu (2018), a mortgage is taken into consideration NPL if the predominant and hobby compensation have exceeded the due date with the aid of using 3 months or extra, or if hobby bills identical to a few months or extra were capitalized, refinanced, or rolled over because of charge delay. The 3-month or ninety-day duration is extensively utilized by international locations to decide if a mortgage is non-appearing.

The non-appearing mortgage (NPL) ratio is a degree utilized by monetary establishments and traders to evaluate the best of a lender's mortgage portfolio. It calculates the ratio of NPLs to the overall quantity of loans outstanding. In different words, it represents the proportion of loans in a lender's portfolio that aren't appearing consistent with the unique phrases of the mortgage agreement.

Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) is a financial metric used to measure a bank's ability to absorb potential losses and maintain its financial stability (Echobu & Okika, 2019). It represents the ratio of a bank's capital to its risk-weighted assets, expressed as a percentage. The capital adequacy ratio is an important indicator of a bank's financial health and stability, as it measures the amount of capital a bank holds relative to the amount of risk it is exposed to. A high CAR indicates that a bank has a strong capital base relative to its risk-weighted assets, which provides a buffer against potential losses. On the other hand, a low CAR suggests that a bank may be more vulnerable to potential losses and financial difficulties.

Solvency refers to a bank's level of capital relative to the size and risk of its assets. It measures the financial strength and stability of a bank and also indicates its ability to absorb potential losses and continue operations during financial distress (Echobu and Okika, 2019). Solvency is determined by calculating the ratio of a bank's capital to risk-weighted assets, known as the capital adequacy ratio (CAR).

Bank Performance

Bank overall performance is a vital factor of the economic industry, because it determines the fitness and balance of a financial institution. It is an assessment of the economic and operational fulfillment of a financial institution, and is a vital issue in figuring out and considers self-assurance of customers, buyers and regulators within the institution. There are numerous economic metrics used to degree financial institution overall performance, which include go back on property (ROA), go back on equity (ROE), internet hobby margin (NIM) and others. ROA is a degree of the way effectively a financial institution makes use of its property to generate profits. Return on asset is a trendy degree of financial institution overall performance. It is designed to expose how effectively a financial institution uses its to be had asset, with the aid of using searching on the internet income generated from each one naira of asset. It suggests to shareholders, how nicely control is making use of their funding and long-time commitments on ee-e book fee foundation to develop their wealth (Kajola, Olabisi, Adedeji and Babatolu, 2018). ROA is a beneficial degree of economic performance, because it measures profitability after factoring in the quantity of asset used which will create that degree of profitability (Enoch, Digil and Arabo, 2021).

Empirical Review

Dunyoh, Ankamah and Kosipa (2022) examined the impact of credit risk on financial performance of rural and community banks in Ghana. The study adopted a survey study design. The research relied on annual reports from rural and community banks in Ghana for the period 2014-2018. Data analysis was performed using regression analysis. The findings showed negative relationships between credit risk indicators and the measures for financial performance.

Riak and Bill (2022) examined the role of credit management on financial performance of commercial banks in Juba. The research used a combination of descriptive and analytical cross-sectional survey. Spearman correlation coefficient and multiple regression were used to analyze the data. The findings showed that credit management has a significant effect on the financial performance of commercial banks in Juba.

Bala, Auwal and Salisu (2022) examined the influence of credit risks on the profitability of listed Nigerian DMBs. The ex-post facto method was adopted and the researchers sampled eight (8) out of twenty-four (24) quoted Deposit Money Banks on the Nigerian Exchange Group. Data was sourced from the audited annual accounts of the sampled DMBs for a period of four years, spanning from 2015–2019. Ordinary Least Squares regression techniques revealed that non-performing loans (NPL) have an insignificant influence on the profitability of the sampled DMBs ($=0.141$; $p, 0.797$).

Qazi, Ahmad, Khan and Riffat (2022) investigated whether the credit risk management of Pakistan's commercial banks listed on the Pakistan Stock Exchange is linked to financial performance. For this purpose, the researchers have attempted to analyze the data trends of 5 major banks of Pakistan as a proxy representation of the entire banking sector of Pakistan. Five (5) years of panel data collected from the State Bank of Pakistan Annual publication and annual reports of respective banks was used to conduct the research. For panel data analysis, inferential statistics (regression models) were used in this study. The study shows that CRM has a significant impact on the financial performance of Commercial Banks of Pakistan.

Enoch, Digil and Arabo (2021) finished a comparative assessment of the outcomes of credit score threat manage at the profitability of micro-finance financial institution in Nigeria. The examine followed a multi-degree sampling technique via way of means of choosing a hard and fast of 21 respondents from a populace of fifty two credit score officers. Questionnaires had been used to acquire records from the respondents even as descriptive and regression analyses had been used to investigate the records amassed and in trying out the hypotheses. The effects confirmed that microfinance banks want to reinforce their credit score threat manage measures to boom their profitability.

Ndichu (2021) assessed the impact of credit score control practices on mortgage overall performance in Catholic self-assist businesses in Kenya. Data changed into analyzed via way of means of using descriptive in addition to regression and correlation. The effects indicated that credit score phrases have advantageous and huge impact on mortgage overall performance of SHGs in Kenya. In addition, findings mounted that customer appraisal has a advantageous and huge affect on mortgage overall performance of SHGs in Kenya. Furthermore, study that credit score threat manage has advantageous huge impact on mortgage overall performance of SHGs in Kenya.

Okafor, Okafor and Isibor (2021) investigated how loan management affects performance of Deposit Money Banks in Nigeria loan. Secondary data were sourced from the annual reports of three (3) selected banks in Nigeria from 2000 – 2019. Data were analyzed using ordinary least square method. The specific finding of the study was that return on asset has inverse relationship with non-performing loans while they are positively related advances.

Echobu and Okika (2019) examined the impact of credit risks on the financial performance of listed DMBs in Nigeria, from 2006-2017. Data for the study were secondary in nature and gotten from audited financial reports of all the 15 listed DMBs in Nigeria as on 31st December, 2017. Regression tools were employed for data analysis, and the results show that non-performing loans and impairment loan

charge-off have negative and significant impact on the financial performance of banks. The impact of capital adequacy on financial performance is negative but statistically insignificant.

Odawo, Makokha and Namusonge (2019) analyzed the effects of credit risk management on performance of banks in Kenya. The target population of interest was 44 commercial banks categorized into 28 local and 16 foreign banks. Piloting was done to check reliability and validity of data collection and instruments. Data was coded, edited to bring meaning. Multiple regression was also used to test the significance of one variable to the others. Additional secondary data in form of annual reports and financial statements were obtained from Central Bank of Kenya for the period 2011 to 2016. The study found that credit risk management has a significant influence on banks performance in Kenya.

Kajola, Olabisi, Adedeji and Babatolu (2018) explored the effect of credit risk management on the financial performance of ten listed deposit money banks in Nigeria for the period 2005-2016. Credit risk management, the independent variable, was surrogated by three parameters- Non-performing Loan to total Loan Ratio (NPLLR); Non-performing Loan to total Deposit Ratio (NPLDR) and Capital Adequacy Ratio (CAR). Return on asset (ROA) and Return on equity (ROE) were used as proxies for financial performance. Using the Random effects generalized least squares (GLS) regression as data estimation technique, the study revealed that all the three credit risk parameters have a significant relationship with ROA and ROE ($p < 0.05$).

Collins, Mepbari, Sira and Miebaka (2018) examined the impact of credit management and bank performance in Nigeria. The study adopted cross sectional survey design. The population of the study consisted of all management staffs of commercial banks operating in Nigeria. The sample sizes of eleven (11) select commercial banks were considered by systematic technique. The Purposive sampling technique was adopted; hence six respondents were administered questionnaire (Bank Manager and five senior staff) from each bank to make up 66 respondents for the study. Multiple regression analysis was adopted for the study to determine the influence/impacts of credit management variables (Credit Appraisal, Credit Risk Control, and Collection policy) on bank performance. The study revealed that credit management has a significant impact on bank performance in Nigeria.

Mureithi (2016) evaluated the impact of credit management procedures on the financial performance of business banks in Kenya. The number of population in the study comprised of all the 45 banks in Kenya. A census study was used to carry out the research. Data collection instruments that were used included questionnaires,

financial statements, annual reports on record. Primary data was collected using questionnaires where all concerns on the questionnaire were addressed. Secondary data was collected from annual reports and financial statements. The study revealed through regression analysis that credit management techniques have a significant effect on the performance of the commercial banks in Kenya.

Methodology

The study adopted *ex-post facto* research design to examine the effect of credit management on the performance of listed commercial banks in Nigeria.

The population of the study is made up of all the listed thirteen (13) deposit money banks on the Nigerian Exchange Group as at 2022. To determine the sample size for this study, purposive sampling technique was utilized. The criterion for selection was based on the availability of data. On this basis, ten banks were included in the sample for this purpose of the study.

Method of Data Collection

Secondary data were used and the data were collected from the annual reports of the deposit money banks in Nigeria for the period of 2012 to 2022. The data are more dependable than primary data which might be subjective to certain people's opinion. For credit management, data relevant for the calculation of non-performing loan ratio, and capital adequacy ratio were collected as well as data for computing Return on Asset.

Description of Variables

Table 1: Measurement of Variables

Variable	Type of Variable	Formula
ROA	Dependent	Net Profit /Total assets
NPLR	Independent	Non-performing loan/Total loans
CAR	Independent	Shareholder's Fund/Total Assets
FSZ	Control	Natural log of bank's total assets

Researcher's Compilation, 2023

Model Specification

In line with the gap in knowledge established in this study, the model developed for the OLS regression analysis is stated below.

$$ROA_{it} = \alpha_0 + \beta_1 NPL_{it} + \beta_2 LDR_{it} + \beta_3 CAR_{it} + \beta_5 FSZ_{it} + \varepsilon_{it}$$

Where,

ROA _{it}	= Return on Asset for bank i in period t.
NPL _{it}	= Non-performing loan ratio for bank i in period t.
CAR _{it}	= Capital Adequacy Ratio for bank i in period t.
FSZ _{it}	= Size of bank i in period t.
ε _{it}	= error term for firm i in period t.
α ₀	= constant.
β ₁₋₂	= coefficients of the predictors

Method of Methods

OLS regression analysis is suitable because it is adjudged to be an objective measure in examining the effect of independent variables on the dependent variables, rather than using personal judgement. It is efficient and shown to have the smallest (minimum) variance as well as minimizes squares of the residuals.

Decision Rule

At a significance level of 5%, the statistical significance of the analysis was evaluated using P-values (with an alpha of 0.05). When the P-value is lower than 5%, the null hypothesis is rejected and the alternative hypothesis is accepted.

Data Analysis

Table 1: Descriptive Analysis

	<i>ROA</i>	<i>NPL</i>	<i>CAR</i>	<i>FSZ</i>
<i>Mean</i>	0.015600	0.064417	0.079027	9.211703
<i>Median</i>	0.011936	0.046950	0.126709	9.242094
<i>Maximum</i>	0.061537	0.764197	0.242686	10.06779
<i>Minimum</i>	-0.095318	0.000000	-1.547496	8.194532
<i>Std. Dev.</i>	0.019312	0.091281	0.249184	0.408124
<i>Skewness</i>	-1.845407	5.479134	-4.721018	-0.164289
<i>Kurtosis</i>	14.47315	38.76275	26.32765	2.562450
<i>Jarque-Bera</i>	605.2302	5829.408	2638.881	1.247560
<i>Probability</i>	0.000000	0.000000	0.000000	0.535915
<i>Sum</i>	1.559996	6.441683	7.902665	921.1703
<i>Sum Sq. Dev.</i>	0.036921	0.824885	6.147191	16.48992
<i>Observations</i>	11	11	11	11

Source: Eviews 10 (2023)

Return on assets is the ratio of net income to total assets. The mean ROA for the sample is 0.0156, indicating that on average, the companies earned 1.56 kobo for every naira of assets they had. The standard deviation of 0.0193 indicates that there is relatively low variability in ROA across the sample. The highest ROA value in the dataset is 0.061537 while the lowest ROA value in the dataset is -0.095318. The amount of variation in ROA values is 0.019312. The data on ROA are highly skewed to the left with a value of -1.845407, indicating that the majority of the ROA values are lower than the mean. The kurtosis value of 14.47315 suggests that the distribution of ROA values is highly peaked and has heavy tails. The Jarque-Bera test is a statistical test that tests whether the data has a normal distribution. In this case, the test statistic is 605.2302, which is very high and the probability of obtaining such a high value if the data were normally distributed is 0.000000. Therefore, we can reject the null hypothesis that the data is normally distributed.

The mean NPL for the sample is 0.0644, indicating that on average, 6.44% of loans are non-performing. The standard deviation of NPLR is 0.0913, suggesting that the values are spread out from the mean by a moderate amount. The skewness of NPLR

is 5.4791, indicating that the distribution is highly positively skewed, which means that there are more observations with low NPLR values than with high values. The kurtosis of NPLR is 38.7628, indicating that the distribution is highly leptokurtic or has very heavy tails compared to a normal distribution. The Jarque-Bera statistic for NPLR is 5829.408 with a probability of 0, indicating that the distribution is not normal.

The mean CAR for the sample is 0.0790, indicating that on average, the companies have 7.9 kobo in capital for every dollar of assets. The minimum value of -1.5475 indicates that at least one company has negative capital adequacy, which is a cause for concern. The distribution is highly negatively skewed and has very high kurtosis, indicating that there are some extreme values that are far from the mean.

FSZ: Firm size is the natural logarithm of total assets. The mean FSZ for the sample is 9.2117, indicating that the companies in the sample are relatively large. The standard deviation of 0.4081 suggests that there is some variability in firm size across the sample. The standard deviation is 0.3970, indicating that there is some variability in firm size among the firms, but not as much as in NPL or CAR. The distribution is slightly negatively skewed and has moderate kurtosis.

Test of Hypotheses

Ordinary Least Square analysis was used to test the hypotheses of the study.

Table 2 OLS Regression Result

Dependent Variable: ROA

Method: Least Squares

Date: 04/09/23 Time: 14:13

Sample: 1 100

Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NPLR	-0.085603	0.039189	-2.184379	0.0314
CAR	0.004598	0.009448	0.486641	0.6277
FSZ	0.002982	0.004624	0.644909	0.5206
C	-0.117986	0.038383	-3.073935	0.0028
R-squared	0.493126	Mean dependent var		0.015600
Adjusted R-squared	0.460425	S.D. dependent var		0.019312
S.E. of regression	0.014185	Akaike info criterion		-5.605768
Sum squared resid	0.018714	Schwarz criterion		-5.423407
Log likelihood	287.2884	Hannan-Quinn criter.		-5.531963
F-statistic	15.07960	Durbin-Watson stat		1.155357
Prob(F-statistic)	0.000000			

Source: Analysis Output using Eviews 10 (2023)

The R-squared value of 0.493126 indicates that approximately 49.31% of the variation in the return on assets of deposit money banks in Nigeria is explained by the independent variables included in the study (non-performing loan ratio, loan to deposit ratio, capital adequacy ratio and loan loss provision ratio, in addition to the two control variables). The adjusted R-squared value of 0.460425 suggests that the model is a reasonable fit for the data, considering the number of independent variables used.

The F-statistic of 15.07960 and a low p-value of 0.000000 suggest that the model is statistically significant and that the independent variables as a group have a significant effect on the dependent variable, return on assets. Therefore, credit management factors such as non-performing loan ratio, loan to deposit ratio, capital adequacy ratio and loan loss provision ratio alongside the control variables can affect the performance of deposit money banks in Nigeria. However, the magnitude of the effect may be relatively small, considering the low R-squared value.

The coefficients represent the effect of each independent variable on the dependent variable (ROA) when holding all other variables constant. The prob values indicate the significance of each coefficient, where a value less than 0.05 suggest a statistically significant relationship.

Hypothesis One

H₀₁: Non-performing loan ratio has no significant effect on the return on assets of deposit money banks in Nigeria.

For the NPL variable, the coefficient is -0.085603, which means that a 1 unit increase in non-performing loan ratio results in a decrease in ROA by 0.085603 units when other variables are held constant. The prob value is 0.0314, which is less than 0.05, indicating a statistically significant effect. Therefore, we reject the null hypothesis that non-performing loan ratio has no effect on ROA at a 5% alpha level. The alternate hypothesis accepted is that non-performing loan ratio has a significant negative effect on the return on assets of listed commercial banks in Nigeria (p -value = 0.0314).

Hypothesis Two

H₀₂: Capital adequacy ratio has no significant effect on the return on assets of deposit money banks in Nigeria.

For the CAR variable, the coefficient is 0.004598, indicating that a 1 unit increase in capital adequacy ratio results in an increase in ROA by 0.004598 units when other variables are held constant. However, the prob value is 0.6277, which is greater than 0.05, indicating no statistically significant effect of CAR on ROA. Therefore, we fail to reject the null hypothesis that CAR has no effect on ROA at a 5% alpha level.

The null hypothesis accepted is that capital adequacy ratio has a non-significant positive effect on the return on assets of deposit banks in Nigeria (p -value = 0.6277).

Discussion of Findings

The findings of this study suggest that an increase in non-performing loans has a negative effect on the return on assets of deposit banks in Nigeria, indicating that effective credit risk management practices are crucial for banks to maintain profitability (Dunyoh, Ankamah & Kosipa, 2022; Riak & Bill, 2022). However, this result negated the findings of Bala, Auwal and Salisu (2022) and Kajola, Olabisi, Adedeji and Babatolu (2018). According to the recent study by Dunyoh, Ankamah, and Kosipa (2022) and Riak and Bill (2022), non-performing loans have a detrimental impact on the return on assets of commercial banks that are listed in Nigeria. This highlights the significance of implementing effective credit risk management practices to ensure banks maintain their profitability. However, these findings contradict the results of some previous studies conducted by Bala, Auwal, and Salisu (2022), Michael and Enang (2022), Hamisu, Ibrahim, and Zango (2021), and Kajola, Olabisi, Adedeji, and Babatolu (2018), which suggested a different conclusion. Despite the conflicting findings, it is imperative for banks to focus on credit risk management practices to mitigate the impact of non-performing loans and enhance their financial performance.

In contrast, the study found no statistically significant relationship between the loan to deposit ratio, capital adequacy ratio, and loan loss provision ratio and the profitability of deposit money banks in Nigeria. These results suggest that these factors may not be significant drivers of bank profitability in Nigeria. This result is not consistent with the results found by Michael and Enang (2022); Kajola, Olabisi, Adedeji and Babatolu (2018)

Conclusion and Recommendations

The quality of credit decisions and the management of risky assets significantly impact the success or failure of deposit money banks and other financial institutions. Effective credit management provides a leading indicator of the quality of a bank's credit portfolio. To achieve this, banks must have the ability to intelligently and efficiently manage customer credit lines, with a focus on minimizing exposure to bad debt, over-reserving and bankruptcies. This requires a greater understanding of customer financial strength, credit score history and changing payment patterns, which can help banks, make informed credit decisions and improve their overall financial performance.

Moreover, the study found that loan to deposit ratio had a non-significant positive effect on the return on assets of deposit money banks in Nigeria. Although this finding implies that banks may not need to prioritize maintaining a high loan to

deposit ratio, it is still essential for banks to maintain a healthy loan to deposit ratio to ensure a sustainable balance between their loan portfolio and available funds for lending. Furthermore, the study revealed that capital adequacy ratio had a non-significant positive effect on the return on assets of deposit money banks in Nigeria. This highlights the need for banks to maintain a healthy capital adequacy ratio since having a healthy capital adequacy ratio is crucial in ensuring the ability of banks to absorb losses and meet regulatory requirements.

1. Banks should implement more stringent credit risk assessment measures to reduce the likelihood of default by borrowers, which will in turn reduce their non-performing loan ratio.
2. Banks should explore opportunities to increase their capital base through sources such as equity financing, to improve their capital adequacy ratio and financial strength.

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EFFECT OF EMPLOYEE GRIEVANCE ON PERFORMANCE ON JOB COMMITMENT IN NNAMDI AZIKIWE UNIVERSITY, AWKA, NIGERIA

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Abstract

The study determined the effect of employee grievance on job commitment in Nnamdi Azikiwe University, Awka, Anambra State. The study adopted survey research design and data were generated through the questionnaires administered to the respondents. The population of the study comprised 2637 academic staff of Nnamdi Azikiwe University, Awka. The data generated in response to the questions was analyzed and hypotheses were tested using Simple Regression via SPSS version 20 at 5% level of significance. The result revealed that employee dissatisfaction and perceived unfair practices have effect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State and this effect was statistically significant. The findings indicates that employee dissatisfaction, and perceived unfair practices has effect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State, and this effect was statistically significant. This study concludes that employee grievance on performance of Nnamdi Azikiwe University, Awka, Anambra State. Based on the findings, the study recommends that employees that have job dissatisfaction have relatively negative emotions to their jobs, there is need for job satisfaction, hence, employees who have high job satisfaction have positive emotions to their jobs.

Keywords: *Employee dissatisfaction, Perceived unfair practices and Job commitment.*

Introduction

Workers' grievances are as old as industrial societies, but the issue of addressing workers' grievances in Africa and Nigeria has received particular attention recently. This is because a quick response that leads to a quick resolution of a complaint improves employee morale and productivity and can prevent costly legal action. The term grievance described the breach of mutual trust between employer and employee (Nurse & Devonish, 2007). When you start working in a new place, a mutual expectation is created, which is the basis for future working relationships. In addition to what is written in the employment contract, both parties have expectations for the future. This working relationship sometimes goes wrong. If an employee is unhappy, it will probably be a complaint. Injured worker; who experiences a complaint against the manager or the whole company is an unhappy employee, and an unhappy employee cannot do an effective job. The employee becomes depressed, his morale is low and as a result efficiency decreases. Job satisfaction in all conditions surrounding work is the key to high morale (Atem, 2022). Employee complaints do

not generate positive reactions, as the employee may decide to give up their efforts, miss work, or even return to work late, among other unhealthy work habits. These are unhealthy behaviors that can affect organizational performance.

Relatively, it can be said that employee complaints can have a significant impact on organizational performance, because employees can sometimes withdraw their contribution to the success of the organization. The grievances of workers can be shown at the union level when workers can react in union forums such as in federal institutions in Nigeria where unions end their services in tertiary institutions to inform the federal government of their dissatisfaction and grievances. Prior to this investigation, there had been cases of various unions in the university going on strike to express their grievances. These therefore affected the workflow within the system by delaying student graduation, disrupting the academic calendar and forcing students and faculty to rush the school's curriculum around the university's schedule. Complaints by employees in tertiary institutions such as Nnamdi Azikiwe University, Anambra state have affected the operating system. The stigmatization of the incessant reactions of both academic and non-academic staff unions has eroded trust among stakeholders in general.

Nnamdi Azikiwe University in Awka, Anambra State has been slow, disrupted and affected by the actions of workers who have suffered through trade unions. This seems to be the case with many unsatisfactory indicators such as poor salaries, the unsustainability of the university system and even the failure of the previous agreement between the membership and the board of the university union. The issues giving rise to the complaints are common to all federal universities, but for convenience, the focus is on Nnamdi Azikiwe University, Awka, Anambra State, because the federal institution was unstable like other federal universities in Nigeria. Grievances in the workplace are caused by small problems affecting employees in the workplace that have been allowed to accumulate over time, leading to dissatisfaction (Dipboye, et al, 2020). These factors that lead to employee dissatisfaction are ignored by both management and the previous administration because the problems that cause workplace complaints are longstanding issues that have been discussed with previous administrations without positive action from previous and current administrations. Dissatisfaction hinders an employee's ability to give their best at work, so employees may not be able to tolerate these factors that negatively affect work (Atafor & Ukam, 2020). Employee dissatisfaction in the workplace seems to affect the quality of work in the university system. The various workplace grievances of the staff of the Federal University (Nnamdi Azikiwe University) are due to several factors, although these factors are based on the perception of the unions, such as non-revision of staff salaries or non-payment of staff salaries, financial resources to revitalize public universities and neglect the federal education system, which seems to be deteriorating (Merkin, 2021). Unfair

practices identified by the government appear to have a significant impact on employee engagement, as workers respond to unfair practices by unionizing, warning strikes, and staying away from the workplace for long periods of time during continuous strikes.

Among other things, it is known that the poor welfare package has a long history, which explains the ongoing labor struggles of organized labor in public universities in Nigeria (Nkanu, Otu, & Utu-Baku, 2023). The imbalance between academic activities and our higher education institutions may not be related to the strike. In this context, a strike can also be defined as a process in which an organization has organized a stoppage of work by workers due to a wage settlement. There is also a refusal to work as a protest. It can also be a period when an organized group of workers in a company strikes due to disagreements over wage conditions. The broad objective of this study is to determine the effect of employee grievance on performance of Nnamdi Azikiwe University, Awka, Anambra State. The specific objectives are;

1. To ascertain the effect of employee dissatisfaction on job commitment in Nnamdi Azikiwe University, Awka, Anambra State.
2. To investigate the effect of perceived unfair practices on job commitment in Nnamdi Azikiwe University, Awka, Anambra State.

Conceptual Review

Grievance refers to any real or imagined feeling of dissatisfaction or injustice that an employee experiences about his work and its nature, management policies and procedures, which the employee expresses and brings to the attention of the management and the organization (Juneja, 2018).). Rose (2004) defines a grievance as any dissatisfaction with work and workplace that an employee formally expresses to their immediate supervisor. Grievances are signs of an individual member's dissatisfaction with how things are going in their workplace. Thus, employee grievance refers to any dissatisfaction of an employee caused by his immediate supervisor about his work and workplace (Rose, 2004). Grievances also refer to an issue raised by an employee to express dissatisfaction with the behavior of management and are an attempt to bring about change (D'Cruz, 1999). It is any dissatisfaction, expressed or not, and whether it is valid or not, arising from any circumstance related to the organization that the employee considers, believes or even feels unfair, unjust or unfair that he suffered (Dwivedi, 2009). Due to the changes that have taken place in various organizations, as well as the differences in people's behavior and opinions, there are chances that grievances and disputes will arise in the workplace. An employee grievance represents a feeling of dissatisfaction or displeasure by an employee due to the actions or decisions of superiors or senior management (Obiekwe & Eke, 2019). It is any real or imagined feeling of personal

injustice that an employee has in relation to an employment relationship. Hardeman (2004) defines a grievance procedure as a method by which employees make their voices heard about management practices and/or decisions so that they can be properly addressed. Jones and Gorge (2000) argue that disagreement is always an inevitable part of organizational life. However, management always establishes certain processes and procedures that can be followed to ensure that all such conflicts and complaints are resolved. Complaints are an important part of the organizational challenge. But not all complaints are bad. Performance can be used to identify problems affecting employee performance and work attitudes and address them in the overall interest of the organization (Obiekwe and Eze, 2019). It is counterproductive if management does not give opportunities to employees to express their dissatisfaction with their work. There are no hard and fast rules about how an organization should set up its complaints procedure. Field experience shows that different organizations have developed and adapted their complaint handling methods according to their HRM strategies.

The term job satisfaction was first used by Elton Mayo (calling it job satisfaction) at the Hawthorne plant of the Western Electric Company in Chicago in the late 1920s and early 1930s to describe the feelings of workers that could affect their vitality feelings work behavior (Djoemadi et al., 2019). There appears to be no single definition of job satisfaction, job satisfaction, or employee satisfaction, as they have been interchangeably referred to in the literature. However, various researchers and authors have given many definitions of job satisfaction and some similarities are related to employee job satisfaction (Swmya and Panchanatham, 2011; Sageer et al., 2012; Ramoo et al., 2013; Yousef, 2017). However, the most accurate definition was given by Saman (2020) who stated that job satisfaction should be understood as "the attitude of an employee who is either satisfied or not satisfied with the reward received, with his work, with his superiors, his colleagues and in matters related to environmental work.

Workplace bullying, indifference, physical violence is a 10-point continuum of organizational dysfunction. Discomfort ranges from 1 to 3, while harassment ranges from 4 to 9, which ranges from mild to severe harassment. Although the highest score is associated with murder, the negative consequences of the abused may perceive indifference as little or no harm. Bullying can cause minor or serious harm, while physical violence can result in death (Namie, 2017). It has been found that unfair treatment, bullying, violence and any form of dysfunction affects both employees and organizational performance.

Ntimba, et al (2021) investigated the impact of the psychological contract on employee job satisfaction and dissatisfaction in a South African workplace. The effect of psychological contract violation and compliance on employee satisfaction

with their work, co-workers, supervisor, and the organization as a whole was also examined in detail. Therefore, data for this study was collected by examining existing scientific articles/presentations, published/unpublished dissertations and theses, textbooks and other relevant information documents. This makes the research a starting point for a theoretical and analytical methodology. Thus, this article uncovers and presents and discusses in detail the devastating effects that psychological breach of contract has on the performance of South African organizations. The article also reveals employee dissatisfaction with the costs to organizations in the form of unplanned staff turnover. This article suggests strategies for organizations to adopt and implement to improve psychological contract fulfillment. The goal is to improve employee job satisfaction in the workplace and ultimately reduce employee turnover intentions. Therefore, this research has a very important and significant role to advance the literature and the general understanding of the psychological contract and the impact of the psychological contract on employee job satisfaction and, especially, dissatisfaction. Obiekwe and Eke (2019) investigated the impact of employee grievance management on organizational performance. The paper argued that effective management of employee grievances is essential for a harmonious working relationship, enhancing employee loyalty and commitment, and improving overall organizational productivity and efficiency. Conversely, lack of or poor management of employee complaints in organizations leads to negative organizational consequences such as reduced productivity, absenteeism problems, disobedience of orders, disciplinary behavior and reduced work quality. The study revealed that effective management of employee grievances is very important for effective harmonious management-employee relationship which helps to improve organizational performance. Among other things, we recommend that complaints are dealt with as soon as possible after they are reported to ensure that the negative consequences of an unresolved complaint in the workplace are significantly reduced. In addition, there should be a defined grievance management procedure that managers use as a guide for handling grievances in the workplace to ensure harmony and improve employee morale, which is essential for improving organizational performance. Zulkiflee, et al (2019) investigated the influence of department heads on the choice of complaint handling styles. The study adopted a correlational research design and collected material through survey and interview. Data were analyzed using arithmetic mean and hypotheses were tested using simple regression analysis. The factor analysis revealed that the complaint handling styles used by the managers in this study are Integrative, Compromising and Controlling. Overall, the study revealed that extraversion has a negative and significant influence on the choice of integration style. Conscientiousness significantly influences the prediction of dominant style. Finally, emotional stability is positive and significantly affects the compromise style of handling complaints. Stephen (2013) conducted a study on the effects of job dissatisfaction, organizational commitment, and employee engagement on public school teachers' intention to leave

in South Louisiana. Teachers were described based on their psychological characteristics as well as demographic characteristics such as age, gender, marital status, education level, years of education, and years of employment in the current school system, and until retirement. The following instruments were used to collect the necessary data: Job Description Index/General Work, Organizational Commitment Questionnaire, Utrecht Work and Well-Being Survey, three-item Intention to Leave instrument and a population survey. Participating teachers provided a total of 244 usable responses to these instruments. The results revealed that the largest group of teachers was the X generation age group. Most of the teachers interviewed were female, married, and had a bachelor's degree, with the largest group having more than 20 years of teaching experience. Gomathi (2014) investigated the role of complaint management in improving employee performance in a BAT company. The study introduced the use of descriptive statistics and a sample of 500 respondents, selected from a total of 1,000 employees, completed a questionnaire. The Statistical Package for Social Sciences (SPSS) was used to analyze the collected data. Research has shown that effective grievance management can improve employee performance. The study revealed that the aggravation of industrial problems largely depends on the supervisor's approach and attitude to effectively deal with employee grievances..

Methodology

Research Design

The study adopted descriptive survey research design and the reason for adopting descriptive survey research design is because the study seeks to adopt a research design that supports the collection of data with the aid of structured questionnaire. The study used purposive sampling technique to select 347 academic staff of Nnamdi Azikiwe University, Awka for the study.

Data were collected with the aid of structured questionnaire. The questionnaire components include; Strongly Agreed which was rated to be 5 points, Agreed which is rated to be 4 points, Disagreed rated to be 3 points, Strongly Disagreed rated to be 2 points and undecided rated to be 1 point.

The data generated in response to the questions asked was analyzed using five point likert scale and hypotheses were tested using Simple Regression on Statistical Packages for Social Science (version 20) at 5% level of significance.

Decision Rule

In relation to the decisions on the acceptance of hypotheses, Accept the Alternate hypothesis (H_a) if P-value is less than 0.05 ($P\text{-value} < 0.05$); otherwise accept the Null hypothesis (H_o).

Data Analysis and Interpretation

Questionnaire distribution and returns

347 questionnaires were distributed and 311 was completed and returned, this represents 90%.

Table 1: The summary of data collected from the respondents for question one

S/N	Employee Dissatisfaction	SA	A	Un	D	SD
1	I am not satisfied with the working conditions and current state of this university	100	103	2	97	9
2	The federal government has made failed promises about employee welfare, which has affected the quality of staff.	98	107	0	90	16
3	This job doesn't give me the income and privileges I need.	101	136	3	60	11
4	I am not satisfied with the state of the university because of the broken promises of the federal government.	99	130	2	77	3
	Perceived Unfair Practice					
5	I find that the higher ups in this organization favor some employees more than others.	99	111	2	90	9
6	This organization has workplace intimidating practices.	78	133	0	96	1
7	Some of my colleagues avoid the workload, which often leads to work and discomfort in this organization.	100	130	3	60	18
8	Rumors and rumors among staff often lead to unpleasant situations.	99	130	2	78	2
	Job Commitment					
9	We have worked hard for our roles in this organization.	99	115	0	87	10
10	We have a standard of performance that we have maintained over the years.	108	117	0	70	16
11	We ensure that our contributions to this organization contribute to its success.	100	127	3	67	8
12	The focus of organizational staff is to achieve goals.	97	129	0	65	14

Source: Field Survey, 2023

Test of Hypotheses

Hypothesis One

H₀₁: Employee dissatisfaction has no significant effect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State.

Table 2: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.998 ^a	.996	.995		15.91038

a. Predictors: (Constant), EMD

In table 2, a regression analysis was conducted to test the employee dissatisfaction and job commitment. Adjusted R squared is coefficient of determination which provides the distinction in the dependent variable due to changes in the independent variable. From the findings in the table 2, the value of adjusted R squared shows a value of 0.99, an indication that there was variation of 99% on job commitment due to changes in employee dissatisfaction. This implies that only 99% changes in job commitment could be accounted for by employee dissatisfaction, while 1% was explained by unknown variables that were not included in the model.

Table 3: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	188831.379	1	188831.379	745.956	.000 ^b
	Residual	759.421	3	253.140		
	Total	189590.800	4			

a. Dependent Variable: JBC

b. Predictors: (Constant), EMD

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.613	11.693		-.395	.720
	EMD	1.019	.037	.998	27.322	.000

a. Dependent Variable: JBC

In table 3 it reveals that the p-value is 0.000 shows that the hypothesis is statistically significant at level of significance (5%); hence p-value of the test statistic is less than alpha value ($0.000 < 0.05$).

In table 4, the regressed result shows that an evaluation of the employee dissatisfaction of the explanatory variable shows statistically significant, hence coefficient value = 0.998 and t-statistics is =27.312, showing that employee dissatisfaction is statistically significant on job commitment at 5% level of significance.

Decision:

Since p-value of the test statistic is less or equal to alpha, we therefore, reject null hypotheses and uphold alternative hypothesis which state that employee

dissatisfaction significantly affect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State.

Hypothesis Two

Ho₂: Perceived unfair practices have not significantly effect job commitment in Nnamdi Azikiwe University, Awka, Anambra State.

Table 5: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.994 ^a	.988	.984		20.16925

a. Predictors: (Constant), PUP

In table 5, a regression analysis was conducted to test the perceived unfair practices and job commitment. Adjusted R squared is coefficient of determination which provides the distinction in the dependent variable due to changes in the independent variable. From the findings in the table 5, the value of adjusted R squared shows a value of 0.98, an indication that there was variation of 98% on job commitment due to changes in perceived unfair practices. This implies that only 98% changes in job commitment could be accounted for by perceived unfair practices, while 2% was explained by unknown variables that were not included in the model.

Table 6: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101876.803	1	101876.803	250.435	.001 ^b
	Residual	1220.397	3	406.799		
	Total	103097.200	4			

a. Dependent Variable: JBC

b. Predictors: (Constant), PUP

Table 7: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.301	14.581		.364	.740
	PUP	.729	.046	.994	15.825	.001

a. Dependent Variable: JBC

In table 6, it reveals that the p-value is 0.000 shows that the hypothesis is statistically significant at level of significance (5%); hence p-value of the test statistic is less than alpha value (0.000<0.05).

In table 7, the regressed result shows that an assessment of the perceived unfair practices of the explanatory variable shows statistically significant, hence coefficient

value = 0,994 and t-statistics is =15.825, showing that perceived unfair practices is statistically significant on job commitment at 5% level of significance.

Decision

Since p-value of the test statistic is less or equal to alpha, we therefore, reject null hypotheses and uphold alternative hypothesis which state that perceived unfair practices significantly affect on the job commitment in Nnamdi Azikiwe University, Awka, Anambra State.

Discussion, Conclusion and Recommendations

The study determined the effect of employee grievance on performance of Nnamdi Azikiwe University, Awka, Anambra State. The population of the study comprised 2637 academic staff of Nnamdi Azikiwe University, Awka. The data generated in response to the questions was analyzed and hypotheses were tested using Simple Regression on Statistical Packages for Social Science (version 20) at 5% level of significance. According to the hypotheses, employee dissatisfaction, and perceived unfair practices have effect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State and this effect was statistically significant.

The findings indicates that employee dissatisfaction, and perceived unfair practices has effect on job commitment in Nnamdi Azikiwe University, Awka, Anambra State, and this effect was statistically significant. The result is in line with that of Ngetich (2021) who shows that the organization's grievance handling mechanism provided the employees with judicial protection and avenues to present their problems peacefully and in an orderly way. Gomathi (2018) who revealed that effective management of grievances can improve employee performance. The study concluded that to a great extent aggravation of industrial problems depends on manager's approaches and attitude in effective handling of employee grievances.

It can be said that job satisfaction determines organizational performance and organizational performance does not determine job dissatisfaction. This study states that Nnamdi Azikiwe University in Awka, Anambra State has employee grievances. Based on the results, the study recommended the following:

1. Employees with job dissatisfaction have a relatively negative attitude towards their work; the need for job satisfaction arises, so employees with high job satisfaction have positive feelings about their work.
2. Unfair treatment and negative workplace should be completely avoided and the work motivation of employees should be ensured due to the weakening of their sense of psychological empowerment.

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EVALUATION OF THE RELATIONSHIP BETWEEN SOCIAL CAPITAL AND FINANCIAL INCLUSION: A CASE OF MEMBERS OF COOPERATIVE INVESTMENT AND CREDIT SOCIETY LIMITED, OSUN STATE, NIGERIA

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Abstract

Social capital is a typical example of how a cooperative society operates on the unique value of self-help and mutual help to promote the well-being of members who have similar interests through collective action and joint enterprise. Members of Cooperative Investment and Credit Society Limited (CICSL) in Osun state were the respondents for this study. A multistage sampling technique was used to obtain data from 864 members of CICSL in Osun state. Data obtained were analyzed with descriptive and analytical statistics models. Results from the data analyzed were discussed, and some findings were revealed that the multivariate regression coefficient results showed that the independent variable (x = social capital) has a positive relationship with the dependent variables (y_1 = usage of savings facilities and y_2 = quantity of savings facilities). The coefficient of independent variable (x) is .8893941 for y_1 and 1.210582 for y_2 . As a result of this, all the cooperative societies across the nation should redouble their efforts in enhancing the social capital (cooperative values) within and among their cooperative members since it has been established that social capital has a strong influence in achieving financial inclusion among cooperative members.

Keywords: Social Capital, Financial Inclusion, Cooperative members, Access to Savings and Quality of Savings.

Introduction

Social Capital is an economic idea that refers to the connections and relationships between individuals and entities that can be economically valuable (Investopedia, 2017). A Social network that includes people with mutual help and mutual benefits like a cooperative society can be a powerful asset in achieving the cooperative goal of enhancing members' well-being. Along with economic capital, social capital is a valuable mechanism in economic growth. As technological advancements continue to make the world smaller and the global population more interconnected, companies and associations like cooperative societies rely on social capital more than ever to drive business (Investopedia, 2017).

According to Bourdieu cited in Taiwo (2018), social capital is the aggregate of the actual or potential resources that are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition. Similarly, **Coleman (1994)** defined social capital by its function, that it is not a single entity, but a variety of different entities, having two characteristics in common. They all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure. This Coleman definition explains how cooperative membership will enhance social capital for mutual benefits among cooperative members. In the same vein, Putnam (2000) refers to social capital as the connections among an individual's social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense, social capital is closely related to what some have called "civic virtue." The difference is that "social capital" calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital. In this regard, Social capital is a traditional ethic established by the founding fathers of the cooperative society (social network) in the form of values. The social capital indicators can be observed vividly in cooperative society values under the ideals of honesty, openness, social responsibility and caring for others. These values act as the foundation for cooperative principles.

Putnam (2017) believed that the central premise of social capital is that social networks like cooperative societies have value, which refers to the collective value of all social network people and the inclinations that arise from these groups of people to do things for each other ("norms of reciprocity") just like self-help and mutual help as it can be found in cooperative societies all over the world which Osun state is not exceptional. The term social capital emphasizes not just warm and cuddly feelings, but a wide variety of quite specific benefits that flow from the trust, reciprocity, information, and cooperation associated with social groups like cooperative societies. Social capital creates value for the cooperative members who are connected through the cooperative values of self-help, mutual help, solidarity as well as equality. These values (social capital indicators) always manifest in the socio-economic activities of cooperative societies in Osun state and these values uniquely distinguish the cooperative business model from all other investor-owned firms in Osun state.

On the other hand, Financial inclusion (or financial exclusion) has been defined in the literature in the context of a larger issue of social inclusion (or exclusion) in a society. One of the early attempts by Leyshon and Thrift in Sarma (2010), defined financial exclusion as referring to those processes that serve to prevent certain social groups and individuals from gaining access to the formal financial system. According to Sinclair (2001), financial exclusion means the inability to access

necessary financial services in an appropriate form. Exclusion can come about as a result of problems with access, conditions, prices, marketing or self-exclusion in response to negative experiences or perceptions. Carboet *al.* (2005) see financial exclusion as broadly the inability of some societal groups to access the financial system. The social capital enshrined in the cooperative values is capable of giving financial inclusion to the cooperative members who are financially excluded. As such, many definitions of financial inclusion have been suggested, based on characteristics that are symptomatic of broad access to financial services. Common elements of these definitions include universal access to a wide range of financial services at a reasonable cost (Bhaskar, 2013). Financial inclusion is measured in three dimensions, which are, access to financial services; usage of financial services; and the quality of the products and the service delivery. The adoption of a broader and multidimensional definition of financial inclusion is crucial in the sense that it helps to move beyond the often erroneous assumption that inclusion will inevitably be achieved by simply offering enough access points. Instead, a more complete understanding of financial inclusion should speak on how frequently financially excluded people use products if the products are effectively meeting their needs, and if they are better off as a result of using the financial products and services. Defining and measuring the usage and quality of financial products and services in addition to simple access would be very useful for better understanding the extent to which social capital can be used to attain financial inclusion among cooperative members in Osun state.

According to Demircuc-Kunt and Klapper (2016), the core set of Global Findex indicators addresses five basic dimensions of the use of financial services on the individual level: accounts, savings, borrowing, payment patterns, and insurance. All these indicators are what Cooperative Investment and Credit Societies Limited (CICSL) in Osun state renders as products and services to their members. Usage of financial services refers to the levels and patterns of the use of various products offered by CICSL are been used by different members such as the poor, illiterate, youth and women. Financial inclusion also refers to how easily individuals can access available financial services and products from formal institutions.

The investment and credits cooperative is the earliest of cooperatives to have been formed worldwide and in Nigeria as well as Osun state. A cooperative investment and credit society is a member-owned cooperative society, democratically controlled by its members, and operated to facilitate investment; promoting thrift, providing credit at competitive rates, and providing other financial services and products to its members. In the same vein, Cooperative Investment and Credit Society Limited (CICSL) in Osun State constitutionally create funds to be lent to their members for productive purposes. They establish viable projects and enterprises like industries, housing and farming projects etc.; buy development stocks; treasury bills securities,

as well as any other measures designed to instill in its members the spirit of thrift, mutual help and self-help (State of Osun CICS L Bye Law, 2016).

The focus of this study is to evaluate the extent and nature of the relationship and influence that exist between social capital and financial inclusion from the perspective of the Cooperative Investment and Credit Society Limited (CICS L) in Osun state. The core function of CICS L is to improve access to credits at critical moments or more succinctly, financial intermediation. Principally, CICS L aimed at making it easier for people (especially people with low income) to save, thereby increasing the amount of money available for lending to members. Loans and credits are provided to members with easier conditions when compared with other formal and informal financial institutions

Problem Statement

Social capital is an intrinsic part of cooperative society in the form of cooperative values which provides an opportunity and platform for the cooperative members to jointly and privatively own a productive and income-generating enterprise that will enhance and facilitate access and the use of financial services and products. Also, Social capital is capable of improving financial inclusion among the cooperative members because it gives a platform to access and use financial services and products as well as enhances the quality of financial services and products.

Social capital can be better achieved in a cooperative society as cooperative identity (cooperative principles; cooperative definition and cooperative values) gives a strong backing for the adoption and practice of Social capital in a cooperative society. For instance, atoms of Social capital can be found in the ICA (1995) definition of cooperative which was defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprise. The jointly owned enterprise refers to collective ownership of an enterprise which is an intrinsic component or indicator of Social capital. Then cooperative values of honesty; equality self-help; solidarity etc. also reflected the essence of social capital in cooperatives.

The reason for anybody to join or establish a cooperative society is to promote their economic and social well-being and this goal or interest will collectively be shared by every member of that cooperative society. In this case, Social capital in a cooperative society is very vital to financial inclusion. Empirical evidence revealed that there are no previous studies that examine the influence of social capital on financial inclusion among cooperative members in Osun state. As such, this became necessary. To fill the gap identified it is pertinent to obtain responses on the extent and nature of the relationship between social capital and CICS L member's savings usage and quality in Osun State.

Hypothesis of the Study

Ha: Social capital has significant effectson members' savings usage and quality of savings in CICSL.

Multiple Channels through Which Social Capital Works Within Groups of People like Cooperative Society

The idea of looking at social capital in firms and cooperative organizations wasrelatively new, according to Cohen and Prusak (2001). They further attributed the reason to how the dominance of more mechanistic and system-oriented conceptions of organizational activity has masked their deeply social nature. A number of those concerned with organizational development, like Cohen and Prusak, have become increasingly suspicious of the people, processes, and technology mantra, ceaselessly intoned as a summary of the sources of organizational effectiveness. There has, of course, been a significant embracing of the notion of human capital, but those writing about it rarely approach the social nature of organizations and often fall prey to a tendency to draw upon theories and metaphors that derive financial and physical notions of capital (Cohen and Prusak, 2001). The argument of those concerned with social capital is that when harnessed, it generates economic returns. More particularly, the benefits claimed by Smith (2009) include; better knowledge sharing, due to established trust relationships, common frames of reference, and shared goals; Lower transaction costs, due to a high level of trust and cooperative spirit (both within the organization and between the organization and its customers and partners); Low turnover rates, reducing severance costs and hiring and training expenses, avoiding discontinuities associated with frequent personnel changes, and maintaining valuable organizational knowledge; Greater coherence of action due to organizational stability and shared understanding. (Cohen and Prusak cited in Smith, 2009).

Similarly, Putnam (2017)also highlighted **multiple channels through which social capital works within a group of self-help and mutual help groups these channels are:** Information flows (e.g. learning about jobs, learning about innovative business ideas, exchanging ideas, etc.) all these depend on social capital; Norms of reciprocity (mutual help) rely on social networks. Bonding networks that connect group members who are similar sustain particularized (in-group) reciprocity. Bridging networks that connect individuals who are diverse sustain generalized reciprocity. This channel is concerned with the cooperative value of self-help; and mutual help, among groups of people who share similar visions and interests; Collective action depends upon a group of people working together collectively in a cooperative society to promote their well-being, although collective action also can foster new networks; Broader identities and solidarity are encouraged by social networks that help translate an “I” mentality into a “we” mentality.

The channel of social capital provided by Putman is a typical example of how a cooperative society operates on the unique value of self-help and mutual help to promote the well-being of members who have similar interests through collective action and joint enterprise.

There is much debate over the various forms that social capital takes, but one fairly straightforward approach by Woolcock(2001)divides it into three main categories: **(a).Bonds:** Links to people based on a sense of common identity (“people like us”) such as family, close friends and people who share our culture or ethnicity. Shared value among the cooperative members usually increases the bonds that exist between them although they are from different backgrounds. **(b).Bridges:** Links that stretch beyond a shared sense of identity. Bridges encompass more distant ties of like persons, such as loose friendships and workmates. Social capital in a cooperative society provides a platform for members to connect to share ideas, risks, benefits and rewards. **(c).Linkages:** Links to people or groups further up or lower down the social ladder. The potential benefits of social capital can be seen by looking at social bonds. Friends and families can help us in lots of ways – emotionally, socially and economically. Linkages reach out to unlike people in dissimilar situations, such as those who are entirely outside of the community, thus enabling members to leverage a far wider range of resources than are available in the community. (Woolcock 2001).

These varieties of social capital by Woolcock (2001), further explained how social capital is embedded in the activities of cooperative society through solidarity support, Mutual aid and Social responsibility to show concern for the community. All these varieties of social capital are capable of facilitating financial inclusion in the aspect of access to financial services and products as well as, how often (quality) the cooperative members make use of these financial products and services.

The Putnam team looked at whether social capital is *bonding* (or exclusive) and/or *bridging* (or inclusive). Putnam suggested that the former may be more inward-looking and have a tendency to reinforce exclusive identities and homogeneous groups. The latter may be more outward-looking and encompass people across different social divides (Putnam 2000).

These were not seen as either-or categories to which social networks can neatly assign but more-or-less dimensions along which we can compare different forms of social capital. However, Putnam did not look at linking social capital nor did he come to grips with the implications of different forms of social capital i.e. that 'different combinations of the three types of social capital will produce different outcomes (Field 2003).

Cooperative Identity and cooperative Principles are the most well-known, however, it is the cooperative Values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others that are, perhaps, the most definitive and critical elements towards the attainment of cooperative goals. Cooperatives are formed to satisfy the needs of their members. All these, are strong indicators of Social capital in cooperative, as they reflect how cooperative ideology and cooperative movement was established on the foundation of social capital. That is, social capital in a cooperative society is as old as a cooperative society.

Methodology

The parameter of interest was cooperative members, as such, the sampling unit is known (finite population). The study parameter of interest consists of 79,392 cooperative members from the sampling frame of 1,468 CICSLS. An online sample size calculator was used to determine the manageable sample size (Survey Monkey, 2017). With this, a total of 79,392 CICSLS members with a 99% confidence interval were coded in the online sample size calculator. The resulting output was 951 respondents. As such, Bowler's (1999) method of appropriate proportionate was used to proportionately distribute the sample size among members of the CICSLS across the cooperative zones in Osun State. Thus, 951 structured questionnaires were administered to 951 respondents but 864 valid responses were retrieved.

Data were analyzed using descriptive and inferential statistics. Descriptive statistics used include mean and standard deviation. The inferential statistics models of Partial correlation were used to ascertain the nature of the relationship that exists between social capital and financial inclusion among CICSLS members. Also, Ordinary Least Square Regression (Simple Linear Regression) was used to determine the extent of influence of the independent variable (x) on the dependent variable (y).

Similarly, Hypothesis (H_0) was tested with the Multivariate Regression Model ($mvreg y_1 y_2 y_3 = x$). This was used to find out the influence of the independent variable on more than two or more dependent variables.

The model in the implicit form is specified as:

$$y_1 + y_2 + y_3 = \beta_0 + \beta_1 x + e_i$$

Where

x = Independent variable (Collective Social Capital)

y_1 & y_2 = Dependent variables (Financial Inclusion indicators (Usage & Quality))

μ = Error Term (unexplained variables)
 β_i = Coefficient of x_i input (x_i = Independent Variables)
 β_0 = Constant term

The explicit form of the model is:

$$Acc_1 + Usu_2 + Qua_3 = \beta_0 + \beta_i CSC + \mu$$

CSC_i = Collective Social Capital

Usu_1 = Usage (number of times using loan facilities)

Qua_2 = Quality (estimated amount loan obtained)

μ = Error Term (expectation of unexplainable variables)

β_i = Regression Coefficient of Independent Variables)

β_0 = Constant term

Result

The Nature of the Relationship between Social Capital and Members' Usage and Quantity of Savings in CICSL

Table 1: The Distribution of Responses Based on the Extent of Social Capital among the Members of CICSL

S/N	Indices for Social Capital in CICSL	Mean (x)	Implication
i	Collective shared risk among cooperative members and timely solidarity support given to members in times of need	3.3617	Great Extent
ii	There are better knowledge sharing and livelihood advancement, due to established honest relationships, common frames of reference, and shared goals	4. 2081	Great Extent
iii	Self-help with a cooperative spirit has helped instil trust and confidence within the cooperative society and its stakeholders.	3.6352	Great Extent
iv	Equal treatment and the principle of democratic governance enhance mutual help and socioeconomic participation of members in cooperative activities.	3.2665	Great Extent
v	Conflict-free and cooperative society stability due to greater coherence of action and shared cooperative values	3.6702	Great Extent

vi	Shared value among the cooperative members based on a sense of common identity usually increase the bonds that exist between them although they are from different background.	3.8185	Great Extent
vii.	Social bonds, solidarity and equality in cooperatives provide the members with links to connect people or groups further up or lower down the social ladder	3.7574	Great Extent

Source: Field Survey

***Grand Mean (x) = 3.628**

Table 2: Distribution of Responses on Usage of Savings Facilities in the Cooperative and its Relationship with Social Capital in CICSL

S/ N	Indicators for the Usage of Savings Services in CICSL	Mean (x)	Implication
i	Making use of savings Facilities Daily	3.2644	Regularly Use
ii	Making use of savings Facilities Weekly	4.4201	Regularly Use
iii	Making use of Savings facilities Monthly	4.6092	Regularly Use
iv	Making use of Savings facilities Quarterly	2.2625	Rarely Use
v	Making use of Savings facilities Yearly (annually)	3.5422	Regularly Use
vi	Making use of Savings facilities at Will	2.8066	Rarely Use
vii.	Making use of Savings facilities Randomly	2.7422	Rarely Use

Source: Field Survey

***Grand Mean (x) = 3.3428**

Table 3: Distribution of Responses on the Quantity (Estimated Amount) of Respondents Savings in the Cooperative over Past Five Years and its Influence on Social Capital in CICSL

Estimated Amount (₦) Saved in CICS		2012		2013		2014		2015		2016	
		Freq. n=864	% (100)	Freq. n=864	% (100)	Freq. n=864	% (100)	Freq. n=864	% (100)	Freq. n=864	% (100)
1	Less than ₦ 100,000	509	58.91	411	47.56	112	12.96	84	9.722	52	6.018
2	₦ 100,001 – ₦ 500,000	226	26.15	301	34.83	340	39.35	280	32.40	154	17.82
3	₦ 500,001 – ₦ 1,000,000	114	13.19	122	14.12	161	18.63	296	34.25	361	41.78
4	₦ 1,000,001 – ₦ 2,000,000	15	1.73	26	3.00	41	4.745	157	18.17	231	26.73
5	₦ 2,000,001 – ₦ 5,000,000	--	--	04	0.462	12	1.388	35	4.050	48	5.555
6	₦ 5,000,001 – ₦ 10,000,000	--	--	--	--	06	0.694	12	1.388	18	2.083
7	Above ₦ 10,000,000	--	--	--	--	--	--	--	--	--	--
Average (x) Values		₦184,375.29		₦510,700.45		₦628,083.80		₦ 1,263,917.31		₦1,615,084.01	

Source: Field Survey

Table 4: Summary of the Available Data on the Nature of the Relationship between Social Capital and member's Usage and Quantity of Savings

S/N	Mean (x) Scores for Social Capital	Mean (x) Scores for Member Usage	Mean (x) Values for Quantity of Saving in Naira Per Annum
1	3.3617	3.2644	184,375.29
2	4.2081	4.4201	510,700.45
3	3.6352	4.6092	628,083.80
4	3.2665	2.2625	1,263,917.31
5	3.6702	3.5422	1,615,084.01
6	3.8185	2.8066	--
7	3.7574	2.7422	--
Grand Mean (x) Values	3.628	3.3428	₦840,432.172

Source: Field Survey

Table 1 displays the responses of the respondents based on the extent of social capital in the cooperative society. The above result was deduced from a points scale analysis of Likert with a threshold of 3.0. Evidence from the result table revealed that all (**Grand Mean (x) = 3.628**) the social capital indicators have mean (x)scores above the threshold of 3.0 with an indication that the extent of social capital among the members of a cooperative society is very high.

The result in Table 2 also revealed how often the cooperative members make use of savings. Based on the evidence (**Grand Mean (x) Values= 3.3428**) from the result table, it was revealed that the cooperative members regularly make use of the savings facilities usually every week (4.6092). Finally, the average value of **₦840,432.172** indicated that the respondents have saved a reasonable amount of money over the years.

Output

Table 5: Correlations Matrix: Social Capital, member Usage, quality of saving

	<i>Social Capital</i>	<i>Member Usage</i>
<i>Member Usage</i>	0.969	
	0.000	
<i>Quantity of Saving</i>	0.980	0.966
	0.000	0.000

Cell Contents: Pearson correlation
P-Value

Based on the correlation matrix in Table 5, the result presented the nature of the relationship that exists between social capital and financial inclusion indicators of usage and quantity of savings among members of CICS L. The result emanated from the correlation matrix Table 5 revealed that social capital has a strong positive relationship with financial inclusion, in terms of member usage of saving facilities with a P-value (**0.000**) less than 0.05 which shows that the correlation value is significant. Also, the relationship between social capital and the quantity of savings is strongly positive. Member usage and quantity of savings have a positive and strong relationship with social capital.

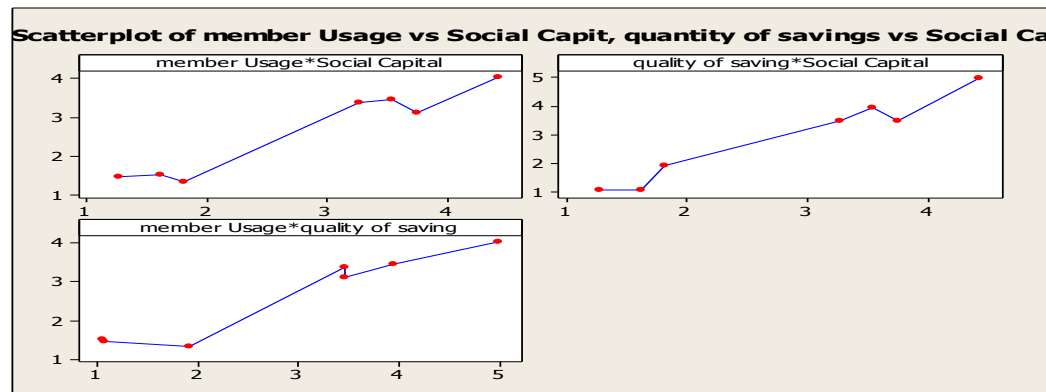


Figure 1: Scatter plot of the variables Graphical Presentation showing the extent of the relationship that exists between social capital, members' usage of savings facilities and quality of savings

Source: Field Survey July, 2017

Test of Hypothesis (Ho)

Ho: Social capital has no significant effectson members' savings usage and quality of savings in CICS L.

Ha: Social capital has significant effectson members' savings usage and quality of savings in CICS L.

For the determination of the existence of a significant relationship among variables with one independent variable and more than one dependent variable, multiple linear regression was used and the Available Data on the Responses for the Nature of the

Relationship between Social Capital and Financial inclusion (Member's Usage and Quality of Savings) were obtained from Table 4

Table 6: Summary of the Available Data

S/N	Social Capital (x)	Member Usage (y ₁)	Quality of Saving (y ₂)
1	3.3617	3.2644	184,375.29
2	4.2081	4.4201	510,700.45
3	3.6352	4.6092	628,083.80
4	3.2665	2.2625	1,263,917.31
5	3.6702	3.5422	1,615,084.01
6	3.8185	2.8066	--
7	3.7574	2.7422	--

Model

$$y_1 + y_2 + y_3 = \beta_0 + \beta_1 x + e_i$$

Where

x (Independent variable) is Social Capital,

y₁&y₂. (Dependent variables) is Financial Inclusion indicators (Usage & Quality)

Table 7: Hypothesis (Ho) Stata Software Output for Multivariate Regression Analysis Model ($Usu_1 + Qua_2 = \beta_0 + \beta_1 CSC$)

Equation	Obs	Parms	RMSE	"R-sq"	F	P
-----+-----						
y1	7	2	.3034888	0.9395	77.69394	0.0003*
y2	7	2	.3287494	0.9608	122.671	0.0001*
-----+-----						
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
-----+-----						
y1						
x	.8893941	.1009022	8.81	0.000	.6300167	1.148771
cons	.1106984	.3057715	0.36	0.732	-.6753122	.896709
-----+-----						
y2						
x	1.210582	.1093007	11.08	0.000	.9296152	1.491548
cons	-.5591073	.3312221	-1.69	0.152	-1.410541	.2923263

Model Interpretation: ($Usu_{.889394} + Qua_{1.210582} = \beta_0 + \beta_1 CSC$)

The multivariate regression coefficient table results show that the independent variable (x = social capital) has a positive relationship with the dependent variables (y₁=usage of savings facilities and y₂ = quantity of savings facilities). The coefficient of independent variable (x) is **.8893941** for y₁ and **1.210582** for y₂.

Therefore, R-Square of **0.9395** for y_1 (usage of savings facilities) is considered to be very strong and this implies that the social capital (independent variable) influences 93% of the variation in the usage of savings facilities among members of CICS L. That is, one unit change in social capital will cause a 93% increase in the usage of savings facilities among cooperative members. Similarly, R-Square of **0.9608** for y_2 (quantity of savings) is also considered to be very strong and this implies that the social capital (independent variable) influences 96% of the variation in the quantity of savings facilities among members of CICS L. That is, one unit change in social capital will cause a 96% increase in the quality of savings available to cooperative members.

However, the probability (P) value ($y_1 = 0.0003$ & $y_2 = 0.0001$) from the model result showed that the model is significant since the P-Value of the independent variables ($y_1 = 0.0003$ & $y_2 = 0.0001$) is less than the conventional threshold of 0.05. Conclusively, there was sufficient evidence to reject the null hypothesis while the alternate hypothesis was accepted. That is, the social capital has significant effects on members' savings usage and quantity of savings in CICS L.

Conclusion

The findings from the results revealed the nature of the relationship that exists between social capital and financial inclusion indicators of usage and quality of saving among members of CICS L. The evidence emanated from the correlation matrix result revealed that social capital has a strong positive relationship with financial inclusion, in terms of member usage of saving facilities with a P-value (**0.000**) less than 0.05 which shows that the correlation value is significant. Also, the relationship between social capital and quality of savings is strongly positive. That is, member usage and quality of saving have a positive and strong relationship with the social capital.

The multivariate regression coefficient for hypothesis four (***H₀***) results revealed that social capital has a positive relationship with the usage of savings facilities and the quality of savings facilities. The coefficient of social capital was **0.8893941** for usage and **1.210582** for quality of savings facilities. R-Square of **0.9395** for the usage of savings facilities was considered to be very strong and this implies that the social capital influences 93% of the variation in the usage of savings facilities among members of CICS L. Similarly, the R-Square of **0.9608** for the quality of savings facilities was also considered to be very strong and this implied that the social capital influences 96% of the variation in the quality of savings facilities among members of CICS L.

Finally, as a matter of urgency, the apex regulatory body of cooperatives in Nigeria should embark on a re-orientation and sensitization programme on the need and

benefits for all the cooperative societies across the nation to redouble their efforts in enhancing the social capital (cooperative values) among the cooperative members since it has been established that social capital has a strong influence in achieving financial inclusion among cooperative member. Social capital will not only enhance member's sense of financial inclusion but also will enhance economic and social inclusion among the cooperative members across the country. This will also provide the cooperative members the opportunity to have strong bonds and expand their network for greater achievements.

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DETERMINANTS OF SUPPLY CHAIN AND LOGISTICS DISRUPTIONS IN SOUTH EAST, NIGERIA.

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Abstract

The study examined the determinants of supply chain and logistics disruptions in South East Nigeria. This study objectives are to examine the major types and causes of supply chain and logistics disruptions in South East Nigeria, examine the economic, social, and environmental consequences of these disruptions on businesses and the broader Nigerian economy, investigate the strategies and the best practices that can be employed to enhance supply chain and logistics in Nigeria. It has been shown that supply chain and logistics disruptions in South East Nigeria pose complex challenges with far-reaching consequences for the society and environment. Nigeria's supply chains, critical for economic growth and development, are vulnerable to a range of disruptions, including natural disaster, infrastructural decay and global market dynamics. These disruptions manifest as reduced economic growth, increased costs, unemployment, and fragmented supply chains, impacting the nation's progress, particularly in the South East of Nigeria. Socially, supply chain disruptions lead to food insecurity, healthcare challenges, and social unrest, underscoring the need for resilience. Environmental consequences, such as waste generation and resource depletion, exacerbate environmental challenges. To address these challenges, proactive measures are essential. Recommendations include diversifying supplier networks, embracing local sourcing, adopting circular economy practices, and investing in renewable energy and digital technologies. Collaboration with ethical suppliers, community engagement, and transparency are critical components of a resilient supply chain and logistics strategies.

Keywords: *Supply chain, logistics, disruptions, South East, Nigeria.*

Introduction

In today's interconnected global economy, the efficient functioning of supply chain and logistics systems is paramount for the sustenance and growth of economies. These intricate networks facilitate the seamless flow of goods, services, and information, connecting producers to consumers across vast distances. Organizations around the globe are getting increasingly concerned about the process with which their goods and services reach the ultimate consumer or customer. It is believed that an effective and efficient supply chain management is the corner stone for customer satisfaction, and to this extent, supply chain management is an important topic in business and management today. According to Chase, et al (2001) the critical idea of supply chain management is to apply a total system approach to managing the entire flow of information, materials and services from raw materials

suppliers, through factories and warehouses to the end customer. Nigeria, often referred to as the "Giant of Africa," boasts a rapidly evolving economy with a burgeoning population and an expanding role on the world stage. In this context, the stability and resilience of its supply chain and logistics systems are pivotal not only for the nation's economic well-being but also for its social fabric.

Supply Chain Disruptions referred to the unplanned and unpredicted events that disturb the flow of goods and services across the supply chain (Craighead, Blackhurst, Rungtusanatham, & Handfield, 2007). However, like many other nations, Nigeria faces a multifaceted challenge the persistent disruptions that afflict its supply chain and logistics networks. A major disruption in any commodity supply chain can have significant dwindling effect on profit, production level, company reputation, shareholder value, and relationship with customers, and may even lead to company closure (Afiqah, Musa, Suraya, and Norhidayah, 2014). All firms face disruption tendencies in their supply chain, though the magnitude of effect could be alarming for smaller firms than larger ones. Smaller firms tend not to quickly recover from supply chain tension because they lack the internal and adaptive capability, flexibility and redundancy (Simba, Niemann, Kotzé, & Agigi, 2017) to remain resilience (Azadi Jafarian, Saen, & Mkirhedayatian, 2015) and counter supply chain risk as they unfold. Most small size supply chains tend to break down during major disruptions and many of them hardly recover afterwards. For some firms, it may take more than two years to return to predisruption performance level.

These disruptions manifest in various forms, from natural disasters such as flooding and droughts to political instability, economic volatility, security threats, and technological uncertainties. A case in point was the fire disaster in 2013 that cripples the entire operation of Sunflag Textile Manufacturing Company in Lagos, Nigeria for close to three years. As Hendricks & Singhal (2005) rightly noted, regardless of the cause of disruption, the nature of the firm, or when the disruption occur – a disruption has serious devastating effect on firm's economy profitability performance, shareholder value, and stock price volatility (Hendricks & Singhal 2005).

The resulting consequences ripple through industries, affecting businesses, communities, and the broader economy. It is within this dynamic and complex backdrop that we embark on an exploration of supply chain and logistics disruptions in Nigeria.

Major elements of the supply chain management have always tended to reflect supplier, storage, manufacturing, distributor, retailer, and customer, etc, without the other important elements like, logistics or traffic management, and quality control. Overseeing the transportation of incoming supplies or purchases and outgoing goods

is important in effective supply chain management. This traffic management function handles schedules and decisions on movement methods and times taking into account costs of various alternatives, government regulations, the needs of the organization relative to quantities and timing, and external factors such as potential movement delays. Often, poor logistics arrangements have posed serious problems for effective supply chain management in Nigeria. The disruptions that disrupt the supply chain and logistics networks in Nigeria pose a critical dilemma. They disrupt the efficient flow of goods and services, leading to cascading consequences such as delayed deliveries, increased operational costs, reduced customer satisfaction, and, ultimately, economic losses. These disruptions also have far-reaching implications for food security, healthcare access, and other vital aspects of daily life. Moreover, in a globalized world, disruptions in one part of the supply chain often have ripple effects that transcend national borders, impacting international trade and partnerships.

As we delve deeper into this issue, it becomes apparent that understanding the nature, causes, and impacts of supply chain and logistics disruptions in Nigeria is imperative. This research endeavors to shed light on these disruptions, offering insights into their root causes, effects, and potential solutions. By doing so, we aim to contribute to the body of knowledge that informs strategies for building resilience in the face of disruptions, fostering sustainable economic growth, and enhancing the quality of life for Nigerians.

The objectives are to examine the major types and causes of supply chain and logistics disruptions in Nigeria; examine the economic, social, and environmental consequences of these disruptions on businesses and the broader Nigerian economy; and investigate the strategies and best practices that can be employed to enhance supply chain and logistics resilience in Nigeria.

Review of Related Literature

Concept of supply Chain

A supply chain system encompasses various elements, including people, materials, processes of transformation, organizational entities, information, and resources, all of which are employed to meet the demand for products from customers. In essence, supply chains encompass a wide array of activities, individuals, materials, information, financial assets, as well as knowledge and expertise (Saddikuti et al., 2020). According to Pato and Herczeg (2020), supply chains emerge as a result of collaborative efforts among organizations, where different members strive to establish mutually advantageous and synergistic relationships to enhance operational efficiency. These supply chain activities involve the conversion of raw materials and components into finished products. In supply chains that embrace

advanced technology, products have the potential to re-enter the supply chain at any point where their value can be recycled. Consequently, supply chains emerge as a manifestation of cooperative endeavors among organizations with shared objectives.

These objective can be profit maximization, process improvements, cost reduction etc. The cohesion of the supply chain is based on trust and mutualism. Sari and Bramantyo (2020) explained that the term “supply chain management” is used to indicate needs in the integration process from end-users to original supplier. Supply chain management focuses on integrated patterns in product flows from suppliers, manufactures, retailers to end consumers. A significant amount of material, funds, documents and information flow exists in supply chains; and a proper quantity and quality of flow is required to rationalize or occasionally optimize the processes, reduce costs or increase profits in the supply chain.

A supply chain is often defined as the totality of all functions that are involved in the planning, production, storing and distribution of products and services to maintain the flow of information and goods from the suppliers to the end user often carried out by a network of organizations (Mentzer *et al.*, 2001, Janvier-James, 2012, Singh *et al.*, 2019). There are different functions carried out by different parties within a supply chain which may include forecasting, warehousing, and so on, however in the process of carrying out these functions, unforeseen disruptions that can affect the flow of goods and information often occur. (Qi *et al.*, 2017; Rajgopal, 2019).

Logistics and Supply Chain Management

Logistics is often considered to be the lifeblood economic growth within nations as they facilitate a pathway by which goods and services reach consumers from producers. According to Dekker, Bloemhof and Mallidis (2012), several disciplines, including sales, management of supply chains (SCM), procurement and delivery, corporate planning and strategy, finances, operations research, and general administration, provide key theoretical and conceptual underpinnings for logistics. However, Bensassi *et al.* (2015) observed that the relative dearth of analyses that directly establish the statistical assessment of the influence of this industry on global commerce can be explained by the absence of a broadly recognized definition of the business of logistics both nationally and regionally. Most current studies simply consider how various supply chain components affect global trade (Akopova *et al.*, 2017; Bondarenko *et al.*, 2017).

The *sensu lato* definition and conceptualization of logistics when it comes to supply chain management centres on logistics as a process that proposes, executes, and regulates the effective and productive forward and reverse storage and flow of products, services, and related information between the production point and the

point of consumption to meet customer's specifications" (Council of Supply Chain Management Professionals, 2012 cited in Hayaloglu, 2015). Mangan, and Lalwani (2016) defined logistics simply as a precise coordination of a complicated process involving several people, resources, or facilities is what is referred to as logistics. Further elaborating on the logistic process, Mangan, and Lalwani, (2016) broke logistics down into the process of organising, carrying out, and overseeing the steps necessary to convey and store commodities, services, and information from their point of origin to their site of consumption. Sever and Abasiz (2017) define logistics as a broad category of activities; with transport, customs duties, warehousing, handling, insurance, packing, stocking and management of inventory, customer services management, and client-specific services are among these core services. This means that logistics encompasses the entire process of good and service production, its inventory management and supply chain distribution (Amaje, 2020).

Currently, logistics has a significant impact on the economies of the vast number of economies, having an impact on several areas including transportation infrastructure, storage technologies, communication and information technology, shipping services, management of supply chains industry and goods, imports and exports of services, and more. Akdogan and Durak (2016) confirms this by noting that the global economy between 2008 and 2013 has grown by 4-5% due to the influence of the logistic sector. According to Hayaloglu (2015), logistics is now a significant component of trade and is actively contributing to this development. Furthermore, the gross domestic products (GDP) of first world countries now include logistics at a significant scale, which has an impact on other economic factors such as the inflation rates, borrowing costs, production, and the price and availability of energy. On the other hand of the technological and development divide, logistics in third world countries has grown in impact; influencing several areas including transportation infrastructure, storage solutions, communication and information technology, packaging services, supply chain, industry and products, imports and exports of services, and more. Thus, the growing influence of logistics in the global economy has prompted its use in the creation of the Logistic Performance Index (LPI) (Sharipbekova and Raimbekov, 2018). The LPI makes use of factors such as agricultural and general industrial availability, trade and investment; transportation services and infrastructure, telecommunications and export services just to mention a few. The complex interplay of these factors are reflective of the nation's economic development (Sharipbekova and Raimbekov, 2018).

As a result, the growth of the logistics industry is important, offering benefits for development and growth. Logistical expenditures also alter how businesses and nations operate. This alteration by logistics occurs on local and international scales due to globalisation, making it necessary for nations to strengthen their logistical

capabilities. Investments made by nations in this area have given them a considerable competitive edge in relation to international trade since logistical advances have made production, distribution, and marketing easier. A crucial step in achieving cost and effectiveness benefits for nations is precise and efficient coordination of logistics operations. Typically, investments in logistical capabilities may be carried out by the government (through the establishment government-run logistic firms) or privately-run logistic companies. The contributions of these state and non-state actors would develop into what is called the “logistic industry” or “logistic sector of the economy”

Supply Chain Performance (SCP)

Supply chain performance has been described as capacity of the supply chain to deliver the right product to the correct location at the appropriate time at the lowest cost of logistics (Zhang, Okoroafo 2015). The focus of the definition is the time of delivery, cost and value for the end customers. Leonczuk (2016) described supply chain performance as the ability (of the entire supply chain) to meet end-customer needs, associated with ensuring the availability of product, deliver it on time in the right way and ensure appropriate inventory levels. It also exceeds the functional boundaries of organizations, i.e. production, distribution, marketing and sales, research and development. Estampe (2014) identified three basic criteria for supply chain performance: Efficacy: this refers to relationship between the achieved result and the pursued objectives; it is related to the level of customer satisfaction with respect to the resources committed for this purpose. While Efficiency: here efficiency refers to the relationship between efforts and resources involved in the operation and the actual utility value as a result of the action; it is usually linked to the achievement of objectives at a lower cost and Effectiveness relates to the satisfaction with the results. Supply chain performance is the ability (of the entire supply chain) to meet end-customer needs, associated with ensuring the availability of product, deliver it on time in the right way and ensure appropriate inventory levels.

Functions and Roles of Logistics Service Providers within the Supply Chain

Using their expertise and experience, logistics service providers can coordinate with numerous vendors to provide a one-stop solution to the convoluted supply chain operations. A third-party logistics provider offers a range of services that would otherwise necessitate the customer company hiring a sizable number of additional staff (Guidolin and Filha, 2022). A customer can concentrate on their core skills and then expand when their supply chain is managed by a 3PL provider. Several of the responsibilities and roles performed by logistic service providers as stated by Ross (2015) are listed below:

Expertise/Knowledge: Logistics service providers handle all transit needs, from origin through distribution to end consumers. Highly skilled experts with in-depth expertise of tariff schedules and customs laws know how to guarantee the best and most effective delivery path.

Warehouse Management: Service providers are now extending their assistance to various aspects of warehouse management, including budgeting, design, technology implementation, and other tasks aimed at optimizing space utilization and streamlining warehouse operations. Notably, one of the services increasingly provided by these service partners is inventory management.

Documentation Services: It's undeniable that the smooth functioning of international trade hinges on the unhindered movement of goods. These businesses play a pivotal role in facilitating international business by handling all the necessary paperwork and legal procedures.

Internet Services: Leveraging their strategically positioned distribution networks, logistic service providers play a crucial role in helping companies expand into new markets. They offer guidance on economically viable markets, drawing from their extensive knowledge of the various rules and regulations governing these markets (Guidolin & Filha, 2022).

Value-Added Support: Exporting becomes more convenient when vendors offer additional services such as labeling and packaging. These suppliers also employ real-time tracking systems to enhance control and visibility over shipments and inventory.

Cost Efficiency: Logistics service providers demonstrate their cost-effectiveness by freeing up resources, offering cost-effective turnkey solutions, delivering flexible and customized services, among other strategies. They remove unnecessary trade barriers, determine optimal tariffs, and extend shipment insurance to provide a comprehensive service package for companies. There's no denying that outsourcing supply chain operations to logistics service providers can significantly reduce expenses and enhance a company's profitability (Guidolin & Filha, 2022).

Stefansson (2006) categorizes logistics service providers into three functional groups: sub-contract carriers, logistics service providers, and logistics service intermediaries (Cui & Hertz, 2011). Within the realm of logistics services, these entities encompass carrier modes, focusing on the transport facet of logistics by providing physical transportation services for goods or materials between locations (Coyle, Bard & Novak 2000, as cited in Hertz & Cui, 2011). Stefansson (2006) identifies various services offered by carriers based on empirical evidence, which

includes both inbound and outbound logistics functions which include transportation, door-to-door service, contract delivery, transportation administration, handling of paperwork, scheduling of transports, tracking and tracing data, and customised services. Additionally, the author refers to carriers as asset-based operators because they often own the majority of their assets or lease the vehicles or equipment they need to operate. Moving goods from one place to another results in time and place benefits (Stefansson, 2006). According to Cui and Hertz (2011), carriers make significant investments in a variety of transportation infrastructures, equipment, and means of transport, and are also quite effective at using them. Shipping companies, airlines, and trucking companies are some examples of carriers (Cui & Hertz, 2011).

Supply Chain Relationship Management

Supply chain relationship management encompasses the actions an organization takes to facilitate efficient management of its engagements within the supply chain, both in the direction of incoming and outgoing flows (Lapide, 2013). Within this spectrum, there are varying degrees of closeness between buyers and suppliers. On one end, we find relationships where this closeness is lacking, while on the other end, we encounter adversarial relationships characterized by a deficiency of shared thinking and coordinated actions. Donlon (1996) identified several elements that constitute supply chain relationships, including outsourcing, supplier partnerships, information exchange, cycle time reduction, and the continuous flow of processes. Moreover, he categorized supply chain relationships into three stages: strategic supplier partnerships, customer relationships, and information sharing.

Strategic supplier partnerships refer to enduring associations between an organization and its suppliers along the relationship spectrum. These partnerships are structured to harness the strategic and operational capabilities of each participating entity to yield substantial and ongoing advantages. As per Li, Ragu-Nathan, Ragu-Nathan, and Rao (2006), a strategic partnership underscores the importance of long-term collaboration between trading partners, fostering joint planning and collaborative efforts to address challenges. These partnerships with suppliers empower organizations to collaborate closely and efficiently with a select group of suppliers, resulting in mutually beneficial outcomes (Thatte, 2007).

Customer relationship is seen as the entire spectrum of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction (Li *et al.*, 2005). An organization's customer relationship practices can affect its success in supply chain management efforts as well as its performance. Successful supply chain management involves customer integration at the downstream and supplier

integration at the upstream, considering that each entity in a supply chain is a supplier as well as a customer (Tan, Kannan, Handfield & Ghosh, 1999).

Theoretical Framework

Stakeholder Theory

The supply chain creation rationale for stakeholder management places companies at the centre of a union of stakeholders. According to Freeman (1994), a company's stakeholders include any group of people who have an impact on or are negatively impacted by the company, including its shareholders, vendors, personnel, consumers, competition, local communities where the company works, regulatory bodies, and so on (Touboullic and Walker, 2015).

Many organizations may confront various crises or epidemics. Hermann (1963) defined a crisis as "an unexpected threat to the fundamental principles of an organization, requiring a swift response." Within an organization, its employees can be seen as one of these fundamental principles. They represent the essential workforce responsible for the daily operations, particularly the blue-collar workers. Phillips (1997) suggests that every organization relies on different groups for its success, which we can refer to as stakeholders. These are individuals or entities that have an influence on a business, both from within and outside. Employees are also among these stakeholders.

Phillips (2007) emphasizes that the management team should prioritize serving the collective interests of the company's stakeholders over serving the interests of society at large. These stakeholders encompass a broad spectrum, ranging from the society in which the organization operates to the employees who sustain it. The organization has a responsibility to ensure that its employees are following the best path, not only for the benefit of society but also for their own well-being.

Most businesses have opted to outsource and expand various manufacturing and supply chain operations, leading to an increased dependence on international suppliers and heightened complexity. This heightened reliance has also rendered them more vulnerable to disruptions in their supply chains, as noted by Bozarth and Handfield (2016, p. 226). Such disruptions can be triggered by a range of external factors that are beyond the company's control, including events like the Covid-19 pandemic and other natural disasters.

This growing dependency on external partners is explained by the resource dependence theory. Rooted in a social exchange theoretical framework, resource dependence theory (RDT) considers cross-management as a strategic response to situations characterized by uncertainty and interdependence among market

participants (Heide 1994). RDT primarily investigates how certain companies come to rely on others for essential resources, including goods and materials, and how organizations can effectively manage such interdependent relationships (Jajja et al., 2017). It is widely believed that the uneven interdependence inherent in these relationships plays a crucial role in reducing environmental uncertainty (Ketchen and Hult 2007). Because supply chain participants frequently collaborate to achieve shared objectives and become more dependent on one another, RDT places a strong emphasis on the impact of pandemics on the resources that may have an impact on logistics businesses' operating capacities. The availability of goods, information, and the demand for them along the supply chain are examples of these resources.

Causes of Supply Chain and Logistics Disruptions in South East Nigeria

Supply chain disruption refers to the occurrence of unexpected events, incidents, or factors that disturb the normal flow, operations, or stability of a supply chain. These disruptions can occur at various stages of the supply chain, from sourcing raw materials to delivering finished products to customers (Aday, & Aday, 2020). Supply chain disruptions can have a significant impact on an organization's ability to meet customer demands, maintain operational efficiency, and manage costs. Disruptions can occur due to natural calamities or man-made disasters (Odunayo & Victor, 2020; Singh et al., 2020). There are several global calamity that have occurred in the past such as, the Gujarat Earthquake of 2001, the Tsunami in Japan in 2011, the Indian Ocean Earthquake, and Tsunami in 2004. And most recently, the 7.8 magnitude earthquake that affected Turkiye and Syria and killed more than 40,000 people. Also, there have also been various outbreaks of highly infectious diseases like COVID-19 which caused global crisis not only to human lives, but also economic activities. Supply chain disruptions may arise from a “combination of an unintended and unexpected triggering event that occurs somewhere in the upstream of the supply chain (the supply network), the inbound logistics network, or the purchasing (sourcing) environment, and a consequential situation, which presents serious threat to the normal course of business operations of the focal firm” (Bode & Macdonald, 2017). Disruptions, whether natural or human-caused, are inherent part of the global context of all supply chains, regardless of the market niche in which those supply chains operate or the critical nature of the goods and services they provide.

Localized events such as the 2019 wildfires in Australia (Edwards, 2020) or the 9.0 magnitude earthquake that hit Japan in March 2011, causing the Fukushima Daiichi Nuclear Power Plant explosion (World Nuclear Association, 2018), not only caused damage in Japan, but affected global supply chains which resulted to temporary closure of a General Motors truck plant in Louisiana, due to a lack of Japanese parts (Golan et al., 2020; Lohr, 2011). The COVID-19 pandemic is a disruption of an

entirely unprecedented magnitude that is testing the resilience of global supply chains.

The ability of supply chain operators to effectively plan, provides a means for the supply chain to absorb, recover from, and adapt to disruptions of various lengths, impacts, and probabilities, and is essential to ensuring the supply chain's functioning and success. Measuring such abilities provides insights into strengths and deficits and can help focus future planning efforts. Localized disruption affects particular countries and industries while global crises such as a pandemic, simultaneously impacts multiple countries and multiple industries. In the case of the Covid-19 pandemic, the fear of contagion resulted in unanticipated market trends, such as price spikes and hoarding, while demand in other industries reduced.

Various Causes of Disruptions in Supply Chain and Logistics in Nigeria Unexpected Events

Disruptions are typically unforeseen or unanticipated events. These events can be diverse in nature, including natural disasters (e.g., earthquakes, hurricanes), man-made crises (e.g., strikes, political unrest), technological failures (e.g., system crashes), and public health emergencies (e.g., pandemics like COVID-19).

The Covid-19 Pandemic and Supply Chain Disruption

The negative effects of Covid-19 pandemic on individuals, firms and supply chains in Nigeria may be difficult to measure. The pandemic caused devastating social effects, massively influenced local and global economic activities, including short and global supply chains (Pato & Herczeg, 2020). There was restriction of workers, changes in demand of consumers, closure of production facilities, restricted food trade policies, and financial pressures in supply chain in many countries (Aday & Aday, 2020). Silva et al. (2020) stated that Covid-19 forced many companies to shut down due to lack of capital to maintain operations; others reinvented and adapted during this problem.

Chin (2020) explained that Covid-19 disrupted food supply chain with restriction of movement put in place to reduce transmission of the virus. According to Singh et al. (2020), the outbreak Covid-19 did not only take lives, it also severely crippled economies by disrupting manufacturing and logistics activities and demand and supply of products. Queiroz et al. (2020) argued that the Covid-19 pandemic wreaked serious havoc on supply chains around the globe. Hoek (2020) stated that the Covid-19 pandemic caused risks and disruptions in most supply chains. Golan et al. (2020) highlighted that Covid-19 pandemic revealed the lack of resilience and failure in global network scale in relation to individual supply chain connections. In addition, the Covid-19 crisis caused major supply chain disruptions; and caused considerable damage to global supply chain (Hoek, 2020; Hu, et al., 2020).

There are also several reports about the disruptive effects of the Covid-19 pandemic on countries. In Nigeria, Babatunde (2020) reported that the Covid-19 plunged the world into broken supply chain. Similarly in China, Sharma et al. (2020) stated that Covid-19 disruptions caused ripple effects on global supply chains. In India, Rewari et al. (2020) reported that India's nationwide lockdown due to Covid-19 pandemic prompted concerns about disruption to supply of antiretroviral drugs. Similarly, Odunayo and Victor (2020) argued that the Covid- 19 crisis created a new set of challenges to which supply chain managers must respond. Covid-19 and the imposition of the strict lockdowns caused disruptions in China with ripple effect on global supply chains (Sharma et al. 2020).

Natural Disasters

Natural disasters are catastrophic events that result from natural processes of the Earth. These events can cause significant damage to the environment, infrastructure, and human populations. Natural disasters can take various forms, and each type has its own characteristics and impacts. Some of the natural disasters that can hinder the smooth flow of supply chain are

Earthquakes:

Earthquakes are sudden shaking or trembling of the Earth's surface caused by the movement of tectonic plates beneath the Earth's crust. The 2010 Haiti earthquake had a magnitude of 7.0 and resulted in widespread destruction and loss of life in the capital city of Port-au-Prince.

Hurricanes (Tropical Cyclones or Typhoons):

Hurricanes are powerful tropical storms with strong winds, heavy rainfall, and storm surges. They are called typhoons in the western Pacific and cyclones in the Indian Ocean. Floods occur when there is an overflow of water onto normally dry land. They can result from heavy rainfall, snowmelt, dam failures, or storm surges from hurricanes. The 1931 China floods were one of the deadliest natural disasters in history, affecting millions of people and leading to widespread famine and death.

Supplier Issues:

Supplier issues refer to a range of challenges and complications that organizations encounter when dealing with their suppliers, particularly those in their supply chain. These issues can have significant implications for a company's operations, from production delays to disruptions in the flow of goods and services.

Supplier Reliability: One of the primary concerns in supplier relationships is the reliability of the supplier. Organizations depend on suppliers to deliver goods and materials on time and in the expected quantities. Supplier unreliability, which can result from various factors like production bottlenecks, quality control problems, or

financial instability, can lead to disruptions in production schedules, increased costs, and customer dissatisfaction.

Quality Control: Ensuring that the materials and components supplied meet quality standards is crucial for product integrity. Supplier issues related to quality control can result in defective products, increased rework or rejection rates, and damage to a company's reputation. Organizations often invest in quality assurance processes and inspections to address these concerns.

Supplier Capacity: Supplier capacity constraints can be a significant issue, especially when there is an unexpected surge in demand. Suppliers may struggle to meet increased orders, leading to production delays and the inability to fulfill customer orders promptly. Effective communication and collaboration with suppliers are essential to address capacity-related challenges.

Financial Stability: The financial health of suppliers is essential for the long-term stability of the supply chain. Supplier bankruptcy or financial troubles can disrupt the supply chain, leaving organizations with limited options and potential financial losses. Companies often assess the financial stability of their key suppliers and may even provide financial support when necessary.

Supply Chain Resilience: Organizations are increasingly concerned about the resilience of their supply chains. Relying heavily on a single supplier or a single source of critical materials can be risky. Supplier diversification, dual sourcing, and contingency planning are strategies employed to mitigate the impact of supplier issues on the supply chain.

Communication and Collaboration: Effective communication and collaboration with suppliers are vital for addressing and preventing supplier issues. Open channels of communication can help identify potential problems early and facilitate joint problem-solving. Collaborative relationships with suppliers can lead to mutual understanding and a shared commitment to resolving challenges.

Ethical and Social Responsibility: Supplier issues can also encompass ethical concerns, such as labor practices, environmental sustainability, and adherence to social responsibility standards. Organizations are increasingly focused on ensuring that their suppliers adhere to ethical and sustainable practices to align with their own corporate values and meet regulatory requirements.

Cyberattacks and IT failures

Cyberattacks and IT failures are two critical issues that organizations face in the digital age. These incidents can have far-reaching consequences, impacting data security, operations, and even the reputation of the affected entities.

Cyberattacks: Cyberattacks encompass a range of malicious activities aimed at compromising an organization's digital systems, networks, and data. These attacks can take various forms, including hacking, malware infections, phishing, and ransomware. Cybercriminals often target sensitive information, such as customer data, financial records, and intellectual property, for financial gain or other malicious purposes. The fallout from a cyberattack can be severe, involving data breaches, financial losses, legal repercussions, and damage to an organization's brand.

Example: In 2017, Equifax, one of the three major credit reporting agencies in the United States, fell victim to a massive data breach. Hackers exploited a vulnerability in the company's website software, gaining access to the personal and financial information of approximately 147 million consumers. This breach not only resulted in extensive financial losses for Equifax but also raised serious concerns about the security of individuals' personal data.

IT Failures: IT failures refer to disruptions or breakdowns in an organization's information technology systems and infrastructure. These failures can occur due to hardware malfunctions, software glitches, human errors, or inadequate system maintenance. IT failures can have a broad range of consequences, from temporary service interruptions to substantial business disruptions. The impact of an IT failure extends beyond operational downtime, affecting customer satisfaction and potentially leading to financial losses.

Example: In 2020, the Royal Bank of Scotland (RBS) experienced a significant IT failure that affected online banking services for millions of customers. The failure resulted from a software glitch during a routine update, causing customers to experience issues accessing their accounts, making payments, and carrying out transactions. This IT failure not only disrupted banking operations but also eroded trust among RBS customers, highlighting the importance of robust IT systems in the financial sector.

Both cyberattacks and IT failures underscore the critical need for organizations to invest in robust cybersecurity measures, regular system maintenance, and disaster recovery plans. These incidents serve as reminders that in an increasingly digital world, safeguarding data and ensuring the reliability of IT systems are paramount for the security and continuity of businesses and their customers.

Consequences of Supply Chain and Logistics Disruptions

Recently, both social and environmental disruption issues become popular among researchers. A rapid change in social aspects (including health, global pandemic, social conflict, and human behavior), and the rise of global environmental issues (including climate change, natural disasters, and ecofriendly industry), potentially tend to be disruptions of business and so on. According to Sanchis & Poler, disruption can be an interrupting variable that results in deviations, inhibits, and forces businesses to make changes and adjustments [1]. A system is disrupted when the system must redesign its strategy to survive a change in the environment [2]. Merriam Webster furtherly explains that disruption is to cause (something) to be unable to maintain in the normal direction: to interrupt the normal progress or occupation of (something) [3]. In social subjects, disruption can be defined as a term used in sociology to describe the alteration, dysfunction, or breakdown of social life, often in a community setting [4]. This type of disruption implies a radical transformation [4]. Meanwhile, in environmental circumstances, disruption is referred to as ecological disturbance or ecological imbalance (including climate change, fires, flooding, insect and pest outbreaks, or earthquakes) that can cause environmental stress, and largely impact the ecosystem or natural resources [5]. This disruption potentially has a direct and significant impact on the agricultural system. Environmental disruptions can be caused by natural incidents or human activity [6]. Thus, in this research, we propose disruption as an event or any change, disturbance, interruption, or distraction, in a social and environmental term, which forces a system (smallholder plantations) to change its regular practices and then find a new strategy to survive. Numerous studies succeed to identify social disruptions in agricultural subjects among others, demographic problems, deadly epidemics, resistance, social domination, and cooperation or attachment.

Supply chain disruptions in Nigeria, like in many parts of the world, can have far-reaching consequences across economic, social, and environmental dimensions. These disruptions, which can result from a range of factors, including natural disasters, political instability, and global market dynamics, can significantly impact the nation's overall well-being.

Economic Consequences:

Reduced Economic Growth: Supply chain disruptions often lead to decreased industrial production, manufacturing delays, and decreased economic activity. This, in turn, can hamper Nigeria's economic growth prospects, as key sectors like manufacturing, agriculture, and services are affected.

Increased Costs: Disruptions can drive up costs for businesses due to delayed production, increased transportation expenses, and the need to source alternative suppliers or materials. These additional costs can translate into higher prices for consumers, contributing to inflationary pressures.

Lost Revenue: Businesses may experience revenue losses as they struggle to meet customer demand during disruptions. These losses can impact corporate profitability and investment prospects, which are critical for economic development.

Supply Chain Fragmentation: Persistent disruptions can lead to the fragmentation of supply chains, with companies seeking alternative suppliers both domestically and internationally. This can undermine the development of a robust and integrated national supply chain network.

Social Consequences:

Unemployment: Economic downturns resulting from supply chain disruptions can lead to job losses and increased unemployment rates. This, in turn, affects the livelihoods of Nigerian workers and their families, potentially leading to social unrest.

Food Insecurity: Disruptions in the agricultural supply chain can result in food shortages and increased prices for essential goods. This can impact the food security of vulnerable populations and contribute to malnutrition.

Healthcare Challenges: Supply chain disruptions can hinder the availability of essential medical supplies, medicines, and vaccines, exacerbating healthcare challenges and reducing the overall quality of healthcare services.

Social Disruption: Disruptions can lead to social disruptions, as people may face challenges in accessing essential goods and services. This can lead to protests, public dissatisfaction, and potential conflicts.

Environmental Consequences:

Waste Generation: Disruptions may lead to spoilage and waste of perishable goods due to delays in transportation or distribution. This contributes to environmental degradation and waste generation.

Increased Energy Consumption: Efforts to mitigate the impact of disruptions, such as rerouting supply chains or increasing production, can result in increased energy consumption and greenhouse gas emissions, contributing to environmental challenges.

Resource Depletion: Disruptions can lead to resource scarcity as industries rush to secure materials and goods. This can exacerbate overexploitation of natural resources, particularly in the context of a fragile environment.

Strategies to be employed to enhance supply chain disruptions

The disruptions stroked by Supply Chains (SCs) are numerous, many initiate from within the SC like break down of manufacturing line, demand variations, information technology complications, sustainability problems and/or quality challenges, the remaining are outside and due, amid other causes, to regulatory fluctuations, industrial labour actions, climate circumstances, economic disorder, fabricating, and terrorism (Scholten et al., 2020). With absence of resilience, a single node disruption may culminate in breaks or decreased capacity for the whole SC (Tukamuhabwa et al., 2015). Sung (2020) said that as SC networks become world-wide and progressively complex in design, mutually academics and experts are paying close consideration to how to handle danger factors like disruption in supply chain and quality control catastrophes that arise in the supply chain.

Sustainability is becoming a key emphasis of SCs, and resilience is part of the requirements to accomplish the sustainability aims (Irshad et al., 2016). Sustainable Supply Chain Management (SSCM) has become an essential portion of business strategy for almost all sectors. However, not so much is understood about the wider effects of sustainability practices on the ability of the Supply Chain (SC) to endure disruptions (Fahimnia & Jabbarzadeh, 2016). The growing experience of world SCs to extreme disruptions like those linked to COVID-19 pandemic obviously established the necessity for innovative data-driven risk cope models that monetize information from within and outside parties to back SC resilience, sustainability, and safety (Bechtsis et al., 2021), the following can be employed to core supply chain disruptions

Environmental sustainability

Environmental sustainability strategies can be integrated into supply chain management to help mitigate and respond to supply chain disruptions effectively. These strategies not only contribute to environmental responsibility but also enhance supply chain resilience. various ways in which Environmental sustainability can be use to supply chain disruptions:

Diversified Supplier Networks

Environmental sustainability principles encourage organizations to establish diversified supplier networks. Collaborating with suppliers from various geographical regions helps mitigate the risk of supply chain disruptions triggered by localized environmental events such as natural disasters. This diversification strengthens the supply chain's ability to adapt and recover.

Local Sourcing and Production

Prioritizing local sourcing and production reduces the environmental impact of long-distance transportation. Furthermore, localized supply chains tend to be more agile

and less susceptible to disruptions in global transportation networks, contributing to greater resilience.

Circular Economy Practices

Embracing the tenets of the circular economy minimizes waste and resource consumption. By incorporating practices like reuse, recycling, and repurposing within the supply chain, organizations reduce their dependence on external suppliers and enhance their resilience in the face of disruptions.

Energy Efficiency and Renewable Energy

Implementation of energy-efficient measures and the adoption of renewable energy sources in manufacturing and distribution facilities not only align with sustainability goals but also reduce vulnerability to disruptions arising from energy supply interruptions.

Digitalization and Data Analytics

Harnessing digital technologies and data analytics enhances supply chain visibility and predictive capabilities. Organizations can monitor environmental conditions, evaluate supplier performance, and assess risks in real-time, enabling early identification of potential disruptions and timely responses.

Supplier Collaboration

Fostering collaborative relationships with sustainability-focused suppliers can lead to joint efforts in disaster preparedness and risk mitigation. Suppliers committed to environmental sustainability are often more inclined to closely cooperate with buyers to address potential disruptions proactively.

Social Sustainability Strategies

Leveraging social sustainability strategies within supply chain management is a powerful approach to addressing and mitigating supply chain disruptions while simultaneously fostering positive societal impacts. These strategies emphasize collaboration, ethical practices, and community engagement, helping to build resilience and enhance the ability to navigate challenges.

Supplier Collaboration and Partnerships:

Establishing collaborative relationships with suppliers based on mutual trust and shared values is a cornerstone of social sustainability. These partnerships can be harnessed to jointly identify and address potential disruptions, ensuring a collective effort to mitigate risks.

Ethical Sourcing and Labor Practices:

Prioritizing suppliers with strong ethical labor practices and a commitment to fair wages and safe working conditions contributes to a more stable and resilient supply chain. Socially responsible suppliers are often better equipped to manage workforce-related disruptions.

Local Workforce Development:

Investing in the development of local workforces within the supply chain's operational areas not only enhances community well-being but also reduces reliance on external labor sources. A well-trained local workforce can help mitigate the impact of labor shortages during disruptions.

Diversity and Inclusion:

Embracing diversity and inclusion practices within the supply chain promotes resilience by ensuring that a variety of perspectives and skills are available to navigate challenges. Inclusive practices can foster innovation and adaptability.

Community Engagement:

Engaging with local communities and stakeholders builds social capital and creates a supportive network that can be activated during disruptions. Strong community relationships can facilitate resource sharing, information exchange, and crisis response.

Supplier Audits and Transparency:

Regular supplier audits that assess social responsibility criteria, such as labor practices and community impact, can help identify vulnerabilities. Transparent reporting and accountability mechanisms encourage suppliers to uphold ethical standards.

Findings

The study examine the supply chain and logistics disruptions in Nigeria, this study is designed are to examine the major types and causes of supply chain and logistics disruptions in Nigeria, examine the economic, social, and environmental consequences of these disruptions on businesses and the broader Nigerian economy, investigate the strategies and best practices can be employed to enhance supply chain and logistics resilience in Nigeria. Various literature review were used and stakeholder and Resource Dependence Theorywere also used.

This study employs a various empirical reviews and deeply examined the various specific variables in which a concept of supply Chain was defined as a system encompasses various elements, including people, materials, processes of transformation, organizational entities, information, and resources, all of which are

employed to meet the demand for products from customers. In essence, supply chains encompass a wide array of activities, individuals, materials, information, financial assets, as well as knowledge and expertise and other concept were also defined

Conclusion

In conclusion, the issue of supply chain and logistics disruptions in Nigeria is a multifaceted challenge that carries significant economic, social, and environmental implications. The nation's supply chains, vital for supporting its economy, have been susceptible to a variety of disruptions, ranging from natural disasters to political instability and global market dynamics. These disruptions have underscored the need for proactive measures to enhance supply chain resilience and minimize their adverse impacts.

The economic consequences of supply chain disruptions in Nigeria are evident in reduced economic growth, increased costs for businesses, lost revenue, and fragmented supply chains. These challenges impede the nation's progress and development efforts. Socially, supply chain disruptions can lead to unemployment, food insecurity, healthcare challenges, and social unrest, affecting the well-being of Nigerian citizens. Environmental consequences include waste generation, increased energy consumption, and resource depletion, further exacerbating environmental challenges.

However, it is crucial to recognize that supply chain disruptions are not insurmountable obstacles. With strategic planning and coordinated efforts, Nigeria can build more resilient supply chains that are better prepared to withstand disruptions and recover swiftly. These efforts should include diversifying supplier networks, adopting local sourcing practices, embracing circular economy principles, and investing in renewable energy and digital technologies.

Recommendations: There should be diversification of supplier network in which this will vulnerability to localized disruptions and enhances supply chain resilience; here should be promotion of local ways of sourcing for raw material that should be used in production and there should be community engagement to promote local communities and stakeholders to build social capital and create a supportive network during disruptions.

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INSECURITY SITUATION AND HUMAN RIGHTS VIOLATION IN NIGERIA: A CRITICAL DISCOURSE

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Abstract

This study attempts to have a critical discourse on insecurity situation and human rights violation in Nigeria. It appraised the extent herders-farmers clash stimulates insecurity and human rights violation in Nigeria. This study is a qualitative research which focused on the secondary method of eliciting data from existing sources. The study reveals, among others, that herders-farmers clash have significant positive effect on human rights violation in Nigeria. The study conclude that government and other relevant stakeholders have not taken appropriate proactive measures to tackling herders-farmers clash and other human rights abuses and violations in Nigeria. The study recommends for a better synergy between the government at all levels and other relevant stakeholders in legislating and implementing anti-open grazing laws to curtail herders-farmers clash.

Keywords: *Insecurity, Human rights, Violation, Herdsmen, Separatist agitation, Police brutality*

Introduction

Any genuine democracy anchors its foundation on the rule of law, a principle which demands that people in positions of authority should exercise their power within a constraining framework of well-established public norms rather than in an arbitrary or purely discretionary manner on the basis of their own ideology. The rule of law requires that citizens as well, should respect and comply with the legal frameworks even when their personal interests conflicts with others'. The law should be the same for everyone, and everyone has access to the protection of law.

Nigeria is a signatory to notable international human rights treaties such as the International Covenant on Economic, Social and Cultural Rights (ICESCR), International Covenant on Civil and Political Rights (ICCPR), among others, and by voluntarily ratifying those international human rights treaties under international law, create legal obligations upon her to be bound by such treaties. Kutigi (2017) succinctly puts it that the fact that Nigeria ratified these treaties in 1993 indicates that the country is committed to ensuring that the citizens are guaranteed the rights embodied in the pact.

In recent years, we have had Boko Haram insurgents, an Islamic terrorist group in the Northern region whose jihadist agenda was to stop western education. In the

Niger Delta, there has been an unrest perpetuated by the Ogoni and Ijaw nations who feels that they are being exploited by the Nigerian government and the foreign oil companies. In the East, the Indigenous People of Biafra (IPOB) also contributed to the cases of insecurity in Nigeria in their agitation for a Biafran state. The Southwest, though less violent in nature, equally agitated for Oduduwa nation. The Middle Belt also calls for a separate nation. Some of these agitations were non-violent but some of their protests had led to fear, injury, and death (Adegoke, 2014).

Insecurity is of various forms, they include bodily insecurity, emotional insecurity, food insecurity, economic insecurity, political insecurity, environmental insecurity, physical insecurity, among others (Afolabi, 2022). The focus of this study is on the physical insecurity which produces other forms of insecurity resulting in insurgency, terrorism, and other forms of human rights violation in Nigeria.

Fundamentally, constitution of Nigeria has provisions which guarantees and ensures the safety and protection of Nigerians and their human rights. These rights includes but not limited to: freedom from unlawful imprisonment, torture, execution, unfair and unequal treatment, expression, association, dignity of human person, conscience and religion, as enshrined in chapter four of the 1999 Constitution as amended. These rights, as well noted by Anatsui and Azeez (2011) are universal, inalienable, indivisible, non-discriminatory and fundamental to human existence, and an attempt to violate these rights brings about insecurity.

In recent times, there has been a persistent clash between herders and farmers across the country which has resulted in the loss of loved ones, investment and absence of safety in most part of the country (Onifade, Imhonopi and Urim, 2013). In a bid to forestall peaceful co-existence among Nigerians, the Southern Governors Forum on the 19th day of October, 2021 banned open grazing across the regions and mandated all the state legislative assemblies within the region to enact the anti-grazing laws as a legal framework to back up the move. Beyond the south, Benue and Taraba states had earlier enacted the Anti- Open Grazing Prohibition and Ranches Establishment Law, 2017 which they sincerely believed will accommodate the interest of both the herders and the farmers. Unfortunately, these laws have rather become a subject of criticisms from the public, the press, and the political and religious leaders especially the Miyetti Allah Kautal Hore, the surrogate of the Fulani herdsmen in Nigeria, who maintained that the laws are unconstitutional and inconsistent with certain provisions of the Land Use Act, 1978.

Besides, the issues of separatist agitations and police brutality are other dreaded monsters that have generated serious security threat to the country. The resurgence of the Biafran separatism in Nigeria is largely a reaction to a perceived ethno-religious dominance and perennial neglect orchestrated by various administrations

against the Igbo nation in Nigeria (Nwangwu, 2023). Again, the EndSARS saga was born out of call to end police brutality, extortion and extrajudicial killings by the men and officers of the Nigerian police force (Ozulumba, 2021). It is worrisome that these national issues have continued to rumble across the country, and the perceived lack of political will to addressing them gave birth to this study. It's against this backdrop that the researcher put forward the following questions;

1. How do herders-farmers clashes stimulate insecurity and human rights violation in Nigeria?
2. Why does separatist agitation heighten insecurity and human rights violation in Nigeria?
3. To what extent has police brutality contributed to human rights violation in Nigeria?

Review of Related Literature

Conceptual Review

Insecurity

Over time, there have been divergent views among scholars on insecurity. Nevertheless, the researcher carefully selected and considered a few perceptions which are relevant to this discourse. Insecurity, according to Aondofa and Mwuese (2017) is the absence of security of lives and property. It connotes anything which inhibits the feeling of safety, freedom, protection of one's life, property, trade, movement or other activities of life that promote man's happiness and welfare in and around his immediate environment. In furtherance, they assert that factors which leads to insecurity in any society are manifold, ranging from religious strife, political wrangling, ethnic rivalry, disputes over resource control. Citing Section 33-46 of the Constitution the Federal Republic of Nigeria, 1999, as amended, they observed that any of the above mentioned factors poses national security threat which affects a plethora of rights guaranteed to the citizens such as right to life, respect to the human dignity of their persons, right to personal liberty, freedom of movement, freedom of assembly and association, right to private and family life, freedom to own and dispose of their movable and immovable properties.

As per Beland (2005), insecurity is the state of fear or anxiety stemming from a concrete or alleged lack of protection. The scholar went further to assert that insecurity connotes lack or inadequate freedom from danger. It is obvious to highlight that this definition pinpoints physical insecurity which is an aspect of insecurity which is the most viable. Though, Beland's definition equally has some elements of economic and social security as well. Achumba, Ighomereho and Akpan-Robaro (2013) corroborated with the position of Beland(2005) when they

postulate that insecurity is an absence of protection or safety. They argue further that insecurity entails peril, death-trap, ambiguity, dearth of fortification, and lack of security. They equally viewed the problems of insecurity on two but related perspectives: First, insecurity is the state of being prone or vulnerable to danger or threat of danger. In this situation, the tendency of experiencing hurt based on insufficient measures against danger is very bright. Second, insecurity is the state of being exposed to risk or anxiety. The exposure could be as a result of inadequate measures against insecurity by the state or by a group of people. This, according to them, happens when the law enforcement agents are poorly educated, trained, remunerated and motivated. It could also occur when people's basic necessities of life are lacking. This assertion is indeed the true position of the vulnerable Nigerians who are on the daily basis exposed to the unprovoked attacks from the marauding miscreants.

Oputa (1991); Alemika and Chukwuma (2000) attributed insecurity in Nigeria to the unfriendly, brutal, trigger-happy, extortion, crime collaboration, gross violation of human rights, among others which characterizes the activities of some Nigerian police officers. They went further to assert that the rising crime rate, especially violent crimes involving kidnapping, armed robbery, ritual murders, political assassinations, ethnic and religious violence, election violence, farmers-herders violence have dampened the hope of the public on the capacity of the police to ensuring the safety of people's lives and property. The Nigerian Bureau of Statistics as cited in Ogah, Fanim, Ebosele and Adepetun (2011), on the other hand, attributed the high spate of insecurity in Nigeria to a poor economy with high poverty and unemployment index. According to the study, different institutions of higher learning, on the yearly basis, churn out graduates into the labour market without job security which regrettably exposes them into violent and criminal acts such as kidnapping, militancy, armed robbery, and terrorism. Nwagbosa (2012) in a related view observed that insecurity in Nigeria was hinged on the failures of successive governments to put in place measures that will reduce unemployment, poverty and human rights abuses. The scholar, in buttressing his view, attributed the amazing peace and tranquility recorded in the Niger Delta region during the time of Umaru Musa Yar'Adua and Goodluck Jonathan administrations to the introduction of amnesty which unemployed and poverty-stricken youths who laid down their arms were sent to training centres for vocational and educational purposes.

Ezeoba (2011) highlighted that suspicion and mutual distrust among the various ethnic nationalities as well as the major religions in Nigeria tended to be the source of frequent and persistent security threat in the land. According to him, the current state of insecurity in most parts of the country today is a product of the Boko Haram insurgency. Besides, he went further to argue that prior to the advent of this dreaded religious sect, there were instances of security crises in the Northern Nigeria

attributed to the activities of religious fanatics. Some of them, according to the scholar include, the Maitatsine riot in Kano (1980), Kaitungo crisis (2000), Kala-Kato violence in Bauchi state (2009), Madala, burning of Churches in Niger state (2011) and series of arson and other violent attacks against Christians in the North. In a related development, Alagba, Ugwu and Eme (2012) observed that ethno-religious conflict intensifies insecurity in Nigeria. And this, according to them, is characterized by lack of cordiality, mutual suspicion and fear, and a tendency towards violent confrontations to settle grievances. The researchers went further to assert that these conflicts also revolve around who gets what and how in the state especially as it concerns the distribution of scarce resources, power, land, chieftaincy titles, local government councils, control of markets, and expansion of religious territories, among others, which have resulted in large-scale killings and violence in the country.

Achumba, and Akpor-Robaro (2013) took this argument a step further by outlining the proximate factors that have contributed to the state of insecurity in Nigeria to porous borders, rural-urban drift, and social irresponsibility companies resulting in negative externalities which provoke social unrest within their host communities, unemployment, poverty and terrorism, among others.

Ibenegbu and Adrianna (2022) reiterated that insecurity in Nigeria is a significant reason why the growth and development has eluded Nigeria overtime. The study bemoaned unemployment, corruption, imbalance, weak judicial system, high influx of arms, among other factors which led to the uncontrollable rise of insecurity in Nigeria. Citing corruption index for instance, the study quoted Transparency International, 2021, that Nigeria is placed 146th position out of 180th countries in the Corruption Perceptions Index. And as Nnoli (2003) captures it, since the civil war, Nigeria has never recorded the amount of waste of lives and property as it has done since 1999 till date.

Nwanegbo and Odigbo (2013) affirmed that insecurity in Nigeria is traceable to systematic and political corruption. These, according to them, are twin evil and hydra-headed monster that has held the Nigerian state captive. Quite often, funds meant for developmental projects ends up in the pockets of a few individuals. And worst of it all, employment opportunities and democratic dividends are swindled by a few political elites thereby exposing the larger populace vulnerable to hunger and unemployment.

Human Rights

Human rights are those inalienable rights to which a person inherently entitled simply because he or she is a human being. These rights are inherent in all human beings regardless of their nation, location, language, religion, ethnic origin or any

other status (Ehindero, 1998; Kanu, 2017). Ndubuisi (2002) had affirmed that these rights are applicable everywhere and are the same for everyone. They are rights which are believed to have been with man right from creation in the Garden of Eden (Genesis 1). It is against this backdrop that a famous Jurist, cited by Aondofa and Mwuese (2018), on delivering judgment in a case remarked that, even God did not condemn Adam and Eve in the Garden of Eden, without granting them the opportunity to be heard. They went further to assert that human rights are those rights accorded to man right from creation. They are selected rights that have followed man from one historical stage to another.

To ensure the freedom, protection or security of Nigeria citizens in carrying out their socio-economic and political activities, and against any form of deprivation, the constitution has provided for a number of rights which indeed cover the right to life, the right to the dignity of human person, which guarantees citizens free from torture, inhuman and degrading treatment; the holding of any person in slavery or servitude and the subjugation of any person to force and compulsory labour (as encapsulated in Section 34 of CFRN, 1999 (as amended)).

Agwunobi and Oyedolapo (2012) opined that human rights are rights which stand above the ordinary law of the land and predecessor to the political society and a prime disorder to a refined existence. It is on this premise that Adetoro and Omiyefa (2014) defined human rights as civil liberties which all human beings have by quality of their humankind, such as the right to life, dignity of human person, personal liberty, fair-hearing and freedom of thought, conscience and religion. By implication, human rights provide a common standard of actions among the global community. They are normal cogent, unbreakable, and unchangeable, the disposition of which would establish a grave insult to one's sense of justice. Saqib (2015) in corroboration with the foregoing asserted that human rights are those rights a person possesses by his simple characteristics of being a human.

Akintola (2013) conceived that the concern of human rights in the world today stems from the perception widely shared by J. Rousseau that man though born free is everywhere in chain. Today, the increasing awareness couple with the preoccupation on how best to safeguard them from rampant violation has made the term human rights a song on almost everyone's lips, yet the contradiction, inconsistency, confusion, misinterpretation, and absurdity that pervade the motion is quite telling (Vance, 2001). In other words, it's instructive to note that the spate of security challenges in Nigeria has been a threatening factor to the fundamental human rights in spite of all the provisions made available in the constitution.

Impacts of Herders-Farmers Clashes on Human Rights Violation and Food Insecurity in Nigeria

Depagne (2018) argued that Africa's arable land is being taken up by infrastructure, farmers and multinational agricultural firms seeking to produce food for a growing population, depriving herders of grazing reserves. He went further to submit that more people to feed means more agricultural settlement and less available land and water for herders, and this triggers conflicts. Herders-farmers conflict in Nigeria could be attributed to the above assumption since the astronomical growth rate of the population is expected to be bigger than that of the United States by 2050, according to the United Nations estimates.

Historically, herders and sedentary farming communities used to live in a harmonious symbiotic relationship with herders 'cattle fertilizing the farmers' land in exchange for grazing rights (Chukwuemeka, 2019). However, relations between the nomadic Fulani herders and farming communities in Nigeria have been chaotic over the past decade with fights over cropland, grazing, water and migration routes (Mwanza, 2018). Again, climate change, which brings about extreme weather droughts and desertification, have degraded pastures and dried up many natural water sources across the northern states, forcing herders south in search of grassland thereby increasing conflict over land.

Moreover, rural banditry which has its link to poverty, inequality, and religious extremism have forced large population, including herders, displaced southwards in search of safety and greener pasture (Daily Post, January 12, 2017). Other theories as to why there has been persistent herders-farmers conflict is attributed to easy access to small arms, including assault rifles sourced from black markets across West and Central Africa, defense against armed rustlers and other criminal gangs in farming communities (Crisis Group Report, September 17, 2016). However, whatever the justifications and motivations, the ever increasing prevalence of weapons vis-à-vis conflict has amplified the human cost.

These conflicts have enormous humanitarian toll with thousands killed and tens of thousands displaced. As estimated by the International Crisis Group (2018), at least 2,000 lost their lives annually in Nigeria's Middle Belt due to communal land conflicts between cattle herders and farmers between 2011 and 2016. The Group further estimated that about 2,500 were killed countrywide in 2016 only arising from the same dreaded herders-farmers conflict. In Benue, one of the hardest-hit states, the former governor, Samuel Ortom reports more than 1,878 people were killed between 2014 and 2016 with tens of thousands also displaced (Premium Times, 5 July, 2017). From January 2015 to February 2017, at least 62,000 people were displaced in Kaduna, Benue and Plateau states; in the absence of Internally Displaced Persons (IDPs) camps, most seek shelter in other poor, rural communities,

straining their already scarce resources (SBM Intelligence Report, 2017; Council on Foreign Relations' Nigeria Security Tracker, Report, 2017; Sun Newspaper, 2017). From the economic perspective, the conflict has taken a huge toll. According to a study carried out by Mercy Corps, 2015, the federal government was losing \$13.7 billion in revenue annually because of herder-farmer conflicts in Benue, Kaduna, Nasarawa and Plateau states. The study found that on average these four states lost 47 per cent of their internally-generated revenues. In March 2017, Samuel Ortom asserted that attacks by herders coming from more northerly states, and possibly also from Cameroon and Niger, had cost Benue state N95 billion (about \$634 million at that time) between 2012 and 2014 (Nations Newspaper, 2017).

Communities and households also pay a heavy price. The ethnic Nzor-Tiv Global Association estimated its Agatu communities in Benue state lost N65 billion in property (\$204 million) during the early 2016 herder attacks. This was according to the president general of Nzor-Tiv Global Associates, Edward Ujege, at a public hearing convened by the House of Representatives in Abuja, 25 May 2016. The loss of large cattle herds, crops (due to population displacements and damage to irrigation facilities), as well as increases in transport and labour costs in post-conflict environments all increase poverty and food insecurity in affected communities – and beyond (Crisis Group Report, 2016).

Further review of related literature shows those herders-farmers clashes have severe effects on food security in Nigeria. In recent times, the unprecedented level of security threat in the country has affected food production and supply to a very large extent. For instance, Asoya and Obi (2021) specifically pointed the following impacts:

1. Low productivity: Fear of attacks by herdsmen, terrorists, and kidnappers, many farmers have abandoned their farmlands. Available studies from the National Bureau of Statistics show that a whopping sum of N258.3b was spent on the importation of wheat in the first three months of 2021. This sudden increase was as a result of herders' attack on farmers and insurgency especially in the Northeast
2. Reduced labour available for farming activities: The current wave of security threat cum the killing of able bodied youths and men in Nigeria has led to the reduction of labour in Nigeria. Kumenyi et al (2014) agreed to the foregoing when he posited that the lack of labour was due to the threat of attacks on farmers on their way to their fields or bombs planted on the road to their farms, which has caused inadequate and improperly timed weeding and harvesting of crops.
3. Inflation of food prices: Food prices in our markets have gone very high due to insecurity. The World Bank report in 2021 on Nigeria shows that on the

supply side, a combination of unfavorable weather, insecurity and conflict, pandemic and other related shocks affecting food production is pushing food prices high. Report from the National Bureau of Statistics also reveals that Nigeria's food inflation stood at 21.79% in February, 2021, the highest rate recorded in over 15 years. This increase is largely due to limited supply of food to the market.

4. Discouragement of prospective agro-based investors: Quite number of local and foreign investors that previously had intentions to invest in Nigeria is no longer interested due to insecurity. Omole (2020) blamed this lack of confidence on weak and ineffective government response to security challenges. The uncertainty made the potential agro-based investors to lose interest in investing in Nigeria, thereby worsening the problems of food production, supply and the general economic growth.
5. Displacement of persons: There is increase in the issue of internal displacement in Nigeria attributable to insurgence, herders' attacks, banditry, terrorism, among others, particularly in the Northeast, North Central, and other parts of the country (Nwozor., 2019). For instance, only the Boko Haram insurgency led to the displacement of about 1.7m people in the Northeastern Nigeria and caused food challenges for 4.5m people from Nigeria, Cameroun, Chad and Niger Republic (Adebola, 2018). These displaced persons are currently at the IDPs camps and as such cannot contribute meaningfully to economic and agricultural growth.

Instances of Selected Attacks and Human Rights Violation in Nigeria

There has been increase of unwarranted attacks at different parts of the country in recent times as indicated in the table below.

TABLE 1: Incidences of Attacks and Killings In Nigeria (2012-2022)

S/N	DATE	INCIDENTS OF ATTACKS/KILLINGS	STATE
1.	12/7/2012	Over 200 people were killed by herdsmen in	Plateau
2.	6/12/2012	Matse and Kakuru	
		Herders killed 5 Gbagyi farmers and displaced	Plateau
3.	23/4/2013	over 1500 others with 27 farm settlements	Benue
4.	7/5/2013	destroyed	
		Herdsmen killed 10 Mbasenge indigenes of	Benue
5.	12/5/2013	Guma Local Council	Benue
6.	5/7/2013	47 mourners of Agatu residents were killed	Benue
7.	July, 2013	while burying 2 policemen killed in the	Yobe
8.	27/3/2014	neighbouring Nasarawa state by herdsmen	
		40 people killed atEkwo-Okpachenyi, Agatu,	Benue
9.	29/3/2014	by over 200 herdsmen	

10.	4/2014	60 people killed at Nzorov during Tiv-Fulani herdsman clash	Kaduna
11.	12/4/2016	42 people, mostly students killed during Yobe school shooting	Borno Taraba
12.	25/4/2016	55 people were killed at Gbajimba; houses	Enugu
13.	1/4/2017	burnt, over 52,000 displaced and camped by	Cross River
14.	19/2/2018	the Catholic Diocese of Makurdi	
		More than 200 people killed by herdsman in army camouflage in Kaduna metropolis	Yobe
15.	27/2/2018	276 Chibok schoolgirls were abducted in their dormitories by Boko Haram terrorist group	Ebonyi
16.	28/2/2018	15 people were killed in two villages at	Ebonyi
17.	12/3/2018	Gashaka by herdsman	Ebonyi
18.	6/4/2019	About 40 people killed at Ukpabi-Nimbo in UzoUwani by herders	Anambra
19.	14/6/2019	10 persons killed in a raid on ObioUsiere in EniongAbatim village	
		110 schoolgirls aged 11-19 years were	Enugu
20.	Jan. 2020	kidnapped by Boko Haram terrorist group from Government Girls' Science and	Anambra
21.	5/4/2021	Technical School, Dapchi.	
		Herders unleashed carnage on the residents of Akaeze destroying crops and other valuable	Imo
22.	12/4/2021	property worth hundreds of million.	
		4 persons were injured in a clash between	Ebonyi
23.	30/5/2021	herders and farmers in Ivo	Niger
24.	30/5/2021	4 persons were killed at Enyibichiri community in Izzi by herdsman.	Ebonyi
25.	30/5/2021	Herdsman attacked farmers' settlement, killed men and raped women at Anambra East Area Council.	
		Horrible attack on women traders along	Imo
26.	19/4/2022	Agbani-Ugbawka road, killing and injured many; butchered a whole family and a Catholic Seminarian on Apostolic work- all in Nkanu East.	Abia
		7 people killed while scores sustained various degrees of injury through gunshots and machete injuries at Nzam.	

Unknown gunmen attacked both headquarters of the Imo state police command and the correctional centre in Owerri killing and freeing inmates and razing buildings

Herders invaded Otuebu, killed six, injured hundreds, displaced residents and burnt property worth hundreds of million naira

Armed bandits kidnapped 136 Islamic students

Fulani herdsmen attacked 7 villages in Izzi left 60 people dead with over 3000 people displaced.

Gulak, a former political advisor to Ex-President Goodluck Jonathan, was killed in Owerri on his way to the airport by suspected Unknown Gunmen.

A divisional police station in Uzuakoli, was razed in the early hours of that day, freed suspects in police custody

Source: Adapted from Ukwai and Anam (2017), Ezeonwuka and Igwe (2016), Idowu (2017), Oli, Ibekwe & Nwankwo (2018), Aondofa and Mwuese (2018).

Impact of Separatist Agitations on Insecurity, Human Rights and Economic Losses in Nigeria.

There has been a resurgence of agitations for self -determination across different ethnic nationalities in Nigeria in recent times. Every part of the country is facing one security threat or another, but the most notable one is the existential threats to lives and property in the Southeast geopolitical zone of the country where there is a coordinated attack on the state facilities by the unknown gunmen and the brutal military response of the Nigerian state to the neo-Biafra separatist agitators (Nwangwu, 2023). The Biafran agitation in the Southeast has received substantial attention both locally and internationally owing to the repressive approach adopted by the Nigerian government such as harassment, prosecutions, proscription, arrests, extraordinary rendition, torture, mass killing, among others (Chiluwa, 2018).

The perceived marginalization and feeling of collective victimhood amongst the Igbo (Ibeanu et al., 2016), traumas and documentaries associated with memories of the civil war (Ugwueze, 2019), the lopsided structure of the Nigeria's federalism (Adibe, 2017), the deployment of Operation Python Dance 11 in September, 2017 (Ujumadu, 2017), abductions and extra-judicial killings of IPOB members by the Nigerian security outfits (Iroegbu, 2016), discovery of over fifty dead bodies believed to be IPOB supporters afloat in Ezu river in Anambra state in January, 2013

(Mamah et al., 2013) and the ineffective implementation of the post-war peace building initiatives including the 3Rs-Reconciliation, Rehabilitation and Reconstruction (Johnson and Olaniyan, 2017; Nwangwu et al., 2020) are some of the perceived reasons for the resurgent agitation of Biafran state.

On the economic perspective, the agitation for self-government has taken a devastating toll on Nigerians, particularly the southeasterners. For many resident of South-East Nigeria, Monday is part of the weekend. Financial institutions like commercial banks, shops, transport companies, churches, schools and government offices are under lock and key due to the continuous incarceration of the leader of the Indigenous People of Biafra, Mazi Nnamdi Kanu by the Buhari led administration. The International Centre for Investigative Reporting (ICIR) on August, 2022 carried a study to ascertain the amount of economic losses in a year in the South-East region as a result of the self-imposed Monday sit-at-home. The ICIR relied on the figures from the two prestigious government agencies: The National Bureau of Statistics and SMEDAN who, in their survey, listed Nigerian businesses into four categories: Nano, Micro, Small, and Medium businesses. Investigations from the studies shows that operators of these categories of businesses in the five South-East states of Abia, Anambra, Ebonyi, Enugu and Imo lost an estimated N4.618 trillion (\$10.495 billion), which represents the amount lost by the region annually for sitting at home every Monday (Odinaka, 2023). As at December, 2022, the total nominal revenue lost by micro-businesses within the 71-Monday period was N5.375 trillion (\$12.215 billion), according to the ICIR's computations.

Transportation is an important sector in the region as the region hosts the Onitsha main market, Ariara Aba market, Ogbete main, main market, Abakaliki International market, among others. This necessitates a huge inflow and outflow of people in the region. However, the report states that transporters lose a huge sum of N10bn for each sit-at-home day in the region (Aligwekwe, 2022). He further cited that the region loses similar cash inflow in the area of hospitality and tourism on Mondays since tourists and travelers avoid the South-East region for fear of insecurity.

Impacts of Police Brutality on Insecurity and Human Rights Violation in Nigeria

Under the 1999 Constitution of Nigeria as amended and under the African Charter on Human Rights, persons in any part of Nigeria have the fundamental human right which should be protected. The Constitution and the Charter guarantees those human rights that are constantly in violation (Okoye, 2021). The Nigerian Police Force is under obligation to adhere strictly to the provisions of those international treaties and the constitution of the land. However, it's worrisome that cases of persistence police brutality and violation of human rights in Nigeria is in the increase.

U.S Bureau of Democracy, Human Rights, and Labour in its 2020 reports on human rights practices in Nigeria pointed out some of the human rights abuses which include: harsh and life threatening prison conditions; unlawful and arbitrary killings by both government and non-state actors; forced disappearances of suspects; torture and cases of cruel, arbitrary detention by the government; problems with the independence of the judiciary's unlawful interference with people's privacy; serious restrictions on freedom of expression, the internet and the press; serious abuses in an internal conflict, including torture and killing of civilians; existence of criminal label laws; substantial interference with the rights of peaceful assembly and freedom of association; severe restrictions on religious freedom; inadequate investigation and accountability for violence against women, serious acts of corruption and trafficking of persons.

One of the most pronounced police brutality in Nigeria was the EndSARS saga in October 2020 at Lekki, Lagos where several international bodies, agencies and media like CNN, BBC Amnesty International and Human Rights Watch accused the security agencies (The Nigerian military and police) for indiscriminately shooting the defenseless EndSARS protesters. In November 2021, a nine-member panel set by the Lagos State Government to investigate the peaceful protest submitted that there were about 48 casualties of which 9 were confirmed dead (Punch Newspaper, 22 November, 2021). Though, the Nigerian government through the then Minister of Information and Culture, Lai Mohammed in collaboration with the Lagos State Government faulted the report. The image of the Nigerian police force is further dented owing to the uncivil display of some men and officers of the force

Methodology

It is a qualitative study that examines Nigeria in relation to issues of insecurity and human rights violation. The study depends on secondary data sources, including books, journals, and publications of relevant international and national bodies. This method enhanced adequate and systematic identification and elucidation of meaning and drawing of realistic conclusions from the contents of the qualitative secondary data collected.

Results and Discussion

The findings of the study attributed the proximate factors that have contributed to the state of insecurity in Nigeria. This finding is in line with the research findings of Achumba and Akpor-Robaro (2013) who affirmed that such negative externalities provoke social unrest, and create unemployment, poverty and terrorism, among others.

The findings indicate that separatist agitation is one of the major issues that contributes to human right violation in Nigeria. Over time, it is perceived that successive governments have failed to run an inclusive government where the

Southeast is given an equal stake in governance, hence the increase in agitation. This observation is in synchronization with the research findings of Nwangwu (2023), Kanu (2017) who frowned at the poor attitude of government towards fighting human rights violation in Nigeria.

Police brutality, as revealed by the study also stimulates human rights violation in Nigeria. Amongst those forms of human rights violation orchestrated by the Nigerian police force and other security agents are extra-judicial killings, torture to extract confession and information, kick-back/bribery/corruption, disobedience of court orders and others. This finding are in harmony with findings of Oni, Momoh and Nwadioha (2021) whose study not only affirmed the above position but further cited the popular ENDSARS saga which, according to them, was a gross violation of human rights across Nigeria.

Summary of Findings

The study evaluated Insecurity Situation and Human Rights Violation in Nigeria. This study found the following:

1. Herders-farmers clash has significant positive effect on human rights violation in Nigeria.
2. Separatist agitation has a positive and insignificant effect on human rights violation in Nigeria.
3. Police brutality has a significant positive effect on human rights violation in Nigeria.

Conclusion

From the study, it is obvious that issues of herders-farmers clash, separatist agitations and police brutality among others are situations that create insecurity leading to human rights violation in Nigeria. The unfortunate scenario has devastating effect on the unity, economy and the general well-being of the country. Based on the findings, the study concluded that appropriate proactive measures have not been sincerely deployed by the governments and other relevant stakeholders to curtailing human rights abuses and violation in the country. Therefore, adequate strategic measures that would ensure lasting solutions to issues that contributed to human rights violation in Nigeria should be employed to enhance national unity, cohesion and human rights protection.

Recommendations

From the findings of the study, the following recommendations are put forward:

1. Government at all levels should legislate and gazette enabling laws against open grazing in Nigeria to curtail farmers-herders clash.

2. To curb separatist agitations in Nigeria, government at the centre should adopt an inclusive approach where all the regions in the country will be given equal opportunity in decision-making and governance.
3. It is also recommended that there should be proper training and retraining of the Nigerian police force on effective policing devoid of unnecessary intimidation and brutality.

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AN INVESTIGATION OF THE ROLE OF AIRLINE SAFETY MANAGEMENT AND ITS IMPACT ON PASSENGER SATISFACTION: A STUDY OF COMMERCIAL AIRLINE BUSINESSES IN NIGERIA

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Abstract

One of the significant tasks of airline companies globally is to ensure a high standard of safety management principles for staff and passengers to remain profitable. However, in Nigeria, the airline industry continues to record low profitability, lower service standards, increased missed trips, flight cancellations, low patronage, reduced passenger satisfaction, and stiff competition induced by weak airline safety management, the COVID-19 pandemic, and increasing economic challenges. But due to differences in consumer behaviour, and income levels across continents, it is extremely difficult to generalise the findings of existing studies on safety management and its relationship to passenger satisfaction. Therefore, this study examines the effects of airline safety management on passenger satisfaction in Muritala Muhammed Local Airport, Lagos State, Nigeria the biggest economy in Africa. The study adopted a survey research design and the population for this study comprises all users of the existing functional domestic airline operators having their hubs in Muritala Muhammed airport, Lagos state, Nigeria which is 62,340 according to the aircraft arrival and departure log for March 2022 documented by the Nigeria Airspace Management Agency (NAMA). The Research Advisor Table was adopted in determining the sample size, which was given as 382 with a confidence level of 95% and a margin error of 5%. Considering the provision for a non-response rate, 115 was added to the sample size which is at 30% of the sample size. A total of 497 copies of the structured questionnaire were administered to passengers waiting in the lounges at the MMA domestic airport who intended to travel with any of the four domestic airlines operating in Lagos state Nigeria as at July 2023. A response rate of 97.76% was achieved in the study representing 480 copies of the questionnaire filled and returned for analysis. Findings from the regression analysis show that the coefficient of the independent variable "Airline safety management" is positive and significant ($\beta = 0.650$, $p < 0.01$, $R^2=0.423$), indicating that there is a significant relationship between airline safety management and passenger satisfaction. The study concluded that airline safety management had positive effects on passenger satisfaction in Muritala Muhammed Local Airport, Lagos State, Nigeria. The study recommends airlines should invest in airport infrastructure to improve service quality and enhance passenger satisfaction, which can lead to higher patronage and better airline performance.

Keywords: Airport service quality, Aviation industry Nigeria, Flexibility, Passenger satisfaction, Reliability

Introduction

Traveling by airplane involves accepting risks and implies risk-taking, yet the demand for air transportation is projected to increase over the next three decades (Yue & Byrne, 2022). The aviation sector is projected to be one of the highest revenue earners the world over according to a review of previous literature (Waribugo & Chiedu, 2021). Despite the enormous importance of the airline industry and its benefits such as the promotion of trade, tourism, innovation, and the creation of employment, its growth and development have been an issue made evident in literature (Garaus, & Hudakova, 2022; Saleh & Migdadib, 2018; Waribugo & Sylva, 2021;) the airline operations are faced with numerous issues such as the boarding process, longer queues at baggage claim areas, accessibility, security and safety protocols, flight delays, the cleanliness of check-in areas, the check-in process, information on flight status. These issues cause customer dissatisfaction and are so prevalent in Nigeria and other developing economies around Africa. Amongst these many factors contributing to airport service dissatisfaction in Nigeria, poor airline safety management exists in many of the airports around the country. Currently, the global aviation industry is still struggling with the consequences of health safety challenges occasioned by the coronavirus (COVID-19) pandemic (Olubiyi, 2022a; Waribugo & Sylva, 2021). Several issues have also been raised concerning the poor operations and safety measures carried out by the airline industry of sub-Saharan Africa, including Nigeria. The substandard quality of key infrastructure in African airports poses a challenge to both domestic and international airlines' safety procedures. According to Akinshipe, Adefulu, and Akinlabi, (2021) in Nigeria, many airlines have only a few aircraft in their fleet, so if investment in airline safety management infrastructure is low and demand is greater than capacity, there will be an increase in passenger congestion, flight service quality and safety concerns. This study is aimed at determining the effect of airline operations on passengers' satisfaction at the Muritala Muhammed local airport. Not being satisfied can also make passengers begin to search for an alternative airline that will provide them with maximum satisfaction - a shift in demand, eventually leading to high competition among airlines. When passengers are satisfied with the services rendered by an airline, they tend to remain with that airline which in turn leads to more income for the airlines (Barros, Wanke, Nwaogbec, & Azad, 2017; Garaus, & Hudakova, 2022; Kefang, & Po-Ju 2017). Numerous studies, such as those by Udo (2018), Adeniran and Fadare (2018a) and Adeniran and Fadare (2018b), Ohida (2023); Oluwole, Ohida, Nwaogbe, Ojekunle, & Owioye (2020) have demonstrated that Nigerian airports and airlines have, over the years, provided low-quality services, much to the chagrin of Nigeria's thronging air travellers. By bridging the gap in the existing research, this study makes key contributions to the body of knowledge by incorporating airline safety management as a driver of passenger satisfaction because it is scarce within the context of Nigeria.

Literature Review

Airline Safety Management

The International Civil Aviation Organisation (ICAO) defines safety as the situation in which hazards connected with aviation activities in direct support of aircraft operations are regulated to an acceptable level. According to the International Civil Aviation Organisation, safety is "the state in which the possibility of harm to persons or property damage is reduced to and maintained at or below an acceptable level, through a continuous process of hazard identification and safety risk management." Safety is a tough term to quantify since it is defined by an airline's or airport's unique operations and the lack of incidents. Buying a plane ticket involves a variety of risks, including financial risk, social risk, and psychological danger (e.g., Cunningham and Young 2002; Nwaogbe, Ejem, Ogwude, and Pius 2021). Customers rely on proxy measures of safety such as an airline's service quality or their judgements of the look of an aircraft because true airline safety levels are difficult to obtain (Alkhatib & Migdadi, 2018; Oluwole, Ohida, Nwaogbe, Ojekunle, & Owoeye, 2020; Ugo & Ejem, 2020). According to the study, safety is an important consideration in airline choosing (Oyewole, Sankaran, & Choudhury, 2007; Gilbert & Wong, 2003). Despite public impression of aviation as a high-risk industry (which it is not), safety is not a factor in airline selection for regular customers (Nwaogbe, Ojekunle, & Owoeye, 2020; Ugo & Ejem, 2020). In contrast, the literature on the impact of airline safety management on customer pleasure in emerging nations, notably Nigeria, is deafeningly silent. Air travel, unlike the great majority of other services, exposes passengers to physical risk. Despite the airline industry's claim that safety is its "number one priority" (International Air Transport Association 2010b), and accident rates have decreased over the last two decades (International Civil Aviation Organisation 2009), passengers are aware that accidents cannot be completely avoided. Individuals tend to overestimate the risk associated with low-probability incidents (Moeun, & Vicheththithkanitha, 2022), making air travel seem more perilous than is really warranted. The tactics employed at many airports by airlines for health safety and COVID-19 include isolation and quarantine, social distance, and community confinement (Alkhatib & Migdadi, 2018; Oluwole, Ohida, Nwaogbe, Ojekunle, & Owoeye, 2020; Ugo & Ejem, 2020). According to the Oxford Learner's Dictionary, safety is defined as the condition of being safe from a certain risk or injury. In the context of airports and tourism, safety entails both the physical protection of passengers and the safeguarding of the image of a certain destination's surroundings.

Passenger satisfaction

Passenger satisfaction is synonymous with customer satisfaction which has long been a theoretical and practical concern for airline and consumer researchers.

According to Szczepaska and Gawron (2011), a customer's level of satisfaction with a product/service bought is influenced by his/her subjective judgment of the product/service, the value of the benefits obtained, and the customer's entire relationship with the organization. Passenger satisfaction also acts as an exit barrier, assisting a company or airline in keeping its clients/passengers according to Sandada, and Matibiri, (2016). As a result, the drivers of satisfaction have been identified as Service quality constructs tangibles, dependability, responsiveness, assurance, and empathy (Akinshipe, Adefulu & Akinlabi, 2021; Kefang, & Po-Ju, 2017; Hassan and Salem, 2021; Gummesson, 1994). Various studies have also indicated that acquiring a new client costs more than retaining a current one (Akinshipe, Adefulu & Akinlabi, 2021; Kefang, & Po-Ju, 2017; Gummesson, 1994). Furthermore, Adeniran, and Fadare, (2018) stated that organizations might enhance profitability by increasing the airline load factor and getting a larger market share, as well as recurring passenger patronage by passenger satisfaction. The significance of customer satisfaction stems from the widely held belief that for a company to be successful and lucrative, it must please its consumers (Shin & Elliot, 2001). According to Iqbal, and Khalid, (2018), client satisfaction is a key component of the marketing idea. According to Hassan and Salem, (2021), customer satisfaction influences future passenger or consumer patronage and consumer behaviour, profitability, and shareholder value.

Theoretical Review

Comparison Level Theory

According to the Comparison Level Theory, consumers may introduce numerous distinct comparison standards into the consumption experience. The comparison level theory, a branch of marketing theory that claims that customers judge their degree of satisfaction based on an implicit comparison to an internal standard rather than the result they experienced, focuses on comparison. Consumers may be more inclined to employ predictive expectations based on external communication (advertisement) before making a purchase (in their decision-making) and various criteria such as previous experience and the experiences of other consumers. However, there is little evidence on what criteria customers bring into the consuming experience that are affirmed and disproven. The use of prior experience as the comparison standard in customer satisfaction investigations recommended by the Comparison Level Theory may lead managers to evaluate their performance with rivals and take necessary steps to catch up or differentiate their products. The researcher relied on the Comparison Level Theory for this investigation. As a result, this research investigated airline safety management as it relates to customer satisfaction at Muritala Muhammed municipal airport in Lagos state, Nigeria.

Empirical Review

Relationship between airline safety management and passenger satisfaction

In many current and past studies, scholarly discourse is developed for shedding light on the impact of airline safety management on passenger satisfaction in many contexts. Over the years, numerous studies on airline safety management, service quality, and passenger satisfaction have been published in Europe, Asia, North America, and Africa, but sparingly in Nigeria. These studies have attempted to establish a connection between airport safety management and anticipated levels of passenger satisfaction. However, empirical evidence suggests that airline service quality management has a mixed influence on customer satisfaction. Chinonso and Ejem (2020) used the SERVQUAL Model to evaluate airport service quality (ASQ) in Nigeria from the viewpoints of both airlines and air transport passengers, who are key users of airport services in Nigeria. The case studies were Nnamdi Azikiwe International Airport (NAIA) in Abuja and Murtala Muhammed International Airport (MMIA) in Lagos. The study's findings reveal that, from the standpoints of both airlines and passengers, the airport service quality (ASQ) at both airports is poor and cannot fulfil the service quality expectations of both airlines and passengers. However, the data suggest that the MMIA in Lagos provides better airport services than the NAIA in Abuja. Ogwude, Ejem, Obioma, and Nwaogbe (2021) studied the quality of service given for air travel in Nigeria as well as passenger satisfaction with the service received. This was accomplished by concentrating on both airports and airlines as service providers. In this approach, the research captures a large portion of the impacts of organisational culture, personnel behaviour, and societal norms on passenger happiness. Ahmed, Vveinhardt, Warraich, and Hasan (2020) investigated the economic features of airline sector company operations in relation to organisational employee experience and passenger loyalty. Hence, this study will examine the effect of airline safety management on passenger satisfaction at the Murtala Muhammed local airport, Lagos state, Nigeria. The findings of this study contribute to the body of knowledge on passenger satisfaction in the airport setting in developing economies, particularly in Nigeria the largest economy in Africa. Moreover, recognition of key drivers of passenger satisfaction and airline safety management will provide valuable implications for the aviation industry. Based on the strength of the existing inconclusive argument in the literature the following hypothesis is proposed

H₀₁: There is no significant relationship between airline safety management and passenger satisfaction in Murtala Muhammed Local Airport, Lagos State, Nigeria.

Conceptual Model

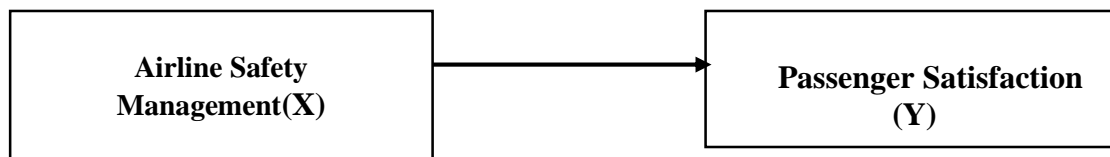


Figure 1: Author's Conceptual Model (2023)

The model sheds light on the relationship between airline safety management and passenger satisfaction which is the research framework. The independent and dependent variables for this research are airline safety management(X) and passenger satisfaction (Y) respectively.

Model Specification

The model sheds light on the relationship between airline safety management and passenger satisfaction which is the research framework. Given, the mathematical derivative function which gives the value of the slope at any value(x_1, \dots, x_n) since intuition explains that as $\Delta x \rightarrow 0$, then $\Delta y \rightarrow 0$. This can be deduced mathematically since passenger satisfaction is a function of airline safety management; $y = f(x_1, \dots, x_n)$.

Hypothesis:

$$y_i = \alpha_0 + \beta_1 x_i + \mu_i \dots \dots \dots \text{Regression equation (1)}$$

Methodology

The research context is the aviation industry and the study adopted the survey research design. The justification for adopting the survey is due to its usefulness in assessing the thoughts, opinions, and feelings of different groups of individuals and allowing them to give more valid and honest feedback on the area of study. This paper relied on the prior study methodology of Olubiyi, Adeoye, Jubril, Adeyemi, and Eyanuku, (2023), Adeyemi, and Olubiyi, (2023). Olubiyi, Egwakhe, and Akinlabi (2019), Olubiyi, Egwakhe, and Egwuonwu, (2019), Olubiyi, Egwakhe, Amos, and Ajayi (2019), Olubiyi, Lawal, and Adeoye, (2022). Olubiyi (2019), Olubiyi, Lawal, and Adeoye, (2022), Olubiyi, (2022a), Olubiyi, (2022b), Olubiyi, Jubril, Sojinu, and Ngari, (2022), Ukabi, Uba, Ewum, & Olubiyi, (2023) and Uwem, Oyedele, and Olubiyi, (2021). Olubiyi, Jubril, Sojinu, and Ngari, (2022), Olubiyi, (2022), Uwem, Oyedele, and Olubiyi, (2021) with cross-sectional have adopted this method in their respective studies and found it useful. The population for this study comprises all users of the existing functional domestic airline operators having their hubs in Murtala Muhammed airport, Lagos state, Nigeria which is 62,340 according

to the aircraft arrival and departure log for March 2022 documented by the Nigeria Airspace Management Agency (NAMA). The Research Advisor Table was adopted in determining the sample size, which was given as 382 with a confidence level of 95% and a margin error of 5%. Considering the provision for a non-response rate, 115 were added to the sample size which is at 30% of the sample size. A total of 497 copies of the structured questionnaire were administered to passengers waiting in the lounges at the MMA domestic airport who intended to travel with any of the (4) operating airlines in Lagos state Nigeria as of July 2023. For this study, a proportionate sampling technique was used in selecting each member that made up the sample size. Proportionate sampling is a form of stratified sampling in which one draws the sample size of a study from a strata in the proportions that are observed in the larger population. According to Olannye (2006), stratified random sampling is a method for getting representative samples from a heterogeneous population. This strategy entails dividing the target population into homogenous groups that are mutually exclusive and do not overlap, known as strata (Yomere & Agbonifoh, 1999). Therefore, this technique was employed in selecting the respondents from passengers of each airline to be surveyed. This ensured that every element of the strata had an equal chance of being selected from the population and therefore prevented bias against any member of the population strata. This decision was supported by the fact that stratified random sampling approaches create less sampling error than other sampling techniques/methods.

Airlines	Population	Sample Size	Percentage
Air peace	28,577	204	40.84
Arik	12,250	127	25.65
Dana	14,444	110	22.17
Greenlight Africa	7,069	56	11.34
Total	62,340	497	100

Table 1: Researcher's computation (2023)

The research instrument adopted in this study is the close-ended structured questionnaire. The close-ended structured questionnaire allows the researcher to ask inquisitive questions and is often fast, cheap, and self-administered (Akinshipe, 2018). The construction of the questionnaire follows the funnel approach by starting with customary questions such as demographic information and sequentially proceeding to specific questions on the dependent and independent variables. The questionnaire comprised three sections. Section A contains a question that discloses the background information of passengers (demographic characteristics) such as gender, age, marital status, educational qualification, and income. Section B covers the multi-dimensional variables of airline operations while section C considers 20 items on multi-proportional variables measuring passenger satisfaction. The items in the questionnaire were broken down as follows - one item for demographic - 5

items each for airline operations sub-variables and 5 Items each for passenger satisfaction Sub-variables.

Data Analysis

Response rate is the percentage of people who responded and administered copies of the questionnaire in the survey. The researcher distributed 497 copies of the questionnaire to the respondents: From the 497 copies of the questionnaire distributed by the researcher and trained research assistants, a total of 480 copies of the questionnaire were filled and returned for analysis representing a response rate of 97.76%. The rest were either unreturned or had missing responses, the detail of the responses is shown in Table 2

Table 2: Response Rate

Response Rate	Frequency	Percent age
Filled and returned complete	480	97.80%
Incomplete or unreturned	17	2.20%
Total	497	100%

Source: Researcher's computation (2023)

Restatement of Research Objective and Research Question

Objective: To evaluate the impact of airline safety management on passenger satisfaction at Muritala Muhammed local airport, Lagos state, Nigeria.

Research Question: What is the effect of airline safety management on passenger satisfaction at Muritala Muhammed local in Lagos state, Nigeria?

The objective of the study examine the effect of airline safety management on passenger satisfaction at Muritala Muhammed local in Lagos state, Nigeria. The respondents were required to rate their level of responses about airline safety management and passenger satisfaction on a scale of (Very Low) to 6 (Very High). The results are presented in Table 3 followed by an analysis and interpretation.

Table 3: Linear regression on the effect of airline safety management on passenger satisfaction

Dependent Variable: Passenger satisfaction and independent variable: Airline safety management

Dependent Variable: Passenger Satisfaction						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.075	1.187		-0.063	0.950
	Airline Safety Management	0.899	0.053	0.650	16.991	0.000** *
$R^2 = 0.423$						
Adjusted $R^2 = 0.421$						
F-stat = 288.708 (0.000) ***						
Durbin-Watson stat. = 1.844						
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$						

Source: Researcher's Field Results (2023)

Interpretation

The interpretation of the hypothesis is that airline safety management has a significant positive effect on passenger satisfaction at the Muritala Muhammed local airport, Lagos state, Nigeria. The regression analysis shown in Table 3 indicates that airline safety management has a statistically significant positive impact on passenger satisfaction, as evidenced by the beta coefficient of 0.650 and the p-value of 0.000 (which is below the significance level of 0.01). Furthermore, the R^2 value of 0.423 and the adjusted R^2 value of 0.421 suggest that the model explains a substantial portion of the variation in passenger satisfaction, the Durbin-Watson statistic of 1.844 indicates that there is no issue of autocorrelation and the F-statistic of 288.708 is significant at the 0.01 level. Therefore, the findings suggest that airline safety management measures are important factors in shaping passenger satisfaction. This means that when employees and passengers feel safe and secure in their workplace and around the airport facilities and air fleets it can lead to better overall customer satisfaction and may contribute to improved job satisfaction and overall business performance. Organizations need to prioritize airline safety management measures to create a positive work environment for their employees. Therefore, the null hypothesis of airline safety management having no effect on passenger satisfaction is rejected and the alternative hypothesis is accepted that airline safety management has a positive significant effect on passenger satisfaction at the Muritala Muhammed local airport, Lagos state, Nigeria.

Discussion

This study sought to examine the effect of airline safety management on passenger satisfaction at Muritala Muhammed local in Lagos state, Nigeria. The finding of the hypothesis revealed that airline safety management significantly affects passenger satisfaction at Muritala Muhammed local in Lagos state, Nigeria ($\beta = 0.650$, $p < 0.01$, $R^2=0.423$). The finding from the objective revealed that airline safety management of an airline operation has a statistically significant positive impact on passenger satisfaction at the Muritala Muhammed local airport, as evidenced by the beta coefficient of 0.650 and the p -value of 0.000 (which is below the significance level of 0.01). Also, the F-statistic of 288.708 is significant at the 0.01 level suggesting that safety and security measures are important factors in shaping passenger satisfaction. The null hypothesis of airline safety management has no effect on passenger satisfaction at the Muritala Muhammed local airport, Lagos state, Nigeria is rejected and the alternative hypothesis is accepted that airline safety management has a positive significant effect on staff experience. The finding of this study was in line with the work of Akinshipe, Adefulu, and Akinlabi, (2021); Gbadamosi *et al.* (2016); Alkhatib and Migdadi, (2018); Obioma, Nwaogbe, Innocent, Ogwude, Ejem, & Pius, (2021); Nwaogbe, Akorede, Omoke, and Eru, (2021); Olorunniwo, Hsu, and Udo, (2006) that also find out that safety and service quality positively impact employee well-being, passenger satisfaction, performance and job satisfaction.

Conclusion and Recommendation

The major findings from the regression analysis show that the coefficient of the independent variable "airline safety management" is positive and significant ($\beta = 0.515$, $p < 0.01$), indicating that there is a significant relationship between airline safety management and passenger satisfaction. Based on the findings of the study, the following recommendations are made: airports and airlines should prioritize safety and security measures to improve staff experience, which can lead to better job satisfaction and productivity. Airlines should invest in airport infrastructure to improve service quality and enhance passenger satisfaction, which can lead to higher patronage and better airline performance. Airports and airline stakeholders must fund research to improve safety management processes at the airports in Nigeria and indeed in other developing economies. They should also focus on service flexibility to enhance airport service reliability and passenger satisfaction. This can be achieved by airport managers and airline managers designing effective strategies that prioritize flexibility to enhance overall airport services and passenger satisfaction. Airlines should increase their capacity to attract more passengers and improve their patronage. This can be achieved by investing in new aircraft, expanding their route network, and improving their service quality to enhance passenger satisfaction and continued patronage.

The findings suggest that improving airline safety management measures, airline infrastructure, service flexibility, and airline safety management can enhance service quality, reliability, and passenger experience, which can lead to increased patronage by passengers. The study highlights the importance of considering these factors in airport service design and management to improve overall service quality and enhance passenger satisfaction and loyalty. Additionally, the study provides evidence to support the existing literature on the positive effects of safety and security, airline infrastructure, service flexibility, and airline safety management on airport service quality and passenger satisfaction. This study could demonstrate to the government and aviation authorities the need to examine safety measures within the airlines from just safe to exceptionally safe.

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CONFLICT MANAGEMENT IN ORGANIZATIONAL PERFORMANCE IN THE ANAMBRA STATE MINISTRY OF WORKS, AWKA.

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Abstract

Conflict should not always be seen as something undesirable but rather as a necessary outcome that can bring positive consequences if properly managed. This study examined conflict management and organizational performance in Ministry of Works Anambra State. The study was quantitative in a nature as data collection was based on the primary sources, while the conflict management theory was adopted as the theoretical framework of analysis. The study therefore revealed that; there is a significant positive relationship between effective conflict management and the improvement of organizational performance in Anambra State Ministry of Works. Again, the study found out that; there exists a significant positive relationship between proper collaboration and increased employee productivity in Anambra State Ministry of Works. The study concludes that conflict management have a significant positive relationship on the Organizational performance in Anambra Ministry of Works. Based on the findings of the study, the following recommendations where made; that in the events of any organizational conflict the personalities involved in the activities should not be attacked, instead, the problem should be the focus. Again, organizations should find out if staff appointed to top management are adequately trained and prepared to occupy administrative positions in the ministry of works Awka. This is because an untrained administrator may in the course of resolving or managing conflict create the one that will heavily affect the general performance of the ministry.

Keywords: Conflict, Management, Organization, Productivity, Nigeria

Introduction

Unfortunately, the term "conflict" has only the connotation of "bad" for many people; so much so that they think principally in terms of suppression, giving little or no attention to its more positive side. Adomi and Ojo, (2005) emphasizes this by stating that it seems entirely likely that many, if not most, organizations need more conflict, not less. The absence of conflict may indicate autocracy, uniformity, stagnation, and mental fixity; the presence of conflict may be indicative of democracy, diversity, growth, and self-actualization. Greenberg (2011) complements this statement arguing that conflict is not the opposite of cooperation but a mechanism that allows organizations to perceive the benefits of cooperative work.

Furthermore, conflict is considered psychologically and socially healthy. It is psychologically healthy because it provides a breather for frustrations and enables a feeling of participation and even of joy. And it is sociable healthy because it

encourages opposition to the status quo and provides conditions for social chances and democracy stemming from pluralism and respect to diversity. Therefore, conflict is ubiquitous, not necessarily dysfunctional and can be required to defy enable to perform and stimulate progress.

Traditional workplace practices and systems with their hierarchical structures, tight divisions of labour, narrowly defined jobs, detailed rules, limit employee involvement, and managerial decision making, authority, and control are no longer adequate since they foster conflict (Hener, 2010). The high-performance workplace emphasizes conflict management as a cornerstone of the effective high-performance workplace. Due to frequent organizational conflict, performance in most organizations has taken a comparatively nosedive sequence (Jehn & Bendersky, 2013). The frequent agitation by workers for improved working conditions and other interests have led to a down toll which eventually affects organizations performance.

Conflicts in organizations have destabilizing effects on the overall performance of the organization. It leads to under performance since valuable time and resources (human and material) are used in controlling and managing conflicts rather than in enhancing output and productivity. Conflicts also lead to interpersonal disharmony in the organization which makes attainment of organizational goals difficult. Attaining organizational goals is possible if efforts are always made to reduce the overall level of conflict within the organization. Consequently, it is very imperative that efforts are made towards finding ways of effectively managing conflict so as to achieve organizational objectives.

Among Researchers and Scholars, some are of the view that conflict posed a big threat to organizational performance (Mughal & Khan 2013, George, Miroga & Omweri 2013, Mba 2013, & Amineh & Ali, 2014) while others are of the view that it is capable of increasing organizational performance (Sobia, Atif & Hira 2012, Uchendu, Anijaobi-Idem & Odigwe 2013, Etim & Okey 2013, and Zhimin & Ramani 2012). However, Hotepo, Asokere, Abdul-Azeez, and Ajemunigbohun (2010) stated that the effect of conflict (negative and positive) depends on how it is handled. This study therefore investigates how properly managed conflict can improve performance of the ministry of works in Nigeria. This study therefore is targeted to examine the effect of conflict management on organizational performance using Anambra State Ministry of work as a case.

Theoretical Explication

The theoretical framework of this research is the Conflict Management Theory Propounded by Mary Parker Follett (1933). She holds the view that conflict is inevitable in all organizations or societies where two or more people are brought

together to achieve a pre-determined end. She explains that conflict is simply an exhibition of differences in ideas or opinions on given situations. Conflict could also be a display of different methodology of interpreting phenomena. Conflict to her arises as a result of different approaches to issues or different approaches to existing conflict resolutions. She opined that conflict could be good or bad or neither good or nor bad depending on the situation. Conflict also provides good or bad results or outcome depending on the manners it is interpreted, understood and resolved by the affected parties. In an article entitled "Constructive Conflict" she noted that three different ways or methods of conflict resolution; domination, compromise, and integration.

Conflict theory is synonymous with the pluralist frame of reference which is also credited to Fox (1966). This theory views the organization as coalescence of sectional groups with different values, interests and objectives; thus, employees have different values and aspirations from those of management, and these values and aspirations are always in conflict with those of management. Conflict theorists argue that conflict is inevitable, rational, functional and normal situation in organizations, which is resolved through compromise and agreement or collective bargaining. Conflict theorists view trade unions as legitimate challenges to managerial rule or prerogatives and emphasize competition and collaboration. This view recognizes trade unions as legitimate representative organizations which enable groups of employees to influence management decisions (Rose, 2008). Rose further states that the pluralist perspective would seem to be much more relevant than the unitary perspective in the analysis of industrial relations in many large unionized organizations and congruent with developments in contemporary society. The relevance of this theory (conflict management) is the fact that food and beverage firms consist of people who come together with the aim of achieving a given objective, as such conflict is inevitable in such a situation. Since, both players would want to achieve its individual or group objective in such given situation conflict of interest may arise which if not properly handled might result to industrial conflict.

Using the integration approach by the management will bring about the expected industrial harmony in these organizations. This is because, the divergent interest or demands of these actors are critically analyzed put forward for discussion, usually in a roundtable conference with the aim coming out with lasting solution to the cause(s) of conflicts. Conflict resolved in this fashion (integration approach) is constructive because each side is fully satisfied win-win situation.

Literature Review

Conflict Management and Organizational Productivity Re-examined

Conflict is conceived to be an outcome of behaviour which is an integral part of human life. Dunlop (2002) expresses that conflict is a disagreement between two or more individuals or groups with each individual or group trying to make the other accept its view or position. Ugbaja (2002) defines organizational conflict as any dispute, individual or group, that arises in the work place which causes disharmony among a group of workers or between an individual and the management. Sinclair (2005) sees conflict as a disagreement between employees and their employers.

Conflict management is the principle that all conflicts cannot necessarily be resolved, but learning how to manage conflicts can decrease the odds of nonproductive escalation. Conflict management involves acquiring skills related to conflict resolution, self-awareness about conflict modes, conflict communication skills, and establishing a structure for management of conflict in your environment. Furthermore, Esbati, and Korunka, (2021) argued that when conflict is mismanaged, it can harm the relationship, but when handled in a respectful and positive way, conflict provides an opportunity for growth, intimately strengthening the bond between two people. By learning the skills, you need for successful conflict resolution, you can keep your personal and professional relationship strong and growing.

On the other hand, according to Daft (2000), organizational performance is defined as an organization's ability to attain its goals by using resources in an efficient and effective manner. Consequently, it is an evidence of the output of members of an organization measured in terms of revenue, profit, growth, development and expansion of the organization. In the same vein, organizational performance refers to the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at predetermined time using relevant strategy for action.

Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Accordingly, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization (Kehinde, Jegede, & Akinlabi, 2012). Different researchers have different ways to measure performance. The different type of measurement that has been applied has been classed as an objective or subjective. Tang and Zhang (2005) explained that an objective measure is measuring the financial records while subjective measures used the managers' perceptions regarding the organization performance. Nevertheless, many studies suggest using subjective measures due to the data for objective criteria could be

inappropriate, misleading and difficult to obtain. If the data are available, the data may not genuinely represent the actual organization performance as the information may be manipulated.

Conflict Management and Organizational Performance: The Nexus

Conflict management constitutes one of the most delicate and complex problems of the modern industrial society. This phenomenon of a new complex industrial set-up is directly attributed to the emergence of the “Industrial Revolution”. The pre-industrial revolution period was characterized by a simple process of manufacturing, small-scale investment, local markets, and a small number of persons employed which resulted to a close relationship between the manager and the managed. Due to the personal and direct relationship between the employer and the employee, it was easier to secure cooperation among employees in organizations. Any grievance or misunderstanding on the part of either party could be promptly removed. Also, there was no management interference in the economic activities of the employees. Within this period, industrial relations were simple, direct, and personal. This situation underwent a remarkable change which resulted in the advent of the industrial revolution. The size of the business increased requiring enormous investment in financial and human resources. There emerged a new class of professional managers causing divorce between ownership and management, and relations between the employer and the employee became estranged and gradually antagonistic. This new set-up rendered the old philosophy of industrial relations irrelevant and gave rise to complex, indirect, and impersonal industrial relations.

The challenge of modern-day business is the increased awareness on the part of employees about their rights and privileges. Izidor (2015) asserts that the rise in this awareness has become a pain in the neck of growing management to such concerns that it attempts to diminish the glory of capitalistic mindedness that once bestride the pathway to managing like a colossus. Conflict management in most organizations seems to be affected by this development the frequency of management-employee conflicts is fast raising among organizations. These types of conflict prevent the existence of conflict management which reflect a state of organizational instability (Sayles and Strauss, 2009). The Nigeria workplace context had for decades been embattled in the demands for increased concern on issues that relate to an employer-employee relationship which is a form of motivation. (Akinwade, 2011).

In recent times, industrial disharmony is assuming unprecedented proportion in most of the food and beverages firms in Nigeria. The incessant grievance and conflicts between management and employee in food and beverage industry has more than ever before been publicized in the manifestation of negative consequences such as decline in the performance of an organization and that of the

employee (Agba, Ushie; &Agba, 2009). Albert and Yahaya (2013) lent credence to this view, that the pattern of industrial relations in Nigeria has been conflictual in nature with disruptive consequences and significant work-stoppages. Various reasons and explanations have been adduced as to why the relationship between labour and management is conflict ridden. Arguably, it is observed that management of food and beverage firms in Anambra State practice management of exclusionism, neglect of power sharing mechanism which ensure partnership amongst stakeholders in the workplace and derogation of organizational communication pattern may breed disharmony in contemporary organizations (Iheriohanma, 2007). Consequently, labour and management, as well as owners of means of production have developed a web of rules to govern their day-to-day interactions so as to promote harmonious relationship between them (Dunlop, 1958). Different conflict handling mechanisms have also been developed to minimize the occurrence and reoccurrence of industrial disharmony in the focused firms. In these firms, collective bargaining, work-floor democracy and other grievance management procedures were introduced to induce conflict management. Despite these innovations, industrial disputes seem to be assuming unprecedented level in these organizations. A pure state of conflict management scarcely exists in the food and beverage industry in Anambra state, as grievance between employees and management erodes the set objectives of the organizations. It seems the Managers of these organizations believe too much in their ability and ego, it seems they believe in dishing out orders, directives and policies to the workers, they failed to involve employees in all policy process.

In some cases they make decisions not minding its implication on the people who are to implement them. Social relations in these firms are creamed in master servant power chain to such an extent that the employee has no close ties with the owners of work, or its agents. Orders are given using the steam shovel approach such that no one worker is allowed to know the reason for any decision that affects the tasks they do (Nkiinebari, 2014).

Employee working in such organizational climate may feel dissatisfied as the managements of this organization are only concerned about the organization and not considering how the employee feels. Such organizational culture breeds disharmony between management and employee. These seem to lead to low employee engagement, loyalty and employee satisfaction in the organization. Iheriohanma (2007) asserts that management practice of exclusionism, neglect of power sharing mechanism which ensures partnership amongst stakeholders in the workplace and derogation of organizational communication pattern may breed disharmony in contemporary organizations.

Probably, the conditions of employment, have been inadequate with respect to the area of job security, redundancy, health, welfare and safety of workers are not favourable to the employee. As most of the employees complained that their hard work and commitment are not always put into consideration when the organization wants to downsize rather the management attach some elements of organizational politics. In the area of health, welfare and safety of workers the policy are made in favour of the organization and management are not committed to it. Numerous firms in Nigeria are tormented by a bunch of issues created by wasteful and incapable administrative style or strained relationship amongst administration and the worker's party (Fapohunda, 2012). These may have led to employees exhibiting such attitudes as lack of cooperation and withdrawal attitude of the employees in the place of work, reduced commitment and increased intent to leave by employees. Other visible symptoms are bad tempered behaviour and appearance, moodiness, worry and tension, insubordination, increase in wastage and decline in productivity of the worker who indulges in self criticism, develops negativism and in extreme cases tries to destroy the valuable property of the organization. In the end, the focused firms performance suffer as employees whose intention is to leave at every given opportunity may not put in their best in the organization as the loyalty of such an employee may not lie with the organization. This could be responsible for delayed production, increase in equipment breakdown and excess expenditure in replacing and training new employees.

Despite the immense contribution of food and beverage firms to the growth of Nigerian Economy and Anambra State in particular, through the creation of employment, income generation for government, tax, GDP and food security, the potentials inherent in this industry appear thwarted by the nature of conflict management in these organizations.

Empirical Review

Again, Onyeizugbe, Aghara, Olohi and Abaniwu (2018), in a related study on Industrial Harmony and Employee Performance in Food and Beverage Firms in Anambra State of Nigeria argued that the non-existence of a pure state of industrial harmony, management practice of exclusionism, and derogation of organizational communication pattern among food and beverage firms in Anambra state have led to grievance between employees and management which has eroded the set objectives of these firms. This study seeks to determine the extent of relationship that exists between industrial harmony and employee performance in selected Food and Beverage Firms in Anambra state while specifically the study seeks to ascertain the extent of relationship that exists between joint consultation and employee engagement in selected Food and Beverage Firms in Anambra State, and to determine the extent of relationship that exists between industrial democracy and employee loyalty in selected Food and Beverage Firms in Anambra State. The study employed correlation survey research design. The population of the study was 390

employees of five selected Food and Beverage Firms in Anambra State, Pearson product moment correlation was used to analyze the data collected. The findings revealed that there is a very strong significant positive relationship between joint consultation and employee engagement, and there is a very strong positive relationship between industrial democracy and employee performance. The study concluded that industrial harmony plays a crucial role in determining employee performance in selected Food and Beverage Firms in Anambra State and recommended that management of the focused firms should give room for unions in the organizations to air their views and try as much as possible to align the needs of the employees to that of the organization, management of the focus organizations should create an atmosphere of feeling of belonging by allowing the employees to participate in decision making on matters that relate to them.

Okon, Asu, Patrick and Antigh (2012) carried out a study to determine the impact of inter-union conflicts on industrial harmony. University of Calabar Teaching Hospital and Federal NeuroPsychiatric Hospital Calabar were the only tertiary health institutions in Nigeria's Cross River State and the 2575 total staff strength of the two organizations was the study population. A total of 266 subjects was randomly sampled. Pearson Product Moment Correlation test was conducted to test the null hypothesis and it was established that there was significant influence of inter-union conflicts on industrial harmony in the study case. Recommendations to reduce the inter-union conflicts and enhance industrial harmony include, among others, the removal of salary disparity among unions, and the review of law and working conditions.

Moorthy (2005) carried out a study on industrial relations scenario in Textile Industry in Tamil Nadu. The paper attempted to identify the changes that have occurred in industrial relations scenario in textile industry in Tamil Nadu after the economic reforms introduced during the nineties. The study concluded that economic reforms have affected industrial relations in textile industry in Tamil Nadu as there is a declining tendency in industrial disputes. The prevailing atmosphere of labour unrest could be attributed to total violation of certain norms of discipline by a section of trade unions and also by some employers.

Mojaye and Dedekuma (2015) conducted a study on the influence of communication on Industrial Harmony in the Civil Service of Delta State Nigeria. The study tries to establish a link between communication and good industrial relations and industrial peace. The study focused on the Delta State Civil Service and attempted to find out the role that effective communication had played in ensuring industrial peace since the advent of the state. Questionnaires were administered to 325 civil servants out of which only 299 were useful. One of the research questions was whether there is any relationship between industrial harmony and effective communication. The study showed that while effective

communication may not necessarily lead to good industrial relations but it may engender industrial peace.

Nkiinebari (2014) conducted a study on workplace democracy and industrial harmony in Nigeria. This study seeks to unravel the immediate causes of this workplace social distance. In an effort to provide the antidote for workplace cooperation, selected manufacturing firms in Port Harcourt Nigeria were studied. The population consisted of 588 workers of selected manufacturing firms in Port Harcourt and the sample size determined using the Krejcie and Morgan (1970) sample size table was 234. For data analysis, frequencies and descriptives were used, the use of percentages, mean scores and standard deviations were used alongside linear regression to examine the relationship between Workplace democracy and Industrial harmony. The study revealed that there is a high prevalence of tall structured organization which creates a gap between labour and management, thus mutual cooperation seemed not to be existing. Qualitative and quantitative methods were used in gathering and analyzing the data and recommendations were obvious that some mutual conditions among which due process, voting and collective bargaining are palliative agents capable of reducing the evident relationship strain between labour and management which have frequently resulted in strikes as the extremes.

Idowu (2012) investigated the impact of workers' training programmes on industrial strike reduction among industrial workers in Nigeria. The purpose of the study is to ascertain the relevance of workers' training programmes, as an alternative approach to human capital formation, to industrial strike reduction among industrial workers in Nigeria. A total of 230 respondents were selected for the study using stratified sampling technique to reflect the two strata of public and private organizations.

Two sets of questionnaire, with three subscales, titled „Workers Training Programmes Scale (WTPS) and Industrial Strike Reduction Scale (CRS) were used for data collection. All the hypothesized research questions were examined using Regression Analysis and t-test statistical methods at 0.05 alpha levels. The finding revealed that workers' training programmes (taken together) had significantly influenced industrial strike reduction among industrial workers. It was also found that only three independent variables (conflict skill, communication skill and interpersonal relations skill training programmes) have significantly influenced industrial strike reduction. However, it was found that management skill and computer skill training programmes were not as significant in influencing industrial strike reduction in selected work organizations. Also, there was no significant difference in the level of female and male workers' participation in workers' training programmes in both public and private organizations selected for the study.

Ukonu, and Gideon (2016) investigated the role of national industrial court in sustaining harmony in Nigerian health sector: a case of university of Abuja teaching hospital. The main objective is to examine the role National Industrial Court (NIC) has played in sustaining harmony in Nigeria health sector while the specific objective is to examine the role National industrial Court has previously played and can still play futuristically to enhance the desired industrial harmony in University of Abuja Teaching Hospital, the entire health sector and other sectors of the economy. This study concludes, that the role of National Industrial Court in sustaining industrial/organisational harmony especially in the health sector cannot be over emphasised. Basically, industrial harmony is requisite to economic growth, development and industrial advancement in any economy. As such, whether in the instances of inter union disputes or in the demesnes of employee and employer relationship, NIC has risen to the challenge to extinguish the rising tensions that might have escalated out of proportion in UATH as well as other institutions.

Nkiinebari (2015) studied employee engagement and workplace harmony in Nigeria Civil Service. The study attempted to examine the extent to which employee engagement as a non-financial incentive can significantly influence the degree of workplace harmony in the Nigeria civil service. Samples of 400 employees were randomly drawn from 10 ministries in the Rivers State Civil Service, Nigeria. Structured questionnaire items were administered on the sampled respondents and data gathered were tested using the Pearson Product Moment Correlation statistics for relationship in the hypothesis one as well as the independent T-Test analysis for test of influence of the hypothesis two. Results revealed a significant relationship and influence of the variables of employee engagement on workplace harmony in the studied sector. The results culminated into our condition that employee engagement is a critical non-financial incentive that has significant relationship on workplace harmony. Thus, it is recommended that institutional collaboration between management and employees, employee career enhancement as well leadership cooperation should be encouraged to attract workforce loyalty to the vision and mission of the state civil service.

Makinde (2013) carried out a study on securing a harmonious working environment through effective industrial relations at workplace: The Nigerian perspective The study was motivated by the need to create harmonious working environment void of strike actions in Nigeria. The study made use of primary data sourced from 220 respondents through administering of questionnaire. Their responses were tested using appropriate statistical tools like the simple percentage and the Chi-square research techniques; our study revealed that Harmonious Working Environment can be secured through Effective Industrial relations at workplace only that the challenges confronting the unions has not make their activities effective in a way. Therefore, the study recommended that organizations should create enabling

environment for union activities to thrive by assisting them where necessary so as to stabilize the organization.

Nwokocha (2015) conducted a conceptual study on the title *Employers and the Enhancement of Industrial Harmony in Private Sector Organizations in Nigeria*. The study examines the role of employers in enhancing industrial harmony in organizations with a focus on private sector organizations in Nigeria. The paper posits that conflict is inevitable in all organizations and, as such, the employer who has the responsibility of making major organizational policies to achieve corporate objectives must play a dominant role in ensuring industrial harmony. The paper exposes some of the factors that undermine industrial harmony and productivity in private sector organizations to include leadership behaviour, lack of effective communication, work environment, and non-recognition of trade union as a bargaining party. It further explicates that productivity and growth are not fully enhanced because of management practice of exclusionism, poor labour-management policies, and dehumanization of work environment. As panacea to mitigate conflict and promote a culture of harmony that will achieve organizational goal, the study proposes that management of private sector organizations in Nigeria should fashion out a framework of joint committee/expanded collective bargaining, create work culture that is based on collaboration and team work, initiate participatory management and develop and restructure an effective communication process. Instituting these measures will help to close conflictual loopholes that hinder industrial harmony and productivity in private sector organizations in Nigeria.

Sholokwu and Olori (2016) investigated management practices and industrial harmony in oil and gas firms in Rivers State, Nigeria. The study examined the relationship between Management Practices and Industrial Harmony in the Oil and Gas Firms in Rivers State. Sample size of 343 were derived using Taro Yamane formula to from the population of 2400 respondents that consist of managers and employees in twelve oil and gas firms in Rivers State. Descriptive survey method of research was adopted and data were collected through questionnaire. The demographic data were analyzed using simple percentage and Mean score were used in the analysis of items on the questionnaire. The Spearman's Rank Correlation statistical method was used to test the seven hypotheses at 0.01 level of significance which was facilitated by Statistical package for Social Sciences (SPSS) software. The results revealed a significant relationship between Management practice and Industrial harmony. It was also found that organizational culture significantly moderates the relationship between managerial practices and industrial harmony in Oil and Gas Companies in Rivers State. Therefore, the study concludes that Management practice affects Industrial harmony in Oil and Gas Companies in Rivers State. Based on the findings, the study recommended that Oil and Gas Companies should embark on good management practices by implementing

collective agreement, reducing casualisation of staff and to develop a promotion policy, to fewer incidences of strike and grievances to attain industrial harmony. However, this research is not exhaustive; hence, it suggests that future research should be carried out on the effect of Staff casualisation practices on industrial harmony in manufacturing firms in Rivers state.

Fejoh (2015) examined industrial democracy as determinant of job satisfaction among workers of Public Health Institutions in Ogun State, Nigeria. The study investigated industrial democracy as a determinant of job satisfaction among workers of public health institutions in Ogun State of Nigeria. The study employed the ex-post-facto research design. Questionnaire was administered to a purposely selected population of 100 staff of Olabisi Onabanjo University Teaching Hospital, Sagamu, Ogun State and State Hospital, Ijebu-Ode, Ogun State. Pearson moment correlation coefficient was used to test all the five hypotheses. The findings show that industrial democracy factors of information participation, consultative participation, associative participation, administrative participation and decisive participation have significant positive correlation with workers job satisfaction as follows— information participation($r=0.622$, $p < 0.005$); consultative participation($r=0.800$, $p < 0.05$); associative participation ($r=0.876$, $p < 0.005$); administrative participation ($r=0.818$, $p < 0.005$) and decisive participation ($r=0.809$, $p < 0.005$). The study therefore recommended that managers of tertiary health institutions in Ogun State should develop a platform where all cadres of workers will participate in the management of the institution and be updated with key happenings in the institutions as this will guarantee their satisfaction and higher productivity.

Akuh (2015) investigated industrial harmony for academic excellence: an imperative for a productive educational system in Nigeria. The objective of the study was to discuss the imperative of industrial harmony for academic excellence and a productive educational system in Nigeria. To ensure harmonious industrial relations, the leader of every institution will need to encourage, open and frank discussion of the institution's problems with the subordinates; seek the opinion of those doing the institutional job i.e. the staff; explain their discussion to those who have to carry them out; recognize the contributions of all involved in the institutional job; set collaborative goals to encourage team work instead of autocracy and listen to rather than talk at their subordinates. In conclusion, effective and understood grievance procedure that is simple, straightforward, flexible, proactive, responsive, devoid of protocol and time conscious is central to harmonious industrial relations. Above all, promoting visionary and disciplined leadership within our educational system is a key to a conducive environment for learning devoid of corrupt practices and indiscipline.

Osad and Osas (2013) investigated harmonious industrial relations as a panacea for ailing enterprises in Nigeria. The paper is aimed at studying whether harmonious

industrial relations can be used as a panacea for organizational ailments especially that relating to human resources management. The method and techniques employed in collecting data and information for this study include critical summary of some existing literature and data collection (questionnaire and oral interview). The study concludes inter alia is that a harmonious industrial relation is indeed a most potent panacea for organization suffering from poor management, and that the support framework exists for the internalization as a management culture. The pivot is transaction theory and the theme is that collaboration will ensure positive change and team effort.

Akhaukwa, Maru and Byaruhang (2013) studied the effect of collective bargaining process on industrial relations environment in public universities in Kenya. The study found that academic staff felt that union and management did not cooperate well neither did they have mutual regard of each other nor were they willing to confer. Besides, management did not facilitated union" s operation and its attitude to the union was not favorable. Hence, the industrial relations environment in the three public universities where the study was conducted was found to be poor. Academic staff were also discontented with the spirit of willingness to give and take, the degree of members" participation and feedback. The study further revealed that collective bargaining process had a significant effect on industrial relations environment in public universities in Kenya. Also, collective bargaining made a significant (and positive) contribution to industrial relations environment. This implies that a flawed process that is perceived to be unfair is likely to result in poor industrial relations environment and vice versa.

In all empirically reviewed literature, it appears that, none really considered employee loyalty, employee engagement and employee innovativeness as a dependent construct in relation to the joint consultation, industrial democracy and communication pattern as index for organizational performance. Also, none of the works reviewed on conflict management and organizational performance was carried out in Anambra State ministry of works. All these are research gaps which this study will fill when completed.

Methodology

The researcher adopted Survey research design for the study. The survey research design enables the researcher to generate data through the standardized collection procedures (structured questionnaire).

This study focuses on Conflict management and organizational Performance in Anambra State Ministry of Works. Anambra state is located at South-Eastern part of Nigeria with its capital city and administrative headquarter at Awka.

The population of the study include the management, Administrative staff, top managements and other staff. According to the directory of staff in the Anambra State Ministry of Works, the total work force of the Anambra State Ministry of

Works numbering three hundred and eighty four (384) was used as the population size for the study.

When it is not possible to study an entire population, a smaller sample is taken using a proportional stratified random sampling technique. To this end, the study made use of the entire three hundred and eighty-four staff of the Anambra ministry of works.

The instrument for data collection was basically on the questionnaire which was designed to reflect a modified (5) points likert Scale: Strongly Agree (SA) - 5 Points; Agreed (A) - 4 Points; Disagree (D) - 3 Points; Strongly Disagree (SD) - 2 Points and Undecided (U) - 1Point.

The data collected were presented and analyzed using quantitative method of data analysis. The researcher used structured questionnaire which was arranged in a five (5) point Likert-Scale of Strongly Agreed (SA), Agreed (A), Undecided (U) Disagreed (D), and Strongly Disagreed (SD). Therefore, frequency distribution table, simple percentage, statistical mean were used for data analysis while inferential statistics of Chi-square (X^2) parametric test was used for the test of hypotheses.

Data Presentation and Analysis

The table given below shows the major causes of conflict in an organization. They are ranked in order of the magnitude of their mean and standard deviation. Among the first top ranking causes are poor communication / miscommunication with a mean of 4.61, Poor Organizational Structure with a mean of 4.11, also Poor Performance has a standard deviation of 3.82, Repetitive negative behavior has a mean of 4.79 and standard deviation of .17, strong negative misperception is accepted with mean of 4.48, Breach of trust and faith between individuals, Personality clashes has standard deviation of .71 and .61 respectively.

Goal difference also has a standard deviation of .45 and mean of 3.95 is accepted a conflict. Unresolved disagreement that has escalated to an emotional level is accepted and so the issue of wages and salaries Mean (3.95), Unfavorable government policies has a mean of 3.05 and Lack of cordial relationship between labor and management has a mean of 4.16 is also accepted as conflicts in an organization. One good thing is to be noted that all the thirteen items presented are accepted as possible causes of Conflict in an organization.

Table 1: Responses to what are the causes of organizational Conflict?

Sr. No	Descriptive Statistics					
	Causes of conflict	N	Mean	Std. Deviation	Variance	Remarks
1	Poor communication / miscommunication	201	4.61	0.49	0.24	Accepted
2	Poor organizational structure	201	4.11	0.32	0.1	Accepted
3	Poor performance	201	3.82	0.51	0.26	Accepted
4	Repetitive negative behavior	201	4.79	0.41	0.17	Accepted
5	Strong negative misperceptions	201	4.48	0.5	0.25	Accepted
6	Perceived breach of faith & trust between individual	201	4.00	0.71	0.5	Accepted
7	Personality clashes / ego problem	201	4.07	0.61	0.38	Accepted
8	Differences in values	201	3.47	0.87	0.75	Accepted
9	Goal differences	201	3.95	0.4	0.16	Accepted
10	Unresolved disagreement that was escalated to an emotional level	201	3.89	0.31	0.1	Accepted
11	Issues of wages and salaries	201	3.95	1.12	1.25	Accepted
12	Unfavorable government policies	201	3.05	0.53	0.28	Accepted
13	Lack of cordial relationship between labor and management	201	4.16	0.37	0.14	Accepted

Source: Primary Data

This research interest question was answered using ten variables extracted from the questionnaire; the summary is presented in this table below. Table 2 shows the major effects of conflict. According to the opinion pool, communication breakdown with a mean of 4.77 is dominant factor that affecting the conflicts, low morale has a mean of 4.54; low qualities has a standard deviation of 0.49 and mean 4.41. Productivity, Lack of direction Lack of new ideas, Economic loss Competition among Conflicting parties and Insubordination, Fragmentation has mean score of 4.46, 4.52, 4.11, 4.25, 3.71, 3.96, and 4.11 respectively. Leads to economic loss have highest standard deviation within the factor effecting conflicts as 1.07. All the items asked in the questionnaire were accepted as effects of conflict in an organization and they singly and collectively contribute to organizational productivity with different intensity and variations.

Table 2: What are the effects of conflict on the organizational performance?

Sr. No.	Effect of conflict	Descriptive Statistics				Remarks
		N	Mean	Std. Deviation	Variance	
1	Communication breakdown	201	4.77	0.42	0.18	Accepted
2	Low morale	201	4.54	0.50	0.25	Accepted
3	Low quality	201	4.41	0.49	0.24	Accepted
4	Low productivity	201	4.46	0.50	0.25	Accepted
5	Lack of direction	201	4.52	0.50	0.25	Accepted
6	Lack of new ideas	201	4.11	0.61	0.38	Accepted
7	Leads to economic loss	201	4.25	1.07	1.15	Accepted
8	Competitive among conflicting parties	201	3.71	0.84	0.71	Accepted
9	Insubordination	201	3.96	0.81	0.65	Accepted
10	Fragmentation	201	4.11	0.61	0.38	Accepted

Source: Primary Data

Hypothesis Testing

A factor analysis was also made to compare the overall variance explained by the two statistical techniques. Factor analysis was employed to identify latent dimensions underlying indicators that measured respondent participation. This statistical approach involves finding a way to condense information about a number of original variables into a smaller set of dimensions (factors) with a minimum loss of information (Hair et al., 1998). Each factor is interpreted according to its loadings, that is, the strength of the correlations between the factor and the original variables (Tabachnick and Fidell, 1996).

Creating a small set of factors can reveal “latent” patterns of relationships among the variables. In this respect, a factor can be regarded as a single (unobserved) variable that reflects the variations in a set of variables with high loadings. Principal Component Analysis (PCA) was used to extract factors using Varimax rotation to ensure that the extracted factors were independent and unrelated to each other, and to maximize the loading on each variable and minimize the loading on other factors (Bryman and Cramer, 2005).

A principal Component analysis (PCA) was computed to determine underlying structures of 13 facilitators ($n = 384$). Factor analysis was conducted independently for the above one set of variables by using SPSS. Analysis of the constructs included two stages: factor extraction and factor rotation. Factor extraction was conducted through principal axis factoring. In the current research, PCA was chosen as the extraction method because it is easy to interpret and has accurate results (Tabachnick&Fidell, 2001). Hair, Black, Babin, Anderson, and Tatham (2005) and Tabachnick and Fidell both suggested the method for deciding on the number of factors is the screen test of eigenvalues

plotted against factors by looking for the point where a line drawn through the points changes slope. As Gorsuch (cited in Tabachnick&Fidell) reported, results of the screen test are obvious and reliable. The Kaiser-Meyer-Olkin (KMO) test was also performed to test the factorability of the correlation matrices.

Discussion of Findings

The finding indicates that conflict management have a significant positive relationship on the Organizational performance in Anambra Ministry of Works. It supports the work of Uzma, Zohurul and Sununta (nd) that conflict has an effect on the quality of education which is directly related to human resource potential development of the country. Theoretical postulation supposes that the presence of conflict within the organizational level will make performance to suffer. The finding shows that conflict management have a significant positive relationship on the Organizational performance. Adeyemi, Ekundayo&Alonge (2010) in their findings supported this study that conflict management and the resultant consequence has been to the detriment of the working atmosphere and should be discouraged. It is on this note that institutions of higher learning should understand that violence will not erupt without antecedents of conflict, one can assume that most of the conflicts degenerated because their antecedents were not appropriately managed (Agbonna, Yusuf and Onifade, 2009). Though it is worthy of note that successful management of human resources is one of the solutions to optimal operation of an organization (Ezeanyim, 2011). Organizations should also be aware that for any organization to be successful in achieving its goal, the people in that organization need to have shared vision of what they are striving for, and clear objective.

Conclusion and Recommendations

The study concludes that conflict management have a significant positive relationship on the Organizational performance in Anambra Ministry of Works. It supports the work of Uzma, Zohurul and Sununta (nd) that conflict has an effect on the quality of education which is directly related to human resource potential development of the country. Theoretical postulation supposes that the presence of conflict within the organizational level will make performance to suffer. The finding shows that conflict management have a significant positive relationship on the Organizational performance. Adeyemi, Ekundayo&Alonge (2010) in their findings supported this study that conflict management and the resultant consequence has been to the detriment of the working atmosphere and should be discouraged.

The following recommendations were made:

1. That in the events of any organizational conflict the personalities involved in the activities should not be attacked, instead, the problem should be the focus.
2. Organizations should find out if staff appointed to top management are adequately trained and prepared to occupy administrative positions in the ministry of works Awka. This is because an untrained administrator may in the

course of resolving or managing conflict create the one that will heavily affect the general performance of the ministry.

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FRAUD PREVENTION TECHNIQUES AND PERFORMANCE OF BANKS IN SOUTH-SOUTH, NIGERIA

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Abstract

The paper examined the effect of fraud prevention techniques on performance of Banks situate in South-south, Nigeria. The cross-sectional survey research design was used. It was chosen because it assists the researcher in getting the required data and also in answering the research questions to achieve the research objectives. The population of the study comprises of all 500 staff and management of selected parastatals of First Bank of Nigeria Plc situated in Akwa Ibom, Cross River, Bayelsa, Delta and Edo state. A sample size of 221 was derived using Taro Yamani's sample size determination. $n = 221$. Mathematical and statistical techniques were employed in analyzing and interpreting the outcome of the research instrument. The primary source of data collection via the aid of well-structured open ended questionnaire was adopted. The open ended instrument (questionnaire) was preferred since the staff are knowledgeable and educated hence they can read and respond accordingly. Data collected from respondents were collated and inputted in SPSS, Version 23. Means (\bar{x}) and Standard Deviations (SD) were considered. The cut-off mark was set at 3.00 for sections designed on a 5-point rating scale. Meanwhile, the Pearson Product Moment correlation (PPMC) tested for the stated hypotheses. This study has established that the frequency of occurrence of fraud in any establishment tends to be detrimental to the long-term short-term survival and bank growth. The study further confirmed that, fraud prevention measures improve sampled banks' performance. Hence, the paper concludes that, fraud prevention techniques are key drivers of higher public enterprises' performance in South-south, Nigeria. As such, the internal audit function in public enterprises in Nigeria internal audit department should ensure that financial fraud in their various establishments is being controlled and reduced to zero level.

Keywords: *Fraud prevention techniques, performance, banks, South-South, Nigeria*

Introduction

Fraud detection, control and other fraud related issues remain major issues facing businesses and firms globally over time. Udeh and Ugwu (2018) opined that, fraud has its root firmly entrenched in the social setting and the extent of growth depends on our wrong sense of value we choose to cultivate in terms of acquisition of wealth. Therefore, one's desire to defraud is a direct product of the materialistic society. According to the Nigerian Deposit Insurance Corporate-NDIC (2018) revealed that, report had shown increased amount of fraud and fraudulent activities perpetrated in DMBs compared to other banking institutions. Again, the sums lost due to fraud are relatively high compared to the provision made to absorb fraud cases. This has

however exposed banks to additional operating costs and has also reduced public confidence on banks.

More alarming is the calibre of individuals involved in perpetration of fraud among firms in Nigeria. Denman (2019) added that, industrialized countries lost \$1,000,000,000 annually due to fraud. However, industrialized countries reduce fraud tendencies due to strong institutional and regulatory (efficient internal audit) policies in place compared to their counterparts. The major issue which recent incessant fraud cases brought is that, it made most investors to be risk averse and more sensitive to change in market conditions. This has in turn reduced firm's profit base, dividend payout, firm value, goodwill and future investment prospects.

Ogbeide (2018) acknowledges that fraud in banks shakes the foundation and credibility of most firms in Nigeria, resulting to distress. Further, viewing from the standpoint of cash depletion, the NDIC (2018) submitted that fraud creates a liquidity trap in the banking system which in turn may possibly cause a bank failure depending on the magnitude and frequency of its occurrence (NDIC, 2018). . More so, Mathewson (2024) averred that, recent incessant fraud cases reduced customers' confidence, shareholders value, debased firm capital base and has ultimately bankrupted some banks.

Nevertheless, fraud prevention and business performance has received a lot of attention over time. This is because it has the potency to disrupt the banking system, reduce their profit margin, increase their liabilities, shakes their foundation, and ultimately led to bank distress. Worst still, fraudulent tendencies have increased and sustained with corroboration of an insider. More so, till date no effective measure is in place to reduce fraud cases both in the financial and non-financial sector. Further, the very integrity and survivability of these laudable functions of most Nigerian firms have been called into question in view of incessant frauds and accounting scandals. This formed one motivating factor which led to us undergoing this study. Although, there has been series of prior studies on the impact of fraud on banks' performance in Nigeria banks (see the studies of Ezejiofor & Okolocha, 2020; Mawutor, Enofe, Embele, Ndu & Awodola, 2019; Ogbeide, 2018; Udeh & Ugwu, 2018), few others focused on manufacturing firms (Olaoye & Adekoya, 2022; & Agwor, 2017) while less or no attention is placed on public enterprises. Consequently, the objectives are to: investigate the degree which internal audit relates with the public enterprises' performance in South-south, Nigeria; to determine the extent to which anti-fraud trainings relates with the public enterprises' performance in South-south, Nigeria; to assess the extent which establishment of fraud control committee related to the public enterprises' performance in South-south, Nigeria; to evaluate the extent which staff supervision related to the public enterprises' performance in South-south, Nigeria; and to ascertain the degree which clients' transaction related to the public enterprises' performance in South-south, Nigeria

Review of Related Literature

Conceptual Review

Techniques for preventing fraud are proactive steps or plans to restrict, lessen, or eliminate fraudulent activity. Fraud prevention entails using analytical skills to limit opportunities and deter potential fraudsters. It also involves testing the protocols for financial and economic crimes such as asset misappropriation, bribery and corruption, investment fraud, and accounting record falsification. Riney (2018) stressed that, fraud prevention and detection involves minimizing fraud cases and amounts by institutionalizing efficient fraud committee. Also, the author added that, the most appropriate ways of reducing financial losses is to have financial fraud strategies. . Fraud Prevention requires enthroning steps that can, in any case, deter extortion from occurring. It involves recognising at early stage of possible signs of fraudulent activities.

ACFE (2020) defined fraud prevention as rules and guidelines established in a firm to avoid, reduce and stop fraud occurrences. Besides, fraud detection involves all measures to identify fraud occurrence as quick as possible when committed (Othan et al., 2015). Fraud detection strategy involves the use of analytical and other procedures for highlighting fraud anomalies and suspected fraudulent acts. The major factor which reduces firm growth and dividend payments are fraudulent activities. To detect fraud, various factors that may lead to fraud must be identified and checked first. This can be achieved through the followings: (i) effective training, quick recognition of loopholes etc. However, the role of internal auditor in detecting and preventing fraud depends on his experience, professional competence, practical abilities, analytical skill and level of professional training (Petruseu & Tieanu, 2014).

The term “firm performance” is viewed from different perspectives. Firstly, Ifionu and Keremah (2016) defined firm performance as an appropriate measure of assessing the extent the management team uses its relatively scarce available resources to achieve the firm core objective without incurring huge losses as a result. More so, firm performance is how well an organisation uses resources at its disposal (Masud & Haq, 2016).

In general terms, firm performance is a firm’s ability to make huge profit from the resources and achieve its objectives. In practice, the term business performance usually refers to a company's achievements measured using a number of metrics known as key performance indicators (KPIs). These KPIs may differ depending on the industry a given business is operating in. Masud and Haq (2016) stated that contemporary approach involves using balance score card while others include internal business operations and learning & growth indicators (Oluwakayode, 2017).

Theoretical Review

The study adopts the fraud Management Lifecycle-FML. Theory Wesley (2014) depicts extortion administration lifecycle as a system lifecycle. Webster's (1997) word reference alludes to a lifecycle as a progression of stages in shape and useful action through which a life form goes between progressive repeats of a predetermined essential stage and furthermore identifies with a system as an interconnected or interrelated chain, gathering or framework. The theory is comprised of eight phases; to be specific discouragement, counteractive action, discovery, alleviation, examination, strategy, examination, and indictment. This hypothesis proposes that the last advance, continuing, is the perfection all things considered and disappointments. There are disappointments because the extortion was effective and victories due to misrepresentation were distinguished, a suspect was recognized, captured, and charges recorded. The indictment organize incorporates resource recuperation, criminal compensation, and conviction with its specialist obstruction esteem (Wesley 2014). The interrelationships among every one of the means or hubs in the Fraud Management Network are the building squares of the extortion life cycle hypothesis.

Githecha (2013) takes note of that the hypothesis is basic since it strikingly demonstrates the phases of extortion hazard administration consecutively. Likewise, the contention additionally demonstrates what institutional procedures should set up for extortion to viably oversee. The hypothesis, in any case, does not clarify the drivers of misrepresentation inside general society division. This hypothesis accepts uniform social, legitimate, and mechanical applications in the administration of misrepresentation. This hypothesis does not endeavour to clarify misrepresentation administration rehearses in a domain when such frameworks and procedures fall flat. This study adopted this theory because it indicates that for an organization to succeed in fraud management; all the fraud lifecycle stages must be actively in place with prosecution and recovery crowning it all. The process must be free and fair to ensure all resources are diligently used and accounted.

Empirical Review

Olaoeye and Adekoya (2022) examined the probable influence of Internal Audit Efficiency on fraud prevention emphasis on 19,443 workers from 10 sampled companies in Nigeria. Sample size of 392 was determined with a response rate of 86%. Data were collected with a validate the questionnaire, these were analysed by making used of descriptive and inferential statistics. The study concluded that, IAE significantly impacted on fraud prevention

Zaidan and Neamah (2022) studied the extent quality of internal audit functions improves operational efficiency of companies in Iraq. They revealed that, internal auditors' qualification, training and professionalism led to high operational efficiency.

Nwaobia, Omotayo and Ajibade (2021) studied internal audit and fraud detection in selected banks listed in Nigeria. They confirmed that the stronger the internal audit committee, the more fraud cases are easily detected in the Nigerian banking industry.

Demirovic, Isakovic-Kaplan and Proho (2021) also studied internal audit risk assessment on the function of fraud detections. They confirmed that, internal audit improving fraud risk assessment.

Fakunmoju, Fasola, and Fashagba (2021) studied the fraud management practices and non-financial performance linkage of sampled Lagos State, Nigeria. The study adopted the primary source of data collection. The study found out that fraud management practices have positive and significant effect on bank efficiency and operational performance of the selected deposit money banks with ($P < 5\%$).

Arum and Wahyudi (2020) studied audit quality and fraud detection. The study revealed that audit quality has effect on fraud detection; it also showed that audit quality is a mediator of ethics and auditor professionalism on fraud detections.

Khan, Rafay and Shakeel (2020) studied the internal audit attributes, its prevention, detections and assessment of fraud in Pakistan. They confirmed that, internal audit improves prevention, detection and assessment of fraudulent activities in Pakistan.

Also, Ezejiofor and Okolocha (2020) studied the effect of internal audit affect Nigeria banks' performance. They confirmed that, internal audit control & procedures improves performance of banks in Nigeria.

Mawutor, Enofe, Embele, Ndu and Awodola (2019) studied the extent fraud affect Nigeria banks' efficiency from 2006 to 2016. The OLS was used to predict the impact of fraud on DMBs after fulfilling major regression assumptions. Therefore, the paper concludes that the impact of fraud in the banking sector affects the performance of DMBs in Nigeria.

Ogbeide (2018) examined the fraud predictors in the Nigerian banking industry from 1993 to 2016. The method of data analysis was co-integration and error correction mechanism. The study confirmed that, total fraud amounts and actual/ expected loss reduce performance of sampled banks.

Udeh and Ugwu (2018) reviewed on the issues that surround fraud in the Nigerian banking sector using data from 2006-2015 collected from NDIC annual reports. Fraud, profit, assets and deposits related data were collected using descriptive analysis and OLS method of regression analysis as the main data analysis. It was discovered that fraud reduces bank profit base minimally amongst others.

Olaoye and Dada (2017) studied the roles of auditors in mitigating and preventing fraud in Nigeria banks with emphasis on South-West, Nigeria. They confirmed that, fraud control in Nigeria banks are very low while the risk assessment management, system audit & verification of financial reports limits fraudulent activities.

Agwor (2017) reviewed on proactive steps fraud analysts can take in preventing fraud cases in Nigeria and how this case affect manufacturing firms' performance. The study revealed that, the more fraud cases are prevented, the more the sampled manufacturing firms performed better.

Adetoso and Akinselure (2016) investigated the extent fraud control and prevention affect Nigeria banks. The study shows that, the more fraud cases are controlled and prevented, the more the sampled banks performed better. They opted for the institutionalization of strong internal audit committee, managerial control mechanisms and whistle blowing.

Methodology

The cross-sectional survey research design was used. It was chosen because it assists the researcher in getting the required data and also in answering the research questions to achieve the research objectives. The population of the study comprises of all 500 staff and management of selected parastatals of First Bank of Nigeria Plc situated in Akwa Ibom, Cross River, Bayelsa, Delta and Edo state. A sample size of 221 was derived using Taro Yamani's sample size determination. $n = 221$. Mathematical and statistical techniques were employed in analyzing and interpreting the outcome of the research instrument

The primary source of data collection via the aid of well-structured open ended questionnaire was adopted. The questionnaire was preferred since the staff are knowledgeable and educated hence they can read and respond accordingly. For ease of reference, the well-structured open ended questionnaire comprised of 2 parts, Part A and B. Part A sought for the category of respondents, sex and location. Meanwhile, part B comprises of 10 sections, contains 20 items. It is designed on a 5-point rating scale of Strongly Agreed (SA) = 5, Agreed (A) = 4, Neutral (N)=3, Disagreed (D) = 2, and Strongly Disagreed (SD) = 1.

To determine the reliability of the structured questionnaires, the Split-half reliability method was used. This was done by administering the instrument to ten (10) staff and five (5) management of the targeted pubic enterprises since they are not part of the population of the study. Data were collected from respondents were scored, arranged in two groups, that is, odd and even numbers, inputted in SPSS, Version 23, and was analysed with the Split-half reliability statistical tool, which gave a coefficient of 0.84, 0.74, 0.91, 0.77, 0.72, 0.76 for five independent variable and the dependent variable respectively. Each of the values was more than 0.70; hence, the instrument is adjudged to be reliable and adequate for the study.

Data collected from respondents were collated and inputted in SPSS, Version 23. The demographic variables were analyzed with frequency counts and percentages (%). Means (\bar{x}) and Standard Deviations (SD). The cut-off mark was set at 3.00 for

sections designed on a 5-point rating scale. In this case, any item with mean (\bar{x}) score of 3.00 to 5.00 was regarded as adequate. Meanwhile, the Pearson Product Moment correlation (PPMC) tested the stated hypotheses. The decision rule is that, the hypotheses were accepted when the p-value was above the alpha 5% level, and rejected when the p-value is below or above alpha 5% level.

Results and Discussions

Data Presentation

Table 1: Questionnaire Retrieval Analysis

	Total Questionnaires Distributed	Percentage	Total Questionnaires Returned	Percentage
Frequency	221	100%	207	93.67%
Total	221	100.00%	207	93.67%

Source: Researcher's Compilation (2023)

Table 4.1 above clearly evidenced that out of the 221 questionnaires that were distributed across to the target population; 207 questionnaires were returned which culminated to 93.67% of the total questionnaires administered. Meanwhile, the remaining 6.33% were returned. This clearly revealed that the questionnaire retrieval process is efficient since over 93.67% of the total questionnaires administered were returned. As such, the returned 207 (93.67%) questionnaire.

Respondents' Socio-Demographic Profile

This section covered the respondents' demography. This cut across the respondents' gender, age, marital status, educational qualification. The outcome from the field survey is therefore presented in table 2.

Table 2: Respondents' Socio-Demographic Profile

S/N	Variable	Metrics	Frequency	Percentage (%)
			(F)	
1	Gender	Male	96	46.38
		Female	111	53.62
TOTAL			207	100
2	Age Distributions	below: 21-30 years	49	23.67
		31-40	73	35.27
		41-50years	48	23.19
		51 – above	37	17.87
TOTAL			207	100
3	Marital Status	Married	55	26.57
		Single	79	38.16
		Divorced/ Widowed	45	21.74
		Others	28	13.53

TOTAL			207	100
4	Educational Qualification	M.Sc./MBA	58	28.02
		PhD	41	19.81
		Bachelor	83	40.10
		Others	25	12.08
TOTAL			207	100.00
5	Levels of Management	Top level	92	44.44
		Middle	75	36.23
		Lower	40	19.32
TOTAL			207	100

Source: SPSS Output Based on Field Survey (2023).

Table 2 takes into account the respondents' bio-data. In terms of sex, 96(46.38%) respondents are males while 111 (53.62%) respondents are females. By implication, most respondents are females. In terms of age distribution, 49 (23.67%) respondents are below: 21-30 years, 73 (35.27%) respondents are aged 31-40years, 48(23.19%) respondents are aged between 41-50years, 37(17.87%) respondents are aged 51 - above. By implication, most respondents are over 40 years.

Furthermore, table 2 evidenced that 55(26.57%) respondents are married, 79 (38.16%) respondents are single, 45(21.74%) respondents are either widowed or divorced while 28(13.53%) didn't indicate. By implication, most respondents are single.

Again, 58(28.02%) respondents are M.Sc./MBA holders, 41(19.81%) respondents are PHD holders, 83(40.10%) respondents are Bachelor holders, while 25(12.08%) fall under others. By implication, most respondents are B.Sc. holders.

Lastly, 92 (44.44%) respondents are top level management, 75(36.23%) respondents are level two while 40(19.32%) falls under lower level of management. By implication, most respondents are level one.

Result Presentation

Correlation Analysis

Correlation analysis ascertains the degree and direction(s) of linearity among the regressed and regressor. The correlation result is presented:

Table 3: Correlations

		PERP	INAT	ANFT	FACC	STAS	CTRM
PERP	Pearson Correlation	1	.058	.024	.017	.101	.333**
	Sig. (2-tailed)		.569	.812	.864	.317	.001
	N	35	35	35	35	35	35
INAT	Pearson Correlation	-.058	1	.133	-.170	.201*	.146
	Sig. (2-tailed)	.569		.188	.090	.045	.147
	N	35	35	35	35	35	35
ANFT	Pearson Correlation	.024	.133	1	-.010	-.019	-.180
	Sig. (2-tailed)	.812	.188		.921	.853	.073
	N	35	35	35	35	35	35
FACC	Pearson Correlation	-.017	-.170	-.010	1	.023	.374**
	Sig. (2-tailed)	.864	.090	.921		.819	.000
	N	35	35	35	35	35	35
STAS	Pearson Correlation	.101	.201*	-.019	.023	1	.047
	Sig. (2-tailed)	.317	.045	.853	.819		.644
	N	35	35	35	35	35	35
CTRM	Pearson Correlation	.333**	.146	-.180	.374**	.047	1
	Sig. (2-tailed)	.001	.147	.073	.000	.644	
	N	35	35	35	35	35	35

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

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

Source: SPP Version 23.0 (2023)

From the correlation, there was negative significant correlation among internal audit, fraud control committee, and the public enterprises' performance in South-south, Nigeria. Meanwhile, anti-fraud trainings, staff supervision, and clients transaction monitoring have direct (linear) effect on sampled firms in South-south, Nigeria. This further revealed that, efficient anti-fraud trainings, fraud control committee, and staff supervision improves the performance of sampled firms in South-south, Nigeria.

Hypothesis Testing

Multivariate analysis was conducted to test the extent the predictor variables affect the predicted variables. The research used SPSS 23.0 to code, enter and compute the measurements of the multiple regressions.

Table 4: Model Summary^b

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R ² Change	F Change	df1	df2	Sig. F Change	
1	.969 ^a	.939	.921	.0753	.144	3.165	5	201	.011	1.591

a. Predictors: (Constant), INAT, ANFT, FACC, STAS, CTRM

b. Dependent Variable: PERP

Adjusted R squared tells us the extent the regressed varies due to changes in the regressor taking into account degree of freedom. ie. n-k. The result reported adjusted R squared of 0.921 This is an indication that, a variation of 92.1% due to changes in anti-fraud trainings, fraud control committee, staff supervision at 95% confidence interval was recorded. This shows that 92.1% changes of sampled firms' performance could be accounted by changes in internal audit, fraud control committee, anti-fraud trainings, staff supervision, and clients transaction monitoring. More so, the R is the correlation coefficient of 0.969 shows that, fraud detected relates with sampled enterprises strongly.

Table 5: Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.239	5	.048	3.165	.011 ^b
	Residual	1.421	201	.015		
	Total	1.661	206			

a. Predictors: (Constant), INAT, ANFT, FACC, STAS, CTRM

b. Dependent Variable: PERP

From the ANOVA statistics in table 5, the processed data, which is the population parameters, had a significance level of 0.011 which shows that the data is ideal for making a conclusions on the population's parameter as the value of significance (p-value) is below 5%, an indication that the sampled firms in the public sector strongly relied on internal audits, fraud control committees, anti-fraud trainings, staff supervision, & clients transaction monitoring. The significance value was below 5% indicating that the model was significant.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.613	.149		17.559	.000		
	INAT	.531	.075	.616	7.127	.000	.849	1.178
	ANFT	.532	.047	.754	11.353	.000	.928	1.077
	FACC	.651	.057	.754	11.356	.000	.796	1.257
	STAS	.047	.046	.100	1.020	.310	.954	1.049
	CTRM	.339	.089	.413	3.800	.000	.772	1.296

b. Dependent Variable: PERP

Discussion of Findings

In light of the regression presented in table 6, individual results are discussed below:

Internal Audit and Public Enterprises' Performance in South-south, Nigeria.

The result clearly confirmed that, the internal audit committee is significantly associated with profitability since it has a positive coefficient value of 0.531 and a p-value of .000. By implication, the higher the internal audit committees, the more firms in the public sector perform better. By implication, internal audit is a major predictor of higher performance. This is in tandem with our Apriori Expectation. This result is in tandem with Zaidan and Neamah (2022); Olaoye, and Adekoya (2022); Nwaobia, findings.

Anti-fraud Trainings and the public enterprises' performance in South-south, Nigeria

The regression result reported a coefficient value of .532, and p-value of 0.0000 which is <5%. By implication, intense anti-fraud Trainings improved firms in the public sector performs better. This further reveals that, Anti-fraud Trainings is a major predictor of higher public enterprises' performance in South-south, Nigeria. This is in tandem with our Apriori Expectation. This further revealed that, if employees in the public enterprises in Delta state are exposed more to anti-fraud trainings, all the fraud related loopholes would be addressed which in turn improve their performance. This result is in tandem with Zaidan and Neamah (2022); Olaoye, and Adekoya (2022); Nwaobia, findings

Establishment of Fraud Control Committee and the public enterprises' performance in South-south, Nigeria

The regression result reported a coefficient value of .651, and low p-value of 0.0000 <5%. By implication,, establishment of fraud control committee positively influence profitability. This is owing to the fact that, business fraud has drawn enormous theoretical attention some of which have support for our finding that fraud prevention positively influences profitability. This further revealed that, fraud frequencies tend to be detrimental to the long and short-term firm performance. Therefore, if it is not handled with due care and urgency, it could lead to corporate failure. When this is viewed on the background of our finding, it further implies that the prevention of fraud is a conscious attempt to protect the profit, survival, and growth objectives of business, since fraudulent act is against the achievement of these goals. This result is in tandem with our Apriori expectation. Olaoye, and Adekoya (2022); Zaidan and Neamah (2022); Nwaobia, Omotayo and Ajibade (2021); Demirovic, Isakovic-Kaplan and Proho (2021); Fakunmoju, Fasola, and Fashagba (2021); Arum and Wahyudi (2020); Ezejiofor and Okolocha (2020).

Staff Supervision and the public enterprises' performance in South-south, Nigeria

The regression result reported a coefficient value of .047, and p-value of 0.3100 which is greater than 5 percent. By implication,, Staff Supervision positively influences profitability but such impact is minimal/insignificant. This further revealed that, the supervision of staff is not enough at the moment to improve the performance of the targeted enterprise in South-south, Nigeria. This study however deviated from Olaoye, and Adekoya (2022); Zaidan and Neamah (2022); Nwaobia, Omotayo and Ajibade (2021); Demirovic, Isakovic-Kaplan and Proho (2021); Fakunmoju, Fasola, and Fashagba (2021) findings.

Clients' Transaction Monitoring and the public enterprises' performance in South-south, Nigeria.

This study evidenced that contends that Clients' Transaction Monitoring has a positive coefficient value of .339 and a p-value of 0.000 <5% but above 95% confidence level. By implication, clients' transaction monitoring is a major driver of higher financial performance. Further, the study reaffirmed that, "anytime the causes of failure including dwindling profits or losses is being sought for, in both publicly owned and privately owned businesses, "play the doctor always suspect bribery and corruption first, just as the tropical doctor suspects malaria in men". It is quite indicative in our finding that fraud prevention is a guard to achieving profitability. This study is in tandem with Olaoye, and Adekoya (2022); Zaidan and Neamah (2022); Nwaobia, Omotayo and Ajibade (2021); Demirovic, Isakovic-Kaplan and Proho (2021); Fakunmoju, Fasola, and Fashagba (2021) findings.

From the foregoing, it is logical to further note that, the more stringent fraud prevention activities and measures tend to be the more profitability is assured in the organization. Since, cases of business failure are prevalent and cases of embezzlement are often reported in private and public sectors of the economy.

Conclusion and Recommendations

Despite the best effort of those responsible for preventing fraud one inevitable reality remains, fraud takes place. Fraud prevention and detection are related concepts. This paper established that, the frequencies of fraud occurrences are highly detrimental to the sampled firms'. The paper thus concludes that, fraud prevention techniques are key drivers of higher public enterprises' performance in South-south, Nigeria.

Based on the conclusion drawn, the following policy recommendations were made:

- i. The sampled firms' internal auditors should ensure that public enterprises in South-south Nigeria comply with the audit procedures and abhorring any form of unprofessionalism while discharging their duties.

- ii. More staff of the sampled firms should go for anti-fraud trainings. This is because the more they are trained, the more the public enterprises' performance in South-south, Nigeria increase.
- iii. The study recommends that, all public agencies in the federation should establish fraud control Committee.
- iv. The auditors of public enterprises in South-south, Nigeria should ensure that, their staff must be supervised on regular basis
- v. The auditors of public enterprises in South-south, Nigeria should ensure that, clients' transactions are monitored on routine basis.

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