

Access to Financial Services and Organizational Sustainability Deposit Money Banks in Rivers State

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Abstract: *This study sought to ascertain the relationship between access to financial services and organizational sustainability deposit money banks in Rivers State. The research design for the study is the cross-sectional survey design. A closed ended and well-structured questionnaire served as the research instrument with which data was obtained. A total of 200 top level managers and customers of 24 deposit money banks in Rivers State. The customers provided answers to research questions bordering on access to financial services. Three null hypotheses were drawn from the elements of all the variables. Primary data were obtained using a well-structured closed-ended questionnaire administered to the respondents. The study satisfied face validity and the pretest of the instrument using Cronbach's Alpha showed that the statement items met the 0.7 minimum threshold. The statistical tool that was used to analyse all the hypotheses is Kendell Coefficient of Concordance (τ_b). In addition, linear regression was also used to ascertain the impact of access to financial services on organizational sustainability. It was found that access to financial services has a significant nexus with organizational sustainability. Based on the findings of this research, this study concludes that access to financial services promote organizational sustainability that is anchored on economic sustainability, social sustainability and environmental sustainability. This implies that as deposit money banks increase their sales outlets to prospective customers in both rural and urban centres, the financial service providers would be sustained for future generations. Consequently, we recommend that the managers, supervisors and other service providers of deposit money banks in Rivers State should: increase access to financial services to people without bank accounts in both rural and urban centres to enhance economic sustainability of the bank; make access to financial services paramount to all kinds of customers to promote social sustainability; and widen their operations so that people without formal banking experience would have access to financial services which in turn will empower them economically.*

Keywords: *Access to Financial Services, Organizational Sustainability, Economic Sustainability, Environmental Sustainability, Social Sustainability*

Introduction

Due to its many positive effects on both the health of businesses and the growth of societies, sustainability has become a focal point of study in the fields of management and social science. So, a company's continued existence must be based on a solid framework and long-term plan for sustainability. Companies that are not prepared to adopt a sustainable culture typically have an exit strategy in place that puts them out of business before their rivals. Instead, sustainability is now expected of all businesses, whether they are in the service or manufacturing sectors, in order to cut costs, lessen their impact on the environment, and better care for their people (Bish, 2021).

In accordance with the foregoing, most service organisations have not yet embraced and implemented the three sustainability indicators of economic, social, and environmental sustainability. A focus on sustainability inside an organisation is good for business since it increases consumer happiness, loyalty, and satisfaction. In addition, it is possible to claim that the government provides more assistance to businesses that respect sustainability than to those who do not (Ferns et al., 2019). When it comes to making decisions that will have an impact on the environment, workers, and other significant stakeholders, sustainable businesses are renowned for being both environmentally conscious and employee-centric. Consciousness of organisational sustainability aids managers, supervisors, and executives in making good decisions that do not hurt stakeholder interests.

Given the preceding, it stands to reason that sustainable banking institutions enjoy more financial success, as their shareholders and other stakeholders may confidently anticipate a consistent growth in the bank's profit accumulation and earnings per share percentage. Also, financial institutions prosper when their lending practises support initiatives that enhance the quality of people's daily lives. So, for the banking business to be sustainable, deposit money banks must adhere to the triple bottom line sustainability strategy, which prioritises people, planet, and profit beyond the profit motive (Bish, 2021).

Organizational academics, however, have emphasised that solving the problem of financial inclusion is essential if the financial sector is to attain long-term viability (Enueshike & Okpebru, 2020; Okonkwo & Nwanna, 2021). According to the Central Bank of Nigeria (2018), the country may achieve financial inclusion when its adult population has convenient, low-cost access to a full spectrum of formal financial services. Again, the sustainability standard is not met if financial inclusion does not address all of the following: access to financial services; quality of financial services; affordability of financial services; utilisation of financial services; and financial literacy. Consistent with the Central Bank of Nigeria Strategy on Financial Inclusion (2012), which identifies access, usage, affordability, appropriateness, financial literacy, consumer protection, and gender as elements of financial inclusion (Aduda & Kalunda, 2012; CBN 2018). Meanwhile, the National Financial Inclusion Strategy (2012) adopted by the Central Bank of Nigeria proposed four critical areas—agency banking, mobile banking and mobile payments, linking models, and customer empowerment—through which the goal might be realised (CBN, 2018).

However, previous research has not explored the relationship between financial inclusion measures and organisational sustainability. This includes studies by Okonkwo and Nwanna to (2021), Eze and Alugbuo (2021), Oyetoyan et al. (2021), Enueshike and Okpebru (2020), Adeola and Evans (2017), and Babajide et al. (2015), to name a few. As a second point, most of the above trends of studies employed financial measures to operationalize financial inclusion rather than operational measures which include access to financial services, quality of financial services, and

affordability of financial services. This has created research vacuum which this study intends to fill. This is what motivated the researcher to specifically investigate the relationship between access to financial services and organizational sustainability of deposit money banks in Rivers State.

Hypotheses

- i. There is no significant relationship between access to financial services and economic sustainability.
- ii. There is no significant relationship between access to financial services and environmental sustainability.
- iii. There is no significant relationship between access to financial services and social sustainability.

Literature Review

Theoretical Framework

2.2.3 Stakeholder Theory

The focus of stakeholder theory is on the interrelationships between organisations and the individuals who make them successful (Friedman & Samantha, 2006). University of Virginia professor Dr. Edward Freeman first proposed the idea in 1984. (Freeman, 1984). Organizations, according to stakeholder theory, have other sets of stakeholders they must satisfy in addition to their shareholders. These include their workers, vendors, clients, and local neighbourhoods (Freeman & Moutchnik, 2013).

Second, according to Edward Freeman, businesses that are good at managing their relationships with stakeholders are more likely to succeed in the long run (Friedman & Miles, 2002). According to the stakeholder approach, not only may customers and employees play an important role in a company's success, but so can government agencies, environmental groups, and suppliers. According to the findings of this study, which are in line with Freeman's stakeholder theory, an organization's true success lies in its ability to please all of its stakeholders, not just those who will benefit monetarily but also those who will contribute to the growth of the organisation, such as people who have never received any form of financial services from the providers.

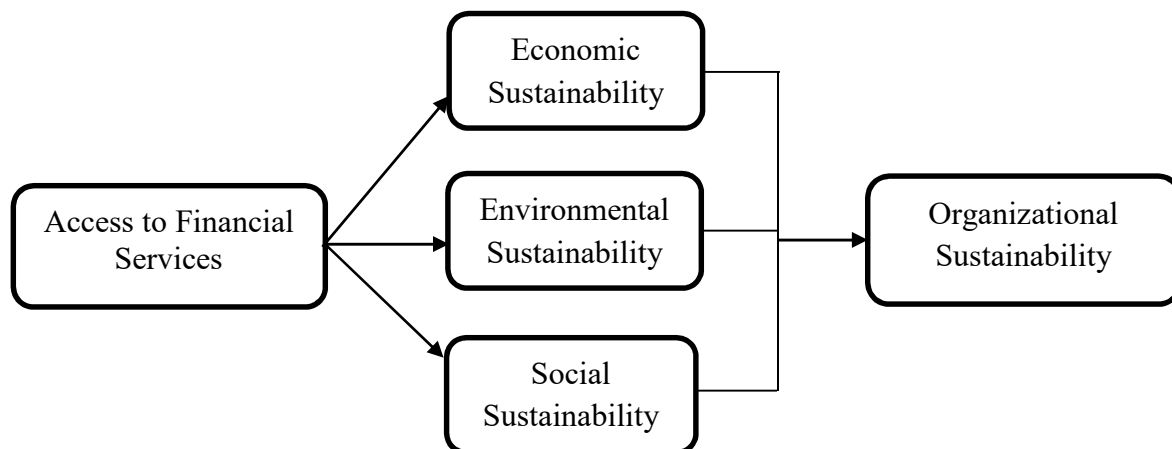


Figure 1: A Model of Access to Financial Services and Organizational Sustainability

Access to Financial Services

The term "access" is used to describe the availability of formal institution-provided financial services and products (Aduda & Kalunda, 2012; Balele, 2019), Stakeholders throughout the world, and not only in developing economies, are becoming increasingly concerned about the availability of financial services. Most people in underdeveloped nations have very limited access to financial services, which has policymakers concerned (Nwankwo & Nwankwo, 2014). In this context, "financial access" refers to the availability of both traditional financial services and solutions that can meet the needs of consumers who have never before engaged in financial transactions (Ene & Inemesit, 2015).

Organizational Sustainability

The Brundtland Commission is credited with bringing attention to the concept of organisational sustainability (WCED, 1987). Organizational sustainability may be broken down into three main categories: environmental stewardship, economic growth, and social justice (Vargas-Hernández, 2021). In light of this, Coetzee (2017) defines sustainability as the prevention of adverse effects on the environment and the reduction of risks to an organization's continued existence and success. Meeting the demands of today's society without sacrificing those of tomorrow is where sustainability comes in (Vargas-Hernández, 2021).

Economic Sustainability

To be economically sustainable, a business must be able to generate profits that benefit parties beyond the ownership group (Lovarelli et al., 2020). The term "economic sustainability" is used to describe a situation in which society's members are able to make a living without depleting its capital and resources, hence creating a virtuous economic cycle that helps keep things stable (Chelan et al. 2018; Pires et al. 2017). Creating employment for those who are competent and willing to work is an important part of economic sustainability since it increases people's take-home pay and benefits everyone in the community (Edeh & Okwurume, 2019). Businesses that operate ethically in the interest of their customers, workers, and shareholders are more likely to succeed in the long run (Edeh & Okwurume, 2019; Maletic et al., 2012). Researchers have suggested that in order for businesses to be financially sustainable, they need to include strategies that prioritise the use of renewable energy sources and recycling programmes into their daily operations (Kibert, 2016; Zhong & Wu, 2015). Increasing market share, revenue, and efficiencies in operations have all been linked to long-term economic success (Jia et al., 2018).

Environmental Sustainability

Organizational commitment to environmental preservation is fundamental to environmental sustainability (Edeh & Okwurume, 2019; Maletic, Maletic & Gomek, 2012). "Green banking programmes" have the same goal of preventing pollution of the air, land, and water supply through financial means (Edeh & Okwurume, 2019). According to Mandip (2012), "environmental sustainability" refers to the practise of making ethical business choices with the goal of minimising a company's influence on the natural world. Some examples of such responsible choices and deeds include promoting green projects and ensuring that garbage is properly disposed of (Edeh & Okwurume, 2019). Taking precautions to maintain the environment is everyone's job; the state, citizens, and corporations all have a hand in this effort.

Social Sustainability

A company's social sustainability may be measured by how it treats its workers, local community, suppliers, consultants, customers, and the general public (Kranjc & Clavic, 2005). So, for an organisation to be socially sustainable, it must engage in socially responsible behaviour of its own will (Edeh & Okwurume, 2019). The health and longevity of any given community depends in large part on its capacity to maintain its social fabric across time (Ricee, 2021). Most discussions about sustainability ignore social sustainability. Policy and investment have prioritised renewable resources, low-carbon communities, and fostering pro-environmental behaviour in families with the goal of ensuring economic and environmental sustainability, especially in the context of planning, housing, and communities (Ricee, 2021). A community is both a physical and social context, made up of the people who live there and the places they call home. As a result, it is not enough for communities to be ecologically sustainable; they also need to be socially sustainable.

Methodology

This research adopted a cross-sectional survey. A total of one hundred (100) top level managers and one hundred (100) customers were surveyed from twenty-four deposit money banks selected in Port Harcourt. The customers provided answers to research questions bordering on access to financial services. Primary data were obtained using a well-structured closed-ended questionnaire administered to the respondents. The study satisfied face validity and the a pretest of the instrument using Cronbach's Alpha showed that the statement items met the 0.7 minimum threshold. The statistical tool that was used to analyse all the hypotheses is Kendell Coefficient of Concordance (tau_b). In addition, linear regression was also used to ascertain the impact of access to financial services on organizational sustainability. This was done with the aid of Statistical Package for Social Sciences (SPSS) version 20.0. Regression equation for the data is shown below.

Results and Discussion

Analysis of Hypotheses

Table 1: Kendall's tau_b results

			Access	Econ Sust.	Social Sust.	Envi Sust.
Kendall's tau_b	Access	Correlation Coefficient	1.000	.465**	.488**	.616**
		Sig. (2-tailed)	.	.000	.000	.000
		N	200	200	200	200
	Econ Sust.	Correlation Coefficient	.465**	1.000	.700**	.617**
		Sig. (2-tailed)	.000	.	.000	.000
		N	200	200	200	200
	Social Sust.	Correlation Coefficient	.488**	.700**	1.000	.662**
		Sig. (2-tailed)	.000	.000	.	.000
		N	200	200	200	200
	Envi Sust.	Correlation Coefficient	.616**	.617**	.662**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	200	200	200	200

Correlation matrix between access to financial services and measures of organizational sustainability revealed that, access to financial services has significant positive relationship with

organisational sustainability. From the results above, access to financial services has significant positive relationship with economic sustainability of deposit money banks in Rivers State having moderate correlation ($.000 < .005$; $.465^{**}$). Access to financial services has significant positive relationship with social sustainability of deposit money banks in Rivers State with moderate correlation ($.000 < .005$; $.488^{**}$). Access to financial services has significant positive relationship with environmental sustainability of deposit money banks in Rivers State with high correlation ($.000 < .005$; $.616^{**}$).

Table 2: Regression Results

R	R ²	Adjusted R ²	T-stat.	Beta (β)	df	N	F stat.	Std. error	Sig.
.681 ^a	.464	.460	10.643	.681	3.91	200	113.264	.064	.000
.698 ^a	.487	.484	11.162	.698	3.91	200	124.597	.065	.000
.822 ^a	.675	.673	16.503	.822	3.91	200	272.360	.056	.000

Predictor: Access to Financial Services

Criterion: Organisational Sustainability

Table 2 above shows regression results between access to financial services and measures of organizational sustainability. From the results, it was found that access to financial services has significant positive impact on organizational sustainability. This is because, all hypotheses indicated that R^2 and adjusted R^2 are less than 5% which indicate that sample error does not occur. This finding can be drawn from the specific formulated hypotheses.

Hypothesis one result revealed that access to financial services has significant positive impact on economic sustainability ($.000 > .005$). R^2 of the model shows that 46% of the total variation in access to financial services can be explained by economic sustainability. Sample error was not recorded in the result because the difference between R^2 and adjusted R^2 are less than 5%. The goodness of fit of the model is significant because F-stat (113.264) calculated is greater than tabulated (3.90) thereby accepting alternate hypothesis while null hypothesis is rejected.

Result of hypothesis two shows that access to financial services has significant positive impact on social sustainability ($.000 < .005$). Sample error was not recorded in the result because the difference between R^2 and adjusted R^2 are less than 5%. R^2 of the model shows that 48% of the total variation in access to financial services can be explained by social sustainability. F-stat ($124.597 > 3.90$) calculated is greater than tabulated (3.90), thus alternate hypothesis is accepted and null hypothesis rejected.

Hypothesis three result indicated that access to financial services has significant positive impact on environmental sustainability ($.000 < .005$). Sample error was not recorded in the result because the difference between R^2 and adjusted R^2 are less than 5%. R^2 of the model shows that 68% of the total variation in access to financial services can be explained by environmental sustainability. F-stat ($272.360 > 3.90$) calculated is greater than tabulated (3.90), therefore, null hypothesis is rejected and alternate hypothesis accepted.

Discussion of Findings

Based on the hypotheses results, it was found that access to financial services has significant impact on organizational sustainability. Specifically, the results of the study revealed the following findings. Hypothesis one findings shows that access to financial services has significant positive

impact on economic sustainability. This finding is consistent with the research on financial inclusion and poverty reduction in Nigeria conducted by Eze and Alugbuo (2021). Even after accounting for endogeneity in the explanatory factors, they still found that financial inclusion reduced household poverty in Nigeria. These findings are consistent with panel cointegration and panel causality studies conducted by Sethi and Acharya (2019) to examine the dynamic influence of financial inclusion on economic development for a broad sample of rich and developing countries between 2004 and 2010. Their research showed that widespread access to financial services was positively correlated with economic expansion.

Hypothesis two findings revealed that access to financial services has significant positive impact on social sustainability. This is consistent with the findings of an investigation by Oyetoyan et al. (2021) into the impact of financial education initiatives, the increased use of agents and representatives, and the widespread availability of automated teller machines and mobile banking services on the bottom lines of Nigeria's publicly traded banks. The study's findings show that the aspects of financial inclusion have a significant favourable effect on banks' return on equity. This conclusion is supported by Bigirimana and Hongyi's (2018) study of the connection between financial inclusion and economic development in Rwanda, which used yearly data from 2004 to 2016. Measures of financial inclusion included ATM density (1 ATM per 1,000 km²), bank branch density (1 branch per 1,000 km²), deposit accounts density (1 account per 1,000 adults), loan accounts density (1 account per 1,000 adults), outstanding deposits density (1 account per 1,000 adults), and outstanding loans density (1 account per 1,000 adults). Employing the Adaptive Role-Differences Theory framework. Their research proved that broad access to financial services is associated with higher economic growth over the long term.

Hypothesis three findings indicated that access to financial services has significant positive impact on environmental sustainability. This result agrees with an ARDL study conducted by Nteegah (2021) in Nigeria to determine the effect of financial inclusion on the country's ability to create new jobs. According to Nteegah's (2021) research, financial inclusion significantly explained variations in Nigeria's unemployment rate in the short run, but in the long run, only bank branch penetration reduced the jobless rate. For another, throughout the research period, unemployment in Nigeria was boosted by the combination of a high interest rate, a high rate of domestic investment, a high interest rate, and a high rate of credit penetration. According to Nteegah, the short-term impact of financial inclusion on job creation in Nigeria is negative and substantial. To increase Nigeria's ability for job creation, he advocated for the opening of more bank branches in underserved areas and the provision of additional credit to the working poor. Ibor et al. (2017) provides further empirical support for the conclusion. Using the Pearson Chi-square test, they looked at the connections between financial inclusion and the success of MSMEs in Nigeria. Their research showed that financial inclusion has good impacts on MSMEs' operations and growth, but that MSMEs' access to financial services in Nigeria is hampered by factors including the distance to access locations and the lack of necessary infrastructure. Their research suggests that to increase financial inclusion, more work has to be done to increase the number of access points in rural regions and to upgrade the infrastructure in such places.

Conclusion and Recommendation

Based on the findings of this research, this study concludes that access to financial services promote organizational sustainability that is anchored on economic sustainability, social sustainability and environmental sustainability. This implies that as deposit money banks increase their sales outlets to prospective customers in both rural and urban centres, the financial service

providers would be sustained for future generations. Consequently, we recommend that the managers, supervisors and other service providers of deposit money banks in Rivers State should:

- i. Increase access to financial services to people without bank accounts in both rural and urban centres to enhance economic sustainability of the bank.
- ii. Make access to financial services paramount to all kinds of customers to promote social sustainability.
- iii. Widen their operations so that people without formal banking experience would have access to financial services which in turn will empower them economically.

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