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Gender Diversity and Organizational Performance of 3 Star Hotels in South-South, Nigeria

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Abstract: *This study examined the relationship between gender diversity and organizational performance of 3-star hotels in South- South, Nigeria. Primary data was generated through self- administered questionnaire. The target population of the study is all the 3- star hotels in South-South, Nigeria registered with the Nigeria Tourism Development Commission. Five managers were selected from each of the 60 hotels in the South-South giving a total of 300 managers. The sample size of 171 was determined using the Taro Yamane's formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring coefficients above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Statistics. The findings of the study revealed that there is a significant relationship between gender diversity and organizational performance of 3-star hotels in South- South, Nigeria. The study concludes that gender diversity significantly predicts organizational performance of 3-star hotels in South- South, Nigeria. The study recommends that organizations should endeavour to remove every subtle obstacle that hinders women from climbing up the managerial ladder. All forms of organizational practices and processes which create difficulties and limitations for women attaining the highest position of their particular field must be effectively removed.*

Keywords: *Gender Diversity, Organizational Performance, Cost Minimization, Time Minimization, Waste Minimization*

INTRODUCTION

Increased mobility and networking of people from diverse backgrounds as a result of improved economic and political systems and the recognition of human rights by most nations has put most organizations under pressure to embrace diversity at the work place (Williams & O'Reilly, 1998). This diversity brings with it the heterogeneity that needs to be nurtured, cultivated and appreciated as a means of increasing organization's performance. Carrell (2006) defines workforce diversity as ways that people differ which can affect a task or relationship within an organization such as age, gender, race, education and ethnicity. The concept of diversity emerged mainly to further the availability of equal opportunities in the workplace with a philosophy of ensuring that organizations make the most out of the difference from a diverse workforce rather than losing talent which might assist the organization to be more efficient and effective (Jain & Verma, 1996).

In the last decades, those organizational barriers that hinder women from advancing to

the top in their career have been a vital area in organizational research. Singh & Vinnicombe (2004) in their study discovered that women are almost if not completely absent when it comes to occupying senior positions in organizations. However, male directors often form an elite group at the top of the corporate world and only very few women are able to breakthrough these glass ceiling into this elite group, despite making inroads into middle management. This point out that gender in the board of directors in some big organization is a barrier for career advancement. Singh & Vinnicombe (2004) argued that this is a matter of concern, because the talents of women are not being fully utilized. One of the most prevailing metaphors used to describe women's absence in senior organizational positions has been that of the 'glass ceiling'. Mavin (2016) citing Morrinson & Von Glinow (1990) said the phrase 'Glass ceiling' was made up in the 1960s. This is used to describe a subtle obstacle that is so clear but yet very powerful that it can hinder women from claiming up the managerial ladder. Glass ceiling was coined to describe those organizational practices and processes which creates difficulties and limitations in which women encounter when trying to attain the highest position of their particular field. Here, women may be unable to reach the top of the management hierarchy even though they can see it (Gatrell & Swan, 2008).

Powell (2011) defined gender as the physiological inference of a someone being either male or female, like expectations and beliefs regarding what kind of attitudes, behaviors, values, knowledge, skills, and interests areas are more suitable for or typical of one sex than the other. The study of gender diversity focuses on how individuals believe that males and females differ. These gender variations influence the manner in which individuals react to the behaviors of others in the work settings or any other group coalition. Gender diversities are visible in prejudice, stereotypes, and discrimination.

Mwatumwa (2016) argues that gender diversity is positively linked to employee and organisational performance. This concurs with Kyalo (2015) who used a resource-based view of a firm, stating that gender diversity at the management and organisational levels can provide a firm with better competitive advantage. However, Kirton and Greene (2015) argued that most organisations do not realise these benefits as gender-based imbalances still persist in organisations. According to Nishii (2013), most cultures around the world still adhere to the notion that the world is dominated by men. As such, the corporate world holds the same belief and organisations thus prefer to hire men compared to women because men are perceived to have better performance and ability to manage their jobs and women are stereotyped against feminine characteristics (Nishii, 2013).

This study therefore examines the relationship between gender diversity and organizational performance of 3 star hotels in South-South Nigeria.

Furthermore, this study will also be guided by the following research questions:

- i. What is the relationship between gender diversity and cost minimization of three star hotels in South- South, Nigeria?
- ii. What is the relationship between gender diversity and time minimization of three star hotels in South- South, Nigeria?
- iii. What is the relationship between gender diversity and waste minimization of three star hotels in South- South, Nigeria?

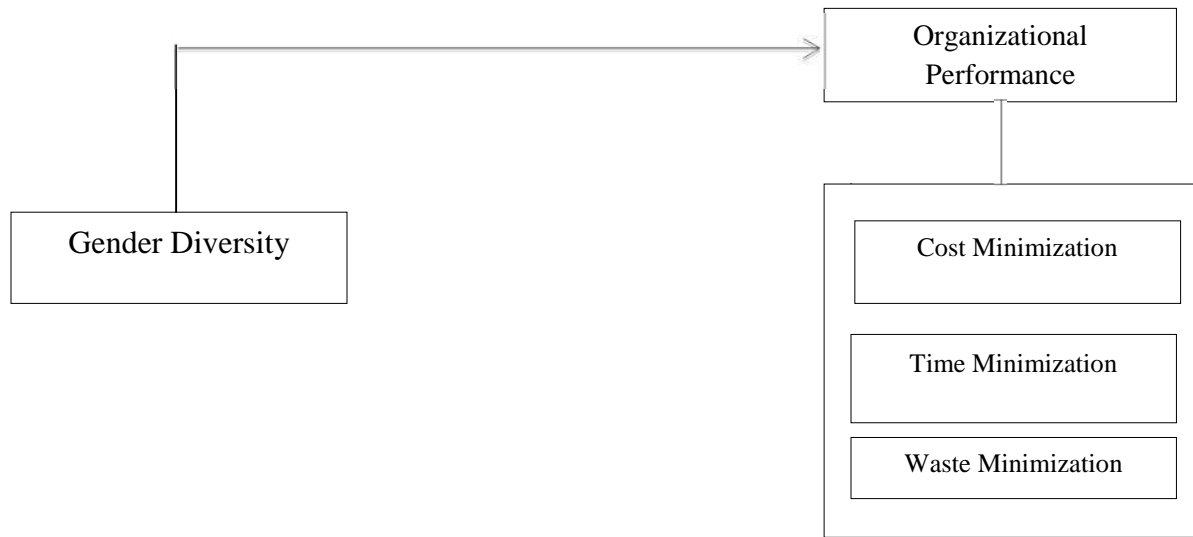


Fig.1 Conceptual framework for the relationship gender diversity and organizational performance

Source: Desk Research, 2020

LITERATURE REVIEW

Theoretical Foundation

Stereotyping and Prejudice Theory

Pitts (2009) defines stereotype as a fixed and over-generalized belief about a group of people. The author asserts that stereotypes helps people respond to situations because of sharing similar experiences. The main drawback with these stereotypes is that it makes people ignore differences and make generalizations about others that might not be true. Stereotyping in the workplace allows people to infer that an employee has a range of characteristics and abilities that members of his or her group are assumed to have. This inference leads to social categorization which forms the prejudice attitudes that cause people to form in-groups and out-groups.

Workplace prejudice and stereotyping can result to discrimination of a person or a group of people based on a certain range of characteristics. Such instances create a poor working atmosphere that may end up demoralizing the victim. Such effects can cause the victim to lose focus and morale which directly impacts on the productivity of the individual (Nayab, 2010). The individual may end up feeling unworthy, which can cause a loss in self-esteem and motivation. The productivity or performance of such a person is likely to drop. He further indicates that workplace prejudice and discrimination is a major cause of unemployment. People stay unemployed because of biasness in hiring companies or organizations. This biasness impacts on workplace diversity management which creates a ripple effect on performance.

UwIax (2003) also introduced four theories describing the formation of prejudices among individuals. These were normative theory, scapegoating theory, exploitation theory, and authoritarian-personality theory. On normative theory, the author observes that one's family,

friends, and community will be responsible for the creation and reinforcement of prejudices. In the scapegoating theory, people formed prejudices based on their need to apportion blame on a minority group for personal shortcomings and misfortunes. Uwlax observes that the exploitation theory describes the prejudices formed by individuals as a result of conflicting economic interests. These conflicting interests cause people to justify actions that would discriminate against other ethnic groups with whom they are in competition. Finally, authoritarian-personality theory described the formation of harsh prejudices based on an individual's personality of what is good or evil.

Levy (1997) introduced the stereotype embodiment theory (SET) to describe the process by which age stereotypes affect the health of older adults. This assertion was based on four main premises: that stereotypes become internalized across the lifespan; that stereotypes can operate unconsciously; that stereotypes can gain salience from self-relevance; and people could utilize multiple pathways in their stereotyping. Using these premises, Levy sought to explain why age stereotypes were internalized by older adults and how other types of self stereotypes operated (such as ethnic stereotypes). The findings will be useful in depicting how these stereotypes, once activated in the individual's sub-conscious, would eventually have an effect on his or her health.

Gender Diversity

Gender diversity has become a hot boardroom topic across the globe and is becoming not only a critical issue for human resources (HR) executives, but a major part of corporate strategy. Gender diversity is equitable or fair representation between genders (Sharon & Sytsrna, 2006). Gender diversity most commonly refers to an equitable ratio of men and women, but may also include non-binary gender categories. Gender diversity on corporate boards has been widely discussed, and may' ongoing initiatives study- and promote gender diversity in fields traditionally dominated by men. Gender Diversity increases the awareness and understanding of the wide range of gender diversity in children, adolescents, and adults by providing family support, building community, increasing societal awareness, and improving the well-being for people of all gender identities and expressions (Taylor &Harison, 2003).

Gender issues in labor and legislation as needed to bring greater justice, parity and assure nondiscrimination in the work force. Women, like men, are creative and contributory agents and beneficiaries of change. The development and unleashing of women's potential should not be restricted by over protection, however the exploitation of women, either because of the absence of regulations or of insensitivity of their specific conditions, should be guarded against. The work place must constitute an environment where men and women enjoy the same good conditions and non-discriminatory practices. Women workers, like any others, must be able to enjoy balance and quality in their work environment in terms of gender, responsibility, reward and value, this is only when innovativeness can be achieved.

Gender is the state of being male or female typically used with reference to social and cultural differences rather than biological ones. Farrell (2005), in his study suggests that workforce gender diversity is on the increase daily in both developing and developed countries. According to Farrell, this trend is likely to increase with the increase in the level of awareness and diversity. Additionally, Naqvi (2012) summarizes diversity as the existence of employees from various cultural and social backgrounds within a company. It includes such as race, age, gender, color, physical ability, etc. Naqvi (2012) also notes that there are both positive and negative sides of gender diversity in work force.

According to the resource based view, a firm can gain a sustained competitive advantage if it takes advantage of its valuable, rare, inimitable, and non-substitutable resources (Barney, 2001). Barney (2001) noted that firms with intangible and socially complex resources such as employee competence are a better source of sustained competitive advantage than tangible resources such as scale of operations. Men's and women's different experiences provide insight into the different needs of male and female customers. In addition, gender diversity encourages employees' overall creativity and innovation because of the combination of different skills, perspectives and backgrounds (Egan, 2005).

In addition, a workforce that has better gender diversity management can produce high quality decisions because men and women bring different opinions to the organization. Different perspectives and opinions lead to a better understanding of the impact on all measures of organizational performance (Campbell & Minguéz-Vera, 2008). The resources in the market insight, creativity, innovation, and improved problem solving are valuable, rare, inimitable and non-substitutable. The resources are valuable because they drive business growth, by ensuring creative ideas are developed which lead to competitive strategies (Oetinger, 2001). These resources cannot be easily accessed by similar organizations (Frink et al, 2003). This study seeks to find out whether KRA has inimitable resources in terms of human resource and if the resources are well balanced in gender.

According to Jones et al. (2008), studies carried out in the US reveal that only a small percent of 5.2% of the top earners are women and only 7.9% of those have highest ranking titles in Corporate America. However, women either control or influence nearly all consumer purchases, so it is important to have their perspective represented on boards. The research conducted indicated that female executives out perform their male colleagues on skills concerning motivating others, promoting good communication, turning out high quality work and being good listeners. Higher proportions of women in top-management positions have had significantly better financial performance than organizations with lower proportions of female top managers. Labor market data show that a sharp gender divide has developed in the working-age group since 1998. Many women professionals are mothers; losing them would mean losing many skilled employees. This has challenged human resource departments to develop strategies to attract and retain educated and skilled women workers. It is also important to develop initiatives to ensure that women return to work after childbirth, since the maximum attrition among women employees happens at this stage. The firm's ability to attract and retain women employees is influenced by its ability to provide family-friendly practices and facilities such as training for returners and career breakers such as women taking care of young children (Argarwala, (2010).

Leonard and Levine (2003) argued that gender-based imbalances in organizations are reinforced by stereotypes and biases that describe positive characteristics and therefore a higher status to the males. Brown (2008) and Carr-Ruffino (2003), argue that a significant amount of workforce diversity remains ineffective if gender issues are not first recognized and managed. According to both studies, the most constitutional challenge is overcoming the thought that women are not equal to men. Kossek et al. (2005), state that only 54% of the working-age women are in the workforce worldwide compared to 80% of men. They continue to assert that women continue to have the upper hand on the "invisible care" economy, which relates to care giving and domestic work. According to Kochan et al. (2002), however, providing an equal job opportunity to women is vital to improve performance of employees in an

organization. According to Kochan et al. (2002), over the years, societies have eliminated policies that discriminated against certain classes of workers. This was done by raising the costs to organizations that failed to comply. Kenya has seen a tremendous increase in the number of educated women. This has led to women fighting for equal opportunities in top management jobs. This study seeks to find out whether there is gender balance at KRA that promotes gender equality and at the same time fulfills the governments' laws that require an equal opportunity for both males and females and the effect on this gender balance on organizational performance.

Frink et al. (2003), conducted two studies to investigate the association between women's representation and performance, measuring performance in a different way in each study. The findings support the authors' theory that an organization's performance would increase when gender diversity is maximized with a fifty-fifty representation from each gender. It is significant for most organizations to give women equal opportunities as men. Additionally the inclusion of both males and females at work place promotes competition among employees, which lead to the growth of the organization (Thorsteinson & Highhouse, 2003). Researchers indicated that the more an organization emphasizes on gender diversity management programs, the more positive effect on the organization. The Kenyan government has embraced and adopted gender diversity as there slots of power set aside for women. The aim to promote equality has extended to numerous other public institutions as guided by the constitution.

Naqvi et al. (2013) examined the relationship between gender diversity and team performance in the telecom sector of Pakistan with moderating role of organizational culture. 350 questionnaires were distributed but only 225 people filled the questionnaires and submitted them. Three hypotheses were developed and all of them were accepted. Results indicated that an increase in gender diversity in a team leads to creativity and innovation. Decision making becomes better and the end result is enhanced team performance.

Organizational Performance

Organizational performance is defined as an analysis of a company's performance as compared to goals and objectives (Jamrog, 2002). Within corporate organizations, there are three primary outcomes analysed, financial performance, market performance and shareholder value performance (Adler, 2005). The concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Carton, 2004). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. According to Richard, Devinney, Yip & Johnson (2009) organizational performance encompasses three specific areas of firm outcomes, financial performance such as profits, return on assets and return on investment), product market performance such as sales, market share and shareholder return measure through total shareholder return and economic value added.

Organizational performance is therefore the ability of an organization to fulfil its mission through sound management, strong governance and a persistent rededication to achieving results. Parasuraman (2002) proposed that firms delivering services must broaden their examination of productivity from the conventional company-oriented perspective to a dual company-customer perspective. This broadened approach can help reconcile conflicts or leverage synergies between improving service quality and boosting service productivity (Parasuraman, 2002). This research considers organization performance relative to the competition from multiple organizational

perspectives including quality, productivity, market share, profitability, return on equity, and overall firm performance. Other non-financial measure of performance such as increase in customer base, market share increase, quality service delivery and increase in firm branch networks (Bernthal & Wellins, 2006).

Performance is a measure of results achieved by individual, group, and organization. Organization performance is defined as a continuous and action oriented with focus on improving performance by using objective, standards, appraisal, and feedback (Ababnch, 2008). Organizations performance comprises the actual output or results of an organization achievement as measured against its intended goals and objectives. Organizations adopt performance measurement because it creates accountability, provides feedback to operations, and result in more effective planning, budgeting and evaluation (Ammons, 2001).

The performance as stated by Hunger and Wheelen (2007) is an end results of an activity, and an organizational performance is accumulated end results of all the organizations work processes and activities. Managers measure and control organization performance because it leads to better assessment for management, to increase the ability to provide customer value, to improve measures of organizational knowledge, and measure of organizational performance do have an impact on an organization's reputation. When the performance of the organization is assessed, the past management decisions that shaped investments, operations and financing are measured to know whether all resources were used effectively, whether the profitability of the business met or even exceeded expectations, and whether financing choice were made prudently (Shaukat *et al.*, 2008). Organizational performance is conducted to support decisions concerning whether program or project should be continued, improved, expanded, or curtailed (Rossi *et al.*, 1999).

The traditional approach to performance measurement is based on productivity measures, including such measures as service inputs and outputs (Holmes *et al.*, 2006). In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (e.g. shareholder return) customer service-social responsibility (e.g. corporate citizenship, community outreach) - employee stewardship. As this study focuses on measurement of efficiency and effectiveness part of organizations performance, therefore, these concepts are elaborated in detail.

Measures of Organizational Performance

Cost Minimization

According to Drury (2004), cost minimization focuses on cost reduction and continuous improvement and change rather than cost containment. The term cost reduction could be used instead of cost optimization. Whereas traditional cost control systems are routinely applied on a continuous basis, cost optimization tends to be applied on an ad hoc basis when an opportunity for cost reduction is identified. Cost minimization consists of those actions that are taken by managers to reduce costs, some of which are prioritized on the basis of information extracted from the accounting system. Although cost optimization seeks to reduce costs, it should not be at the expense of customer satisfaction. Ideally, the aim is to take actions that will both reduce costs and enhance customer satisfaction.

Cost minimization has become an essential emphasis in today's highly competitive

business environment. This study was aimed at defining cost optimization and discussing the philosophies that underpins optimization. Over the past 25 years, we have seen a significant shift in the cost accounting and management accounting (Maher and Deakin, 1994, Günther 1997 and Götze, 2004). This shift is the result of an increasing competitive environment due to the introduction of new manufacturing and information technologies, the focus on the customer, the growth of worldwide markets, and the introduction of new forms of management organization (Blocher et al, 1999).

The idea of cost minimization of a production unit was first introduced by Farrell (1957), under the concept of “input oriented measure”. According to Farrell, a technical optimization measure is defined by one minus the maximum equi-proportionate reduction in all inputs that still allows continuous production of given outputs. Technical optimization is linked to the possibility of avoiding wasting by producing as much outputs as the use of input allows it (output oriented measure), or by using as less as input that the production objective plans it (input oriented measure). This optimization is measured by comparing observed and optimal values of production, costs, revenue, profit or all that the production system can follow as objective and which is under appropriate quantities and prices constraints. Optimization measurement is one aspect of investigating a firm’s performance. Cost minimization can be measured in three ways; maximization of output, minimization of cost, and maximization of profits. In general, optimization is divided into two components (Kumbhakar & Lovell, 2003).

A firm is regarded as technically efficient if it is able to obtain maximum outputs from given inputs or minimize inputs used in producing given outputs. The objective of producers here is to avoid waste. According to Koopmans (1951) a producer is considered technically efficient if, and only if, it is impossible to produce more of any output without producing less of some other output or using more of some inputs. On the other hand, a locative optimization relates to the optimal combination of inputs and outputs at a given price. The objective of producers might entail the following: to produce given outputs at minimum costs; to utilize given inputs so as to maximize revenue; and to allocate inputs and outputs so as to maximize profit. This technique of production is widely known as economic optimization where the objective of producers becomes one of attaining a high degree of economic optimization (cost, revenue or profit optimization). Theoretically, competition is good because it ensures that the costs of production are minimised and at the same time it promotes optimization (Nickell, 1996). Increased competition could force firms to operate more efficiently in order to survive. It forces the banks to produce products and provide services that are most demanded by the customers. If they can provide services demanded efficiently and with the least cost, there is no reason why they cannot make more profits. Otherwise, they will make losses and possibly go out of business.

Time Minimization

When the employees are productive, they accomplish more in a given amount of time. In turn, efficiency saves their company money in time and labour. When employees are unproductive, they take longer time to complete projects, which cost employee’s more money due to the time lost (Olajide, 2000). The importance of higher productivity of the employees in public enterprise cannot be overemphasized, which include the following; Higher incomes and profit; Higher earnings; Increased supplies of both consumer and capital goods at lower costs and lower prices; Ultimate shorter hours of work and improvements in working and living conditions; Strengthening the general economic foundation of workers (Banjoko, 1996).Armstrong (2006)

stated that productivity is the time spent by an employee actively participating in his/her job that he or she was hired for, in order to produce the required outcomes according to the employers' job descriptions. As suggested by Bloisi (2003) the core cause of the productivity problems in the South African society are people's motivation levels and their work ethics.

Time minimization is recognized as an important component of work performance (Downs, 2008) Time minimization is a way of developing and using processes and tools for maximum efficiency, effectiveness, and productivity (Downs, 2008) It involves mastery of a set of skills like setting goals, planning and making decisions better. At the end we have better performance (Brogan, 2010). According to Thompson *et al* (2010), accurate and timely information about daily operations is essential if managers are to gauge how well the strategy execution process is proceeding. Time is an essential resource since it is irrecoverable, limited and dynamic (Downs, 2008) Irrecoverable because every minute spent is gone forever, limited because only 24hours exist in a day and dynamic because it's never static (Claessens, Roe & Rutte, 2009). According to North (2004) time management is the organization of tasks or events by first estimating how much time a task will take to be completed, when it must be completed, and then adjusting events that would interfere with its completion is reached in the appropriate amount of time. Effective time management is the key to high performance levels. Effective time management not only affects the performance of employees, but also helps to cope with stress, conflicts and pressure more efficiently North (2004).

Waste Minimization

Waste is defined by Gobbi (2008) as unnecessary work or holding stocks as a result of errors, poor organization or communication. Contributing to the same, Li & Olorunniwo (2008) focused on the disastrous implication of having wastes in the form of repairs, recalls and image control. On their part, Elmas and Erdogmus (2011) summarize the importance of waste reduction as positive environmental impact, legal compliance, competitiveness advancement and improved customer service. Liu (2008) defines waste minimization as the process and the policy of reducing the amount of waste produced by an entity. This is shared by Wang (2005) who adds that waste reduction involves efforts to minimize resource and energy use during manufacture. For the same commercial output, usually the fewer materials are used, the less waste is produced. Waste reduction usually requires knowledge of the production process and detailed knowledge of the composition of the waste. In any manufacturing process, there will always be wastes and scraps. In Srivastava (2008), waste is further defined as unnecessary work or holding stocks as a result of errors, poor organization or communication, while scrap refers to defective product or material that cannot be repaired, used or sold. Gobbi (2011) found that reasons for the creation of waste sometimes include requirements in the supply chain. For example, a company handling a product may insist that it should be packaged using particular packing because it fits its packaging equipment.

Total quality management (TQM) philosophy advocates for getting it right the first time and all the times (Lysons, 2006). This would ensure minimum waste is generated in the supply chain. Material waste in publishing includes tree parts not turned into pulp, packaging materials, rejected print runs and wastes, returns and used publications (Agrawal, 2010). In addition, Prahinski and Kacobasoglu (2006) argues that idle labour time as a waste leads to increased overhead costs. In efficient production processes and defective equipment may also lead to increased wastes, which Cheng & Wu, (2006) notes would have disastrous implications in form

of repairs, recalls and image control. Companies have been pushed by competitive pressures towards cost reduction and performance improvement of operations to provide better quality products to very demanding markets. The approach of waste reduction and performance has been gaining importance in organizations operations (Gurumurthy & Kadal, 2011; Taj & Morosa, 2011). Waste reduction can be achieved through implementation of lean production systems that includes assessing current situation and designing a production system based on lean system concepts & techniques (Womack & Jones, 2003).

Gender Diversity and Organizational Performance

Debates are rife on the impact of gender diversity in the top-level management and organizational leadership on the general performance of the organization. Chin (2013) reports that a study found that firms that had high gender diversity in their top-leadership reported significant abnormal returns. Van Knippenberg, De Dreu and Homan (2014) found that while most top leadership and management in most firms are dominated by men, an inclusion of women in such teams make them not only become diverse but also improves the quality of the leadership and top-level management.

Gender diversity in senior management teams has increased, probably due to three important reasons. According to the Research Institute (2012) these are; the changing proportion of women board-level positions, increase in government intervention and change in debates on the issue of gender as an issue of equality and fairness to one of superior performance. Van Knippenberg, *et al.* (2014) are in consensus contending that gender diversity improves the quality of organizational leadership and management by stating that gender diversity enhances managerial information processing and decision making of the managerial team resulting in effective strategy formulation and decision making key processes. Nakagwa (2015) found that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams.

In other words, gender diversity accrues a spectrum of insights into the vital strategic leadership and managerial decision enhancing the quality and potential effectiveness of such decisions for the firm. Dezo and Ross (2012) contend that heterogeneous groups (in terms of gender) provide different perspectives and bring different views and experiences that inform leadership and managerial roles and lead to high quality decisions at this level. The authors go further to postulate that a mere presence of a woman, having congruent information on the issue at hand may stimulate a broader and a deeper deliberation of alternative in the top management team (TMT).

Organizational leadership may also benefit in terms of leadership styles. Research has determined that women and men exhibit disparities in their managerial behavioral propensities (Van Knippenberg, *et al.*, 2014). Dezo and Ross (2012) posits that women lean towards a more interactive leadership accentuating inclusion, participation and power sharing while men tend towards a less interactive leadership style, one focused on goal attainment with little participation. It follows then that moderate to high gender diversity may have a positive result in the leadership style that the organization adopts which can be a hybrid between the managerial behavioral and leadership propensities of males and the females.

2.8.2.2 Competitive Advantage

According to Ali, Metz and Kulik (2007) the resource-based perspective holds that a firm can achieve sustained competitive advantage (C.A) by exploiting the valuable, rare, inimitable and non-sustainable (VRIN) resources. Gender diversity is associated with the VRIN resources that are capable of helping the firm to attain a competitive advantage. Ali, *et al.*, (2007) identify these resources including creativity and innovation, improved problem solving and market insight. It follows that a gender diverse workforce has the potential to enhance the team's general market insight as well as creativity and innovation. Darwin and Palanisamy (2015) make this point when they argue that a diverse workgroup brings different experiences, skills set and insights that enhance overall team performance which promote the performance of the organization.

Studies have found diversity to be a strategic source for the attainment of competitive advantage. For instance, Raza, Ishtiaqi, Kanwal, Butt & Nawaz (2013) found that gender, education, cultural and age diversities has a positive influence on the organizational competitive advantage. According to Darwin and Palanisamy (2015), some studies have found that mixed gender groups are perform more effectively than same gender groups. In this sense, it is arguable that gender diversity does accrue competitive advantages to firms that are more diverse in the gender composition of their workforce than firms that have a more homogeneous gender workforce. Ali, *et al.*, (2007) looks at gender diversity and decision-making and contends that gender diversity enhances organization's C.A by facilitating the making of quality decisions.

A more gender diverse workforce brings to the firm a spectrum of perspectives, skills and knowledge that an organization can tap into and base its strategic goals up (Ali, *et al.*, 2013). Such a spectrum of perspectives is indispensable when it comes to decision making, and the resultant quality and informed decision accord the firm a competitive advantage when it comes to market analysis and determining a working business strategy.

From the foregoing arguments, the study hypothesized thus:

H₀₁: There is no significant relationship between gender diversity and cost minimization of hotels in South- South, Nigeria.

H₀₂: There is no significant relationship between gender diversity and time minimization of hotels in South- South, Nigeria.

H₀₃: There is no significant relationship between gender diversity and waste minimization of hotels in South- South, Nigeria.

METHODOLOGY

Primary data was generated through self- administered questionnaire. The target population of the study is all the 3- star hotels in South-South, Nigeria registered with the Nigeria Tourism Development Commission. Five managers were selected from each of the 60 hotels in the South-South giving a total of 300 managers. The sample size of 171 was determined using the Taro Yamane's formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring coefficients above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Statistics.

DATA ANALYSIS AND RESULTS

Bivariate Analysis

The Spearman Rank Order Correlation coefficient is calculated using the SPSS 21.0 version to establish the relationship among the empirical referents of the predictor variable and the measures of the criterion variable. Correlation coefficient can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation while the value of +1.00 represents a perfect positive correlation. A value of 0.00 represents a lack of correlation.

Table 1: Correlation for gender diversity and organizational performance

			Gender Diversity	Cost Minimization	Waste Minimization	Time Minimization
Spearman's rho	Gender Diversity	Correlation Coefficient	1.000	.600**	.805**	.719**
		Sig. (2-tailed)	.	.	.000	.000
		N	148	148	148	148
	Cost Minimization	Correlation Coefficient	.600**	1.000	.905**	.919**
		Sig. (2-tailed)	.	.	.000	.000
		N	148	148	148	148
	Waste Minimization	Correlation Coefficient	.805**	.905**	1.000	.922**
		Sig. (2-tailed)	.000	.000	.	.000
		N	148	148	148	148
	Time Minimization	Correlation Coefficient	.719**	.919**	.922**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	148	148	148	148

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

Source: SPSS Version 23.0 Output

Ho₁: There is no significant relationship between gender diversity and cost minimization of hotels in South- South, Nigeria

Table 1 shows the result of correlation matrix obtained for between gender diversity and cost minimization. The correlation coefficient of 0.600 confirms showed that there is a positive strong correlation between gender diversity and cost minimization of 3- hotels in South- South, Nigeria. Similarly displayed in the table is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gender diversity and cost minimization of hotels in South- South, Nigeria.

Ho₂: There is no significant relationship between gender diversity and waste minimization of hotels in South- South, Nigeria

Table 1 shows the result of correlation matrix obtained for between gender diversity and waste minimization. The correlation coefficient of 0.805 confirms showed that there is a positive very strong correlation between gender diversity and cost minimization of 3- hotels in South- South, Nigeria. Similarly displayed in the table is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gender diversity and waste minimization of hotels in South- South, Nigeria.

Ho₃: There is no significant relationship between gender diversity and time minimization of hotels in South- South, Nigeria

Table 1 shows the result of correlation matrix obtained for between gender diversity and time minimization. The correlation coefficient of 0.719 confirms showed that there is a positive very strong correlation between gender diversity and cost minimization of 3- hotels in South- South, Nigeria. Similarly displayed in the table is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. Therefore, based on this finding the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between gender diversity and time minimization of hotels in South- South, Nigeria.

DISCUSSION OF FINDINGS

The results from the analysis reveal significant relationship between gender diversity and organizational performance of hotels in South- South, Nigeria. This finding confirms the views of Chin (2013) who reported that a study found that firms that had high gender diversity in their top-leadership reported significant abnormal returns. Van Knippenberg, De Dreu and Homan (2014) found that while most top leadership and management in most firms are dominated by men, an inclusion of women in such teams make them not only become diverse but also improves the quality of the leadership and top-level management.

Gender diversity in senior management teams has increased, probably due to three important reasons. According to the Research Institute (2012) these are; the changing proportion of women board-level positions, increase in government intervention and change in debates on the issue of gender as an issue of equality and fairness to one of superior performance. Van Knippenberg, *et al.* (2014) are in consensus contending that gender diversity improves the quality of organizational leadership and management by stating that gender diversity enhances managerial information processing and decision making of the managerial team resulting in effective strategy formulation and decision making key processes. Nakagwa (2015) found that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams.

In other words, gender diversity accrues a spectrum of insights into the vital strategic leadership and managerial decision enhancing the quality and potential effectiveness of such decisions for the firm. Dezo and Ross (2012) contend that heterogeneous groups (in terms of

gender) provide different perspectives and bring different views and experiences that inform leadership and managerial roles and lead to high quality decisions at this level. The authors go further to postulate that a mere presence of a woman, having congruent information on the issue at hand may stimulate a broader and a deeper deliberation of alternative in the top management team (TMT).

Organizational leadership may also benefit in terms of leadership styles. Research has determined that women and men exhibit disparities in their managerial behavioral propensities (Van Knippenberg, *et al.*, 2014). Dezo and Ross (2012) posits that women lean towards a more interactive leadership accentuating inclusion, participation and power sharing while men tend towards a less interactive leadership style, one focused on goal attainment with little participation. It follows then that moderate to high gender diversity may have a positive result in the leadership style that the organization adopts which can be a hybrid between the managerial behavioral and leadership propensities of males and the females.

According to Ali, Metz and Kulik (2007) the resource-based perspective holds that a firm can achieve sustained competitive advantage (C.A) by exploiting the valuable, rare, inimitable and non-sustainable (VRIN) resources. Gender diversity is associated with the VRIN resources that are capable of helping the firm to attain a competitive advantage. Ali, *et al.*, (2007) identify these resources including creativity and innovation, improved problem solving and market insight. It follows that a gender diverse workforce has the potential to enhance the team's general market insight as well as creativity and innovation. Darwin and Palanisamy (2015) make this point when they argue that a diverse workgroup brings different experiences, skills set and insights that enhance overall team performance which promote the performance of the organization.

Studies have found diversity to be a strategic source for the attainment of competitive advantage. For instance, Raza, Ishtiaqi, Kanwal, Butt & Nawaz (2013) found that gender, education, cultural and age diversities has a positive influence on the organizational competitive advantage. According to Darwin and Palanisamy (2015), some studies have found that mixed gender groups are perform more effectively than same gender groups. In this sense, it is arguable that gender diversity does accrue competitive advantages to firms that are more diverse in the gender composition of their workforce than firms that have a more homogeneous gender workforce. Ali, *et al.*, (2007) looks at gender diversity and decision-making and contends that gender diversity enhances organization's C.A by facilitating the making of quality decisions.

A more gender diverse workforce brings to the firm a spectrum of perspectives, skills and knowledge that an organization can tap into and base its strategic goals up (Ali, *et al.*, 2013). Such a spectrum of perspectives is indispensable when it comes to decision making, and the resultant quality and informed decision accord the firm a competitive advantage when it comes to market analysis and determining a working business strategy.

CONCLUSION

Gender diversity enhances employees' overall creativity and innovation because of the combination of different skills, perspectives and backgrounds (Egan, 2005). In addition a gender-diverse workforce can produce high quality decisions because men and women bring different perspectives leading to varied alternatives (Rogelberge&Rumery, 1996). Empirical research supports the argument that gender diversity is positively linked to an organization's performance. McMillan-Capehart (2003) used the resource-based view of the firm to argue that gender

diversity at the management and organizational levels can provide a firm with a competitive advantage. Therefore, this study concludes that gender diversity significantly influences organizational performance of hotels in South- South, Nigeria.

RECOMMENDATIONS

Based on the findings and conclusion above, the following recommendations are hereby made:

- i. Organizations should endeavour to remove every subtle obstacle that hinders women from climbing up the managerial ladder. All forms of organizational practices and processes which create difficulties and limitations for women attaining the highest position of their particular field must be effectively removed.

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Employee Loyalty and Organizational Learning of Manufacturing Companies in Port Harcourt, Nigeria

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Abstract: *This study examined the relationship between employee loyalty and organisation learning of manufacturing companies in Port Harcourt. The study adopted a cross-sectional survey and primary data was generated through self-administered questionnaire. The population for the study was one hundred and twenty four (124) employees of five (5) selected manufacturing companies in Port Harcourt. The sample size of 82 was determined using the Taro Yamane's formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 99% confidence interval and a 0.01 level of significance. Results from analysis of data revealed that there is a significant positive relationship between employee loyalty and organizational learning of manufacturing companies in Port Harcourt. The study further revealed that employee loyalty expressed in terms of deserves loyalty and wiliness for more responsibility among employees in organization is strongly rooted in the organisation learning pattern and experience by way of performance assessment and intellectual cultivation. Drawing from the conclusion, the study recommended that organization should improve and enhance their learning activities by constantly assessing the performance of their employees, always evaluate their intellectual cultivation in other to also checkmate the employees willingness to carry-out their responsibility, improve more creative and innovative, proper upward and downward communication system, employee participate in decision making, hold weekly meetings with employees, properly adopt the human relation theory, empower and motivate employee, allow loyal employee to make decisions while performing their task to ensure effective employee loyalty.*

Keywords: *organization learning, employee loyalty, performance assessment, intellectual cultivation, deserves loyalty, responsibility, manufacturing companies.*

INTRODUCTION

In the contemporary world, globalization is taking a whole grip of the entire activities and operations in organization. It has improved every function in the day-to-day operations of organization by coming-up with constant innovations and creativity in order for organizations to improve and gain competitive advantage in the global market. Organizations that do not embrace globalization means they are not getting familiar with the trend of time and changes, hence will end-up doing badly in the global market, which is why organizational learning helps to improve an organization's competitive advantage as well as responsiveness to change (Hussein & Ishak, 2006). The results of globalization have made competition to increase rapidly and dramatically. It has made organizations to constantly look for various ways to survive and remain competitive

in a highly competitive, turbulent and complex environment (Dede & Sazkaya, 2018). The needs of customers and their desires are changing ever so fast and organizations are doing their best to keep up with these demands and compete with other organizations striving to remain active and competitive in the global market, hence organizational learning as a strategic tool has been proposed in the field of modern management for gaining competitive advantage and stabilizing organizational success in the global market. Globalization, changes in the economy, the diverse workforce environment, and use of information technology has made organizations pursue learning as a competitive advantage (Wang & Ellinger, 2008).

According to Carrillo and Gaimon (2004) organizational learning is a knowledge-based resource capability that has become more important in the rapidly changing and fiercely competitive business world. Eketu and Ogbu (2015) states that organizations that demonstrate learning tend to be at advantage over its competitors. For organizational learning to be full effective requires employee loyalty. An individual can learn from the organization and will still not be loyal to the organization. Loyalty requires the total submission of the worker to the norms, values, objectives, goals, culture, missions and visions of the organization. Which is why it is of high importance for organization to recruit, train and mentor managers that will be efficient and effective in the day-to-day operations of the organizations and abide to norms, values and cultures of the organization; whom in turn will significantly transfer such training and mentoring to their subordinates thereby leading by example for others to follow.

Iqbal, Tufail and Lodhi (2015) define employee loyalty as employees being committed to the success of the organization and believing that working for this organization is their best option. Employees are a vital resource to every organization, especially since they represent a significant investment in term of locating, recruiting, training, salaries, healthcare, plans, bonuses amongst others (Iqbal *et al*, 2015).

According to Mehta, Singh, Bhakar and Sinha (2010) the loyalty of employee has become more difficult to obtain and give in organization. Employee loyalty seems like a quality that's becoming increasingly harder to find, because their loyalty might either be with the organization or to their superiors. The economy hardship is biting very hard on a lot of Nigerians, which makes it difficult for lots of Nigerians to survive with current minimum wage. A lot Nigeria workers are not contented with the wages paid by organizations because of the hyper-inflation in cost of commodities. Hence this might affect the workers loyalty to the organization.

Many scholars have carried out studies on employee loyalty. Eketu and Ogbu (2015) concluded in their findings that organisational learning improves workers loyalty in organizations. The findings of Unaam, Adim and Adubasim (2018) concludes that there was a significant positive relationship between employee loyalty and organizational citizenship behaviour. Although these previous studies considered the relationship between employee loyalty and several predictors, these studies did not consider the manufacturing industry. Hence a gap exists which this study seeks to fill examining the relationship between organizational learning and employee loyalty of manufacturing companies in Rivers State.

LITERATURE REVIEW

Organizational Learning

The concepts of organisational learning did not emerge until the 1950s by March and Simons in 1958 (Casey, 2005). As a result of the rising changes, trends, innovation and creativity through globalization, organizational learning has gained high recognition as means of improving the knowledge and skills of employees thereby making the organization to be highly competitive in the global market. The field of organizational learning has grown rapidly in the 1990s (Wang and Ellinger, 2008). Organization learning as a concept has gained so much recognition in a manner that managers of organizations and consultants need competitiveness. Wang and Ellinger (2008) stated that the concept of organizational learning has not only attracted the attention of scholars from disparate disciplines but also consultants and managers in the business world; all with the aim of gaining insight of the uncertainty and to prepare for challenges when they arise.

Organizational learning is a process that requires workers in a particular organization to have the core knowledge of the organization day-to-day operations and to also gain all the analytical knowledge of the organizations, develop the ability to think critically and creatively, which in turn will help in the growth and development of the organization. It requires the mentoring of superiors in the organization to ensure organization learning take place. According to Jones and George (2009) organizational learning occurs in a learning organization being an organization where managers try to maximize the ability of individuals and groups to think and be creative and thus maximize the potential for organizational learning to take place. Both authors further argued that organizational learning is the process through which managers seek to improve employee desire and ability to understand and manage the organization and its task environment. Eketu and Ogbu (2015) argues that organizational learning is concerned with the development of new knowledge or insights that have the potential to influence behavior. Organizational learning is about how people learn and behave in the organizations (Eketu & Ogbu, 2015).

Dimension of Organizational Learning

Templeton, Lewis and Snyder (2002) explained eight distinct dimensions of organization learning. The first dimension is awareness which means that organizational members know the sources of important organizational information and its relevance to current problem area. The second dimension is communication which represents the extent of communication that exists among organizational members. Templeton *et al* (2002) third dimension is performance assessment, it explains the contrast of process and outcome-related performance to organizational goals. Templeton *et al* (2002) fourth dimension is intellectual cultivation which explains the development of experience, expertise, and skill among exiting employees. The fifth dimension is environmental adaptability. This dimension refers to organizational reactions to environmental change. The sixth dimension is social learning which represents the extent to which organizational members gain knowledge of organizational concerns from social channels. The seventh dimension is intellectual capital management which according to Templeton *et al* (2002) means that an organization administers knowledge, skill, and other intellectual capital for long-term strategic gains. The final dimension (which is eighth) is organizational grafting which suggests that an organization capitalizes on the knowledge, practices, and internal capabilities of

other organizations (Templeton *et al*, 2002). Knowledge acquisition is the construct for this dimension (Cho, Ellinger, Ellinger and Klein, 2012).

This study adopted two dimensions of organizational learning from Templeton *et al* (2002), namely; performance assessment and intellectual cultivation.

Employee Loyalty

In every organization, there is an employer and there is an employee. For organization learning to be effective requires the loyalty of the employee. Unaam, Adim and Adubasim (2018) defined loyalty as a feeling of devotion, duty, faithfulness to a cause or attachment to somebody, something country or group. Loyalty may be experienced between two persons, or from a person to a group of people. For every organization to be successful and remain top of their game will depend on the knowledge it passed-on to the employee which in turn will strongly determine employee loyalty.

The loyalty of the employee starts with the employer. Mehta, Singh, Bhakar and Sinha (2010) stated that as an employer, one must understand why employees are emotionally connected to their business and it's generally much more than salaries, training, or benefits. According to Eketu and Ogbu (2015) an emotionally connected employees are the best employees because they are engaged and productive, and they feel validated and appreciated.

No matter the challenges, difficulties and tough situations faced by the organization (both now and in future), a loyal employee will never leave the organization. His emotional attachment to the organization would make him to continue to work beyond his targets and handle difficulties, challenges and strenuous task. A loyal employee will be so willing to put-in his upmost best to accomplish his day-to-day operations in the organization; which shows that the employee is also morally loyal. Al-Ma'ani (2013) define moral loyalty as the sense of commitment of the employees towards staying with the organization, and often this is enhanced by good support by the organization for its employees, allowing them to participate and positively interact, not only in the manner of implementing procedures or carrying out the work, but to contribute to the development of goals, planning and policy-making for the organization.

Dede and Sazkaya (2018) stated that the concept of employee loyalty includes, supporting and endorsing organizational objectives and staying with the organization. Koç (2009) stated that employee loyalty means that the employee strives for organizational interest rather than his or her own individual interest, and demonstrates behaviors of attachment and psychological belongingness towards these organizational interest.

Dede and Sazkaya (2018) identified three levels of feelings which employee may have towards the organization. They are high, medium and low level. In low level of organizational loyalty, the individual is not keen to adopt the organization's goals and objectives, striving towards those and continuing being a member of the organization. The individual loyalty to the organization is low as a result of personal, superior or external interest. In high level of employee loyalty, the individual's belief in organization is high, strives and shows effort, and desires to stay as a member of the organization both now and in the future which a typical example of emotional and moral loyalty is.

Measures of Employee Loyalty

Measuring employee loyalty depends on the policies of the organization. It also depends on the administrative functions of the organization. It can be measured as the result of overall performance and priority issues. Tomic, Tesic, Kuzmanovic and Tomic (2018) state that employee loyalty can be constructed by psychological measures that are able to capture a service employee's feelings towards the employing company. They further explained that employee loyalty can be measured through four indicators, they are; intention to stay, willingness to perform extra work, sense of belonging and willingness for more responsibility. Wan (2005) state that employee loyalty can be measured by aggregating four indicators into a single metric that can be monitored over time using the Satmetrix Systems' Employee Loyalty Index (ELI). These indicators include (i) overall satisfaction with the management (ii) deserves loyalty, (iii) likelihood to continue working at organization and (iv) likelihood to provide referrals for the organization. The first two indicators measure the attitudinal component of the employee's loyalty and others measure the behavioral component of the employee's loyalty (Wan, 2005).

An employee loyalty can be measured by: attitude expressed both on-the-job and off-the-job; sincerity, dedication and commitment; experiences; efforts put in the day-to-day operation; ideas and solutions towards a problem; stands-out for the organization; turnover, productivity and customer feedback; employee that proactively asks to do additional work to help organization achieve its goal and objectives; actively contributes to generate ideas, suggestions that improves the organization's business/revenues; always look for opportunities to help others, share experiences or knowledge; always willing to take challenging tasks and never say no; never hide issues, or other information. Proactively offers solutions; follows company policies, principles, discipline without fail and set example to others; Performance Appraisals; employee survey, customer feedback, third party view etc.

This study adopted two measures of employee loyalty; one from Tomic *et al* (2018) which is 'willingness for more responsibility;' the other from Wan (2005) which is 'deserves loyalty.'

Conceptual Framework

The conceptual frame work of this study is focused on the dimensions of organizational learning and measures employee loyalty. The study adopted two of Templeton *et al* (2002) dimension of organizational learning, namely performance assessment and intellectual cultivation.

This study further adopted two measures of employee loyalty; one from Tomic *et al* (2018) which is 'willingness for more responsibility' the other from Wan (2005) which is 'deserves loyalty.'

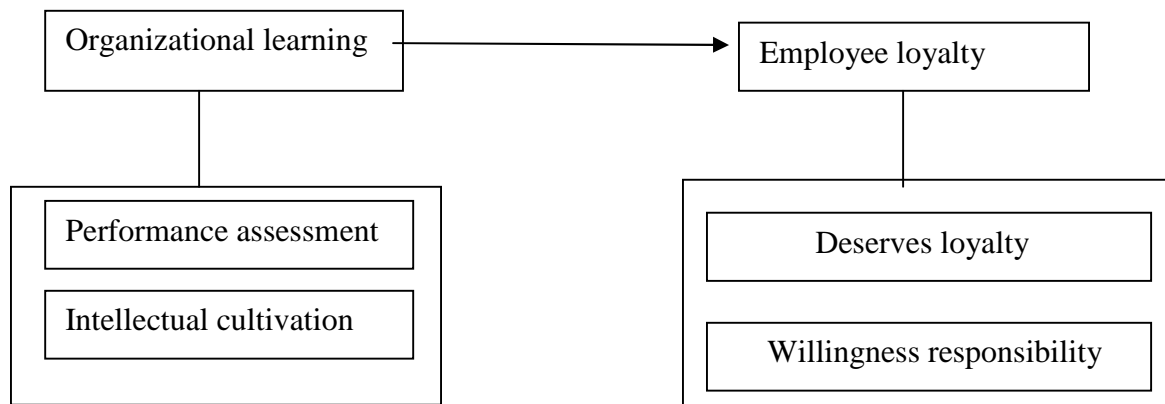


Figure 1: Conceptual frame work of the relationship between organizational learning and employee loyalty

Source: Desk Research, 2019

Relationship between Employee Loyalty and Organizational Learning

Tariq, Ilyas and Rehman (2017) did an assessment on employee loyalty through organizational attributes in Telecom sector. The result of their findings shows that loyal and determined employee are well worthy for any organization. Chen, Tsui and Farh (2002) investigated the relationship between loyalty to supervisor and employee's in-role and extra-role performance in comparison with that of organizational commitment in the People's Republic of China. Two studies were conducted. In the first study, a five-dimension loyalty to supervisor scale was developed and validated. In the second study, the relationships between loyalty to supervisor, organizational commitment and employee performance were examined. Results indicated that loyalty to supervisor was more strongly associated with both in-role and extra-role performance than organizational commitment. The findings are discussed in terms of their implications for future research and management practices in cross-cultural settings.

Mehta *et al* (2010) described the commitment and cohesion exercise, which is an instrument that increases the understanding of employees' attraction to "the ideal" or empowered organization. This exercise measured employees' perception of loyalty, values, and organizational commitment. They found that three conditions which are; loyalty, values and commitment, influence empowerment structures within an organization. Their exercise supported the notion of a stepwise movement from loyalty to value congruence (or agreement) to organizational commitment. It also demonstrates how progressive phases are associated with perceived quality of work life and connected to an empowered organization (Mehta *et al*, 2010).

Nasiri, Najafbagy and Nasiripour (2015) did a study on the impact of employee loyalty on the success of commercial organizations: A case study on the dealerships of heavy equipment in Iran, the results of their study highlighted that the loyalty of employees, through the quality of services that they offer and the direct and indirect connection that they have with the customers, has a strong positive impact on the loyalty and satisfaction of the customers. Likewise, having

loyal and satisfied customers is the success which commercial organizations are in pursuit of. Hence, commercial organizations must endeavor to absorb loyal employees and increase their organizational commitment.

Elizabeth (2006) examined organizational loyalty and dispute resolution strategies. It was found that workers with greater loyalty are more likely to embrace “voice” as a way to address their problems. The above studies from different scholars indicates that there is a strong relationship that exist between employee loyalty and organization learning. In view of the prevailing economic hardship and hyper- inflation in Nigeria as well as the constant demand for growth by globalization in the area of industrialization, there is need for employee to be given a high level of boost in their day-to-day operation, there is also the need for employee to be given a strong level of insurance on their job in the aspect of loyalty, which is why this study will ensure employee get that boost by try to know if the employee loyalty is with the superior or the organization.

From the foregoing, the hypotheses of the study are:

H₀₁: There is no significant relationship between deserves loyalty and performance assessment of manufacturing companies in Rivers State

H₀₂: There is no significant relationship between wiliness for more responsibility and intellectual cultivation of manufacturing companies in Rivers State

METHODOLOGY

This study examined the relationship between employee loyalty and organizational learning of manufacturing companies in Port Harcourt. The study adopted a cross-sectional survey and primary data was generated through self- administered questionnaire. The population for the study was one hundred and twenty four (124) employees of five (5) selected manufacturing companies in Port Harcourt. The firms are Nigerian Engineering works, Tredent Steel, New China Foot-ware, First Aluminum and REVOC. The sample size of 82 was determined using the Taro Yamane’s formula for sample size determination. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman’s Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 99% confidence interval and a 0.01 level of significance

DATA ANALYSIS AND RESULT

The level of significance 0.01 was adopted as a criterion for the probability of accepting the null hypothesis in ($p > 0.01$) or rejecting the null hypothesis in ($p < 0.01$).

Hypotheses One (H₀₁)

Table 1: Correlations

			PERFORMANCE_ASSESSMENT	DESERVES_LOYALTY
Spearman's rho	PERFORMANCE_ASSESSMENT	Correlation Coefficient	1.000	.882**
		Sig. (2-tailed)	.	.000
		N	82	82
	DESERVES_LOYALTY	Correlation Coefficient	.882**	1.000
		Sig. (2-tailed)	.000	.
		N	82	82

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

Source: Research Data, 2019

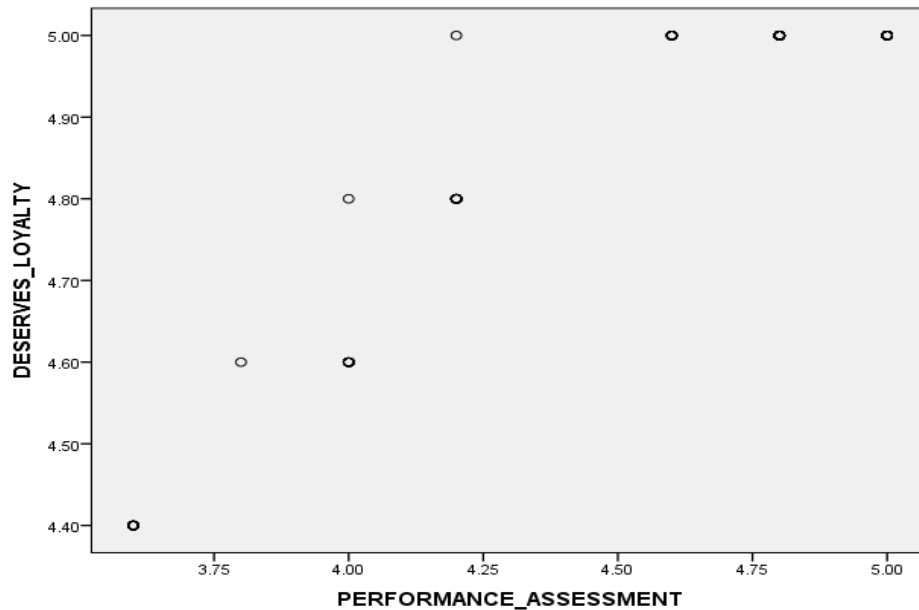


Figure 2: Scatter Plot for deserves loyalty and performance assessment

Discussions of Findings

The H₀₁ state there is no significant relationship between deserves loyalty and performance assessment of manufacturing companies in Port Harcourt. Based on the results of data derived from table 2 above (shows that $r=0.882$, $p=0.000 < 0.01$), the null hypotheses is rejected. This clearly shows there is a positive significant relationship between deserves loyalty and performance assessment ($r=.882$) which shows a strong correlation. This results corresponds with the findings done by Eketu and Ogbu (2015); Unaam et al (2018) and Dede and Sazkaya (2018) which states that organization learning has a strong relationship with employee loyalty. The scatter plot graph in figure 2 above moves upwards which shows the strong relationship between the two variables. The implication of this is that an increase in performance assessment will also lead to an increase in deserves loyalty.

Hypotheses Two (H₀₂)

Table 2: Correlations

			INTELLECTUAL_CULTIVATION	WILLINGNESS_RESPONSIBILITY
Spearman's rho	INTELLECTUAL_CULTIVATION	Correlation Coefficient	1.000	.970**
		Sig. (2-tailed)	.	.000
		N	82	82
	WILLINGNESS_RESPONSIBILITY	Correlation Coefficient	.970**	1.000
		Sig. (2-tailed)	.000	.
		N	82	82

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

Source: Research Data, 2019

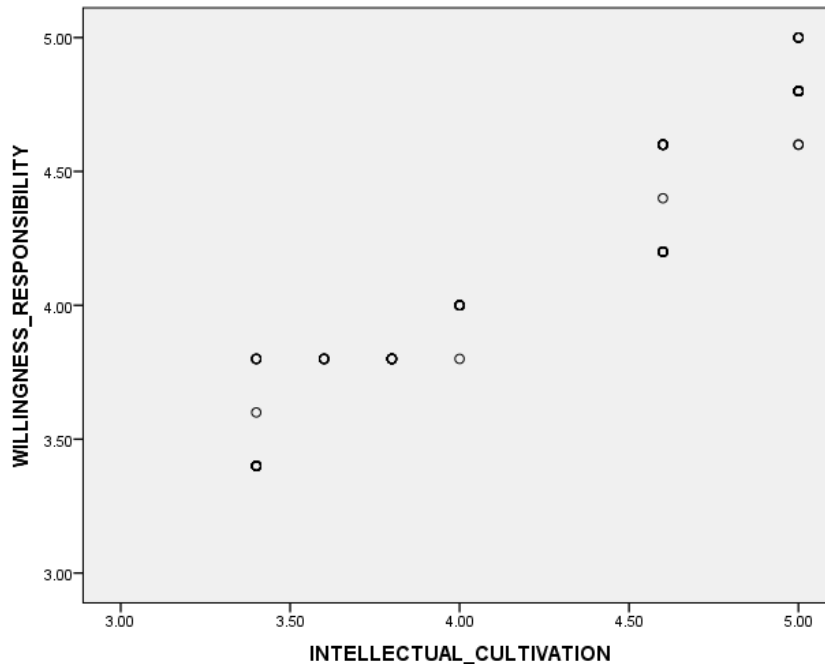


Figure 3: Scatter Plot for wiliness for more responsibility and intellectual cultivation

Discussions of Findings

The H₀₂ state there is no significant relationship between wiliness for more responsibility and intellectual cultivation of manufacturing companies in Port Harcourt. In view of the result data stated in table 2 above (shows that $r=0.970$, $p=0.000 < 0.01$), the null hypotheses is rejected. This clearly shows there is a positive significant relationship between wiliness for more responsibility and intellectual cultivation ($r=.970$) which shows a strong correlation. This is inline the research results done by Eketu and Ogbu (2015), their findings shows that there is a strong positive relationship between intellectual cultivation and employee emotional loyalty. The scatter plot

graph in figure 3 above moves upwards which shows the strong relationship between the two variables. The implication of this is that an increase in willingness for more responsibility will also lead to an increase in intellectual cultivation.

CONCLUSION AND RECOMMENDATION

Based on the results from the findings, the study concluded that there is a strong relationship between employee loyalty and organization learning of manufacturing companies in Port Harcourt (Rivers State) which also matches with what previous scholars have done. Employees are more loyal to their superiors. Although they are still loyal to the norms, values, policies, rules and regulation of the organization, but when comparing the employee loyalty between the superior and the organization, employees have far more greater loyalty to their superior than that of the organization. Drawing from the conclusion, the study recommended that organization should improve and enhance their learning activities by constantly assessing the performance of their employees so as to checkmate their loyalty. The organization should always evaluate their intellectual cultivation in order to also checkmate the employees' willingness to carry-out their responsibility. This in turn will maintain an effective employee loyalty system. The organization should be more creative and innovative thereby differentiating them from their competitors. The organization (made-up of top hierarchy like the managing director, general manager and board members) should ensure a proper upward and downward communication system in order to get information from both the superiors and employees on issues. Employees should be allowed to participate in decision making. The organization should hold weekly meetings with employees. The organization should properly adopt the human relation theory. Employee loyalty to the organization should be empowered and motivated (the Herzberg motivator theory should be applied). They should be allowed to make decisions while performing their task. The organization should structure a good recruitment process to recruit competent leaders or superiors with integrity. They should also create a feedback process on monitoring and checkmating both the superior and employee loyalty.

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Influence of Environment on Organizational Performance; A Study of Selected Small and Medium Enterprise in Anambra State

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Abstract: *The study examined the effect of environment on the organizational performance of small and medium scale enterprises in Anambra State. The major problem of this study was as a result of instability of business environment in Anambra State, Nigeria. The broad objectives of the study were to examine the effect of environment on the organizational performance of small and medium scale enterprises. The study comprised adopted survey method. Primary sources of data were mainly used. The area of the study was the selected small and medium scale enterprises firm in Anambra state. Questionnaire and semi structured interview were used to collect data from manager-owners and other key officers in the selected SMEs. The population of the study was 1393 SMEs, and a sample size of 304 was determined using Borg & Gall (1973). The research adopted two sampling techniques; purposive sampling and stratified sampling. Ordinary Least Squares Method of regression analysis was employed. From the analyses tested, the study found out that , Economic environment has significant effect on profitability of small and medium enterprise, Technological environment has significant effect on performance of small and medium enterprise, Financial environment has significant effect on performance of small and medium enterprise, Political environment has significant effect on performance of small and medium enterprise. The study recommended that the government of the day should endeavour to create an enabling environment that would be truly conducive for business organisations to thrive without engaging in any act of fraudulent practices. Government should empower the SMEs to access and get credits from the commercial banks through formal and informal entrepreneurship education for SMEs to develop their managerial capabilities and be more creditworthy. Certificates of attendance obtained from such trainings should be made a prerequisite for obtaining loans. Policies should be properly defined, and the possibilities of establishing an indigenous mini-bank for small scale industries in the states to enable them access loans at low interest rate.*

Keywords: *Environment, Economic environment, Technological environment, Political environment, small and medium enterprise, Technological environment*

INTRODUCTION

1.1 Background to the Study

No business organization can operate successfully in isolation without dependence on supportive institutions, variables and factors (Oginni, 2010) i.e business organization exists and operates within an environment where there is complex interplay in terms of activities as well as networks of relationship between and among human resources, material resources and other systems. In

the views of Aborade (2005) all business decisions are found to be contingent upon a good analysis of the environment which is often the bane of all the constraints as this environment creates the opportunities, threats and problems for the business organisation.

Evolving from this is the belief that business organization is an integral part of its environment on the ground that they are mutually interdependent and exclusive where the environment plays the role of providing the resources and opportunities to organization for its existence, and the business organization in turn, offers its goods and services to the people living in the environment for survival and enlightenment (Ajala, 2005). This is also in line with the views of Adi (2006) that the most important sole influence on organizational policy and strategy at any point in its development is the environment, both within and outside the organization.

Akanji (2013) was of the opinion that the more complex, turbulent and dynamic an environment becomes, the greater the impact on human attitudes, business, organizational structure, market and process as well as facilities, therefore there is need for all organizations to direct their attention to the environment when formulating their strategic management policies in order to facilitate their survival, growth and profit motives. Business environment means factors outside the control of the business that influence its objectives, functioning, strategies and the entire performance of the organization in an area (Ezedum; Agbo and Odigbo, 2011). The process of starting up and developing a business is more than an adventure. It is a challenge and it will be beneficial to the entrepreneur if a favorable business environment is created from the onset. According to Otokiti and Awodun (2007) , business environment is perceived to have been rarely exceeded in complexity, turbulence and in rapid change. As such, all organizations (large or small) must pay greater attention to their environment when formulating and implementing policies and strategies in order to survive and grow. The Nigeria business environment is characterized by factors such as low-sales; high cost of production: low capacity utilization; lack of foreign exchange to source needed inputs; poor power supply and low quality of goods and services, (Kennerly and Nelly, 2008). These issues have led to lack of proper integration and coordination of various corporate subsystems in Nigerian organizations. Thus, the likelihood of the vagaries and extremities of the environment affect the fortunes of organizations.

The environment aids business to embark on SWOT analysis. According to Idemobi (2010), SWOT analysis is a tool for auditing an organization and its environment, it is the first stage of planning, and it helps marketers to focus on key issues. SWOT stands for strengths, weakness, opportunities and threats, strengths and weakness are internal factors while opportunities and threat are external factors

Oginni & Adesanya (2013).SMEs in the whole world overplay a significant role towards the development of national economies, whether in the developed or developing countries. Studying the progress of SMEs is an activity that no country can take lightly because of the sector's significant contribution to a nation's economy. Wickert & Herschel (2015) suggest that 97.9% of all companies in Germany fall within the SME sector category. Concurring with the above, Wimmer & Wolter (2006) further add that SMEs provide 36% of all the industrial investments. SMEs account for 97% of all the private sectors businesses and produce 30% of the nation's output. A national policy on Small and Medium Enterprises formulated in July, 2002 to develop

SMEs in Zimbabwe by its report in 2012 maintains that 70% of the nation's Gross National Product came from the SMEs sector, (Magenisa, Dugal and Rafael 2013).

In Nigeria, the recent survey of formal sector of small and medium enterprises by the National Bureau of Statistics and Small and Medium Scale Enterprise Development Agency (SMEDAN) reveals that 92.8% of the enterprises are small scale, while 7.22% are medium scale enterprises, (NBS/ SMEDAN 2012). Small Scale enterprises also account for 70% of national industrial employment if the threshold is set at 10 - 50 employees and contribute 10% of manufacturing output in Nigeria (Ajayi 2006). More so, Eke (2007) states that Small scales business accounts for over 93% of the total entrepreneurs in Nigeria.

However, despite the number of SMEs, the performance of the sector still falls below expectation in Nigeria Abiodun (2011). This may be because the sub- sector has been bedeviled by several environmental factors militating against its performance. This calls for an empirical investigation. Thus this study examines Business environment and performance of SMEs in South East, Nigeria, with specific reference to the manufacturing subsector.

Business environment encompasses those factors within and outside that effect an industry operations and it includes customers, competitors, industry trends, technological developments etc. this implies that no business operates in a vacuum, Ezedum, Agbo and Odigbo (2011). Robbins (2007) avers that environment of organization is very crucial not only as a determinant of structure but because it is expedient that organizations have to adapt to their environment if they are to maintain and increase their effectiveness. The views of the National council on industry on micro, small, medium and large scale industry as well as that of European Commission (2003) were considered as forming the bases of SMEs classification in the Nigeria context. Firm performance was seen as a focal phenomenon in business studies and operation which refers to a firm's success in the market which may have outcomes and characterized by ability to create acceptable outcomes and actions, Salanak (2008). It can be measured by financial or non-financial factors. The study adopted the non-financial approach and reviewed non-financial factors such as Infrastructural accessibility, Government policies, Business credit Interest rates and the new Technology.

A careful examination of several studies both empirical and contextual in this study indicates a vast degree of literature on business environment and performance, thereby placing this study with framework of existing literature. Regrettably, this study noted that the result of most of these empirical works conducted have not been conclusive or did not treat at all the effects of business environmental factors (internal and external) on economic environment, technological environment, financial environment, and political environment all under external environment. More so, while these studies adopted financial indices to measure performance, this study intends to adopt the non-financial factors to measure the performance of the selected SMEs in Anambra state Nigeria in order to fill up this gap.

REVIEW OF RELATED LITERATURE

Business Environment

Business environment according to Ukeje (2002) encompasses all those factors within and outside that affect an industry's operation and it includes the following variables customers, competitors, suppliers, industry trends, regulations, other forms of government activities, social, economic and technological factors. By this, it means that no business operates in an environment where it constantly interacts with these internal and external forces. Robbin (2017) asserts that environment of business is very important not only as a determinant of structure but a factor that must be harnessed by organizations to ensure overall organizational effectiveness.

Earnest, Agbo and Odigbo (2011) perceive business environment as factors outside the control of business that influence its objectives, functioning, strategies and the entire performance of organization in an area. They further classified business environment into internal and external environments. Internal environment of business hinges on human activities like production, extraction or marketing and includes man, money, machinery, materials and management (5Ms). External environment of business are variables that a firm acts and reacts to outside the business which affect implementation and profitability of the business. External business environment may be subdivided into micro and macro environment. Micro environment is the crucial environment in the immediate ambience of the business known also as the operating environment. This according to Ezedum, Agbo and Odigbo (2011) maintain that the variables that affect the capacity of the business to work smoothly are suppliers, intermediaries, competitors, consumers and the public. Macro environments are those factors that may create both opportunity and threat to the business which may be economic and / or non economic.

Several environmental dimensions had been presented in the literature for describing the quality of business environment. Dess and Beard (2004) distinguish between dimensions such as munificence, dynamisms and complexity. Munificence refers to the environmental capacity as the extent to which the environment can support sustained growth. In general, a munificence environment is regarded as more favorable for business success than a scarce environment. Dynamism is related to the turbulence, that is, the dimension of stability versus instability. It has been found that small firms that face an environment with increasing dynamisms tend to grow faster than others, Wiklund (2008).

2.2: Theoretical Framework

Herzberg Two Factor Theory

The Two Factor Theory was advanced by Frederick Herzberg in 1959. This study is grounded on this theory that has been explored by various scholars to explain the relation between workplace environment and employee performance. Herzberg defined two sets of factors in deciding employees' working attitudes and levels of performance, named motivation and hygiene factors (Robbins and Judge, 2007). He stated that motivation factors are intrinsic factors that will increase employees' job satisfaction; while hygiene factors are extrinsic factors to prevent any

employees' dissatisfaction. The theory pointed out that improving the environment in which the job is performed motivates employees to perform better.

Herzberg's theory concentrates on the importance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing and evaluating their work (Schultz et al., 2010). The content of the theory has been widely accepted as relevant in motivating employees to give their best in organizations. Further research has proved that the employee is more motivated by intrinsic factors as captured by Herzberg's motivator needs than anything else.

There are however other schools of thought that share a different opinion from Herzberg's. One such scholar is King (2005) who sought to eradicate and evaluate five distinct versions of the Two Factor theory. He concluded that two versions are invalid as they are not supported by any empirical studies. However, the two factor theory can be said to be a truly outstanding specimen for it to last a long period of time without disapproval. It has been a great influence on the body knowledge about workplace motivation and performance. It has generated a great amount of further research by many scholars. It draws its thought from Maslow's famous hierarchy of needs theory and human behaviour. However due to changes in organizational environment and the advancement in technology, it is necessary to develop new methods of analysis. This will provide new ways of conducting research and reevaluating the results of existing findings.

Empirical Review

Mohammed, Ghazali, Awang, Tahir, & Azman, (2015) examined the effect of finance, infrastructure, and training on the performance of SMEs in Nigeria. The findings indicate that finance, infrastructure, and training have a positive and significant effect on the performance of SMEs in Nigeria. This suggests that there is a dire need for finance, infrastructure, and training to be given adequate concentration as they serve as the engine of boosting the performance of SMEs in Nigeria. Obokoh, & Goldman, (2016) examine the effects of infrastructure deficiency on the performance of manufacturing small and medium sized enterprises in Nigeria. To complement this, semi-structured interviews were conducted in 2007 and 2011 respectively. The deficiency in infrastructure negatively impacts the profitability and performance of SMEs, due to the high cost incurred by SMEs in the self-provision of infrastructure and distribution of finished goods. Furthermore, despite the successful privatization of electricity production in November 2013, there is still no significant improvement in the power supply in Nigeria.

Oduyoye, Adebola, & Binuyo, (2013) Studied the infrastructure support activities of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in her bid to ensure the growth of cooperative financed small and medium scale enterprises in Ogun State, Nigeria between 2005 and 2010. The study revealed that the provision of Infrastructure Support by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was not significant to the growth of some selected businesses (especially cooperative-financed small businesses) in Ogun State, Nigeria, within the study period of 2005 – 2010. Akinyele, Akinyele, & Ajagunna (2016) examined the effect which infrastructures have on SMEs performance. The findings show that there is a significant positive correlation between infrastructures and SME performance,

Harash, Yahya, Ahmed, & Alsaad, (2013) examined the effect of market practices on the performance mainly concentrated large companies. The review of the small and medium enterprises (SMEs) literature reveals limited research has attempted to investigate the moderating effect of government policy in SMEs, particularly in the Iraq context. This study general review the moderating effect of government policy on the relationship between market practices related to the provision of high quality products and market activities such as personal selling, sales promotion, advertising, pricing-related issues, and distribution coverage and financial performance of SMEs in the Iraq. Eniola, & Entebang, (2015) Government Policy and Performance of Small and Medium Business Management. The study reviews the relationship between government policies and small and medium enterprises (SMEs) performance in Nigeria. The study offered some relevant recommendations to policy makers, entrepreneurs, and SME managers to ensure the appropriate scheme to improve the SME sector in Nigeria.

Simiyu, Namusonge, & Sakwa, (2016) determine the effect of government policy and regulations on the growth of women owned Micro and Small Enterprises in Trans Nzoia County, Kenya. The study found out that Government policy and regulations had statistically insignificant relationship with growth of women MSEs at 0.05 level of significance. Jibrilla, (2013) examined the impact of government interventions on Small Scale enterprise in Mubi North local government Area. As a result SSEs operators do not feel the relevance of these interventions. Finally, based on the findings of the study the following recommendations are made: government should embark on the sensitization/awareness creation and also reduce the conditions to be met before accessing the interventions.

Sahrom, Tan, and Yahya, (2016). examine the relationship between regulation, incentives and government policy to R&D (research and development) engineers' innovative behaviour in Malaysia biotechnology SMEs. Incentives were insignificant to innovative behaviour. Shamsuddin, (2014) examined the relationship between the Government Business Support Services (GBSS) (relating to financial support and non-financial support) and the performance of Small and Medium Enterprises (SMEs) in Malaysia. The outcome of this study provides new knowledge and important insights for government agencies, such as SME Corp., to look further at the programmes and guidelines, and enforce new policies toward improving the performance of SMEs in Malaysia.

METHODOLOGY

Research Design

According to (Adams, 2010), research design describes a number of decisions which need to be taken regarding the collection of data before ever the data is collected; A schematic guides which directs a researcher in solving research problem.

The research design that was adopted in this study is the survey design, Personal observation, interview and questionnaires were used in this study to seek clarifications and convenience on the part of the respondent given schedules.

Population of the Study

This describes characteristics of SMEs in, Anambra, which constitute the universe of this study. The population of interest therefore consists of all operational SMEs in the Anambra states (between 2006 and 2016) with not less than 10 employees. Thus the population of this study is 1393 SMEs. This population figure was derived from NBS/SMEDAN MSME collaborative survey for 2019.

Sample Size and Sampling Technique

Given the nature of this study, it was difficult to cover the entire population of (4871), so a fair representative sample of the population therefore was imperative. Accordingly, the sample size for the study was determined by using the Borg & Gall (1973) formular for calculating sample size as follows

$$n = (1.960)^2 (0.05) [1393]$$

$$n = (1.960)^2 (0.05) [1393]$$

$$n = (3.8461) (69.65)$$

$$= 304.88 \implies 304$$

$$n = 304$$

Sampling Technique

The research adopts two sampling techniques namely purposive sampling and stratified sampling. Purposive sampling enables the researcher to choose at respondents that was of interest to the study while the stratified random sampling permits each of the different respondents in the states to be selected without bias.

Method of Data Collection

Two methods of data collection involving quantitative and qualitative method were adopted for this study. The quantitative method makes use of questionnaire and for the qualitative, a semi structural interview was conducted which serves as a supplementary data for the quantitative method which was subject to data analysis.

Method of Data Analysis

Statistics such as frequency count and percentages were put to use in the analysis of research questions while research hypotheses were tested using correlation analysis and simple regression analysis. The research hypotheses were tested at 0.05 level of significance. Analysis was carried out with the aid of Statistical Package for Social Sciences (SPSS).

Presentation of Regression Result

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	25.149	3	6.287	40.530	.000 ^b
Residual	51.656	290	.155		
Total	76.805	293			

a. Dependent Variable: ORP

b. Predictors: (Constant), EE, TCE, FE, POE)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.551	.153		10.111	.000	1.249	1.853
EE	.279	.036	.364	7.761	.000	.350	-.208
TCE	.190	.031	.296	6.112	.000	.129	.251
FE	.058	.021	.145	2.836	.005	.099	-.018
POE	.030	.024	.063	3.267	.006	.077	.017

a. Dependent Variable: ORP

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.572 ^a	.627	.619	.39386	.327	40.530	3	290	.000	1.758

a. Predictors: (Constant), EE, TCE, FE, POE

b. Dependent Variable: ORG

Interpretation of the Result

The Coefficient of determination otherwise known as the goodness of fit explains the percentages, proportion or total amount of variations in the dependent variables as a result of changes in the independent variables included in the model. This portrays the usefulness or rather the significance of the regression. The closer its values are to 1 the better the fit since the value is usually 0-1.

From our regression result, R^2 is 63%. This implies that the independent variables can explain about 63% of the variable in the dependent variable, leaving the remaining 47% which would be accounted for by other variable outside the model.

The F- statistics: This is used to test for the overall significant of the model. . From the result in table 4.4 above, our computed value of F- statistics are 40.530, while the probability is 0.000000. Since the probability of the F- statistics in the computed output is less than the desired 0.05 level of significance, we accept and state that there is a significant relationship between the variable of the estimate and that of the dependent variable

A’priori Criteria: This is determined by the existing business theories; it also indicates the signs and magnitude of the business parameter under review. In table 4.4 above, we find out that economic environment (EE) has a positive sign given its value as 0.279; this implies that a unit increase in economic environment (EE) increases the organizational performance by 27%, this conform to the a’ priori technological environment (TCE) has a positive sign and its value is 0.190; this implies that a unit increase in technological environment (TEC) increases the organizational performance by 19%, this also conforms to theoretical expectations. Financial environment (FE) has a positive sign and its value as 0.058; this implies that a unit increases in financial environment (FE) increase the organizational performance by 5%; this conforms to a’ priori expectation. Lastly it was observed that political environment (PE) has positive sign and organizational performance in Anambra state.

T- Statistics: This is carried out to measure the significance of individual explanatory variables in the model that is to find out the significant influence of explanatory variables on the dependent variables at chosen level of significance. It was discovered that economic environment (EE) is statistically significant at 5% level, it is highest among all (7.761), and this implies that it contributes significantly to organizational performance.

Technological environment (TCE) is positively significant at 5% level. This implies that it is one of the determining factors of firm performance as it contributes positively to organizational performance in Anambra state. Financial environment (FE) is also positively significant lastly political environment has no significant impact on organizational performance in Anambra state

Test for autocorrelation: This is used test whether errors corresponding to different observation are uncorrelated. If the value of the durbin-watson from the regression result is close to 2 no autocorrelation in that regression result, but if it deviates significantly then there is autocorrelation. The Durbin-Watson statistic (D.W) of 2 reveals no autocorrelation in the models. Hence, the result is good for business analysis because the Durbin Watson result is 1.7

Hypotheses Testing

Hypothesis One

The hypothesis formulated in chapter one of this study have to be verified in order to find out the validity or otherwise of such proposition. The research hypothesis is based on relevant statistics from the regression result which is tested on the basis of quantitative statistical analysis in this study.

Ho: Economic environment does not significantly affect the productivity of small and medium scale enterprise.

Drawing inference from our regression result in table 4.4 above, we found that the value of economic environment is 7.761, while its probability is 0.000, this shows that direct employees’ participation is positively significant. Furthermore since its probability (0.000) is less than 0.05% level of significance, we reject the null hypothesis (H0) and accept alternative hypothesis (H1) which says that there is significant relationship between economic environment and small and medium scale enterprise.

Hypothesis Two

H₀: Technological environment has no significant effect on the productivity of small and medium scale firms.

From table 4.4 above, we find out that computed value for technological environment is 6.112 while it's probability is 0.00 this shown that the Delegation is positively significant at 5% level of significant. Based on this analysis we accept (H_i) and reject (H₀), which implies that there is significant relationship between technological environment and organizational performance in small and medium scale enterprise.

Hypothesis Three

H₀: Financial environment does not have a significant effect on the organizational productivity of small and medium scale enterprise

From table 4.4 above, we find out that computed value for financial environment is 2.836 while it's probability is 0.000 this shown that the financial environment is statistically significant at 5% level of significant. Based on this analysis we accept (H_i) and reject (H₀), which implies that there is significant relationship between financial environment and Organizational performance in the small and medium scale enterprise

Hypothesis Four

H₀: Political environment does not significantly affect organizational productivity of small and medium scale enterprise.

Drawing inference from our regression result in table 4.4 above, we found that the value of Political environment is 3.267, while its probability is 0.007, this shows that Political environment is positively significant. Furthermore since its probability (0.077) is greater than 0.05% level of significance, we reject the alternative hypothesis (H₁) and accept null hypothesis (H₀) which says that there is significant relationship between Political environment and Organizational performance in the small and medium scale enterprise

Discussion of the Findings

The study analyzed the business environment and organizational performance of small and medium scale enterprise. The findings revealed that there is significant relationship between business economic environment and organizational performance of small and medium scale enterprise. It was noted earlier in this work that Lack of a conducive business economic environment will give rise to poor organizational performance, as business environment is a crucial factor organizational performance. A conducive business economic environment gives rise to the feeling of comfort, security and above all increase in productivity thus giving rise to enhanced or increased organizational performance.. Therefore, organizations are advised to look into their business economic environment for maximum organizational performance. These findings is in line with the work of Adejo, (2012) and Francis and Olori, (2017) who found out that there is significant positive relationship between business economic environment and organizational performance of small and medium scale enterprise.

Secondly, the study found out that there is significant relationship between technological environment and Organizational performance in the small and medium scale enterprise. Data analyzed in the light of this showed that Good technological environment are time saving, motivating and empowering to employees. These technological environments also provide avenues for managers to take on new opportunities (Ghosh, lafontaine and Lo, 2012). Good technological environment provides managers with more time to perform other tasks without getting overworked. However, managers should only delegate to individuals who are skilled enough to do the task at hand. The finding is in line with the study of Bell and Bodie, 2012 who found out that there is significant positive relationship between technological environment and small and medium scale enterprise.

Thirdly the study found out that there is significant relationship between financial environment and Organizational performance in the small and medium scale enterprise. Financial environment has been found to lead to reduced performance and increased levels of subjective strain” (Paridon & Kaufmann, 2010,). It is not debatable that the commercial banks form the largest source of funding for small SMEs. Because of the nature of credit available to them, commercial banks specialize in the short term lending and working capital funding in form of overdraft. Before a credit is granted the bank requires a well formulated business proposal to convince them as to financial needs of the business and how the credit can be serviced and repaid if granted. The purpose of borrowing determines the type of loan to be granted. If the potential borrowing is a credit risk, or if the amount of fund being applied for exceeds the amount that the bank manager considers reasonable on unsecure basis, then security is required

Fourthly, the study found out there is no significant relationship between political environment and Organizational performance in the small and medium scale enterprise. Political environment is important at every level of the organization including; top management, supervisors and lower level employees (Kotlar et al. 2018). The organization’s political environment usually include the internal and external working procedures that bind all tiers of the organizational for improving productivity. Hence, it is also in the best interest of the organization to encourage and enlighten employees on adequate political environment procedures for increased productivity (Kotlar et al, 2018). Proper political environmental dictates involves establishing clear goals on a daily basis. A good political environmental dictates should be written and recorded for subsequent analysis. The finding is in line with the study of Arnold and Pulich, 2004who found out that there is significant positive relationship between political environment and small and medium scale enterprise.

CONCLUSION AND RECOMMENDATION

Conclusion

The study focused on the effect of Business environment on the performance of small and medium scale enterprises in Anambra state Nigeria. The study adopts descriptive statistics and ordinary least square method on a time series data. The study regressed Business environment on organizational performance in Nigeria. The regression result reveals that about 89.% of the systematic variation in the dependent variable is explained by the four independent variables.

The F-statistic is significant at the 5% level showing that there is a linear relationship between the Business environment and the four independent variables. The researcher selected five firms from the each senatorial zone in Anambra state. Three hundred and four copies of the questionnaire were distributed but only two hundred and ninety-three were successfully filled and returned, with a response rate of 98.4%. The analysis was done using E-view package. This was chosen because it gives us fast, accurate and reliable result. The study conclude that business environment has positive significant effect on small and small medium in Nigeria

Recommendations

In line with the findings of the study the following recommendations were made:

1. That the government of the day should endeavour to create an enabling environment that would be truly conducive for business organisations to thrive without engaging in any act of fraudulent practices.
2. The benefits and need to go for technology development through either technology transfer or technological innovations or inter-firm linkages should be emphasized in the light of dimensions of global competition and its negative fall outs as well as positive opportunities, to small and medium scale industries entrepreneurs through seminars and work shop, at the local level.
3. Government should empower the SMEs to access and get credits from the commercial banks through formal and informal entrepreneurship education for SMEs to develop their managerial capabilities and be more creditworthy. Certificates of attendance obtained from such trainings should be made a prerequisite for obtaining loans
4. Policies should be properly defined, and the possibilities of establishing an indigenous mini-bank for small scale industries in the states to enable them access loans at low interest rate.

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Government Expenditure and Economic Growth in Nigeria: A Disaggregated Analysis

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Abstract: *The study investigated the effect of government expenditure on economic growth in Nigeria within a period of 33years spanning (1987-2019). Data collected were from the Central Bank of Nigeria (CBN) Statistical Bulletin, where government expenditure on agriculture, government expenditure on health, government expenditure on education as the independent variables and real gross domestic product as the dependent variable. Multivariate model was developed in this analysis and Ordinary Least Square (OLS) regression analyze was used for the analysis, The Unit root test, co-integration approach and error corrections model were used for the analysis. It was also revealed from the result of our estimated model that government expenditure on education has a positive and insignificant impact on the Nigerian economy. It was also discovered that government expenditure on health has a positive and significant impact on the Nigerian economy. It was also discovered that government expenditure on agriculture has a positive and significant impact on the Nigerian economy. The study recommend that CBN should do more to encourage borrowing by bringing the lending rate to single digit to boost agricultural production in the rural settings.*

Keywords: *Government expenditure, economic growth, government expenditure on agriculture, government expenditure on health, government expenditure on education, real gross domestic product*

Introduction

A fundamental question in macroeconomic literature and traditional theory of growth is whether increasing government spending promotes economic growth (Alshahrani & Alsadiq, 2014). A review of relevant literature suggests that there is an extensive debate on whether government spending on specific social and economic services is growth-enhancing, or growth-retarding. Government expenditure is the total of the federal, state and the local government spending including transfers to parastatals and the other levels of government (Anyato, 2016). The term economic growth is described as the positive and sustained increase in aggregate goods and services produced in an economy within a given time period.

The relationship between government expenditure and economic growth has continued to generate series of debate among scholars. Keynes (1936) maintains that government could reverse economic downturns by borrowing money from the private sector and then returning the money to the private sector through various spending programs. High levels of government consumption are likely to increase employment, profitability and investment via multiplier effects on aggregate demand. Thus, government expenditure, even of a recurrent nature, can contribute positively to economic growth (Chude & Chude, 2013). On the contrary, a number of prominent authors of the neoclassical school argued that increased government expenditure may

slow down the aggregate performance of the economy because in an attempt to finance rising expenditure government may have to increase taxes and or borrowing (Amassoma, Nwosa, and Ajisafe, 2017) (Iweriebor, Egharevba, &. Adegboye, (2015). (Chukwubudom & Okoro, 2017), (Ademola, 2012).

The higher income tax may discourage or may be a disincentive to additional work, which in turn may reduce income and aggregate demand. In the same manner, high corporate tax leads to increases in production costs and reduced profitability of firms and high investment expenditure (Ighodaro, & Oriakhi, 2017). Sachs (2006) argues that among the developed countries those with high rate of taxation and high social welfare spending perform better on most measure of economic performance compared with countries with low tax rates of taxation and low social services spending. Hayek (2009) however argued that high levels of government spending engendered social fairness, economic equality and international competitiveness. This argument is in line with Sudha (2007) who pointed out those countries with large public sectors have grown slowly. Thus, there is no general consensus among scholars on the impact of increasing government expenditure on economic growth. The level of increase of government revenue from oil revenue and non-oil revenue including borrowing from internal and external sources has significantly affected the level of government expenditure in Nigeria over the years under review.

The mismatch between the performances of the Nigerian economy and massive increase in government total expenditure over the years raises a critical question on its role in promoting economic growth and development. Some authors such as (Oluwatoyin, Folasade and Fagbiminiyi, 2015) (Yaqub, Ojapinwa and Yussuff, 2016) contend that the link between public expenditure and economic growth is weak while others report varying degree of causal relationship in Nigeria (Onokoya 2013). It is against the above background that this study in government expenditure and economic growth is being undertaken. Over the past decades, the effect of government expenditure on economic growth has attracted significant attention from finance and development experts. Government sometimes increases expenditure and investment in unproductive projects (white elephant) rather than goods that can better (efficiently) be produced by the private sectors. This often produces misallocation of resources and impedes the growth of national output. The studies conducted by (Laudan, 1986), (Barro, 1991), and (Engen, Skinner, Folster, and Henrekson, 2001) asserted that increasing government expenditure may slowdown overall performance of the economy. That is, financing government increasing expenditure by raising taxes or borrowing may induce long-run adverse effects, as higher taxes discourages innovation which in-turn results in lower income and aggregate demand. Likewise, if government finances her expenditure by domestic borrowing, it may crowd-out private investors hereby mitigating the level of growth.

Available statistics show that total government spending has continued to rise steadily all through the years observed (Desmond et al, 2012). The total government recurrent expenditure has consistently been on the increase with about 18 percent rise from 1970-1985 and about 10 percent increases from 1990-2005; in the same manner the capital expenditure has maintained similar upward trend. Whether this continuous increase has accentuated the level of growth of

the Nigerian economy has necessitated the need for this research work. This research therefore investigated the effect of government spending on economic growth in Nigeria.

REVIEW OF RELATED LITERATURE

Theoretical Framework

The Keynesian Perspective on Government Expenditure

John M. Keynes, a British economist and the father of macroeconomics argued that public expenditure is a fundamental determinant of economic growth. Keynes theory made it clear that fiscal policy instrument (i.e., government expenditure) is an important tool for achieving short-term stability and long run growth rate. To achieve stability in the economy, this theory prescribes government interventions in the economy through economic policy specifically fiscal policy. From the Keynesian idea, public expenditure will contribute positively to economic growth.

Keynes argued that there is need for government to intervene in the economy because government could alter economic downturns by borrowing money from the private sector of the economy and then returning the money to the private sector through its various spending programmes. In addition, government capital and recurrent expenditure in the building of quality class rooms, laboratories, purchase of teaching and learning aids including computers and payment of salary will have multiplier effect on the economy. Expenditure in education will improve productivity and development by raising the quality of the labour force. It will also help in creating a body of educated leaders in both the private and public sectors of the economy to plan and manage the economy.

Following the 1929-30 Great Depression, the classical economists that opposed government intervention argued that strong trade unions prevented wage flexibility which resulted in high unemployment. The Keynesians, on the other hand, favoured government intervention to correct market failures. In 1936, Keynes published the “General Theory of Employment, Interest and Money” which criticized the classical economists for putting too much emphasis on the long run. According to Keynes, our problems are short-run problems. We do not believe in the long-run because in the long-run, we are all dead. Keynes believed depression needed government intervention as a short term cure. Increasing saving will not help but spending. Government should increase public spending by giving individuals the purchasing power and producers would produce more, creating more employment. This is the multiplier effect that shows causality from public expenditure to national income. Keynes categorized public expenditure as an exogenous variable that can generate economic growth instead of an endogenous phenomenon. Keynes believed the role of government to be crucial as it can avoid depression by increasing aggregate demand and thus, switching on the economy again by the multiplier effects.

Government spending is a tool that brings stability in the short run but need to be done cautiously as too much of public expenditure would lead to inflationary situation while too little of it would lead to unemployment. From the Keynesian thought, public expenditure can contribute positively to economic growth. Hence, an increase in government consumption is likely to lead to an increase in employment, profitability and investment through multiplier

effects on aggregate demand. As a result, government expenditure augments the aggregate demand, which provokes an increased output depending on expenditure multiplier. The Keynesian analysis of government expenditure formed the bases for this research. Of all economists who discussed the relation between public expenditures and economic growth, Keynes was among the most noted with his apparently contrasting viewpoint on this relation. Keynes regards public expenditures as an exogenous factor which can be utilized as a policy instrument to promote economic growth. From the Keynesian thought, public expenditure contributes positively to economic growth. Hence, an increase in government consumption is likely to lead to an increase in employment, profitability and investment through multiplier effects on aggregate demand. As a result, government expenditure augments the aggregate demand, which provokes an increased output depending on expenditure multipliers.

Review of Empirical Literature

Idoko, and Jatto, (2018) examined the relationship between government expenditure on agriculture and economic growth in Nigeria (1985- 2015). The multiple regression results of the study revealed that there exists a positive and significant relationship between government expenditure on agriculture and economic growth in Nigeria. Based on the result of the findings, recommendations such as government should formulate policies aiming at promoting government expenditure and domestic savings across the country to promote economic growth among others were made.

Iganiga and Unemhilin (2011) examined the effect of Federal government agricultural expenditure on the value of agricultural output between the period of 1985-2009. Federal government capital expenditure was found to be positively related to agricultural output..

Kumar, and Dkhar, (2019) examined the short and long run relationship between government expenditure on agriculture and its allied sector and agricultural output of Meghalaya. The results reveal that in the long run, the effect of public expenditure through agriculture and allied activities, on agricultural output is significantly negative, while expenditures on education and transport on agricultural output are significantly positive that is in line with several earlier studies.

Mohd., Muhammad, and Razak, (2012) studied the long-run relationship and causality between government expenditure in education and economic growth in Malaysian economy. it is found that the economic growth is a short term Granger cause for education variable and vice versa. Furthermore, this study has proves that human capital such as education variable plays an important role in influencing economic growth in Malaysia.

Obi, Ekesiobi, Dimnwobi, and Mgbemena (2016) examined government education spending and education outcome in Nigeria from 1970 – 2013.. Public health expenditure and urban population growth were also found to have positive effects on education outcome but are non significant in determining education outcome.

Oriakhi, and Ameh, (2014) evaluated the influence of government expenditure on the education sector in Nigeria from 1986-2012. Used a time series Linear forecasting model, The use of co-integration in this work showed there is a long-run relationship between the variables and they are statistically significant. The variables were on Gross domestic product public expenditure on education, education output and inflation rate

Obi and Obi (2016) analyzed impact of education expenditure on economic growth as a means of achieving the desired socio-economic change needed in Nigeria. The study used time series data from 1981 to 2012. Findings indicate that though a positive relationship subsists between education expenditure and economic growth, but a long run relationship does not exist over the period under study.

Yun, and Remali (2017) analyzed the determinants of the public education expenditure in Malaysia during the period of 1982 to 2015. However, the finding of a positive relationship between the inflation rate and public education expenditure contradicted the Keynesian Counter-Cyclical Theory.

Adhwa, Kauthar and Farah. (2018) studied the existence of long run relationship and short run causality by priority of Malaysia Government on spending for education and healthcare towards the effects of GDP on nominal values. The results revealed that in the long run, higher Government expenditure on human capital was co integrated with increasing nominal GDP values. In the short run the relationship of both healthcare and education in pair with nominal GDP were significantly bidirectional, except for inflation rate which both directions were insignificant.

Nura and Hussaini. (2015) investigated the relationship between government spending on education and economic growth in Nigeria using annual time series data for the period of 1981 to 2013 The error correction term is negative and statistically significant. This suggests there is no sign of any problem in the adjustment from short run to long run equilibrium.

METHODOLOGY

Research Design

The type of research design adopted in this study is *ex-post facto* research.

Nature and Sources of Data

The data used for this research work is mainly secondary data which were collected from the Central Bank of Nigeria's Statistical Bulletin 2019.

Model Specification

The fundamental linear equation which forms the model is drawn from the theoretical and empirical literature reviewed in the previous chapter. It is observed that there is a causal link between government expenditure and the Nigerian economy. In this section, we pursued the same objective further by specifying our model. The model is then used to verify the government expenditure determinants on the Nigerian economy. The Study modified the work of Kumar &

Dkhar (2019) which examined the short and long run relationship between government expenditure on agriculture. Their model was adapted by this present study. Their model is stated as:

$$AGO=f(EDX, TRPE)$$

Where

AGO = Real gross domestic product

EDX = Government expenditure on education

TRPE = Government expenditure on transport

Our present study modified the above model to suit our objectives as follows:

$$RGDP=F(GOA, GOE, GOH, GOM).$$

Where

RGDP = Real gross domestic product

GOA = Government expenditure on Agriculture

GOE = Government expenditure on Education

GOH = Government expenditure on Health

GOT = Government expenditure on Telecommunication

F = Functional notation

The econometric form of the model can be expressed as;

$$RGDP = B_0 + B_1GOA + B_2GOE + B_3GOH + GOT + \mu$$

Where;

B_0 is the constant intercept which shows the level of RGDP.

B_1 =coefficient of parameter GOA

B_2 = coefficient of parameter GOE

B_3 =coefficient of parameter GOH

B_4 =coefficient of parameter GOT

μ_1 = the stochastic error term or disturbance variable.

The model can be re-written in a logged form

$$\text{LogRGDP} = B_0 + \text{Log}B_1GOA + \text{Log}B_2GOE + \text{Log}B_3GOH + \text{Log}B_4GOT + \mu$$

Where

Log=logged values of the variables

Tool of Analysis

The evaluation technique applied in this study is the use of econometric estimation method of the ordinary least square which Koutsoyannis (1997) remark as the best linearly unbiased estimator (BLUE). The estimates of the model were obtained through the statistical package of E-view

version 8.0. Therefore, diagnostic statistics like the coefficient of determination, adjusted R-square, t-statistic, Durbin Watson statistics and standard error test was employed to test the plausibility of our parameter. Unit root test was also conducted to check the stationarity of our variable before the regression will be concluded.

RESULTS AND INTERPRETATION OF DATA

Presentation of Data

The study used 33-year time serial data. The dependent variable and independent variables were contained on Appendix 1. They are government spending on agriculture, government spending on education, government spending on health, government spending on telecommunication and real gross domestic product. All the variables were made to be at ratio before the stationarity tests were performed. Thus, all the variables were converted to log forms because non-of the variables were in rate form.

Descriptive Statistics

	RGDP	GOA	GOE	GOH	GOT
Mean	37421.52	19.06091	125.4712	75.18182	3134.025
Median	28957.71	9.990000	64.78000	33.27000	1127.230
Maximum	69810.02	65.40000	465.3000	296.4400	13671.13
Minimum	15237.99	0.020000	0.230000	0.040000	38.65000
Std. Dev.	20465.35	20.39829	148.9263	93.25835	4000.498
Skewness	0.565143	0.748773	0.995444	1.039088	1.318694
Kurtosis	1.685317	2.250823	2.457347	2.628988	3.489874
Jarque-Bera	4.133160	3.855374	5.854898	6.127636	9.894216
Probability	0.126618	0.145484	0.053533	0.046709	0.007104
Sum	1234910.	629.0100	4140.550	2481.000	103422.8
Sum Sq. Dev.	1.34E+10	13314.89	709729.2	278307.8	5.12E+08
Observations	33	33	33	33	33

The summary statistics show that the average mean of real gross domestic product is about 37421.52, The average mean for government expenditure on agriculture is 19.1, while averages mean of government expenditure on health, education and telecommunication rate were 125.4712, 75.18182 and 3134.025 respectively. The standard deviations of government expenditure variables such as government expenditure on Agriculture, government expenditure on health, government expenditure on education and government expenditure on telecommunication are 20.39829, 148.9263, 93.25835 and 4000.498. The values of the standard deviations indicate that there is wide spread of government expenditure in Nigeria.

This is also evident in the wide gap between the maximum and minimum values. For example, the maximum value of government spending on agriculture is 65.40 while the minimum is 0.020, with difference of 65.38. Similarly, the maximum of government spending on education is 465.30 while the minimum is 0.230. These performance variations are rather at the high side. Even in the case of government spending on health the maximum is 296.440 and the minimum is 0.040. It is equally observed that government spending on telecommunication varied widely over time. For instance, exchange rate is 13671.13 while its minimum value is 38.650. The wide variation over time indicates high level of fluctuation of government spending which affects real gross domestic product in Nigeria.

Interpretation of Result

Unit Root Test

It is necessary to verify the stationary properties of the variables in order to determine their order of integration. The ADF unit root test has been carried out on levels and differences of relevant variables. Each variable is tested for a unit root by employing the dickey –fuller approach with an intercept term. The null hypothesis underlying the unit root is that the variables under investigation have no unit root, while the alternative hypothesis is that it does. The table 4.1 below shows the stationary properties of the interested variables.

Table 4.1 Result of Unit Root Test

Variable	ADF		Order of integration	Significance
	At Level	1 st Diff		
RGDP	-0.98522	-5.362484	I (1)	1% (1)
GOA	-2.690927	-7.295785	1 (1)	1% (1)
GOE	-0.167851	-5.536559	I (1)	1% (1)
GOH	-1.062458	-6.456130	I (1)	1% (1)
GOT	-2.843773	-4917703	I (1)	1% (1)

Source: Computation using E-view version 9.0

From table 4.1 above, it was discovered that total government expenditure on agriculture, health and education as well as, real gross domestic product none were integrated at level, and all the mention variables become integrated at 1st difference at 1% level of significance respectively.

Co-Integration Test

The co-integration test is performed using the Johansen likelihood estimation equation which is done to test whether a long-run relationship exists amongst the variables. If it show at least one co-integration equations exist amongst the variables under consideration, then a long-run equilibrium relationship exist amongst them. The table below shows the summary of Johansen co-integration tests conducted.

Table 4.2 Johansen Co-integration Rank Test (Frace)

Hypothesized no of (ECS)	Eigen value	Trace statistics	5% Critical value	Prob**
Non*	0.970145	221.1748	69.81889	0.0000
At most 1*	0.796969	101.7870	47.85613	0.0000
At most 2*	0.590183	47.57749	29.79707	0.0002
At most 3	0.359603	17.24800	15.49471	0.0270
At most 4	0.059766	2.095310	3.841466	0.1478

Source: computation using e-view 9 version.

Unrestricted Co-integration Rank Test (Trace)

Hypothesized no of (ECS)	Eigen value	Trace statistics	Critical value	Prob**
None*	0.970145	119.3878	33.87687	0.0000
At most 1	0.796969	54.20947	27.58434	0.0000
At most 2	0.590183	30.32949	21.13162	0.0019
At most 3	0.359603	15.15269	14.26460	0.0361
At most 4	0.059766	2.095310	3.841466	0.1478

Source: Computation using E-view 9 version

Max-eign value test indicates 4 co-integrating equation(s) at the 0.05 level. *denotes rating of the hypothesis at the 0.05 level **Mackinnon – Haug-Michelis (1999) p-values.

The result of the co-integration in Table 2 shows that there are four co-integration relationships among the variables included in the model. This is confirmed by the results of both Trace test and the Max-eigenvalue test shown in Table 2. Specifically, the result of the co-integration test suggests that the variables have long-run equilibrium relationship with each other.

Error Correction Model**Table 4.3 Regression Result for the Model**

Variables	Coefficient	Std-Error	T-statistics	Prob
C	6.721934	0.070548	95.28185	0.0000
LGOA	0.006009	0.005202	1.155143	0.2569
LGOE	0.002390	0.001467	1.629492	0.1133
LGOH	0.015711	0.002177	7.216736	0.0000
LGOT	0.015759	0.003708	4.250395	0.0002
ECM(-1)	-0.745965	0.047217	-2.003427	0.0000

Source: E-view 9.1 version.

R-Squared = 0.784338

Adjusted R² = 0.771812

F-statistics = 389.6582

Durbin-Watson = 1.624904

The R² which is the coefficient of determination or the measure of goodness of fit shows the degree of variation in the dependent variables. The closer R² is to 100%, the better the fit of the model. From the regression result, R² is 0.78%. This implies that the independent variable can explain about 78% of the variations in the dependent variable, leaving the remaining 22% which would be accounted for by other variables outside the model as captured by the error term.

The adjusted R² is 77% meaning that even with an adjustment in the dependent variables, they can still explain about 77% of the change in the dependent variable. The F-statistics measures the overall significance of the explanatory parameter. From the result in table 4.3 above, our computed value F-statistics is 389.6582 while the probability is 0.0000, Since the probability of the F-statistics in the computed output is less than the desired 0.05 level of significance, we accept and state that there is a significant relationship between the variance of the estimate and that of the dependent variable.

The specific objectives are addressed using the coefficient of regression and its corresponding t-statistics were use to test the hypothesis of the study. The result is as shown on the equation below:

$$RGDP = 6.721934 + 0.006009 LGOA + 0.002390 LGOE + 0.015711 LGOH + 0.015759 LGOT$$

Extent Government Expenditure on Agriculture Affects Economic Growth in Nigeria

From the estimated coefficient result of the regression in table 4.3 above, we find out that government expenditure on agriculture has a positive relationship with real gross domestic product given its value as 0.006009, this in conformity with a priori expectation because a unit increase in government expenditure on agriculture increase RGDP by 6 unit. However, government expenditure on agriculture is 1.155143; this implies is statistically insignificant in affecting Nigeria economy, This further suggest that the government spending on agriculture has not translated to the meaningful growth on the real gross domestic product of the economy. This finding provides us opportunity to reject alternative hypothesis and accept null hypothesis which states that Government Expenditure on Agriculture has no significant effect on Economic Growth in Nigeria

Extent government expenditure on education affects gross domestic product in Nigeria.

The coefficient of regression (0.002390LGOE) indicates that health (HE) has positive effect on the Nigeria economic development. Government expenditure on education has a positive impact given its value as 0.002390; this is in conformity with our a priori expectation, this further implies that increase in government expenditure on education increases the real gross domestic product by 2%. Government expenditure on health is statistically insignificant on the Nigeria economy, this were as a result of low t-statistics and high probability value. However this result laid credence of low government expenditure on education in Nigeria and as a result we reject alternative hypothesis and accept null hypothesis which states that government expenditure on education has no significant effects on gross domestic product in Nigeria

Extent government expenditure on health affected gross domestic product in Nigeria

From the result of our regression in table 4.3 above, it is discovered that government expenditure on health has a positive impact on Nigerian economy given its value as 0.015711 this is in conformity with theoretical expectation because increase in government expenditure on health increase the RGDP by 15%. From the t-statistics Colum it was discovered that Government expenditure on health is statistically significant (7.216736) at 10% level of significant on the Nigeria economy. The result implies that government spending on health has translated to meaningful growth in Nigeria. The result from t-test compels us to reject null hypothesis and accept alternative hypothesis which implies that government expenditure on health has significant effect on gross domestic product in Nigeria

Extent government expenditure on telecommunication affects Nigerian economic growth

Government expenditure on telecommunication has a positive impact on the Nigerian economic growth given its value as 0.015759; this is in conformity with theoretical expectation, however the increases on government spending on telecommunication, this will increase the performance of real gross domestic product in Nigeria. From the t-statistics Colum it was discovered that Government expenditure on telecommunication is statistically significant (4.250395) at 10% level of significant on the Nigeria economy. The result implies that government spending on telecommunication has translated to meaningful growth in Nigeria. As a result of this findings null hypothesis will be rejected while the alternative will be accepted which states that government expenditure on telecommunication has significant positive effects on Nigerian economic growth

The Durbin-Watson statistics is used to test for the presence or otherwise of autocorrelation in our model. When the value of Dw is closer or a little above 2, it means the absence of autocorrelation amongst the explanatory parameters (Koutsoyiannis 1997). From table 4.3 above, it is discovered that the Durbin Watson is (1.6.), and this does satisfy the above stated condition. This means the absence of autocorrelation among the explanatory variables. Finally, the Error Correction Mechanism (ECM) which is used to correct for disequilibrium from of estimated result is ECM (-1) is significant with an appropriate negative sign. Its negative coefficient of (-0.745965) shows that there is a stable long-run equilibrium relationship between the variable. The ECM shows also that changes in the independent variables will cause the dependent variable to converge on its equilibrium path.

Discussion of findings

Government Expenditure on Agriculture: The study found that Government Expenditure on Agriculture has no significant effect on economic growth in Nigeria. The nature of the effect on agriculture has no translated into a meaningful growth in Nigeria. For any country to experience economic growth, investment in agriculture and innovation is inevitable. That is why it's very important for both the public and private sector to motivate people to be innovative. However, diversifying an economy properly in other non-oil sector is likely to influence the economic growth via the following three ways; performance of the agricultural sector, manufacturing sector and solid mineral.

The implication of these findings is that, for agricultural sector to be functional, productive and to achieve their aim and purposes, the agricultural sector need to satisfy the expected needs of the individual, and earn much revenue for government. Agricultural output growth can increase growth in the non-agricultural sector of the economy via diverse means some of which are direct and indirect. This further disagreed with the findings of Idoko, and Jatto, (2018) who found a positive and significant relationship between government expenditure on agriculture and economic growth in Nigeria. The findings also corroborate with the findings of Iganiga and Unemhilin (2011) that Agricultural output is a pertinent determinant to economic performance in Nigeria.

Government Expenditure on education: The study found that government expenditure on education has a insignificant positive effect on economic growth in the Nigeria. The Government spending on education has not spur economic growth from the finding. A nation with highly educated and skilled people would likely enjoy a better economic development. To promote economic growth, factors of production such as capital and labour are used. But the efficient use of labour and capital resources for greater productivity requires that the workers are well trained and skilful. The training and skills acquisition are mainly accumulated through education. Education is an economic good because it is not easily obtainable and therefore need to be apportioned or traded. The implication is that education is essentially the capacity to understand new information and adapt one's behavior accordingly; economies that have the greatest number of highly-skilled workers will more rapidly adopt and implement the most efficient technologies. The finding is not in line with the study of Mohd., Muhammad, and Razak, (2012) government expenditure on health has a positive effect on economic growth of Nigeria.

Government Expenditure on Health: The study found that Government Expenditure on Health in Nigeria. Government spending on health spurs economic growth in Nigeria. Further to this is that healthcare sector output is an endogenous variables and determinants of growth in successive healthcare sector output in Nigeria. This explains that growth and quality of healthcare is an accumulative of efforts and success of previous years. Thus, continuous development in healthcare resources in forms of human capital (personnel) and equipment is apt to growing the Nigerian economy. Thus, the right form of manipulation for health sector will manifested to greater economic growth. However, money supply rightly impacts growth positively but credit to private sector, though positive, had no significant effect in the model. Improved in government spending on health would translate to increased economic growth. Edeme, Emecheta, and Omeje. (2017) corroborates this findings by stating that, public health expenditure and health outcomes have long-run equilibrium relationship. This means that, health system indicators and technological advances may also have impact on health expenditure as has been documented in previous literature.

Government Expenditure on Telecommunication: The study found that government expenditure on telecommunication has a significant positive effect in Nigeria. This implies that a reliable telecommunications networks can improve the productivity and efficiency of other sectors of the economy and enhance the quality of life in generally.

Furthermore, the endogenous influence of telecommunications sector itself ignites positive growth effects on the sector. The individual contributions of the telecommunications sector variables are quiet interesting and the efforts at optimising telecommunications sector output would require to spur growth of the Nigerian economy. Ajiboye (2007) also argued that telephone penetration has a positive impact on gross domestic product (GDP) because it provides a stimulant to economic growth and that as economies become more highly developed, they need more communications.. Nwakanma, Asiegbu, Eze, and Dibia (2015) found that Government Expenditure, Number of Telecom Subscribers and Private Investment collectively have significant impact on Economic growth in Nigeria.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The major tenet of this study is to critically examine the impact of government expenditure on Nigerian economy. The study period spanned from 1987-2019. This study specifically examines the nature of government expenditure on the Nigerian economy. Thus, it was hypothesized that government expenditure has a significant impact on the Nigerian economy.

A linear regression model was employed to analyze the data, The result of our estimated model revealed some important issues that need to be stressed.

- a. It was discovered that government expenditure on agriculture has positive short run effect and insignificant impact on the Nigerian economy.

- b. It was also revealed from the result of our estimated model that government expenditure on education has a positive short run and insignificant impact on the Nigerian economy.
- c. It was also discovered that government expenditure on health has short run positive effect and significant impact on the Nigerian economy.
- d. It was also discovered that government expenditure on telecommunication has short run positive and significant impact on the Nigerian economy
- e. Lastly, our variables when tested for co-integrated using the Johansen co-integration test, were found to be co-integrated and as such the Error Correction Mechanism was employed to correct for the long-run equilibrium relationship between the variables.

In the light of these research findings, the following recommendations are presented.

- i. CBN should do more to encourage borrowing by bringing the lending rate to single digit to boost agricultural production output.
- ii. There is also need for more visible involvement of the private sector in education investment; this can be achieved if the enabling environment and necessary incentives are provided
- iii. The Federal Government of Nigeria (FGN) should increase and restructure the public expenditure allocation to the health sector in order to provide more health facilities, drugs, laboratories, equipment, amongst other things). This can be achieved via the right channeling of funds to the productive arms, adequate management of funds and resources in order to prevent corruption and to aid the development of health services
- iv. It is also recommended that steady power supply be provided by the Nigerian government since that is the major problem facing telecom operators, which in turn will reduce operating cost for the telecom operators as well as reduce the cost of using the services offered by the telecom industry.

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The Effect of Executive Non-Financial Compensation on Organizational Resilience of Deposit Money Banks in Rivers State, Nigeria

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Abstract: *The aim of this paper is to examine the relationship between executive non-financial compensation and organizational resilience of deposit money banks in Rivers State, Nigeria. The predictor variable is executive non-financial compensation which was used as a uni-dimensional variable while the criterion variable: organizational resilience has three measures which include adaptive capacity, situational awareness and innovation. The study adopted a correlational and cross-sectional research design and uses questionnaire as the research instrument which was distributed to 57 top executives of 19 deposit money banks operating in Rivers State which comprises of 3 executives from each deposit money banks. The data generated were analyzed through the use of Spearman's Rank Order Correlation Coefficient as well as t-statistics to test the relationship between the variables of the study through the use of Statistical Package for Social Sciences within a significance level of 0.05. The findings showed that executive non-financial compensation has positive and significant effect on adaptive capacity, situational awareness and innovation of deposit money banks in Rivers State respectively. We therefore recommend that for deposit money banks to be able to withstand changes, they should take their executive compensation seriously through praise, appreciation and training and retraining.*

Keywords: *Executive Non-financial Compensation; Organizational Resilience; Adaptive Capacity; Situational Awareness; Innovation*

Introduction

Deposit Money Banks (DMBs) play a significant part in the functioning of any economy which is specifically true in Nigeria as almost every sectors relates with them to be effective and efficient in their day to day operation. More so, DMBs is a major player in the merchant of funds, as such their success as well as their ability to be resilient is necessary and vital due to the complexity and uncertainty that has befallen today's business environment. Thus, Eketu (2015) expressed that environmental instability has increased in the last decades especially in the banking sector. In this unstable environment, organizations have to prepare for changes that might affect their daily operations which can bring numerous threats as well as opportunities to the organization (Stephenson, Vargo & Seville, 2010). In today's business setting, it does not matter the size or the ownership structure of an organization, no business organization is impervious to change (Grote, 2009). Therefore, it is the organization that is able to adapt to changes that would be able to survive. As such, organizations such as the DMBs does not only need to exist during environmental changes but have to develop capabilities to become more resilient so as to withstand any form of challenges emanating from the environment.

Organizational resilience is an essential quality needed to go beyond organizational survival to organizational prosperity (Grote, 2009) which enables organizations to be more prosperous and effective in adapting to unexpected changes from the environment. Resilient organizations are able to adapt as well as recuperate from environmental changes more rapidly through effective innovative behaviour (Linnenluecke, 2017). Resilience has to do with the capability of a business firm to uphold advantage competitively over a period of time using available abilities to bring about outstanding organizational performance as well as successfully innovating and adapting to swift and unstable business environment (Brand & Jax, 2007). These capabilities include the competences of the organization's human resources most especially that of the organization's executives. Thus, to improve organization's productivity as well as its resilience, organization must adopt policies that will motivate the executives such as a good compensation policy that executives will see as being fair and commensurable with their performance or input and expectations as well as what is obtainable in other organizations within the industry. Compensation has to do with all kinds of reward given to employees arising from their employment (Dessler, 2011) while executive compensation has to do with payment both financially and non-financially given to top cadre of management in an organization as a reward for their job (Dirk, 2002). These executives generally comprises of the firm's Presidents, CEOs, Vice Presidents, MDs, Executive Directors, Director General Managers, Acting General Managers, General Managers and other senior executives.

In today's business environment, to achieve competitive advantage, organizations must have a good compensation plans that will catch the attention and as well as stimulate executives to stay with the organization which will also bring about the reduction in turnover among executives. The reason for good executive compensation is that organizational strategies and policies that guards and affects every day operations of the organization are made by the executives. Thus, Adeoye (2015) expressed that executive compensation has an important part to play because the decisions top managers make will eventually shape what will be attainable in the organization. However, over the years employees inclusive of executives in the DMBs have made their grievances known in regards to some indices in their place of work such as poor staffing which resulted in over working of staff, absent of organizational support as well as inadequate compensation which has affected their abilities to perform effectively. Thus, the purpose of this study is to examine and ascertain the relationship that exist between executive non-financial compensation and organizational resilience vis-à-vis adaptive capacity, situation awareness and innovation of DMBs in Rivers State, Nigeria. The study will help DMBs to be more reactive to the importance of executive compensation in bringing about resilience. Furthermore, the result obtained from the study would add to the already accessible body of knowledge in banking administration and service delivery in Nigeria. In addition, the findings would provide a stepping stone on which further researches could be carried out in relation to executive non-financial compensation and organizational resilience in Nigeria. It will also add to theory building on what predict organizational resilience of organizations especially DMBs in Rivers State, Nigeria.

Research Questions

- i. What is the relationship between executive non-financial compensation and adaptive capacity of deposit money banks in Rivers State, Nigeria?

- ii. What is the relationship between executive non-financial compensation and situation awareness of deposit money banks in Rivers State, Nigeria?
- iii. What is the relationship between executive non-financial compensation and innovation of deposit money banks in Rivers State, Nigeria?

Research Hypotheses

H0₁: There is no significant relationship between executive non-financial compensation and adaptive capacity of deposit money banks in Rivers State, Nigeria.

H0₂: There is no significant relationship between executive non-financial compensation and situation awareness of deposit money banks in Rivers State, Nigeria.

H0₃: There is no significant relationship between executive non-financial compensation and innovation of deposit money banks in Rivers State, Nigeria.

Literature Review

Theoretical Framework

The fundamental theory in which this study is anchored is the agency theory. Agency theory gyrates round the subject matter of the agency problem and its solution that is, relationship between the principal (business owner) and the agent (manager). Agency cost is bound to be incurred in the organization through misunderstanding between the principal and the agent. Thus, according to Larkin, Pierce and Gino (2011) agency costs may arise from many factors, one of such is the time and resources spent in resolving conflict of interest between the principal and agent. Some of these conflicts occur when the managers responsible for critical decision making are not made primary custodians of the organization's assets and are not recipient of the return on investment. Therefore organizational conflict of interest affects manager's decision making and productivity which affects organizational resilience. By providing adequate compensation to executives agency costs related to conflict of interest can be reduce. Thus, Bebchuk and Fried (2003) expressed that to solve agency problem, a well formulated compensation scheme were managers get improved incentives should be a priority in the organization. More so, for agents to act in the best interest of the principals, compensation and incentives is essential (Pandher & Currie, 2013). It is through this, manager's motivation needed to attain resilience in the organization will be enhanced.

Concept of Executive Non-financial Compensation

Compensation is an essential element of an employment relationship where all forms of financial or non-financial returns on tangible services and benefits for workers are received (Milkovich, Newman & Gerhart, 2011). It is noteworthy that compensation is usually associated with employee productivity among other factors which can be in the form of incentive pay, merit awards, gain sharing and tuition reimbursement, health benefits, pension and gratuity plans, praise, recognition, appreciation and training (Terera & Ngriande, 2014; Worldatwork, 2007). Furthermore, executive compensation is the financial and non-monetary benefits given to high level management in exchange for their executive work in the organization (Greckhamer, 2011; Dirk, 2002). It therefore includes all forms of financial returns as well as non-financial returns organizations' executives receive as part of an employment relationship. Compensation for executive managers is quite different from the one paid to other workers and the types of employees that are typically paid with executive compensation include corporate presidents,

chief executive officers, chief financial officers, vice presidents, managing directors and other executives.

Executive non-financial compensation is a kind of compensation given to organizations' executives that does not involve money directly and this reward normally crop-up from the work itself; it include awards, rewards, citation, praise, training and recognition as well as development of skills, training and career development opportunities (Resurreccion, 2012; Armstrong, 2003). According to Harrison (2005), recognition and praise is seen as a timely, informed or formal acknowledgement of an individual's behaviour and effort that directly supports the attainment of organizational goals and values. It is therefore the acknowledgement of executives' achievement and effort towards the organization's goals. It includes the act of giving special attention to executive's actions, efforts behaviour or performance which can either be physically or psychologically or both. It is one of the effective way of enhancing the emotional state of executives. Also, citing the achievement of an executive that have done marvelously well in his or her area of specialization also serves as non-financial compensation that boost the executive motivation towards the organization. More so, training and development also serve as a means for non-financial compensation. The lack of training will result in ignorance of the manager about the skills, competencies and knowledge that are decisive for the performance improvement and motivation. Thus, by providing a constant training program to executives helps to increase their competences whereby adding value to the performance of the organization.

2.3 Organizational Resilience

Organizational resilience involves the ability of a business enterprise to take swiftly actions that will enhance its performance in the face of unanticipated changes and hectic disruption (Bell, 2002). Thus, it mainly has to do with an organization's capability to attain its goals and objectives irrespective of disruption through tenacity (Weick, Sutcliffe & Kathleen, 2007). Organizational resilience is a vital and crucial tool organization must possess to be successful in today's turbulent environment, hence, it is of great significance for organizations to build this quality so that they will be able to respond to changes in order to attain set goals. This is because, resilience assist business enterprise to adapt effectively and to be highly steadfast which enables them to manage disruptive challenges (Durodie, 2003). According to Hamel and Valikangas (2003) organizations need to dynamically reinvent or renew their business models and strategies as circumstances changes to attain zero traumas. An organization can demonstrate resilience when its core value is not altered while going through threatening setback. In a competitive business environment of today, a business enterprise that is resilient is more equipped to find opportunities out of a precarious situation (Knight & Pretty, 1997). Therefore the need for business enterprise of today to develop capabilities that will enable them to continuously respond to changes.

Furthermore, the dimensions of organizational resilience used in this study include adaptive capacity, situation awareness and innovation discussed briefly. Adaptive capacity has to do with part of organizational resilience that involves flexible way of responding to changes from the business environment (Walker, Carpenter, Anderies, Abel, Cumming, Janssen, Lebel, Norberg, Peterson & Pritchard, 2002). Furthermore, Dalziell and McManus (2004) opined it has to do with

the capability of an organization to acclimatize with changes in the environment external to it as well as the ability to recuperate from any kind of damages in its internal environment capable of affecting its objectives. Thus, it is the ability of an organization to maintain a flexible attitude towards new situations in the environment as they occur and to act in terms of changing circumstances. The capability to adapt is at the heart of an organization's ability to exhibit resilient characteristics. Situation awareness has to do with the capacity of an organization to be well informed about the happenings in the business environment and to have understanding of what the changes means to the organization (Endsley, 1998). It describes a firm's awareness of its operations-scape, and its understanding of what that information means for its present and future wellbeing through the anticipation of opportunities and possible threats, and their likely effects (Tamunomiebi, 2018; Ahiauzu & Jaja, 2015). Thus, it is an organization's capability to forestall opportunities as well as threats that can emanate from the environment and the ability to take advantage of the opportunities and reduce the impacts the threat might have on its operations. Innovation on the other hand involves producing novel process, service or product as well as new form of marketing an organization's products that provides value to the society. This value has to be of benefits not only to the organization but also to the society at large as well as all stakeholders to the organization. As such, it means product that is somewhat new or different that the customer has not seen before which is of economic value (Nagasimha, 2015). The needs to innovate in an organization might arise due to technological changes, changes in the taste of customers, competition increased as well as general changes in the business environment.

Methodology

The study adopted correlational research design through cross-sectional studies which focused on top executives of DMBs in Rivers State so as to determine the relationship that exist between executive financial compensation and organizational resilience. Consequently, research survey design was adopted using questionnaire as the research instrument which consist of four respond choices with 5 Point Likert scales ranging from 1 to 5 indicating strongly disagree, disagree, indifference, agree and strongly agree respectively. To ascertain the validity and reliability of the research instrument, we adopted face and content validity while the reliability of the instrument was done using Cronbach Alpha which showed a Cronbach Alpha value of 0.917 for executive non-financial compensation, 0.925 for adaptive capacity, 0.893 for situation awareness and 0.858 for innovation. The predictor variable is executive non-financial compensation and it is used as a uni-dimensional variable while the criterion variable is organizational resilience with three measures vis-à-vis adaptive capacity, situational awareness and innovation. The population of the study comprised of 57 top executives of 19 DMBs operating in Rivers State which comprises of 3 executives from each DMBs. Though, these DMBs have their Head offices in Lagos, they however have their regional offices in Rivers State and the executives ranges from General Managers (GM), Deputy General Managers (DGM), Assistant General Managers (AGM), Executive Directors (ED), Divisional Executives (DE), Principal Managers (PM), Zonal Managers (ZM). More so, all the 57 executives were also used as the sample size. Furthermore, out of the 57 questionnaires distributed 53 representing 92.98% were retrieved and were properly filled which were used for our analysis while the other 4(7.02%) questionnaire were not retrieved. Data gathered were analyzed through the use of Spearman's Rank Order Correlation Coefficient as well as t-statistics was used to test the relationship between the variables of the

study through the use of Statistical Package for Social Sciences (SPSS) Windows version 25 within a significance level of 0.05.

Data Analysis and Results

The Strength of the Relationship between Executive Non-financial Compensation and Adaptive Capacity

Table 1: Correlation between executive non-financial compensation and adaptive capacity

		Executive Non-financial Compensation	Adaptive Capacity
Spearman's rho	Executive Compensation	Correlation Coefficient	1.000
		Sig. (2-tailed)	.902**
		N	.000
	Adaptive Capacity	Correlation Coefficient	.902**
		Sig. (2-tailed)	1.000
		N	.000

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

Source: SPSS v25: Output, 2020.

Table 1 reveals that a very strong and positive significant relationship exist between executive non-financial compensation and adaptive capacity with a ($\rho = 0.902$) and a PV = 0.000 which is less than 0.05. In other words positive relationship exists between the variables, thus, the provision of non-financial compensation to executives will provide adaptive capacity for the DMBs in Rivers State. The degree to which executive non-financial compensation influences adaptive capacity is further shown in the below table 2:

Table 2: the degree of effect of executive non-financial compensation on adaptive capacity

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902 ^a	.814	.911	.426372

a. Predictors: (Constant), Executive Non-financial Compensation

Source: SPSS v25: Output, 2020

Table 2 above reveals the degree to which executive non-financial compensation influences adaptive capacity with R-val.= 0.902 which implies a very strong relationship while the $R^2=0.814$ implies that executive non-financial compensation explain 81.4% variation in DMBs adaptive capacity while the remaining 18.6% could be due to the influence of other factors not included in this study. The relationship is further tested applying t-statistics as shown in Table 3 below:

Table 3: T-value result on executive non-financial compensation and adaptive capacity

Coefficients ^a					
Model		Unstandardized Coefficients	Standardized Coefficients		
		B	Std. Error	Beta	T
1	(Constant)	.928	.641		13.264
	Executive Non-financial Compensation	.833	.438	.721	10.717

a. Dependent Variable: Adaptive Capacity

Source: SPSS v25: Output, 2020

From Table 1, the PV = 0.000 which is less than 0.05 and Table 3 shows $r = 0.833$; $t\text{-cal.} = 10.717 > t\text{-crit.} = 1.96$ at $0.000 < 0.05\%$ which means that the relationship between executive non-financial compensation and adaptive capacity is statistically significant. We therefore reject the null stated hypothesis and accept the alternate hypothesis, thus there is significant relationship between executive non-financial compensation and adaptive capacity of DMBs in Rivers State, Nigeria.

The Strength of the Relationship between Executive Non-financial Compensation and Situation Awareness

Table 4: Correlation between executive non-financial compensation and situation awareness

			Executive Non-financial Compensation	Situation Awareness
Spearman's rho	Executive Compensation	Non-financial	Correlation Coefficient	1.000
			Sig. (2-tailed)	.897**
			N	.000
	Situation Awareness		53	53
		Correlation Coefficient	.897**	1.000
		Sig. (2-tailed)	.000	.
		N	53	53

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

Source: SPSS v25: Output, 2020.

Table 4 reveals that a very strong and positive significant relationship exist between executive non-financial compensation and situation awareness with a ($\rho = 0.897$) and a PV = 0.000 which is less than 0.05. In other words positive relationship exists between the variables, thus, the provision of non-financial compensation to executives will lead to situational awareness of the business environment of the DMBs in Rivers State. The degree to which executive non-financial compensation influences situation awareness is further shown in the below table 5:

Table 5: the degree of effect of executive non-financial compensation on situation awareness

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897 ^a	.805	.862	.57194

a. Predictors: (Constant), Executive Non-financial Compensation

Source: SPSS v25: Output, 2020

Table 5 above reveals the degree to which executive non-financial compensation influences situational awareness with $R\text{-val.} = 0.897$ which implies a very strong relationship while the $R^2 = 0.805$ implies that executive non-financial compensation explain 80.5% variation in DMBs situation awareness while the remaining 19.5% could be due to the influence of other factors not

included in this study. The relationship is further tested applying t-statistics as shown in Table 6 below:

Table 6: T-value result on executive non-financial compensation and situation awareness

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.918	.824		14.215	.000
	Executive Non-financial Compensation	.826	.418	.672	9.138	.000

a. Dependent Variable: Situational Awareness

Source: SPSS v25: Output, 2020

From Table 4, the PV = 0.000 which is less than 0.05 and Table 6 shows $\beta = 0.826$; $t\text{-cal.} = 9.138 > t\text{-crit.} = 1.96$ at $0.000 < 0.05\%$ which means that the relationship between executive non-financial compensation and situation awareness is statistically significant. We therefore reject the null stated hypothesis and accept the alternate hypothesis, thus there is significant relationship between executive non-financial compensation and situation awareness of DMBs in Rivers State, Nigeria.

The Strength of the Relationship between Executive Non-financial Compensation and Innovation

Table 7: Correlation between executive non-financial compensation and innovation

		Executive Non-financial Compensation	Innovation
Spearman's rho	Executive Non-financial Compensation	Correlation Coefficient	1.000
		Sig. (2-tailed)	.000
		N	53
	Innovation	Correlation Coefficient	.883**
		Sig. (2-tailed)	.000
		N	53

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

Source: SPSS v25: Output, 2020.

Table 7 reveals that a very strong and positive significant relationship exist between executive non-financial compensation and innovation with a ($\rho = 0.883$) and a PV = 0.000 which is less than 0.05. In other words positive relationship exists between the variables, thus, the provision of non-financial compensation to executives will motivate the executives to be innovative. The degree to which executive non-financial compensation influences innovation is further shown in the below table 8:

Table 8: the degree of effect of executive non-financial compensation on innovation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883 ^a	.780	.794	.55270

a. Predictors: (Constant), Executive Non-financial Compensation

Source: SPSS v25: Output, 2020

Table 8 above reveals the degree to which executive non-financial compensation influences executive innovation with R-val.= 0.883 which implies a very strong relationship while the $R^2=0.780$ implies that executive non-financial compensation explain 78.0% variation in DMBs innovation capability while the remaining 22.0% could be due to the influence of other factors not included in this study. The relationship is further tested applying t-statistics as shown in Table 9 below:

Table 9: T-value result on executive non-financial compensation and innovation

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.816	.692		8.274	.000
	Executive Non-financial Compensation	.775	.528	.610	6.936	.000

a. Dependent Variable: Innovation

Source: SPSS v25: Output, 2020

From Table 7, the PV = 0.000 which is less than 0.05 and Table 9 shows $\beta = 0.775$; t-cal. = 6.936 > t-crit. =1.96 at 0.000<0.05% which means that the relationship between executive non-financial compensation and innovation is statistically significant. We therefore reject the null stated hypothesis and accept the alternate hypothesis, thus there is significant relationship between executive non-financial compensation and innovation of DMBs in Rivers State, Nigeria.

Discussion of Findings

From our findings, it was empirically clear that executive non-financial compensation has positive and significant relationship with organizational resilience (adaptive capacity, situation awareness and innovation). Not all employees as well as executives are motivated to perform beyond the essential minimum with monetary incentives alone (Nolan, 2012). Hence, executive recognition is one way to enhance the motivation of the executives in an organization, making them feel valuable towards providing the capability to anticipate and respond to changes in the environment and through critical situations. Furthermore, Keller (1999) expressed that non-financial compensations such as recognition, praise and training can be very motivating, helping to establish confidence feelings and satisfaction on part of the employee as well as the executives. Allen and Kilmann (2001) explained that executives who receive recognition at their work place end up with higher self-esteem, self-confidence and an induced feeling and willingness to take up new challenges while embracing innovations essential for the survival of the organization and overcoming instability and uncertainty in the environment. Executives who feel appreciated often go above and beyond the organizational expectations and are likely to stay

in the organization to provide better strategies needed for better performance (Welsh, Wiley & Ganegoda, 2012).

When executives' compensations are adequately managed, they will have the zeal and enthusiasm to be regular at work instead of wasting time at home. Although some tend to stay idle at work place also, but when they are treated well they will offer value for it. Every human being wants his/her efforts to get acknowledgment. Executives will likely gain more and more confidence in their abilities if they receive citation and praises for work done. This should give them the willingness to make decisions in a timely and appropriate manner both in day to day business and also in crises which will help the organization to adapt to environmental changes on time. Also, trainings as a non-financial compensation increase workforce competency by influencing their knowledge, skill and attitude (Fein, 2010). Continuous training assist executives to keep up, adjust and adapt to change process, address emerging issues, keep employees on the track and motivate them (Fein, 2010). This is because adaptive capacity is equivalent with having adaptive behaviour and competency. Change-oriented trainings have paramount power to create these behaviour and competency. Therefore, adequate information, proper meaning making and relevant skill, knowledge and attitude are issues that should be addressed through change-oriented trainings, which ultimately affects executives' adaptability to ensure organizations are able to adapt to environmental changes.

More so, employees including executives today are not willing to work only for the cash alone, they expect extra. This extra is known as employee non-financial compensation. Appreciation as a non-financial compensation is also very fundamental human need. Executives respond to appreciation expressed through recognition of their good work because it confirms their work is valued. Psychological compensation such as recognition and appreciation plays an important role in motivating employees raising their performance (Allen & Kilmann (2001). Consequently, when executives are appreciated and recognized, in response they feel indebted and increase their performance in the organization towards looking forward for opportunities as well as potential crises that may affect the organization. It can also provide executives the ability to identify crises and their consequences accurately, enhanced understanding of the trigger factors for crises, an increased awareness of the resources available both internally and externally to the organization.

Recognition and promotion helps to boosts the workers as well as the executive morale (Bob, 2011). Thus, non- financial compensation can provides intrinsic or extrinsic motivation for executives to improve their awareness of expectations Furthermore, financial compensation is not the only incentive in place to tap the innovative powers of executives; opportunity for promotions, recognition, praise, appreciation and other non-financial compensation also play significant roles in determining organization's innovation capability (Sorensen & Stuart, 2000). Training as a non-financial compensation plays important roles in actualizing innovation drives of the organization. Training can enables executives to experiment with the latest technologies in such a way that something new is created. Initially, this contributes to the firm's overall knowledge stock. An organization's knowledge stock, in turn, is the basis for the production of new knowledge and, eventually, the entire innovation process from the birth of a new idea to its commercialization as a novel product, services or procedure (Stefan, Oliver & Stephan, 2008).

Training provides means to increase organization's knowledge stock and keeps up with the latest technological changes and requirements. Given an incumbent organization's reliance on experience, continuous training of the executives is a necessary investment to steadily refresh the organization's knowledge stock that, in turn will provide the basis for further innovation.

Conclusion

We conclude that executive non-financial compensation positively and significantly affects organizational resilience (adaptive capacity, situation awareness and innovation) of DMBs in Rivers State, Nigeria. In today's uncertain global business environment, the executives have a major role to play which affect all parts of the organization's success. In fact the rising and falling of any organization depends on the decisions of the executives. This is because executive formulate strategies as well as the implementation of same to determine the outcome of the organization; thus they have to be effectively compensated to be able to stand for the organization during crisis, through motivation. This is because compensation has the capacity to enhance executive's commitment that can bring about organizational resilience.

Recommendation

1. The business environments, in fact generally in life, what remains constant is change; thus for organizations especially the DMBs to be able to withstand changes, they should take their executive compensation seriously through praise, appreciation and training and retraining.

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Conflict Management Strategies and Organizational Productivity in the Banking Sector in Rivers State, Nigeria

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Abstract: *The purpose of this study was to investigate the relationship between employee conflict management and organisational productivity in the banking sector in Rivers State, Nigeria. The study accepted the cross sectional survey design. The study population comprised of all senior staff selected from all twenty two (22) banks in Rivers State, Nigeria; and the sample size of 120 senior staff were sampled using the Krejcie and Morgan Sample Determination Table. Data collections were done using the structured closed-ended questionnaire based on the sample of the study and retrieved for analysis. Analysis of collected data were done using the Pearson Product Moment Correlation Coefficient and presented using the Statistical Package for Social Sciences (SPSS) version 20. The findings show a significant relationship between the conflict management and organisational productivity in the banking sector in Rivers State, Nigeria. Therefore, the study recommended that, management of the sector should ensure the application of conflict management it enhances effective organisational productivity.*

Keywords: *Employee Conflict Management, Conflict identification, Organisational Productivity, Profit and Market Patronage.*

INTRODUCTION

The increase in human existence, multicultural aspects and interaction in the 21st century threaten the peace of humanity. Conflict, as is often said, is an integral part of human existence and an inevitable friction in any organisational structure as the stakeholders have different incompatible goals (Ibukun 1997). However, whenever a conflict occurs, it must be managed and handled constructively; else it will threaten the very existence of the organisation, and the nation and society at large.

Azamosa (2004) observed that conflicts involve the total range of behaviours and attitudes that is in opposition between owners/managers on the one hand and working people on the other. It is a state of disagreement over issues of substance or emotional antagonism and may arise due to anger, mistrust or personality clashes. Irrespective of the factors resulting in conflict among employees, it has been observed that industrial conflicts produce considerable effects on organisations and should be consciously managed as much as possible.

For people to progress at work and other aspect of life, there must be cooperation which is essential to ensure task attainment and stability in life. However, it would be wrong to reach the conclusion that cooperation is good while conflict is bad, this is because both concepts are pervasive and co-exist in our social life. Conflict is inevitable given the wide range of goals for the different stakeholders in the organization and its absence signifies management emphasizes

conformity and stifles innovation. Rahim (2001) opined that conflict may be interpersonal or inter group with interpersonal conflicts occurring between a supervisor and his subordinate or between two individuals at the same level of the organizational hierarchy. Inter group conflicts often occur between two trade unions, between two departments or between management and workers while attempting to implement the policies and programmes of the organization.

Employing the right strategies to mitigate conflict is a necessity because conflict when not handled rightly can exacerbate and thereby hamper business. Organizational productivity which for the purposes of this research involves profit making and market patronage is key in every business setting. Improving productivity is a central concern of all businesses today. While there are many approaches to increase productivity, they all hinge on achieving the right mix of stability in routine operations and invocation in adapting to new conditions in the market place conflict among workers in an organization is inevitable. If it is managed properly, it was the catalyst for change and can have a positive impact on employee satisfaction and performance of the organisation. Conversely unmanaged conflict will negative impact on both employee satisfaction and job performance.

According to Petkovic (2008), industrial conflict management involves acquiring skills related to conflict resolution, establishing structures of conflict models, putting strategic measures as well as approaches in place. The models of industrial conflict management are instruments used to assess the appropriate action required in a conflict situation. These include Blake Mouton model, Thomas Kilman model and Holton model, (Newell, 2008). Approaches to conflict management, focus on the principle that conflicts cannot necessarily be resolved but can be managed using appropriate actions such as accommodating, avoiding, collaborating, compromise and confrontation (Brigs, 2007). Strategies to industrial conflict management are a futuristic detailed approach that looks into achieving long term wins for the parties involved in conflict. Strategies include negotiation, collective bargaining, mediation, third party intervention, brainstorming and communication (Petkovic, 2008).

Therefore, the purpose of this study was to examine the relationship between conflict management and organizational productivity in banking sector in Rivers State, Nigeria

Furthermore, this study was also guided by the following research questions:

- i. To what extent does conflict identification enhance profit in banking sector in Rivers State, Nigeria?
- ii. To what extent does conflict identification enhance market patronage in banking sector in Rivers State, Nigeria?

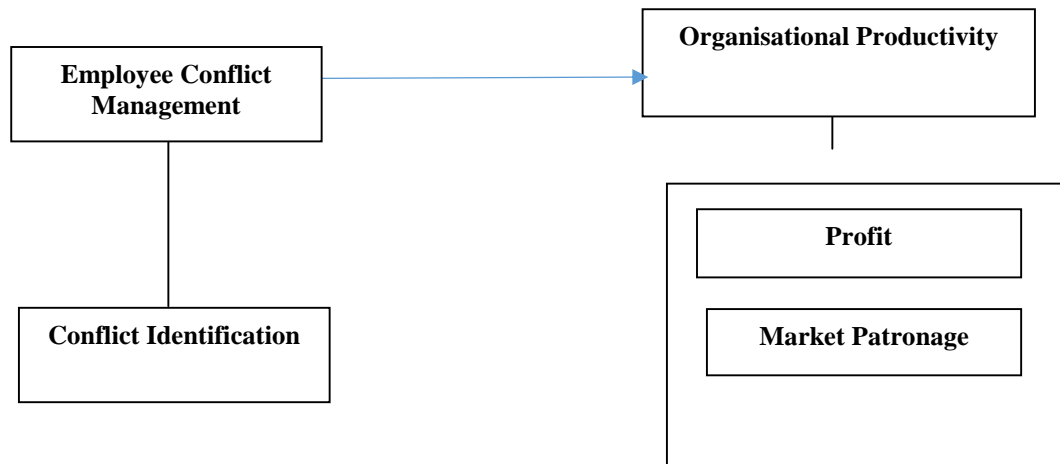


Fig.1 Conceptual Framework for the relationship employee conflict management and organizational productivity

Source: Desk Research (2020)

LITERATURE REVIEW

Theoretical Foundation

Frustration-Anger-Aggression Theory of Conflict

This is a psychological hypothesis of conflict that posits that it is natural for man to react to unpleasant situations. The hypothesis is drawn from the frustration-aggression theory propounded by Dollard and Doob, Dopb., Miller, Mowrer and Sears (1939), further developed by Miller (1948) and Berkowitz (1969). The theory says that aggression is the result of blocking, or frustrating, a person's efforts to attain a goal. Frustration is described as the feeling we get when we do not get what we want, or when something interferes with our gaining a desired goal, as shown in the case of Niger Delta, and that of the Palestinians or Hutus in Rwanda. Anger implies feeling mad in response to frustration or injury; while aggression refers to flashes of temper (Tucker-Lad, 2013). The frustration aggression theory states that aggression is caused by frustration. When someone is prevented from reaching his target, he becomes frustrated. This frustration can then turn into anger and then aggression when something triggers it. When expectation fails to meet attainment, the tendency is for people to confront others they can hold responsible for frustrating their ambitions or someone on whom they can take out their frustrations. And when aggression cannot be expressed against the real source of frustration, displaced hostilities can be targeted to substitute objects, that is, aggression is transferred to alternate objects.

Employees Conflict Management

Conflicts are inevitable part of an organizational life since the goals of different stakeholders such as managers and staff are often incompatible (Jones et al, 2000). Conflict is an unpleasant fact in any organization as long as people compete for jobs, resources, power, recognition and

security. Organizational conflict can be regarded as a dispute that occurs when interests, goals or values of different individuals or groups are incompatible with each other (Henry, 2009). This results into a situation whereby they frustrate each other in an attempt to achieve their objectives. Conflict arises in groups because of the scarcity of freedom, position, and resources. People who value independence tend to resist the need for interdependence and, to some extent, conformity within a group. People who seek power therefore, struggle with others for position or status within the group (Henry, 2009).

Robbins and Judge (2009) defined conflict as a process that begins where one party perceives that another party has negatively affected, or is about to negatively affects something that the first party cares about. This is a very apt definition, emphasizing that conflict is about perceptions, not necessarily real hard facts. It points to the emotional nature of conflict, by referring to a word like "care", it states that more than one party is involved and that there may be a future component attached to it. Shapiro (2006) in relation to the above, states that, conflict is a process of social interaction. It involves a struggle over claims to resources, power, status, beliefs, preferences and desires. Darling and Walker (2007) linked this idea to the organization by stating that, even when conflict is a natural phenomenon in social relations (as natural as harmony), it can nevertheless be managed within organizations. They add that conflict may have both positive as well as negative consequences within the organization, the submission above blend with the fact that, conflict can never be totally eliminated within organizations but can be efficiently managed in order to move organizations to greater height and performance level.

Duke (1999) observed that conflicts could arise between individuals or groups in an organization if the goals are not specified or when the management shift blame on all or a unit(s) involved in work process. However, not all conflicts are bad and not all conflicts are good. People tend to view conflict as a negative force operating against successful completion of group or common goals. Conflict can create negative impact to group but may also lead to positive effects depending on the nature of the conflict. Wilmot & Hocker propose that we carry our complicated interpersonal relationships into the workplace and therefore, by learning to effectively manage conflict in our personal life, we can reduce the incidence of conflict in the workplace. They further stress the importance of studying conflict to reduce negative conflict cycles that could cause irreparable damage in both our personal and professional lives. One way to help manage conflict in the workplace is by having a solid conflict resolution policy in place that is reviewed and updated regularly as needed. Many studies have been conducted to determine the impact that perception, culture, expectations and emotions have upon conflict and conflict management. In this paper, we will specifically examine eight scholarly articles relating to these various topics to assess how well these articles would contribute to the design of a conflict management/resolution policy, specifically in a workplace environment.

From a Marxist point of view conflict among workers in an association is unavoidable, in truth it is ordinary. However, pioneers in an association sit and overlap their hands to disregard conflict in a work environment; they tell their subordinates that unseemly conduct is satisfactory. Conflict not oversaw appropriately influences work satisfaction and representative satisfaction (Abdul, 2015). "Conflict is the impression of contrasts of interests among individuals" (Thompson, 1998). Conflict can emerge between individuals from various gathering known as

intergroup conflict and furthermore between individuals from a similar gathering known as intra-assemble conflict (Abdullah and Al-Shourah, 2015).

As per Dana (2000), "conflict isn't only a disturbance. It costs cash and those expenses can be ascertained, as far as sat around idly, awful choice, lost representatives." As indicated by Abdullah and Al-Shourah (2015), organizational conflict is viewed as genuine and unavoidable and a positive pointer of compelling authoritative management. As Gigliotti (1987) stated, a unit which is independently insufficient as far as collaborating with whatever is left of the association is destined to disappointment. Conflict additionally comprises of the moves that we make to express our sentiments, explain our observations, and get our necessities met in a way that has the potential for meddling with another person's capacity to get his or her needs met (Meyer, 2004). The points of the gatherings in conflict may stretch out from just endeavoring to pick up acknowledgment of an inclination, or securing an asset advantage, to the extremes of harming or taking out rivals (Bisno, 1988). In 1974, Kenneth Thomas and Ralph Kilmann made the Thomas-Kilmann Conflict Model which recognizes 5 primary conflict determination styles specifically: Avoiding, Accommodating, Competing, Compromising, and Collaborating. In this examination the specialist would utilize 2 systems in overseeing conflict in particular: Compromising and Collaborating Cooperation.

As per Onwuchekwa (1999), "an examination into effectiveness is to assess how well an association is getting along in connection to some set measures". Cameron (1978) called attention to that hierarchical effectiveness is the capability of the association at approaching the basic assets. Abdullah (2015) said effectiveness characterized as just having the proposed result. In an authoritative setting, the proposed result is the objective of the association that frequently communicated in a statement of purpose. For our motivation, we should run with Neupane (2014) who proposed that Client Satisfaction measures Organizational effectiveness and Quality of work-life by Cummings and Worley (1997). As indicated by LeBaron (2003), culture is a basic piece of the conflict and its determination. Culture influences how idealize a man fits in a particular association as it speaks to the sentiment comfort with that culture (O'Reilly, 2004). Despite the fact that few works has been finished identifying with Micro Finance count on the most proficient method to make it compelling, no past work has really address the issue Conflict among workers in an organization is inevitable. If it manages properly, it will bring catalyst for change and can have a positive impact on employee satisfaction and performance of the organization. Conversely, unmanaged conflict negatively impacts both employee satisfaction and job performance. When organizational leaders ignore workplace conflict, they send a message that unsatisfactory job performance and inappropriate behavior are acceptable. Awan and Anjum (2015), says that properly managed conflict promotes open communication, collaborative decision making, regular feedback, and timely resolution of conflict. Open communication and collaboration enhance the flow of new ideas and strengthen work relationship, which can have a positive effect on employee morale. Regular feedback and timely resolution of conflict has the potential of improving employee satisfaction and job performance.

Awan and Anjum (2015) argue that a negative work environment that does not promote conflict resolution can result in poor employee behavior and job performance. Unmanaged conflict promotes dysfunctional communication and poor behavior among staff. Poor behavior on the

part of one employee has the power to affect overall employee morale, which results in lower productivity. According to Dana (2000), conflict is not just an annoyance. It costs money and those costs can be calculated, in terms of wasted time, bad decision, lost employees.” In the health care industry, patients’ health and even their lives can be affected by unmanaged conflict.

Awan and Ibrahim (2015), contend that if the individuals do not have the communication or interpersonal skills to resolve their disputes, the conflict can grow and spread to others, eventually affecting their job performance, which, in turn, affects the job satisfaction of others, as well in addition to the staff not having the communication skills to address their disputes, their leaders often lack the necessary skills to be effective in conflict resolution. Once human resources personnel are involved, the process becomes punitive and results in disciplinary action, which contributes to an even greater reduction in employee morale and employee satisfaction. Within any organization, there are usually different positions and jobs. People occupying these positions have different perceptions, goals, thought and concerns. It is difficult to conceptualize society or an organization without inherent differences and contradictions and these leads to conflict. In organization a serious problem can be conflicts that are very serious. This is the bad practice that will be impossible for the workers to at the same place for work. Taylor decided the primary cause of conflicts was management, without knowing what the proper day’s work is, tries to secure maximum output by pressure. His conclusions were a definite task, a definite time and a definite method. He made it clear that if this approach is followed the gains to management may not be from extra efforts by workers but from elimination of waste, waste of worker’s time and waste of machine time.

Awan and Ahson (2015), say that conflict is a natural and inevitable part of people working together and should be kept at a manageable level where it will not disorganize the activities of the organization towards the attainment of its objectives. Awan et al (2015) plead that conflict may also be beneficial to the organization where it brings about radical change in the organizational power structure, current interaction pattern and entrenched attitude and also can lead to increase in productivity. While some conflicts are functional others are not. It can also affect the organization negatively when it is associated with decreased employee satisfaction, insubordination, decreased productivity, leads to economic loss, fragmentation to mention but a few. It is the management major responsibility to device strategies in bringing down conflict as low as possible, which will enable the organization to still function to succeed (Robbins &Sanghi, 2006).

Dimension of Conflict Management

Conflict Identification

To understand the mechanisms of identity conflict, it is useful to engage with the neuropsychological literature on action selection and behavioural conflict. From an evolutionary perspective, the fundamental task of a nervous system is to continually identify the most adaptive behavioural response to available sensory information (Swanson, 2003). Action selection emerges through an integration of sensory input, the strength of existing memory representations, and the focus of goal-related selective attention (Cisek & Kalaska, 2010;Higgins, 1996; Hirsh, Mar, & Peterson, 2012). Although a large repertoire of potential responses can be brought to bear

on any situation, most of these options receive very little activation. Only the most strongly activated behavioural response in any given moment tends to be expressed as overt behaviour.

Importantly, the number of salient response options can vary from one situation to the next, with important psychological consequences (Hirsh, Galinsky, & Zhong, 2011; Hirsh et al., 2012). Some situations are characterized by a single salient response option, with alternative actions receiving minimal activation. This type of response distribution characterizes highly familiar and tightly regulated situations with well-defined behavioural scripts and expectations (Gelfand, 2012; Schank & Abelson, 1977). There is very little ambiguity, for example, about how to respond to a red traffic light—stepping on the brake pedal should be the most salient response option. In contrast, some situations lack a single dominant response option, and thus afford much more behavioural flexibility. Unfamiliar and ambiguous situations are more likely to trigger the simultaneous activation of competing responses, none of which clearly stands out as the most appropriate choice. For example, when encountering an unfamiliar social environment (e.g., starting a job at a new company), the normative expectations of the new group may be unclear, triggering a variety of conflicting responses as the individual attempts to identify the most appropriate behaviour.

Because each aspect of a person's identity encompasses a characteristic set of norms and expectations, individuals with multiple salient identities are likely to perceive a broader range of potential actions in any given situation (McConnell, 2011; Roccas & Brewer, 2002). Each one of a person's salient identities will direct his or her attention toward a unique aspect of the situation, encouraging the activation of distinct appraisals and response tendencies. A person would thus interpret a situation very differently when a professional identity (and its accompanying goals and expectations) is salient compared with when a family identity is salient. Behavioural conflict emerges when the responses associated with different salient identities are incompatible with each other. As the number of salient social identities increases, so too does the chance of experiencing heightened behavioural conflict and uncertainty. Identifying this uncertainty enhances the possible outcome of managing the conflicting situations.

Organizational Productivity

The main objective of a business firm is to provide value satisfaction to the consumers at a profit. Business firms always attempt to maximize profit. But in order to maximize profit a business firm has to be efficient. Efficiency is measured by the capacity of a business firm to raise the productivity of existing resources so that cost per unit is reduced. Since cost and productivity are reciprocal of each other, a raise in productivity implies a fall in cost of production which ends in higher profit. Organizational Productivity, as a common sense is the quantitative relation between what we produce and what we use as resources to produce them i.e., an arithmetic ratio between the amount produced (output) and the amount of resources used in course of production (input). It will be desirable to examine, in brief, the concept of productivity.

The international labour organization in its report summarizes the concept of productivity, thus some think of productivity as a measure of the economy as a whole. Others think of productivity in terms of individual industries or plants". Some businessmen in their public relations speak as though the whole matter of productivity had to do with the degree of application of the workers

to their Jobs. At other times, the concept of productivity is used as though it were a measure of the degree of efficiency achieved in production. Productivity is commonly defined as a ratio between the output volume and the volume of inputs. In other words, it measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output. Productivity is considered a key source of economic growth and competitiveness and, as such, is basic statistical information for many international comparisons and country performance assessments.

Profitability

Profit is an excess of revenues over associated expenses for an activity over a period of time. Terms with similar meanings include 'earnings', 'income', and 'margin'. Lord Keynes remarked that 'Profit is the engine that drives the business enterprise'. Every business should earn sufficient profits to survive and grow over a long period of time. It is the index to the economic progress, improved national income and rising standard of living. No doubt, profit is the legitimate object, but it should not be over emphasis. Management should try to maximize its profit keeping in mind the welfare of the society. Thus, profit is not just the reward to owners but it is also related with the interest of other segments of the society. Profit is the yardstick for judging not just the economic, but the managerial efficiency and social objectives also.

Profitability means ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. According to Harward & Upton, "profitability is the 'the ability of a given investment to earn a return from its use.'" However, the term 'Profitability' is not synonymous to the term 'Efficiency'. Profitability is an index of efficiency; and is regarded as a measure of efficiency and management guide to greater efficiency. Though, profitability is an important yardstick for measuring the efficiency, the extent of profitability cannot be taken as a final proof of efficiency. Sometimes satisfactory profits can mark inefficiency and conversely, a proper degree of efficiency can be accompanied by an absence of profit. The net profit figure simply reveals a satisfactory balance between the values receive and value given. The change in operational efficiency is merely one of the factors on which profitability of an enterprise largely depends. Moreover, there are many other factors besides efficiency, which affect the profitability.

Sometimes, the terms 'Profit' and 'Profitability' are used interchangeably. But in real sense, there is a difference between the two. Profit is an absolute term, whereas, the profitability is a relative concept. However, they are closely related and mutually interdependent, having distinct roles in business. Profit refers to the total income earned by the enterprise during the specified period of time, while profitability refers to the operating efficiency of the enterprise. It is the ability of the enterprise to make profit on sales. It is the ability of enterprise to get sufficient return on the capital and employees used in the business operation. As Weston and Brigham rightly notes "to the financial management profit is the test of efficiency and a measure of control, to the owners a measure of the worth of their investment, to the creditors the margin of safety, to the government a measure of taxable capacity and a basis of legislative action and to the country profit is an index of economic progress, national income generated and the rise in the standard of living", while profitability is an outcome of profit. In other words, no profit drives

towards profitability. Firms having same amount of profit may vary in terms of profitability. Profitability in two separate business concern may be identical, yet, many a times, it usually happens that their profitability varies when measured in terms of size of investment”.

Market Patronage

Market, as used in this study, connotes an authorized public square of which buyers and sellers of commodities meeting at a place more or less strictly limited or defined at an appointed time (Omole, 2002; Holder and Ukwu, 1969). The market centers are fundamental to the economic, social, cultural, religious and political life of the people. It is believed in many quarters that markets grow anywhere that there are goods to sell and where buyers are available for such goods to buy, (Omole, 2002). However, the patronage of this market largely depends on the performance and available information that is been disclosed to customers on the services of the organization.

In doing this, promotion is one of the key factors in the marketing mix that has a key role in market success. Promotion is used to ensure that customers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers. The channels that can be used are: advertising, direct marketing, public relations, publicity, personal selling, sponsorship and sales promotion (Rowley, 1998). Formerly, sales promotion was sometimes considered as an activity of less importance; but today, companies increasingly make use of sales promotion to promote the marketability of their products. All businesses need to communicate to the customer what they have to offer (Jobber & Lancaster, 2006).

Sales promotion can be defined as „special offers (Peattie, 1998). More specifically, referring to the institute of sales promotion, it is a range of tactical marketing techniques designed within a strategic framework to add value in order to achieve specific sales and marketing objectives (Bunn & Banks, 2004). In the opinion of Brunel (1990), sales promotion excludes all paid media advertising, but includes techniques like coupons, self-liquidating offers, bargain packages, gifts, sampling and points of purchase promotions and displays. Sales promotion works as short-term incentives to encourage purchase of a product or service (Kotler, Brown, Adam, & Armstrong, 2006), therefore is value to the customers in a short –term orientation. It essentially aims to stimulate demand during the period in which it is set (Peattie & Peatie, 1995; Lehman & Winer, 2002, Walsh 2000). The potential benefits of using sales promotion could range from attracting new consumers from competitors to persuading consumer to switch to brands with higher profit margins or simply inducing existing customers to buy more. Since the end of Second World War, the insurance industry in the world over has experienced remarkable growth. Concurrent with the growth has been significant changes within the industry. The growth of the banking industry depends on the patronage of the customers which is an essential feature of organizational productivity. The kind of customer’s services rendered by the industry play a significant role in the numbers of patronage they attract from the public. The sector is highly competitive as each operator set it target market to be met. And to meet this target, managers of the banking the sector are obligated to design a marketing structure that is customers’ oriented towards the actualization of the target market.

The study postulates the following hypotheses to be tested:

- H₀₁: There is no significant relationship between conflict identification and profitability in the banking sector in Rivers State, Nigeria.
- H₀₂: There is no relationship between conflict identification and market patronage in the banking sector in Rivers State, Nigeria.

METHODOLOGY

The study adopted the cross-sectional survey in its investigation of the variables. Primary data was sourced through structured questionnaire. The study population comprised of all senior staff selected from all twenty two (22) banks in Rivers State, Nigeria; and the sample size of 120 senior staff were sampled using the Krejcie and Morgan Sample Determination Table. The research instrument was validated through by experts as provided by supervisors vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring coefficients above 0.70. The hypotheses were tested using the Pearson Product Moment Correlation Coefficient. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

DATA ANALYSIS AND RESULTS

Bivariate Analysis

The Pearson Product Moment Correlation Coefficient was calculated using the SPSS 21.0 version to establish the relationship among the empirical referents of the predictor variable and the measures of the criterion variable.

Table 1: Correlation Matrix for conflict identification and organizational productivity

		Conflict identification	Profitability	Market patronage
Conflict identification	Pearson Correlation	1	.750**	.832**
	Sig. (2-tailed)		.001	.000
	N	92	92	92
Profitability	Pearson Correlation	.750**	1	.976**
	Sig. (2-tailed)	.001		.000
	N	92	92	92
Market share	Pearson Correlation	.832**	.976**	1
	Sig. (2-tailed)	.000	.000	
	N	92	92	92

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

- H₀₁: There is no relationship between conflict identification and profit in the banking sector in Rivers State, Nigeria.
- H₀₂: There is no relationship between conflict identification and market patronage in the banking sector in Rivers State, Nigeria.

The table 1 correlation of hypothesis one and two; the hypothesis one shows a significant correlation at $r = .750^{**}$ where $P\text{-value} = .000$ ($P < 0.001$). This implies a strong and significant relationship between both variables at 95% level of confidence interval. We therefore reject the null hypothesis ($H_{0:1}$), and restated, thus, there is a significance relationship between conflict identification and profitability.

The hypothesis two shows a significant correlation at $r = .832^{**}$ where $P\text{-value} = .000$ ($P < 0.001$). This implies a strong and significant relationship between both variables at 95% level of confidence interval. We therefore reject the null hypothesis ($H_{0:2}$), and restated, thus, there is a significance relationship between conflict identification and market patronage.

DISCUSSION OF FINDINGS

The results from the test of hypotheses revealed that there is a significant positive relationship between employee conflict management and organizational productivity in the banking sector in Rivers State, Nigeria. This finding support the study conducted by McConnell, (2011), who asserted that, a person would thus interpret a situation very differently when a professional identity (and its accompanying goals and expectations) is salient compared with when a family identity is salient. Behavioural conflict emerges when the responses associated with different salient identities are incompatible with each other. As the number of salient social identities increases, so too does the chance of experiencing heightened behavioural conflict and uncertainty. Identifying this uncertainty enhances the possible outcome of managing the conflicting situations.

CONCLUSION AND RECOMMENDATIONS

The study thus concludes that conflict management though its dimension conflict identification significantly influences and profit and market share in the banking sector in Rivers State, Nigeria. the study recommends that management of organization should ensure that they identify conflict within the organization in the early stage of conflict before its escalations it enhances organizational productivity.

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Supply Chain Risk Management and Risk Mitigation in the Petroleum Marketing Firms in Rivers State

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Abstract: *The purpose of the study was to examine the effect of supply chain risk management and risk mitigation in the petroleum marketing firms in Rivers State. The study adopted the the cross-sectional survey research design. The population of this study consists of the four hundred and fifty (450) independent petroleum marketers in Rivers State. The sample size of this study was drawn from the four hundred and fifty (450) independent petroleum marketers in Rivers State. The sample size of this study was determined using the Yamane (1967) formula. This method was adopted to generate an appropriate sample size for the study from which generalization can be made on the entire population because the population is large. Thus, two hundred and twelve (212) independent marketers or their managers constituted the respondents of the study. The respondents include directors, station managers, station supervisors and depot representatives. The hypotheses were tested using the Pearson Moment Correlation Coefficient with the aid of the Statistical Tool for Social Science (SPSS version 22) The study revealed that there is, positive, and significant relationship between the supply chain risk management and risk mitigation. We therefore, concluded that significant relationship exists between supply chain risk management and risk mitigation in the petroleum marketing firms in the Rivers State. As a result, the study recommends that manages of petroleum marketing Manages in the petroleum marketing firms should consider transferring some of the exposure in their supply chain through multiple sources such as insurance, outsourcing etc. Managers in the petroleum marketing firms are to constantly monitor the supply chain in order to identify appropriate strategies to hedge disruptions*

Keywords: Supply Chain Risk Management, Risk Mitigation Risk identification, Risk Transfer, Risk Acceptance.

Introduction

The risk that affects the supply chains are multidimensional and have been classified by scholars as operational risk and disruption risk respectively (Sawik, 2011). The operational risks are those risks that affect the day to day disturbances in the supply chain operations e.g. the fluctuations in demand and lead times created by uncertainty in customer demand, uncertainty in supply and uncertainty in cost). While, the disruption risks are the risk that are external to the supply chain they include incidents like natural disaster (corona virus pandemic, tsunami in japan, earthquake typhoons etc.) this has huge impact on the supply chain worldwide the resulting shortage of raw materials in global supply chain, legal dispute or strike. Scholars like (Garvey *et al.*, 2015, Dolgui *et al.*, 2018, Ivanov *et al.*, 2019b, Pavlov *et al.*, 2019b, Dolgui *et al.*, 2020, Li and

Zobel, 2020) have shown that these risks are characterized by a very strong and immediate impact on the SC network design structure since some factories, suppliers and DCs, and transportation links become temporarily unavailable. Adversely, the resulting material shortages and delivery delays propagate downstream the SC, causing the *ripple effect* and performance degradation in terms of revenue, service level and productivity decreases. This necessitate the need for supply chains risk to be managed so as to mitigate the resultant outcome of an unwanted event occurring to disrupt the smooth functioning of the supply chains.

Problem Statement

Rivers state is nick-named the treasure base of the nation. An indication of the huge deposit of the mineral resources that are found within the state. The petroleum sector has a very huge significance to the wellbeing of the state and the nation in general. The petroleum marketing firms ensure that the petroleum products are distributed to every nook and cranny of the state. Without these firms most organization and indeed the people of the state will have difficulty in carrying out most activities such as fueling their cars, running the generating set to power the office and homes, people will find it difficult to move about as transportation would suffer for lack of fuel to power the various taxis. It is obvious that the petroleum products are very crucial to the survival of the citizenry of the state. The recent outbreak of the corona virus pandemic has once again revealed the fragile state of the supply chain and its attendants effect on the organization. In situations like this, petroleum marketing firms have a series of common questions to ask, for example how long can a supply chain sustain the disruption? How long will it take the supply chains to recover after the pandemic outbreak? Again which supply chain operating policy would best suit the situation? Is it to accept the temporal shortage; or to react situationally by changing the operation policies during the pandemic time. which of these polices is the most efficient to cope with the disruption at the different levels of severity of the pandemic. This seek to examine the nexus between supply chain risk management and risk mitigation within the supply chains of petroleum marketing firms in Rivers State.

Purpose of The Study

The purpose of the study is to examine the nexus between supply chain risk management and risk mitigation in the petroleum marketing firms in rivers state. Other sub objectives include to

1. Ascertain the relationship between risk identification and risk mitigation
2. Risk assessment and risk mitigation

Study Variable and Research Framework.

Study variable are usually pointers as to the direction of the study. This study has two main variables supply chain risk management (predictor variable) and it has risk identification as its indicator, while risk mitigation (criterion variable) has risk transfer and risk acceptance as its measures.

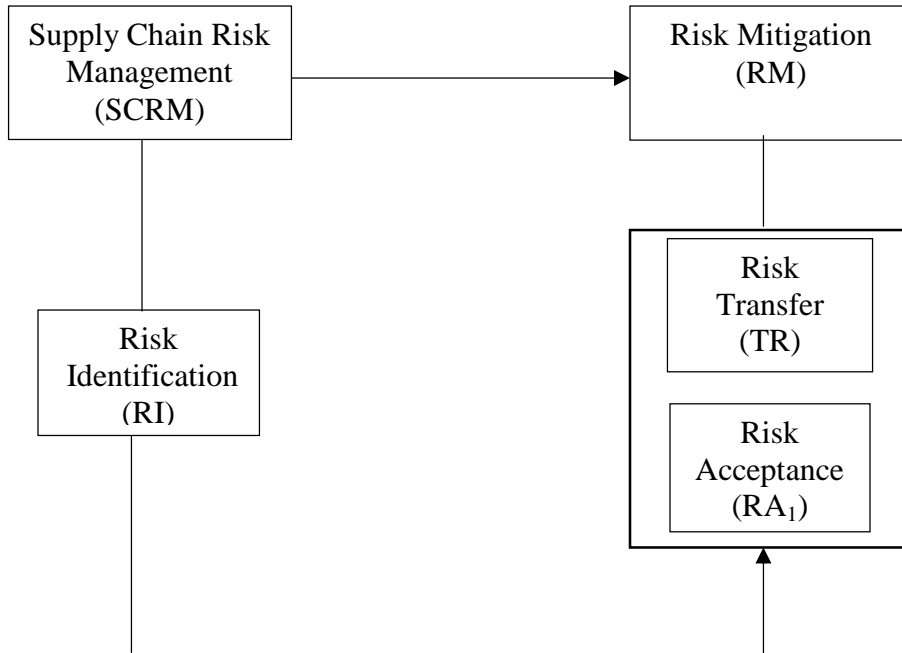


Fig 1.1 Conceptual framework for Supply chain risk management and mitigation

Source: dimensions adapted from (Stravros *et al.* 2016; Ho *et al.* 2015), while measures were adapted from Curkovic *et al.* (2013)

Research Questions

1. Does risk identification influence risk transfer?
2. Can risk identification influence risk acceptance?

Research Hypotheses

Drawing from the research questions the following hypotheses were developed for the study.

Ho₁: There is no significant relationship between risk identification and risk transfer in the petroleum marketing firms in Rivers State.

Ho₂: There is no significant relationship between risk identification and risk acceptance in the petroleum marketing firms in Rivers State.

Theoretical Foundation

This study is anchored on the New Institutional Economic Theory (NIET)

Zsidosin and Wagner (2010) deployed the new institutional theory to examine why and how organizations create business continuity plans that are geared towards managing supply chain risks. Scholars like Jian (2010) have used theories to reveal important facts about the risk issues in the supply chain. This has also been beneficial to solving continuing arguments, about the

construct supply chain risk management. In the view of Williamson (1998) as cited in Mutuku (2014) the new institutional theory can be used to predict the risk management practices that best suit an individual organization or that is accepted as the best process for the industry or market.

Supply Chain Risk Management (SCRM)

Diehl and Spinler (2013) described supply chain risk management as the organizations deploy to deal with risk that can occur in their supply chains. While, Wieland and Wallenburg (2012) described “supply chain risk management as implementing strategies that hedges risk that occur regularly or are rare within the supply chain which results from a constant assessment to ensure that risk is reduced”. The focus of this definition is on how the organization can use strategies to measure and mitigate risk along the supply chain. Thun and Hoenig, (2011) had suggested that” supply chain risk management involves, the identification, analysis and control of risk issues they believe that it includes a cross company orientation that is used to classify and reduce risk such that they can save cost and increase profit”. This definition is concerned with how the firm is managing risk with the supply chain. Goh, Lim and Meng (2007) are of the view that “supply chain risk management refers to the classification and managing of risk among supply chain partner both internally and externally to limit the disruption altogether”. In this we observe that the management of risk involves identifying and managing the risk by coordinating both the internal and external supply chain partners to hedge disruptions. Scholars like (Neiger Rotaru, Churilov, 2009; Tummala & Schoenherr, 2011; Ho, Zheng, Yildiz & Talluri, 2015) are in consensus that SCRM is aimed at developing strategies for the identification, assessment, treatment, and monitoring of risks in supply chains. Ahmed (2017) argues that scholars have suggested the use of risk identification, risk assessment, risk treatment, and risk monitoring represent the four main stages of the SCRM process. We deployed risk identification and risk assessment as dimensions of supply chain risk management in this study.

Risk identification

David Patrick and Kennedy (2015) described risk identification as “the process by which potential risk sources that may affect the supply chain performance of the organization are identified.” This description shed great light as to the rationale of risk identification by organizations on its supply chains; the early detection of the potential risk could mean a huge difference between loss and competitive edge for the firm. Kern, Moser, Hartmann and Moder (2012) stated that risk identification is aimed at discovering all the relevant risk and recognize future uncertainties in order to manage them proactively. The process of identifying risk is any activity by which organizations determines the risks that could potentially thwart the smooth running of their operations, thus preventing the achievement of its stated objectives. The goal of identifying risk is to determine albeit the events that when they happen has the potentials of adversely affect the organization such that it may not be able to accomplished its set objectives The supply chain risk may emanate from outside the supply chain or inside the supply chains” (David *et al.*2015). scholars like (Breuer, Haasis, Wildebrand 2013; Colin, Pfohl, Gallus & Thomas 2011; Samvedi, Jain and Chan. 2013; Wilding *et al.* 2012) are in consensus that risk identification process is one of the critical and initial stages of the supply chain risk management process. Also, the process of risk identification along the supply chain allows the firms to identify the vulnerability that may be found from the inside and from the outside of supply chain. According to Tummala and Schoenherr (2011) risk identification is a tool that us used to “create

a comprehensive list of all possible and thinkable risk associated to the supply chain.” The risks identified need to be categorized as this exercise affords the organization the opportunity appreciate the types of risk the supply chain is exposed to.

Meanwhile, Kayis and Karningsih (2012) stated that “in identifying risk it is important to note the existing interrelationship and dependencies between different risk to be able to understand the risk management better.” Kern *et al.* (2012) highlighted the possible tools that can be used to identify risk in the supply chain e.g. SC mapping, process mapping, flow chart, checklists or check sheets, event tree analysis, fault tree analysis, failure mode and effect analysis (FMEA), Ishikawa cause and effect analysis (CEA), brainstorming etc.” Tummala *et al.* (2011) observed that by using one or several tools when identifying risk it will be easier to perform the identification in a systematic way.”

Risk Mitigation

In the word of Ahmed (2017) risk mitigation can be considered as “the conceptualization of action plans, task and the process of developing options to enhance opportunities.” He further stated that risk mitigation allows firms to perform a holistic assessment in order to reduce the likelihood of threat, exposure or damages that can be harmful to the business operation. Essentially every risk mitigation plans can be viewed as strategic in nature. Liu, Li, and Wu (2014) described risk mitigation as “any effort or group of effort that is aimed at reducing the negative impact of an event occurring.” There appear to be a consensus among scholars like (Liu, Li, & Wu, 2014; Sodhi, Son, & Tang, 2012; Wagner, &Neshat 2012; Curkovic, Scannell, Wagner, & Vitek, 2013) that risk mitigation has the capacity to reduce the probability of an event occurring, or reduce the effect after the event has occurred, or both on the organization. Hence, they argue that it is essential for managers to choose a strategy that will best mitigate the risk that is affecting the supply chain of the organization. Again, these group of scholars’ all agree that firms generally have two types of response to risk mitigation and these include:

- (1) Accepting the risk and
- (2) Reduction or sharing the risk.
- (3) Risk Transfer.

Mitigation strategies have been classified by experts into proactive or reactive. (Scholten, Sharkey Scott, and Fynes 2014; Thun, Druke, and Hoenig. 2011) stated that proactive steps or strategies “are known to decrease the possibility that a risk will occur in the supply chain, while, reactive strategies are known to lessen the impact of the risk after it has occurred. Experts say that proactive strategies refer to improvement in tracking, tracing and the selection competent suppliers with high pedigree. While, reactive strategies refer to the process of double sourcing, various sourcing and maintaining safety stocks”. But it is important that before organizations choose a strategy to mitigate risk, they of necessity evaluate each of the risk facing the supply chain against the mitigation strategies available to the firm. Scholars are in consensus that “in order to choose a relevant mitigation strategy for any risk, a cost–benefit analysis needs to be undertaken with risk appetite as a constraint” (Diehl and Spinler 2013; Kumar Sharma and Bhat 2014). Schmitt and Singh (2012) developed the newsvendor model to evaluate the demand risk, also Arcelus, Kumar and Srinivasan (2012) in their study the impact of demand disruption used

the newsvendor model as well. Following in their stead was Tang, Musa and Li (2012) also adopted the newsvendor model to investigate the demand risk in the supply chain. Meanwhile Kang and Kim (2012) used “the mixed integer nonlinear programming model to investigate the impact of demand risk on the supply chains”. These studies were centered around ‘demand risk mitigation’ and ‘supply chain’ decision making under random demand situations. They were mainly concerned with determining the optimum order placement and what the replenishment order would be to minimize the effect of the demand uncertainties. However, Kim (2013) suggested that “risk should be shared in order to minimize loss that arises over demand uncertainties his work was based on a four-tier supply chain under dynamic market demand and suggested that bilateral contracts should be made flexible in terms of the order quantity”. He argued that the fluctuations in demand can be absorbed by the contract design, which allows for a more effective inventory management and customer service. We define risk mitigation as the technique embarked upon by any firm in order to prevent an uncertain event from occurring or limit the impact of an uncontrollable even when it occurs. In this study we shall use risk acceptance and risk transfer as measures of risk mitigation.

Risk Acceptance

According to Ghadge, Dani, Chester and Kalawsky (2013) by accepting the risk the firm may adopt either a buffer measure, contingency plan and/or will ensure it source for it source from a secure vendor. Ahmed (2017) stated that accepting risk is actually “the last resort in developing and designing a risk encountering strategy. It implies that when risk is unavoidable and cannot be controlled, indemnified, eradicated transferred or mitigated; then it must be accepted.” This he believes ensures that the firm is able to forge ahead as that in itself is significantly better than the risk associated with going ahead is less than the risk of not going forward. There appears to be no stated guideline that allows for firm to determine the extent of risk an organization can or should accept. The level of acceptance is based on the context and may include inclination to risk by the management of such organizations. This implies that the willingness of the organization or individual to engage in ventures that are risky and are willing to accept the uncertainty of the outcomes of those ventures while making decisions (Park, Min, & Min, 2016). Meanwhile, Aglan and Lam (2015) cautioned that the willingness to accept a risk does not imply ignoring the altogether, rather they counseled that firm continually monitor and track to ensure that the accepted risk does not increase.

Risk Transfer

Ignacio (2016) defined risk transfer as the subscription to an insurance policy against certain supply chain risk. The emphasis on this description is that the firm takes on an insurance policy due to the uncertain nature of the supply chains activities. While, Herrera (2013) is of the view that supply chain risk transfer often takes the shape of insurance of particular risk, outsourcing or entering into partnership. Here the argument is that aside from purchasing insurance policy the firms in the petroleum marketing firms can outsource or partner with other firms in the industry so as to aid in the execution of task that they don't have the competence to execute. The implication is that the contractual agreement to transfer risk which is a legal agreement allows the firm to be compensated for the insured losses. Diabat, Govindan and Panicker (2012) described risk transfer as the responsibility that is assigned to another party. For example,

business disruption risks can be transferred through business interruption insurance (Zhen *et al.*, 2016). Risk transfer however appears more appropriate for disruption risks with a small probability and high impact, e.g. natural disasters and terrorist attacks, than for operational risks with a high probability and low impact (Aqlan and Lam, 2015).

Supply Chain Risk Management and Risk Mitigation

Supply chain risk management has received considerable attention in recent times. When the supply chain functions efficiently and effectively the result is a significant edge over the competition in terms of reduced cost of production and improved quality in products and service delivery. Ho *et al.* (2015) noted that supply chain risk management is crucial for risk management in an organization. They further argue that effective supply chain risk management enhances organizational performance and provides competitive edge. Also, earlier scholars like (Li *et al.* 2015) pointed out that an ineffective supply chain risk management can weaken the accurate assessment of the uncertainties and risk involved in supply chains. Samira, Mohammad, and Majid (2018) observed that several studies have been undertaken to proffer solutions to the myriad of SCRM issues that borders on disruptions. Samira *et al.* (2018) citing (Tang 2006) noted that “many researchers had in the past developed different strategic models to manage supply chain risk and alleviate the problems associated with different types of risk.” Interruptions that are capable of obstructing the stable movement of materials, information and finance thereby hindering the organization from achieving its set goal which, may negatively influence the achievement of a firm’s goals and also affect the supply chain, with respect to cost, quality and time have been described as supply chain risk by scholars like (Colin *et al.* 2011; Hofmann, Busse, Bode, & Henke. 2014; Spiegler, Naim, & Wikner 2012). Wilding, Colicha and Strozzi (2012) categorized supply chain risks as internal and external risks. Scholars like (Dash Wu, Olson, & Dash Wu 2010; Lin and Zhou 2011) have described Internal risks to include: forecast inaccuracy, worker accidents, distorted information, quality issues and capacity cost while, external risks include price fluctuations, plant fires, labour disputes, customs and regulations and economic downturns. Because of the above-mentioned risks and their negative effects on firm operations and performance, firms need have appropriate mitigating strategies in place to reduce or hedge the effects of disruptions (Johnson, Elliott, & Drake, 2013; Urciuoli, Mohanty, Hints, & Gerine, 2014).

Empirical Reviews

Empirical studies have been done on the construct supply chain risk management. This section will undertake a review of some of them. Lambaino, Guyo, Odhiambo and Getuno (2018) conducted a study on risk transfer strategies and supply chain resilience in the petroleum industry in Kenya. The purpose of the study was to investigate the influence of risk transfer strategies on supply chain resilience in the Kenyan petroleum industry. The study revealed that risk transfer strategies have a positive influence on supply chain resilience.

Nooraie and Parast (2015) conducted a study “a multi-objective approach to supply chain risk management: Integrating visibility with supply and demand risk.” The objective of the study was to investigate whether a multi-objective approach was sufficient as a mitigation strategy. The study revealed that increased visibility in supply chains offer huge means of saving cost when supply chain disturbances happen. This study is similar with our current in terms of proffering

solution to the issue of supply chain risk management however, the focus of both studies differ. Chen, Sohal and Prajogo (2013) conducted a study “supply chain operational risk mitigation: A collaborative approach evaluated the supply chain collaboration (SCC) as a risk mitigation strategy the purpose of the study was to examine the collaborative approach as a mitigation strategy. They collated data from 203 manufacturing enterprises in Australia”. The findings reveal that supply chain collaborations do significantly reduce supply chain risks specifically the study addressed the subject of processing risk where they pointed out that risk have a stark and direct impact on supply chain performance, also the fact that hazards have been established to be a major source of the bulk of external hazards, which might be either from the supply or demand side. This study has a elements of the current study in the sense that both studies attempt to proffer solution to supply chain risk issues however, both studies differ in industry.

Wieland and Wallenburg (2012) conducted a “study dealing with supply chain risks linking risk with management practices and strategies to organizational performance in Germany”. The empirical analysis was predicated on the survey data from 270 industrial organizations in Germany, the hypotheses were tested using structural equation modelling. The study revealed that supply chain risk management is a prerequisite if firms are to experience agility and strength such that the firm needs to improve organizational performance. The study differs from the current study in the sense that its focus is on management practices

Literature Gap

This study tends to bridge the knowledge gap of other research. Firstly, the study conceptualized supply chain risk management (predictor variable) and risk mitigation (criterion variable) which there has been little study covering both the two variables. Secondly, the dimensions (risk identification and risk assessment) and (risk transfer and risk acceptance) employed has differentiated the work from other research as other research did not use these dimensions and measure in this order. Thirdly, the location and the population of the study may have been used but not with the variables under study. Finally, the sample size is also another distinctive factor from other research study. Therefore, the study serves as a knowledge gap.

Methodology

This study adopted the cross-sectional survey research design. This research design enabled the researcher to collect unprejudiced data from the study targets and describe the relationship between the variables. The population of this study consists of the four hundred and fifty (450) independent petroleum marketers in Rivers State (IPMAN Journal, 2015). The sample size of this study was drawn from the four hundred and fifty (450) independent petroleum marketers in Rivers State. The sample size of this study was determined using the Taro Yamani (1967) formula. This formula was deployed to generate an appropriate sample size for the study from which generalization can be made on the entire population because the population is large. Thus, two hundred and twelve (212) independent marketers or their managers constituted the respondents of the study. This study made use of both descriptive and inferential statistics to analyze the data. Thus, univariate descriptive statistics such as the mean, standard deviation, frequency distribution, percentages, and bar chart were used to analyze the data. Furthermore, bivariate inferential statistics of Pearson Product Moment Correlation (PPMC) was used to test

the hypotheses stated in the study with aid of Statistical Package for Social Sciences (SPSS version 22).

Table 1. Summary of Reliability Analysis

S/N	Variables	Number of items	Cronbach's Alpha Coefficient
1	Risk Identification	4	0.924
3	Risk Acceptance	4	0.951
4	Risk Transfer	4	0.912

Source: SPSS output 2020

Result and Discussion

H₀₁: There is no significant relationship between risk identification and risk transfer in the petroleum marketing firms

Table 2: Correlation between Risk Identification and Risk Transfer

		Risk Identification	Risk Transfer
Risk Identification	Pearson Correlation	1	.815**
	Sig.(2-tailed)		.000
	N	200	200
Risk Transfer	Pearson Correlation	.815	1
	Sig.(2-tailed)	.000	
	N	200	200

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

The result above in table 2 is indicative of a strong and positive relationship between risk identification and risk transfer. As shown by the correlation coefficient of 0.815. the probability value is less than the critical value i.e. $0.000 < 0.05$. thus, we reject the null hypothesis which states that there is no significant relationship between risk identification and risk transfer.

H₀₂: There is no significant relationship between risk identification and risk acceptance in the petroleum marketing firms

Table 3: Correlation between Risk Identification and Risk Acceptance

		Risk identification	Risk acceptance
Risk Identification	Pearson Correlation	1	.312**
	Sig.(2-tailed)		.000
	N	200	200
Risk Acceptance	Pearson Correlation	-.312	1

Sig.(2-tailed)	.000	
N	200	200

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

The result above in table 3 is indicative of a significantly weak and negative relationship between risk identification and risk acceptance. As shown by the correlation coefficient of .312. the probability value is less than the critical value i.e. $0.000 < 0.05$. thus, we reject the null hypothesis which states that there is no significant relationship between risk identification and risk acceptance.

Discussion

The result from the study shows that risk identification is significant and positively related to risk transfer. This is consistent with the position of Lambaino *et al.* (2018) who found that risk transfer (an antecedent of risk mitigation) have a positive influence on supply chain resilience. The result for H_{02} revealed a significantly weak and negative relationship between risk identification and risk acceptance. This position is in line with Park *et al.* (2016) whose stated that the willingness of organizations to accept risk is a function of decision making. Also, Aqlan and lam (2015) argue that the acceptable risk should be continually monitored to ensure it does not escalate to a certain threshold

Conclusion

In conclusion the study confirms that a significant relationship exists between supply chain risk management and risk mitigation in the petroleum marketing firms. The study found that risk identification is positively related to risk transfer and risk acceptance (antecedents of risk mitigation). This is the most rational step to take as it shield the organizations from exposures which, eliminates shortages from adverse fluctuations.

Recommendation

Based on the finding and the conclusion of the study, it is therefore recommended as follows:

- ❖ Managers in the petroleum marketing firms should consider transferring some of the exposure in their supply chain through multiple sources such as insurance, outsourcing etc.
- ❖ Managers in the petroleum marketing firms are to constantly monitor the supply chain in order to identify appropriate strategies to hedge disruptions

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Towards Outsourcing of Facilities Management Services in Educational Sector (A Case Study of Borno State Tertiary Institutions, Nigeria)

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Abstract: *This paper examines outsourcing of Facilities Management Services in Borno State tertiary institutions. Literature on the nature and meaning of facilities management; the development of facilities management in Nigeria, types of facilities management techniques as well as the advantages and disadvantages of outsourcing were reviewed. For the purpose of this study questionnaire was administered on a sample of one hundred and twenty (120) respondents who were randomly selected from the four (4) state owned tertiary institutions in Maiduguri Metropolis of Borno State through simple and purposive random sampling techniques. Tables and simple percentages were used to analyze the data acquired. The analysis of data indicated that the most commonly outsourced facilities management service in the education sector is grocery and catering in order to provide for the growing number of students and staff and that the main driver for these services is cost reduction as a result of inadequate funding of the sector from the government, hence, the decision to outsourced remains an important strategic solution. Therefore, there is the need for exploring facilities management services in order to gain quality services from another organization's expertise. This is possible through the involvement of professional Facilities Managers and Estate Surveyors and Valuers as they are not only professionals in the management of land, buildings, plant and machinery but also experts in outsourcing of facilities management services.*

Keywords: *Facilities management, Outsourcing, Outsourcing techniques*

Introduction

Facilities Management (FM) is an integrated approach to maintaining, improving and adapting the buildings of an organization in order to create an environment that strongly supports the primary objectives of that organization (IFMA, 2006). The scope of FM therefore, is not limited to the physical characteristics of buildings alone. The services vary from providing and managing the accommodation to ensuring that employees, clients' and guests feel welcome, cared for and safe (Kok, Mobach and Omta, 2011).

In contrast to other management disciplines, FM is in its developing stage. It has increased recognition as a profession in a number of regions across the world, including the UK, Central Europe, North America and Asia among others. In Africa, FM was accorded recognition in two countries: Nigeria and South Africa (Natukunda, Pitt and Nabil, 2013). The development of FM in Nigeria is not only evident by the introduction of the Nigerian branch of IFMA in 1997; and

the enactment of Public Procurement Act in 2007; but, also the maintenance of ageing stock, the reuse and adaptation of buildings, up-to-date furniture and equipment, the use of premises for more than one purpose and the reduction of premises (Anifowose and Lawal, 2013). A study conducted by Adewunmi, Ajayi and Ogunba (2009) revealed that FM was introduced into Nigeria in the 1980s from the USA to assist Chevron and Mobil, which are multinational companies in the relocation activities of both companies. This introduction is as a result of globalization of professional practices (Ojo, 2002; Moore and Finch, 2004; and Adegoke and Adegoke, 2013; Adewunmi et al., 2009); and subsequently its acceptance by the Nigerian Institution of Estate Surveyors and Valuers as expert agents for management of land, buildings, plant and machinery and facilities. This is a reflection of the increasing acceptance accorded to FM in Nigeria's business world (Adewunmi et al., 2009); and has necessitated some government agencies, corporations and non-governmental organizations to adopt FM, specifically outsourcing services realizing that its function within traditional organizational structures are unsatisfactory (Adegoke and Adegoke, 2013). This has made the adoption of FM in some private and public organizations in Nigeria (Anifowose and Lawal, 2013; and Natukunda, Pitt and Nabil, 2013). Although, there has not been practical indication of its widest application in the tertiary institutions.

Similarly, other reasons for the development of FM in Nigeria identified by Ojo (2002); Moore and Finch (2004); and Adegoke and Adegoke (2013) are the globalization of professional practices, information technology and advancements in telecommunications, high cost of space, rising employee expectations, cost of mistakes, labour costs, regional economy, property market, general business environment, market maturity and procurement systems, and the removal of trade barriers. In support, Adewunmi et al. (2009) posited that big multinational companies, banks, manufacturing companies, schools and others are now appreciating the benefits of responding to changes in management of facilities, thus there is increased demand for FM. Although, the degree of adoption of FM by a given organization depends on the peculiar nature and characteristics of organizations and professionals managing those organizations (Adegoke and Adegoke, 2013). This view is consistent with Chotipanich (2004) who also noted that FM has been adopted differently in different organizations, and in different contexts. The scope and responsibility of FM in a given organization may be wider than other organizations.

Outsourcing as part of FM services has existed within the FM industry longer than the entire concept of FM, although in its earlier incarnations in a very different form as it is practiced today (Usher, 2003). Outsourcing refers to any situation where an organization contracts with another organization for the provision of a service that could equally be provided by a person, unit or department within the organization that requires the service (Barrett and Baldry, 2004). It is used as a strategy for increasing organizational efficiency and effectiveness (Ikediashi, Ogunlana and Boateng, 2014).

In recent years inadequate funding still remains a major challenge. The government is facing constraints in funding the education sector specifically the tertiary institutions even with the intervention of the Tertiary Education Trust Fund. Yet these institutions are expected to provide an enabling environment to their staff and students whose population has been growing rapidly. This has brought about challenges not only of maintaining the available facilities but also of

improving the quality of their services. Given this challenge, the institutions' investment decision with respect to outsourcing has become increasingly critical. Therefore, the means and costs of achieving and maintaining these quality standards must be recognized and controlled by the application of effective procurement strategies.

It is against the above backdrop therefore that this study is undertaken to examine the outsourcing of FM services in the education sector in Borno state with particular reference to state owned tertiary institutions; it will identify FM services being outsourced in the institution; the main reasons for the adoption of the identified outsourced services; and the current challenges with respect to outsourcing of FM services in the institutions with a view to making appropriate recommendations.

Meaning and Nature of FM

Many definitions of FM have been proposed by different researchers. The most generally recognized is the one given by the IFMA (2006) that, FM is an integrated approach to maintaining, improving and adapting the buildings of an organization in order to create an environment that strongly supports the primary objectives of that organization. This definition is consistent with the view of Becker (1990) cited by Amaratunga and Baldry (2000) who defined FM as the co-ordination of all efforts related to planning, designing, and managing buildings and their systems, equipment and furniture to improve the organization's ability to compete successfully in a rapidly changing world. FM, therefore, operates on the premise that the efficiency of any organization is related to the physical environment in which it operates and that the environment can be improved to increase its efficiency (Amaratunga, Baldry and Marjan, 2000). FM, like all other forms of management, remains an inexact science and continues to evolve, to a large extent reflecting something of an umbrella term under which a range of both property and user related functions are brought together (Moore and Finch, 2004).

FM Techniques

According to Adegoke and Adegoke (2013) there are three types of FM techniques: In-house technique, One-site technique and Outsourcing technique. The In-house technique is a conventional way of managing facilities by making use of internal man power to see to the welfare of physical environment and available facilities within the system. This exercise is normally undertaken by maintenance department of that very organization. While, One-site technique is the one that automates the service request, make ready, and asset management processes, incorporating easy to use pocket (PC) devices. The system gives property managers the information they need to monitor maintenance activities and then act to lower costs and improve efficiency. Services requests can be captured through direct entry into the system by office personnel, over the internet using the cross-fire resident portal or by certified specialists provided by the cross-fire call centre.

The Outsourcing Technique

Outsourcing is the situation where an organization contracts with another organization for the provision of a service that could equally be provided by a person, unit or department within the organization that requires the service (Best, Langston and Valence, 2003 and Barret, 1995). Its advantages as identified by Hassanain and Al-Saadi (2005) are higher quality of service; lower

cost of services in the long term; specialist expertise and skills that are not available in-house; and that managers have more time to concentrate on higher priorities. The concept is to have the third-party service provider, and putting in place the internal facilities manager to supervise the entire job performed by the FM Company (Nutt, 2004). The evolution of more efficient information technology that makes it easier to initiate contractual relations and to manage contracts is probably the strongest explanation for the spread of outsourcing (Brochner, Adolfsson and Johansson, 2001). Although, outsourcing is not without weaknesses. Authors like Hassanain and Al-Saadi (2005); Udechukwu (2012) and Usher (2003) are of the view that it has the following disadvantages as well: perceived loss of control; transaction costs; monitoring costs; security risks/threats to confidentiality; and loss of in-house skills/expertise.

Moreover, some researchers have investigated outsourcing of facilities management services in different organizations. Hassanain and Al-Saadi (2005) studied outsourcing of asset management services in the municipal sector and found out that outsourcing is being utilized in almost all functions relating to the management of municipal infrastructure, and that the criterion for selecting a specific contractor for a service is lowest price. Rasila and Gersberg (2007) assessed the service quality of outsourced facility maintenance services from end-user perspective. The survey indicated cost reduction is the most important driver for outsourcing FM services. Yik and Lai (2005) explored the trend of outsourcing for building services operation and maintenance work for commercial buildings. The survey indicated that the trend of outsourcing will continue if contractors keep on upgrading their knowledge and skills to provide quality services more economically than the in-house workforce. Natukunda et al. (2013) examined the current procurement (outsourcing) practice of facilities management services in different Small and Medium enterprises and found out that the most common driver for outsourcing was the necessity to gain quality services from another organization's expertise. For the organizations that procure services in-house, the most common motivation to do so was the desire to control the service quality and response time.

From the above review, FM is a term that covers a wide range of activities involved in the effective management of built assets. It encompasses the total management of all services that provides support to the main business of the organization. In addition, the similarities in the definitions have not only specify the objectives and scope of FM, but also provided a common platform that is important for a cohesive theoretical development in FM. While, outsourcing of FM services is being practice predominantly in commercial organizations. There is inadequate literature that indicates it widest application in the public-sector organizations such as institutions of higher learning in Nigeria. Therefore, this study is aimed to explore outsourcing of FM services in tertiary institutions in Borno State, Nigeria.

Methodology

The data for this study relied on two main sources; primary and secondary data. The primary source of data consisted of questionnaire, personal observations, and personal interviews. These was conducted in Kashim Ibrahim College of Education, Ramat Polytechnic, Mohamet Lawan College of Agriculture and College of Health Technology Maiduguri. On the other hand, the secondary source of data involved the information that were extracted from relevant studies or

research conducted by other researchers from journals archives such as SciVerse, Science Direct, SwetWise, Emerald, and Elsevier as well as search engines (such as Google and Google Book).

However, the population for this study is limited to principal officers from the Bursary and Works Unit of the four institutions which comprises one hundred and sixty (165) personnel. Out of the questionnaires administered, one hundred and thirty-three (133) were filled and returned out of which One hundred and twenty (120) were able to retrieved and analysed appropriately and this represented 80% of the total questionnaire administered which is considered adequate for the study.

Findings

Outsourced Services in the tertiary institutions

The study sought to find out the number of outsourced services in the institutions. Questions were put to the respondents in order to determine those services outsourced by the institutions. Although, the list contained in the questionnaire is not exhaustive of the entire range of FM services, it covered the most significant number of support services outsourced by organizations. The responses obtained as shown in Table 1 reveals that the first most commonly outsourced service is grocery and catering (85%). This is evident by the large number of restaurants in the campuses that are active in addition to the existing cafeteria/canteens to cater for the staff and students in the institutions. The second most commonly outsourced service is cleaning (81%). This is as a result of the large number of manpower needed for this task. Building operation and maintenance (63%) is the third most outsourced FM services in the institutions. This is due to the shortage of professional staff as many have been affected by retirement and job migration as stated by some respondents during the interview. Training/human development represented 53% of the total responses. Being tertiary institutions there are certain level of programmes that are not attainable which has to be acquired (outsourced) outside the institutions specifically in the universities. Advertisement (53%) is also outsourced from the local media in the metropolis. Next to advertisement is legal services (51%). This is not unconnected to the fact that employment of a lawyer on permanent basis is uneconomic to the institution due to low rate of litigations. Landscaping (39%); Information Technology (33%) and mail services (23%) are commonly provided in-house.

Table 1: Outsourced services by the tertiary institutions.

<i>Outsourced services</i>	<i>Response</i>			
	Yes	%	No	%
Grocery and Catering	102	85	18	15
Cleaning	97	81	23	19
Building operation and maintenance	76	63	44	37
Training/human development	64	53	56	47
Legal services	61	51	59	49
Advertisement	64	53	56	47
Landscaping	47	39	73	61
Information Technology	39	33	81	67
Mail services	28	23	92	77

Source: Field survey, 2020.

Drivers for outsourcing FM Services in the institutions

Table 2 shows the main drivers for outsourcing FM services in the institutions. The most common reason for outsourcing FM services is cost reduction. 82% of the respondents are of the view that cost reduction is the major driver for outsourcing. Although, Natukunda, et al. (2013) have argued that the cost savings benefits arising from outsourcing are more difficult to define because sometimes it costs money to outsource FM services. The benefits of gaining quality service from another firm's expertise; workforce flexibility and being able to concentrate on core business needs came in equal second place with 77% of the respondents citing the three as a driver. This finding is in agreement with the results of research conducted by Usher (2003), Kakabadse and Kakabadse (2002) that tapping other firms' expertise and flexibility in the workforce makes the organization to concentrate on core services. Preference for small employee size and reduced vacancies (68%) are another reason for adopting outsourcing in the tertiary institutions as noted by the respondents. Other drivers include; higher net revenue (55%), higher rents, reduced operating cost and potential for reduced depreciation and obsolescence (41%), efficient reporting to stakeholders (32%), and corporate social responsibility (23%). The least influential driver is improvement of the institutions' ability of change and growth (18%).

These findings are similar to the outcome of past studies by Ikediashi et al. (2014), Adedokun, Ibrinke, and Babatunde (2013), Adegoke et al. (2013), Rasila and Gersberg (2007), Usher (2003), Kakabadse and Kakabadse (2002), Natukunda et al. (2002) and Brochner et al. (2001) on the reasons for outsourcing of FM by organizations which show that outsourcing is being adopted for the main reasons of cost reduction, better access to superior quality, flexibility in responding to economic change and opportunity to focus on core competences.

Moreover, the Tertiary Education Trust Fund (TETFund) as an intervention agency funding tertiary institutions for the provision and maintenance of essential physical infrastructure for teaching and learning has also encouraged the institutions to explore available techniques for procurement which include outsourcing. Hence, the institutions can stand to gain the advantages of new ideas, technologies and improvement potentials; and that, the staff are exposed to the expertise of the procured specialists and thus have the opportunity to develop new skills and gain more experiences.

Table 2: The drivers for outsourcing FM services

Drivers for outsourcing FM services	Response	%
cost reduction	98	82
Gain quality service from another firm's expertise	93	77
A contracted workforce is more flexible	93	77
Concentration on core business	93	77
Preference for small employee size	82	68
Reduced vacancies	82	68
Higher net revenue	66	55
Higher rents	49	41
Reduced operating costs	49	41

Potential for reduced depreciation & obsolescence	49	41
Efficient reporting to stakeholders	39	32
Corporate social responsibility	27	23
Improvement of the institution's ability of change and growth	22	18

Source: Field survey, 2020.

Challenges for Outsourcing FM Services in the Tertiary institutions

From the interview conducted with respondents on the challenges of outsourcing, majority of the respondents were of the view that there is a low perception of the benefits of outsourcing as compared to in-house technique on part of the management of the tertiary institutions. This is because as the study revealed, in all the institutions, the Directorate of works serve as the facility manager of the institutions and reports directly to the management. Hence, it allows the Directors to exercise strategic influence on the institutions' planning and policies on the built assets and procurement. This will invariably pose challenges in the decision to outsource by the institutions which in effect has further clarified the above assertion of the respondents.

Conclusion

The findings of the study revealed that the tertiary institutions are outsourcing some services. The most commonly outsourced FM service is grocery and catering so as to provide for the growing number of students and staff in the institutions. Since the main reason for outsourcing grocery and catering and the other support services is to reduce cost as a result of inadequate funding even with the TETFund intervention, the decision to outsourced remains an important strategic solution to the provision of a range of FM services. It is therefore concluded that professional Facilities Managers and Estate Surveyors and Valuers in tertiary institutions should be fully involved as they are the professionals in the management of land, buildings/facilities, plant and machinery.

Recommendations

The following recommendations have been made based on the findings of the study: -

1. It is strongly recommended that Professional Facilities Managers and Estate Surveyors and Valuers in tertiary institutions should be fully involved in FM as they are the experts for management of land, buildings, plant and machinery and facilities. Therefore, either of these two should be appointed as Facilities Manager to oversee the services being rendered by FM Companies in the tertiary institutions.
2. Outsourcing as an FM technique should be embraced to take care of built asset in institutions of higher learning. This is in line with the fundamental argument for introducing outsourcing in order to reduce costs.
3. There is the need for carrying out cost-benefit analysis before adopting outsourcing in tertiary institutions given that the decision to outsource is complex and fraught with uncertainties.
4. The attitudes of stakeholders towards FM in institutions of higher learning should be positive so as to provide and maintain the essential physical infrastructure for teaching and learning.

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Effect of International Trade on the Growth of Nigeria Economy

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Abstract: *This study evaluated the effect of international trade on the growth of Nigeria economy. The broad objective of this study were to examine the effect of international trade on the Nigerian economy between the period of 1981-2018. Ordinary Least Square (OLS) method of evaluation were used. The researcher used time series data collected from Central Bank of Nigeria statistical bulletin. The variables were real gross domestic product, Export, Current account balance and Import as well as exchange rate. The study employed unit root test, co-integration and error correction model. The study revealed that exchange rate has a positive impact and is statistically significant; Export was also positive and has significant effect on the growth of Nigeria economy. Import was negative and statistically insignificant, and finally current account balance has a positive and significant effect on the growth of Nigeria economy. The researcher concludes that international trade has positive significant effect on the Nigerian economy. The researcher recommended that ban should be made on many imported goods, such as rice, foot wears, fabric etc the masses should be encouraged to patronize our local product. Both the people in power and the masses should demonstrate the spirit of patriotism. Exchange rate needs to be monitored to ensure stability in the exchange rate, since cost of investment and capital can only flow into a place it is highly rewarded*

Keywords: *international trade, gross domestic product, Export, Current account balance and Import, exchange rate, Nigeria economy*

INTRODUCTION

1 Background to the Study

International trade is vital in economic development. The neo-classical and classical economists attributed much relevance to external trade in a development process of a nation which is regarded as an engine of growth. Nations of the world have been immensely linked together through globalization and external trade. Foreign trade has been recognized as the most crucial and long standing part of a nation's international economic relationships. Its role in the development process of a contemporary global economy is crucial and central (Babatunde, Danladi & Azeez, 2018).

International trade has been an area of concern to policy makers and economists. Its importance lies on the ability to obtain goods which cannot be produced in the country or which can only be produced at greater expenses. Also it enables a nation to sell its domestically produced goods to

other countries of the world (Kariuki, 2009). The performance of a given economy in terms of growth rates of output and per capita income has not only been based on the domestic production and consumption activities but also on international transaction of goods and services.

The classical and neo-classical economists attached so much importance to international trade in a country's development that they regarded it as an engine of growth (Jhingan, 2006). Trade is recognised as a vital catalyst for economic development. For developing countries like Nigeria, the contribution of trade to overall economic development is immense owing largely to the obvious fact that most of the essential elements for development such as, capital goods, raw materials and technical know-how, are mostly imported because of inadequate domestic supply. However, it is important to note that internal trade complements external trade since domestically produced goods are collected for export, while imported goods are distributed within the country, sometimes into remote areas. Internal trade also facilitates internal specialization and the division of labour between the various firms and geographical areas of the country. Therefore, the higher the level of internal trade the greater the level of specialization. This raises the level of efficiency and productivity of the various economic units (Anyanwuocha, 2017).

The effect of international trade on the economic growth has attracted significant attention from finance and development experts and has been debated extensively. Several studies were carried out on international trade on the economic growth though with mixed findings Adeniyi & Adeyemo (2014) studied empirically the quantitative analysis of some selected food imports of Nigeria (rice, wheat and sugar). The result of the correlation analysis of the study shows that the postulated determinants of food imports were positively correlated with the quantity of food import. Ojide, and Ojide (2014) use time series analysis to study Growth Evidence of Imports in Nigeria. The role of international trade is very significant in a developing country like Nigeria. Cavallo and Landry (2009). The result indicated that capital goods exports have become an increasing source of growth for the U.S. economy. The result further showed that the U.S. could have lost more than 20 percent of its growth in output per hour without capital-goods export technology over the past 20 years. Lagares (2013) examines the growth effects of exported and domestic capital in thirty two Latin America economies from 1960 to 2010. The result showed that countries which experienced a slowdown in economic growth were relatively richer in 1970, and acquired relatively less capital exports and domestic capital. Dulleck and Foster (2012) study the effect of export on the growth of developing countries from 1980-2010. They find a complex interrelationship between export and growth of developing countries.

In light of the above explanation, it is evident that the empirical studies which focus on the link between international trade on the economic growth show mixed results and this may be attributed to the estimation methodologies and quality and span of data used as well as the direction of causality. In Nigeria, there are few empirical studies that focus on the effect of international trade on the economic growth using time series data. In addition, there were conflicting findings such as Shehu and Youtang (2012) the results indicate significant effects of exchange rate volatility on trade flows in Nigeria. Kariuki (2009) The study also found out that current account balance was positively influenced by favourable terms of trade, Sebil & Adeleke (2018) found no evidence of short run relationship between the variables and the current account

balance in all the three countries. Todani and Munyama(2005), there existed no statistically significant relationship between South African exports and exchange rate volatility or when such significant relationship existed, it was positive. . While a significant number of empirical studies in which Nigeria is included use panel and cross-section data to examine the relationship between international trade on the economic growth, there is no consensus on the findings, This may be due to the different methodology applied.

Furthermore, the benefits of international trade had not been noticed in the economic growth of Nigeria because some of the goods imported into the country were those that cause damages to local industries by rendering their products inferior and being neglected, thereby reducing the growth rate of output of such industries which later spread to the aggregate economy. Also the poor performance of international trade has been ostensibly blamed on factors such as different languages, difficulty in transportation, risk in transit, lack of information about foreign businessmen etc. Despite the above mentioned problems the study seeks to find the effect of International trade on the growth of Nigeria economy.

REVIEW OF RELATED LITERATURE

2.1 Theoretical Framework

Heckscher-Ohlin Model (H-O Model)

The Heckscher-Ohlin model (H-O model) is a general equilibrium mathematical model of international trade, developed by Eli Heckscher and Bertil Ohlin at the Stockholm School of Economics. It builds on David Ricardo's theory of Comparative by predicting patterns of trade and production based on the factor endowments of a trading region.

According to the model, relative endowments of the factors of production (land, labour and capital) determine a country's comparative advantage. Countries have comparative advantage in those goods for which the required factors of production are relatively abundant. This is because the prices of goods are ultimately determined by the prices of their inputs. Goods that require inputs that are locally abundant will be cheaper to produce than those goods that require inputs that are locally scarce. For example, a country where capital and land are abundant but labour is scarce will have comparative advantage in goods that require lots of capital and land, but little labour - grains, for example. Since capital and land are abundant, their prices will be low. Those low prices will ensure that the price of the grain that they are used to produce will also be low - and thus attractive for both local consumption and export. Labour intensive goods on the other hand will be very expensive to produce since labor is scarce and its price is high. Therefore, the country is better off importing those goods. The Ricardian model of comparative advantage has trade ultimately motivated by differences in labour productivity using different technologies, Heckscher and Ohln didn't require production technology to vary between countries, so (in the interests of simplicity) the H-O model has identical production technology everywhere. Ricardo considered a single factor of production (labour) and would not have been able to produce comparative advantage without technological differences between countries (all nations would become autarkies at various

stages of development, with no reason to trade with each other). The H-O model removed technology variations but introduced variable capital endowments, recreating endogenously the inter-country variation of labour productivity that Ricardo had imposed exogenously. With international variations in the capital endowment (i.e. infrastructure) and goods requiring different factor proportions, Ricardo's comparative advantage emerges as a profit-maximizing solution of capitalist's choices from within the model's equations. (The decision capital owners are faced with is between investments in differing production technologies: The H-O model assumes capital is privately held.).

2.2 Empirical Review

Adeniyi and Adeyemo (2014) Studied empirically the quantitative analysis of some selected food imports of Nigeria (rice, wheat and sugar). Time series data were used to examine the determinant of total food imports and the trend in the quantity of the food imported. The secondary data were obtained from institutional and national database over 1981-2010. Descriptive statistics, regression and correlation analysis were used as analytical tools. Statistical analysis shows that food deficit began in the 1970's, when Nigeria started the importation of food to feed the country. The result of the correlation analysis shows that the postulated determinants of food imports were positively correlated with the quantity of food import.

Ojide, and Ojide (2014) use time series analysis to study Growth Evidence of Imports in Nigeria The role of international trade is very significant in a developing country like Nigeria. The relevance of export-led growth hypothesis in Nigeria has been the major issue of many empirical studies. This study is an attempt to investigate the dynamics of the relationship between imports (factor inputs and finished goods) and economic growth in Nigeria for the period 1970 to 2011. Using an error correction model (ecm), this study makes two major conclusions: importation of manufactured goods has adverse effect on economic growth while the importation of factor inputs leads to economic growth in Nigeria.

Ogundele, (2014) examines the effects of various trade policy instruments such as tariff, import restrictions, outright ban on rice import and other determinants on the import demand for rice in Nigeria between 1960 and 2007. Result of the long run equilibrium analysis showed that there is a long run relationship among the variables included in the model as the unit root test of the residual generated from the analysis was stationary at the level. Also, in the long run equilibrium model, three of the variables; exchange rate, per capita income and local output of rice were statistically significant at alpha 0.05 and all affected rice import demand positively. The short run dynamic model (ECM) result further confirmed the significance of per capita income and local output as major positive determinants of rice import in Nigeria.

Babatunde (2014) examined the long-run relationship between Nigerian exports and imports between 1960 and 2014. Exports and imports were disaggregated into oil and non-oil components. The application of the Johansen, Bound testing and the Hansen parameter instability test co-integration techniques revealed that Nigerian exports and imports at the aggregate and disaggregated level are cointegrated with the co-integrating coefficient very close to unity. The result is however sensitive to the choice of the dependent variable between exports

and imports. Utilizing the Toda and Yamamoto granger non-causality tests, we also report bi-directional causality between aggregate exports and imports, but uni-directional causality from oil exports to oil imports and from non-oil imports to non-oil exports.

Uche (2009) in his study employs econometric methodologies to assess the impact of oil export and non-oil export on the growth of Nigerian economy and discovered that there is a unidirectional causality from oil export to GDP which goes to support the export-led-growth in the case of Nigeria but with reference to oil sector only. He also found non-oil export does not granger cause economic growth in Nigeria. This work followed most of the set rules in econometric analysis and may have generated a robust result but was not able to cover up to 2011 period, and government has taken a number of steps to improve the non-oil sector of the Nigerian economy and the effect of these policies and programs by the government may have improved the impact of non-oil sector to the growth of Nigerian economy.

Adeoye, and Ajuwon, (2014) examine the possible impact of trade distortions captured by the nominal exchange rate on the growth of the Nigeria economy. The study applies a simple ordinary least square (OLS) method to explore the links between trade distortions and economic growth in Nigeria. The result shows that one of the major distortions preventing the free flow of goods and services from the Nigerian economy is the vagaries in the behavior of the exchange rate.

Veeramani (2016) examines the effect of export on the Nigeria economic growth from 1987-2014. The included variables were on import, export, exchange rate and real gross domestic product. The study showed the type of intermediate goods and capital equipments a country exports and from where it imports it, indeed it matters for its long-run growth. The result further indicated that higher initial value of the productivity level associated with a country's import leads to a faster growth rate of income per capita in the subsequent years.

Cavallo and Landry (2009) examine the impact of capital goods export and investment specific productivity on the growth of United States. The result indicated that capital goods export have become an increasing source of growth for the U.S. economy. The result further showed that the U.S. could have lost more than 20 percent of its growth in output per hour without capital-goods export technology over the past 20 years.

Lagares (2013) examines the growth effects of exported and domestic capital in thirty two Latin America economies from 1960 to 2010. The result showed that countries which experienced a slowdown in economic growth were relatively richer in 1970, and acquired relatively less capital exports and domestic capital.

Dulleck and Foster (2012) study the effect of export on the growth of developing countries from 1980-2010. They find a complex interrelationship between export and growth of developing countries. Generally, the relationship between export and growth is lowest, and often negative, for countries with low levels of human capital, highest for countries within an intermediate range and somewhat in between for countries with the highest level of human capital.

2.3 Gap in Literature

There is no doubt that there exists much research work done on the aspect of export trading on Nigeria economic growth, with a lot of controversies and divergent findings. Much attention should be given to scope; methodology and variables, for instance inadequacy of the statistical data used in some of the reviewed literature will be overcome through proxy variables. Again some writers fail to include in their work appropriate model, statistical and econometric tool, and variables. The study employed standard econometric model in this study, the researcher employs unit root test to check for stationarity of the variables, co-integration for long-run equilibrium relationship, ECM for speed of adjustment.

METHODOLOGY

3.1 Research Design

The type of research design adapted on this study is Ex-post facto research. This is an aspect of research design where event that are being observed have taken place already.

3.2 Source of Data

This study makes uses of secondary data, the time series data on real gross domestic product, exportation, importation, current account balance and exchange rate. These data were collected from the Central Bank of Nigeria (CBN) Statistical Bulletin. This study covers the period of 38 years (1981-2018).

3.3 Model Specifications:

The specification of econometrics model is always based on econometrics theory or any available information relating to the phenomenon being studied (Koustsoyiannis 1997), hence the specification of the model adapted the model of Ugwuegbe & Uruakpa (2013) who studied the impact of export trading on economic growth of Nigeria They have their model as $RGDP = f(OXP, NOE, FOR)$

Where

RGDP = Real gross domestic product

OXP = Oil export

NOE= Non oil export

FOR= foreign reserve

The model were modified below to suit the stated objectives of the study

$$RGDP = f(IMPO, EXPO, EXCH, CAB)$$

Where

RGDP = Real gross domestic product

IMP = Importation

EXP= Exportation

EXCH= Exchange

CAB = Current account balance

f = Functional Notation

The above equation can be put in an econometric form as;

$$Rgdp = \alpha_0 + \alpha_1 imp + \alpha_2 exp + \alpha_3 Exch + \alpha_4 CAB + \mu$$

Where

α_0 = Autonomous or intercept

α_1 = Coefficient of parameter IMP

α_2 = Coefficient of parameter EXP

α_3 = Coefficient of parameter EXCH

α_4 = Coefficient of parameter CAB

μ = Stochastic variable or error term

Our model can also be restated in a logged form as

$$LRGDP = LB_1 imp + LB_2 exp + LB_3 exch + LB_4 CAB + \mu$$

3.4 Tool of Analyses

The study employed Ordinary Least Square (OLS) method of estimation to establish the importance of the independent variables on the dependents variables. The (OLS) is the most efficient method because of the "Best Linear Unbiased Estimator" (BLUE) properties .the result is always satisfactory and simple to comprehend. The model equation will be estimated using a variety of analytical tools, including the unit root test and co-integration test. The core statistics employed for the analyses from the regression results are the coefficient of regression, coefficient of determination, F-statistics, t-statistics and their corresponding probability values, as well as the autocorrelation test

DATA PRESENTATION AND ANALYSIS

4.1 Unit Root Test

The first stage of co-integration and error correction model is to test for unit root, the whole analysis then proceed from it. Konya (2004) maintains that there exists a unit root in most macroeconomics time series. Therefore, it is necessary to analyze whether the series are stationary or not whenever time series data are involved. The presence of unit root implies that the time series under investigation is non-stationary, the absence of a unit roots shows that stochastic process is stationary. The Augmented Dickey-Fuller (ADF) test were employed in this test.

Tables 4.1 Unit Root Result

Variable	ADF	Integration	REMARK
EXPO	-6.287646	I (1)	Significance at 1 st difference
IMPO	-6.893351	I (1)	Significance at 1 st difference
EXCH	-4.216837	I (1)	Significance at 1 st difference
RGDP	-3.395053	I (1)	Significance at 1 st difference
CAB	-6.030543	I (1)	Significance at 1 st difference

Source: Author's computation using e-view version 8.1

Following the result of ADF test above it is observed that none of the variables are stationary at level, all the variables becomes stationary at 1st difference except real gross domestic product that is stationary at 2nd difference. This also follows the simple rule of thumb that once a unit root is confirmed, co-integration is necessary to be established

4.2 Co-Integration Analysis

The aim of co-integration analysis is to determine the long-run equilibrium relationship between the variables. In the Engle-granger co integration analysis, variables of consideration are said to be co integrated or have a long-run equilibrium relationship if in the OLS regression of one variable on the others. Co integration exists among the variables if they are integrated of the same order. The implication of this analysis is that deviation or drift may occur between the variables but this is temporary as equilibrium hold in the long run for them. In this study, we used the Johansen co integration approach to examine the existence of long-run relationship between the variables of interest. Below is the summary of co integration result.

Table 4.2 co-integration result test

Date: 01/02/20 Time: 14:37

Sample (adjusted): 1984 2015

Included observations: 31 after adjustments

Trend assumption: No deterministic trend (restricted constant)

Series: LRGDP EXCH LEXPO LIMPO CAB

Lags interval (in first differences): 1 to 2

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.781609	116.4128	60.06141	0.0000
At most 1 *	0.576865	64.68287	40.17493	0.0000
At most 2 *	0.467321	35.44072	24.27596	0.0013
At most 3	0.333351	14.02629	12.32090	0.0257

At most 4	0.007022	0.239586	4.129906	0.6830
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Trace test indicates 3 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

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

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.781609	51.72997	30.43961	0.0000
At most 1 *	0.576865	29.24215	24.15921	0.0094
At most 2 *	0.467321	21.41444	17.79730	0.0137
At most 3	0.333351	13.78670	11.22480	0.0174
At most 4	0.007022	0.239586	4.129906	0.6830

Max-eigenvalue test indicates 3 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

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

Max-Eigen value test indicates 4 co-integrating equ(s) at the 0.5 level* denotes rejection of the hypothesis at the 0.05 level **mackinnon-Haug-michelis (1999) P-values.

Max-Eigen value and trace test indicates 3 co-integrating equations at the 0.05 level. This suggests a long run equilibrium relationship among the variables. Co-integration is a pre-requisite for error correction mechanism following the result of co-integration, there is a long-run equilibrium relationship among the variable, hence, we can move over to error correction mechanism.

4.3 Presentation of Regression Result

Table 4.3 Error Correction Model Result

Variable	Coefficient	Std Error	T-statistics	Prob
C	9.253975	0.045347	204.0724	0.0000
LIMPO	-0.047470	0.050157	-11.19098	0.0000
LEXPO	0.067601	0.046672	5.916071	0.0005
EXCH	0.002898	0.000281	-3.010212	0.0064
CAB	0.500008	0.340006	5.536165	0.0009
ECM(-1)	-0.544111	0.091232	-3.168030	0.0045

Source: Author's computation using e-view version 8.1

R –Squared	0.783967
Adjusted R-squared	0.771358
F-Statistics	380.0156

Durbin-Watson stat	1887093
Prob (F-statistics)	0.00000

4.4 Interpretation of the Regression Result

The value of the R-squared and the adjusted R-square show that the explanatory variables are robust in explaining variation in the dependent variables (RGDP)

The F-statistics measures the overall significance of the explanatory parameter. From the result report in table 4.2 above, our computed value of f-statistics is 380.0156, while its probability is 0.000000, given this value we reject the null hypothesis and accept the alternative hypothesis which state that there is a significant relationship between the variance of estimated regression model.

A' priori criteria which is used to determine the existing economic theories and indicates the sign of the economic parameter under consideration from the estimated regression model it was obtained from the coefficient Colum that all the variables conform to a'priori expectation expect that export which has a positive sign. This further suggests that increase in any of these variables increase the real gross domestic product vice versa at a given percentage respectively. Current account balance conform to a'priori criteria, increase in current account balance will induced increase in Nigeria economy at the rate of 32%.

T-statistics, this is the measure used to determine the individual statistical significance of the variables in the model. From the model it was obtained that the level of exchange rate in Nigeria is statistically significant at 10%, while export is statistically significant at 5% level of significant. Import is statistical significant. Current account balance is statistically significant at 1% level of significant.

The Durbin-Watson statistics is used to test for the presence or otherwise of autocorrelation in our model. When the value of Durbin-Watson is closer or a little bit above 2, it means the absence of autocorrelation amongst the explanatory parameter (Koutsoyannis 1997) from the table 4.3 above, it was obtained that our Durbin-Watson result is (1.8), this does satisfy the above stated condition. This means the absence of autocorrelation among the explanatory variables.

The Error Correction Model term ECM (-1) of about 0.45% is significant with the expected negative sign. A significant error term with the right sign indicates strong feedback effect of deviation of the real gross domestic product from its long-run growth path. The coefficient of the error term is -0.544111 this shows that about 54% of the discrepancies between the actual and the equilibrium value of the real gross domestic product is corrected in each period (annually)

4.5 Hypothesis Testing

The hypothesis is test based on quantitative statistical analysis in this study.

Ho1 Import has not contributed positively and significantly to Nigeria economic growth.

From the regression result, we discovered that in the t-statistics Column for export, which is -11.19098 while its probability is 0.0000. Since its probability is greater than 0.05-desired level of significance, we reject the null hypothesis and accept the alternative hypothesis, we therefore conclude in favour of alternative hypothesis which state that import has contributed significantly to Nigeria economic growth.

Second Hypothesis

Ho2 Export has no positive and significant impact on Nigeria economic growth.

T-statistics for export is 5.916071 while its probability is 0.0005. Since its probability is less than 0.05 desired level of significance, we reject the null hypothesis and accept the alternative hypothesis, which state that Export has positive significant impact on the Nigeria economic growth.

Third Hypothesis

Ho3 Exchange rate has no positive and significant impact on Nigeria economic growth.

From the regression result we discovered that in the t-statistics Column Exchange rate is 3.010212 while its probability is 0.0064. Since its probability is less than 0.05 desired level of significance, we reject the null hypothesis and accept the alternative hypothesis, we therefore conclude in favour of alternative hypothesis which state that Exchange rate has positive and significant impact on the Nigeria economic growth.

Fourth Hypothesis

Ho4 Current account balance has no positive and significant impact on Nigeria economic growth.

From the regression result we discovered that in the t-statistics Current account balance is 5.536165 while its probability is 0.0009. Since its probability is less than 0.05 desired level of significance, we reject the null hypothesis and accept the alternative hypothesis, we therefore conclude in favour of alternative hypothesis which state that Current account balance has positive and significant impact on the Nigeria economic growth.

4.6 Discussion of the Findings

Import: The study found that importation has insignificant negative effect on economic growth in Nigeria. The implication of these findings is that, any country that dependent so much on importation, its economic growth is always poor. If any country tend to increase imports, it is essential to implement economic policies that will enhance foreign exchange availability. This further negate with the findings of Ogundele 2014 who found a positive and significant relationship between import on and economic growth in Nigeria.

Export: The study found that exportation has a significant positive effect on economic growth in the Nigeria. The implication of this study is that exportation sustain an economic. international trade promotes specialization in production of export products which in turns boosts the

productivity level and cause the general level of skill to rise in the export sector. . The finding is not in line with the study of Mafizur and shahbaz (2013) who found a positive and significant impact between exportation and economic growth .

Exchange rate: The study found that exchange rate has positive and significant effect on economic growth. The implication of this that exchange rate determine how viable an investment will be .improved exchange rate policies would translate to increased economic growth. Onafowora and owoye (2008) found that exchange rate exert positive effect on economic growth, fixed exchange regime facilitates more trade flow.

Current account balance: The study found that current account balance has a positive significant effect in Nigeria. This implies that a current account balance is a pointer of the wellbeing of the economy. Kariuki (2009) found that current account balance was positively influence by favourable terms of trade, the study of Seil & Adeleke (2018) found that current account balance show a long-run co-integrtaion evidence.

CONCLUSION AND RECOMMENDATION

It has been established that the indicator of exportation is positive, this conforms to the a'priori expectations. This shows that the Nigeria economy is benefiting from importation. Many reasons could be advanced from this outcome, among which could be, high trade in oil export. The Nigeria economy is yet to be fully opened up and integrated into the global market. The country is yet to develop more products that could compete effectively in the international market in order to increase the level of output/trade with the rest of the world. International brings additional competition and variety to domestic markets, benefiting consumers; and exports enlarge markets for domestic production, benefiting business. Trade exposes domestic firms to the best practices of foreign firms and to the demand of discerning customers, encouraging greater efficiency. Trade gives firms access to improved capital inputs such as machine tools, boosting productivity and providing new opportunities for growth to developing countries.

From the findings the following recommendations emerged

- Since export is positive and statistically significant government should diversify through well target product that could be effectively and competitively sold in the international market.
- However, importation is negative; this is a serious warning to the government. The researcher recommend that ban should be made on many imported goods, such as rice foot wear, fabric etc the masses should be encouraged to patronize our local product. Both the people in power and the masses should demonstrate the spirit of patriotism.
- Exchange rate needs to be monitored to ensure stability in the exchange rate, since cost of investment and capital can only flow into a place it is highly rewarded
- it is therefore recommended special attention should be paid to the diversification of the export base. This can principally be through technological innovations, agriculture and so on.

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Sustainable Marketing Strategy and Corporate Performance of the Electronic Marketing Firms in Rivers State

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Abstract: This paper examined the extent to which sustainable marketing strategy affected the corporate performance of the electronic marketing firms in Rivers State, Nigeria. This study adopted the survey design where one hundred and thirty six (136) copies of questionnaire were used for analysis. The findings revealed a strong positive correlation between sustainable marketing strategy and corporate performance of the electronic marketing firms in Rivers State. This implies that sustainable marketing strategy to a very large extent determines the level of customer satisfaction, customer loyalty and profitability that the electronic marketing firms can attain over time. This paper therefore, recommends that the electronic marketing firms should strive to sustain a high reputation for their loyal customer by providing them with reliable products and services that meet and exceed their expectation as to give them confidence in dealing with them.

Keywords: Sustainable marketing, strategy, Corporate performance, Electronic marketing firms

Introduction

The critical value of marketing lies essentially in the fact that human needs and wants are its major starting point and focus. Effective and efficient marketing performance is fundamental to the success and survival of any organization. It is an economic saying that nothing happens in an organization until the save tills, and what makes it till is marketing. Marketing is the sole of business, life blood, heartbeat, and sure route to corporate success. It keeps the cash flow moving steadily in the right direction, ensuring that every part of the company's operation has all it takes to function properly in developing a reliable and efficient process as a key component to improving the financial health of the company. Marketing is the total system of individuals and business activities designed to facilitate and expedite the creation, pricing, promotion and distribution of want satisfying products and services to present and potential customers within a dynamic environment. It goes beyond the organization into societal relationships that creates and delivers a better quality of life, environmental conservation, allocation of scarce resources and concern for people rather than only a material standard of living. Marketing ensures that customers want satisfaction is achieved and by so doing, it brings about sustainable organizational growth and profitability. Organizations are in business to make profit, and the only way to sustainable profitability is through sustainable customer satisfaction (Owonte, 2020). Modern organizations, government and their people are leveraging on every opportunities and

available resources to create value and satisfaction, of which marketing is a critical tool. Without the marketing function of business, the economy of any nation or organization will come to a dead end. No matter the economic climate, marketing considerations are the most critical factor in planning and decision making as posited by National Association of Manufacturers (Stanton, 1998). Many economies developed and developing have come to realize the value of marketing, and they are seen to be characterized by dynamism, witty innovations, efficiency and their sizes allows for faster decision making process. With the emergence of technology and globalization, marketing has become the largest fastest growing sector in the global economy. Marketing has increased the standard of living and quality of life of the Nigerian populace through the identification of needs and exchange of value aimed at customer satisfaction (Kotler & Armstrong, 2014). It is interesting to note that since conventional marketing is considered as mainly responsible for continuously increasing consumption, the goal of sustainable marketing is to promote sustainable consumer behavior and offer economic and environmental sustainability (Sheth & Parvatiya, 1995). In another development, Dam and Apeldom, (1996) linked sustainable marketing to the environment and even combine it with ecological and green marketing under the heading of environmental marketing with the aim of furthering sustainable economic development.

Marketing is a tool for understanding that people are what they desire and then organizing the creation, communication and delivery of products and services to meet their desires as well as the need of society and solve serious social problems (Serrat, 2010). Marketing involves changing seemingly intractable behaviours in composite environmental, economic, social, political and technological circumstances with quite limited resources. The basic objectives of marketing are to satisfy stakeholders and meet society's desires for improved quality of life. This requires strategy, long term planning approach that moves beyond the individual end user to groups, organization and society. The essence of marketing is to provide desired value to various publics by delivering satisfaction to carefully targeted customer groups. In a market oriented economy, all functions have a single mandate of providing customer satisfaction, and all activities are orchestrated to meeting customer's requirement.

Customers needs are central to the operations of companies, be it marketing, finance or production. The companies ensure that the functional strategies are in line with corporate strategies of meeting customer's requirement in a most sustainable manner without any form of compromise to the future generation (Kumar & Meenakshi, 2013). Sustainable strategies are game plan adopted by management for competing successfully in a chosen target market (Porter, 2004). It involves the analysis of the market and its environment, customer purchase behavior, competitive activities, customer's needs and competencies of marketing intermediaries (Shere, 2014). It is also a broad range of strategies firms resort to in order to cope, beat or keep ahead of competitors and an avenue to seize strategic initiative and maintain a competitive edge in the market (Amit & Shiemaker, 2003).

Sustainable marketing strategy has to do with meeting the immediate needs of consumers and business while also preserving or enhancing the ability of future generation to meet their needs. Whereas the marketing concepts recognizes that companies thrive by fulfilling the day- to-day needs of customers, sustainable marketing deals with socially, ethically and environmentally

responsible actions that brings values that meets both the immediate and future needs of customers, the company and society at large. Sustainable marketing requires a smooth functioning marketing system in which customers, companies, public policy makers and other stakeholders collaborate to ensure responsible marketing action (Kotler & Armstrong, 2014). For this feat to be achieved, the company needs to consciously carry out activities differently than the competitors to convey a unique mix of value as to maintain an edge over them. Maintaining an edge over rival companies involves developing an innovative ideas on how to attain cost leadership, focus and overall industry dominance using resources at the company's disposal.

The essence of sustainable marketing and strategy is to satisfy customers by selecting a unique set of activities to be performed by an organization and achieving efficiency in performing these activities (Kumar & Meanakshi, 2013). A company can perform better than its competitors if it can establish a difference in their products, services and mode of delivery and then maintain it. It must deliver greater value to customers, or deliver comparable value at lesser cost, or deliver greater value at a lesser cost. Delivering greater value allows the company to charge a higher price and greater efficiency results in lower costs. Strategy requires a tailored set of activities. It is the creation of a unique and valuable position involving different set of activities. It is germane therefore, for companies carrying out the sales of electronic products, to design market offerings that deliver more value to the customers and other stakeholders than the competitors with efficient and improved products and services (Kotler & Armstrong, 2014). Marketing strategy is successful if consumers can see a need that a company's product can solve or offer the best solution to a problem. For a successful strategy, the electronic firms must lay emphasis on the product/brand image in the consumers mind and position the product according to the customers like and dislikes, the brand which matches the desired image of a target market sells well (Bhatia, 2013). It is a fundamental belief that companies that satisfies the needs and wants of customers will achieve success, and remain in business, while those that fail or intentionally harm customers, others in the society or future generation will fail. Sustainable companies are those that create value for customers through their socially, environmentally and ethnically responsible actions. Companies today have come to recognize the need for positive consumer information, education and protection. Sustainable marketing concepts requires that company's marketing should support the best long-run performance of the marketing system and should be guided by five sustainable marketing principles that include: customer-oriented marketing, customer value marketing, sense-of-mission marketing, innovative marketing and societal marketing (Kotler & Armstrong, 2014).

Statement of the Problem

Electronic firms operating in Rivers State face challenges in trying to achieve success in business. This has brought a huge set back on the firm's ability to achieving corporate performance despite the fact that they are operating in the oil rich region of the country and with the presence of multinational companies that might have need for electronic gadgets and equipments. This study is carried out to determine the techniques that will enable the firms achieve their corporate goals in order to remain afloat and relevant in the business world.

The Concept of Corporate Performance

Corporate performance is one of the most important construct in management. Corporate performance encompasses three specific areas of outcomes; financial outcome (profit, return on

asset and return on investment), product market performance (Sales, market share etc) and stakeholders return (total stakeholders return, economic value added among others). Corporate performance focuses on the measurement of the aggregate effectiveness and efficiency of the organization. It is a recognized standard that ascertain operational efficiency and external performance of marketing activities as regards to electronic firms (Velnampy, 2013). Corporate performance is concerned about how metrics are formed and determined to monitor market and performance trend using market dash boards to manage marketing performance (Halachini & Bouchet, 2005).

Corporate performance depends upon customer satisfaction and being able to create greater value than the competitors. It is of outmost importance for firms to understand both customers and competitors. In understanding competitors, a firm can better predict their reaction to any marketing initiative that the firm might make and exploit any weakness that they may have. (Kumar & Meanakshi, 2013) It should be noted that satisfying customer alone may not guarantee total success; the real question is whether a firm can satisfy customers better than the competitors. Customer preference will depend on creating more value than the competitors. This extra value is brought about by establishing competitive advantage (Kumar & Meanakshi, 2013). The electronic firms in Rivers State, Nigeria, should strive to gain sustainable competitive advantage that will differentiate them in ways that cannot be easily copied by the competitors.

Companies that compete primarily through low prices can be outwitted by competitors with richer technology and money. A competitive advantage based on low price is essentially short-lived, unless the company has a clear cost leadership that will keep them going. A company can gain sustainable competitive advantage by creating patent-protected products, building strong relationship with customers, providing exemplary service and creating entry barrier like research and development or promotional budget to keep away competitors from imitating their products or services (Kumar & Meanakshi, 2013).

Customer Satisfaction

The objective of all marketing effort is geared towards customer satisfaction. Satisfaction is a measure of difference between perceived service cost and expected service or product benefit. Customer satisfaction is an overall attitude of customer towards a product or service or an overall emotional reaction to the difference between customers expectation and what they receive towards the fulfillment of some needs, desire or goal. It is an evaluation of how products and services delivered by a company meet or surpass their anticipation. Fornell, (1992) posit that satisfaction is an overall retrospective judgment about how far expectation with regard to product or service has been met. Oliver (2007) defined satisfaction as the customer's fulfillment response. Satisfaction is attitude like judgments after a product or service has been purchased. It is influenced by customer emotional response, their attribution, expectation, perception of product, quality and service feature (Zeithaml & Bitner, 2000).

The success of marketing program is the recognition of the sovereignty of the customer, that the consumer is "king" is evident if we consider how marketing activities revolves around attempts to satisfy the needs and wants of consumer and justifies the existence of the marketing organization (Owonte, 2020). If the marketer is to meet the needs and wants of consumer, he must find out all that there is about the consumers (Kalu, 2012). In a competitive market place

where business competes for customers, customer satisfaction is seen as a major differentiator and an increasingly key element of company's strategy. However, well developed marketing strategies will enable the electronic firms achieve and sustain their dominant leadership position by delivering "extraordinary levels of distinctive value to carefully selected customer group. Tracy and Wiersema, (2006) posit that to be successful in distinguishing themselves from the competition, organizations must have a precise understanding of the products or services they deliver and a clear definition of the target market. These distinctive attribute, they say must be understood at all levels in the organization not only by executives, but also by frontline employees, as to achieve customer satisfaction that will impact on corporate performance of the organization.

Customer loyalty

The best customers are believed to be the loyal ones. They are willing to pay more than other customers and they act as word-of-mouth promoters for the company. According to Kumar and Meenakshi (2013) one sure way to earn greater profits is to win the loyalty of customers. People who feel and talk positively about a company and their products or services are also more likely to sell others to the company. Most companies measure customer loyalty purely on the basis of purchase behavior and do not conduct attitudinal surveys. Customers may keep buying from a company out of inertia and convenience but may not become advocates of the company. They will become product/service evangelist or advocate only when they feel positively about the company. Companies should have to be more useful and engaging with the customers so as to move them from being loyal customers to becoming advocates of the company and what they stand for (Kumar & Meenakshi, 2013).

Oliver (1999) opined that customer loyalty is a deeply held commitment to repurchase or repatronize a preferred brand of product/service consistently in the future, thereby causing repetitive same-brand or some brand - set purchasing. Despite situational influences and marketing efforts loyal customers have the potential to cause switching behavior. This explains why some individuals can exhibit unconditional attachment and affection towards some electronic products and gadgets despite the challenges they face on the course of satisfying their desires. The company should concentrate on findings ways to engender positive feelings about the company among these customers. Depending upon the type of business it is in, the company should involve customers who show attitudinal loyalty to the company and its products in more activities of the company because of their emotional attachment to the company brand, this is because a customer who feels and talks positively about the company is the most valuable customer of the company.

Profitability

Profit is the legitimate goal of a business organization. Every business was established to generate profit for the stakeholders. Reasonable profits are required to keep stakeholders interest in running the business, and to increase the capability of the organization to serve the customer better (Hotst, 2013). Profitability is an index that gauges the level of growth recorded by a company over a given time period. Profitability is the quality of affording gain or benefit (Howley *et al.*, 2005). Without profit the business will not survive in the long run.

Moro (2012) observed that a company is capable of making profit when its earnings from the sales of its products or services are greater than the cost of purchasing the products. Profits are the accruals resulting from the sales of successfully executed business activities which exceeds experiences and costs. Profitability analyses enables managers to measure returns of a company in relation to sales, assets or stakeholders equity on.

Sustainable Marketing Strategy

Increasingly, companies are responding to the need of providing customers with the best products and services through qualitative decision making by considering customers wants and interests, the company's requirements and society's long-run interest. The company is aware that neglecting consumers and societal interest is a disservice to the consumers and society. Sustainable marketing is concerned with sustainable development and offers marketers a holistic approach to make production more sustainable in order to meet future challenges and appeal to current consumers at the same time (Eisenbach *et al.*, 2014). Marketing managers have struggled to translate these ideas into viable commercial prepositions using marketing strategies that create competitive advantage, build trust and develop new business opportunities. Moreover, marketers have often faced criticism for being part of the problem for pushing the consumption of unsustainable products and life styles. According to the experiences of one researcher, he said that, very few customers come out and say, I want products that help the environment, but that if we listen hard, we might hear them say, I want to do more with less, I want my life to be simpler. I don't want waste. These words have strong eco-efficiency under tone which gives us the incentive to keep delivering more value with less resource (Nnaboku, 2016). Bringing this consciousness into marketing and production activities saves the society of depletion and we get more products from little resources thereby growing the economy gradually. It is assumed that marketing and sustainability are set for head-on-on collision because marketing is about selling more while sustainability is about consuming less in trying to understand how marketing is used to achieve economic, social and environmental sustainability. Much attention is on marketing's role in understanding and changing consumer behavior attitude and behavior (Owonte, 2020).

Marketing recognizes the key role of consumers as decision makers in moving towards sustainability, for example in reducing carbon dioxide emission, recycling increasing waste, supporting fair trade initiative and adopting healthier lifestyles. Studying the current behavior of green consumers can provide important lessons in helping to spread sustainable buying behavior and to understand the reality of trying to operationalize green or ethical values in items of concrete purchase (Nnaboku, 2016).

Sustainability is a symbolic concern of modern business world as there is constant fret of preserving the resources for the present and future generation. The preservation of the environment is the primary responsibility of companies because they are the dominant institution on the planet earth. It is of great importance to thoroughly address the social and environmental problems facing humanity (Hawken 2007). The UN Global Compact Accenture (2014), published a reported view of 1,000 CEOs on sustainable business practices, the report showed that despite growing commitment to environmental and broader sustainability issues, global economy is lagging behind in term of action required to set society on a more serious sustainable pathway. A large number of the CEOs agreed that sustainability is the only free way for future

business success but termed it as frustrated ambition due to the fact that the benefits are fewer compared to the efforts put into it (Krunal *et al.*, 2028). In line with this report, McKinsey (2012) confirmed that many companies are successfully adopting principles of sustainability into their business practices, although they are not sure of the quantifiable value created out of it. Companies world over are now investing huge amount on saving energy, developing green products, holding their employees to achieve long-term growth and create business value. In another quarter, consumers and other stakeholders are mounting pressure on companies about the advancement of their expectations. Research showed that consumers and business investors are much interested in sustainable business practices.

The sustained performance of companies can act as a decision making tool in consumer buying behavior (Krunal *et al.*, 2018). According to Heck and Yidan (2013), adopting sustainable strategies creates win- win situation which benefits the company and the environment. However, relationship between sustainability strategies and business value has not been adequately quantified. The main objective of any corporation in the world is creation of value for consumers as well as investor.

Sustainable Marketing Strategy and Corporate Performance

The rational for adopting strategy is to achieve a sustainable competitive advantage and therefore enhance business performance (Bharadwaj *et al.*, 2012). The purpose of sustainable marketing strategy is customer satisfaction, retention and more specifically to enhance the long-term financial performance of the company. Sustainable marketing strategy serves as a key instrument for improving the financial performance of a company through the route of sustainable advantages. Sustainability of positional advantage leads to superior long-term market and financial performance (Owonte, 2016). For organizations to gain sustainable competitive advantage they must have resourceful skill that will enable them to be valuable, rare among competitors, be imperfectly imitable and there must not be any strategically equivalent substitute for their resourceful skill. Corporate performance is a strategic tool geared towards achieving and ensuring long-term value as to gain competitive advantage.

Kotler and Armstrong (2014) posit that, to gain competitive advantage in winning over customers with efficient and improved products and services, companies must adequately appreciate market value design that can deliver more distinguished offerings to customers than the competitors. Successful companies are those that develop effective response to changing market environment by defining market segments, developing and positioning products for those market segments and creating business value by limiting their sustainability vision and 21st century consumer expectations (Owonte 2018). UN Global Compact-Accenture (2014), posit that, “The millennial consumer, coming of age economically and empowered by new technologies and social media, is driving new expectations of all institutions in society, especially business. Current consumers not only expect direct utility from the products and services but they also want to improve their health and community well-being. Again, due to economic cycle of global recession, consumers have become more “Mindful”. Consumers no longer find joy in excessive spending and heedless consumption. Their purchasing behavior and pattern reflects a new trend of “Mindful Consumption”, consumers buying fewer products and fewer brands, and being more considered in their choices (Seth *et al.*, 2011).

Electronic Companies embracing sustainable marketing strategy should have holistic transformation of business model as their anchor point as it requires engagement of multiple stakeholders without compromising expectations of consumers (Grubor & Milovanor, 2017). Considering the fact that consumers are at the centre of any marketing activity and marketing is accused of relentless exploitation of planet resources, makes the role of marketing manager crucial; and thus, the way for business to embrace sustainable marketing practices is rocky. (Krunal *et al.*, 2018). Great gap exist between corporations and investors for real value to be created out of sustainability practices (Alexender, 2015). The report of UN Global Impact Accenture (2013) showed that 93 percent f CEOs consider sustainability as an essential ingredients to their corporate business strategy for success. More so, similar studies carried out by the same body in 2014, showed that company investors were interested in sustainability practices and that 88 percent investors believed that sustainable marketing practice were major sources of competitive advantages. These views of investors and companies display an urgent need to show clearer links between sustainability and corporate performance. Some organizations are still skeptical about how significant sustainability marketing can enhance the value of industrial (B2B) and end users (B2C). Most customers only care about price, delivery and functionality issues of the product; however, modern marketers argue that sustainable marketing practice should be an integral part of company's marketing mix; in order to reduce the time spent in operational and delivery phases as this will eventually help companies to deal better with customers and gain corporate goal and value for the business's (Krunal *et al.*, 2018). According to the report of world Business Council for Sustainable Development (WBCSD), Sustainable marketing is an inclusive approach and not a sole responsibility of the marketing Department. An inclusive approach recognizes action from all the people of organization involved in decision making.

Corporate performance requires effort in the area of customer satisfaction, loyalty and thorough research and development. New product development is key for long-term success of electronic companies (Hooley *et al.*, 2005). Sustainable marketing strategies can enable companies gain competitive advantage over the competitors and boost company sales. This makes us believe that sustainable marketing strategies have the ability and capability to enhance the corporate performance of electronic firms because it impacts on customer satisfaction, loyalty and profitability. Thus, we propose the following set of hypotheses.

- Ho₁: There is no significant relationship between sustainable marketing strategy and customer satisfaction.
- Ho₂: There is no significant relationship between sustainable marketing strategy and customer loyalty.
- Ho₃: There is no significant relationship between sustainable marketing strategy and profitability.

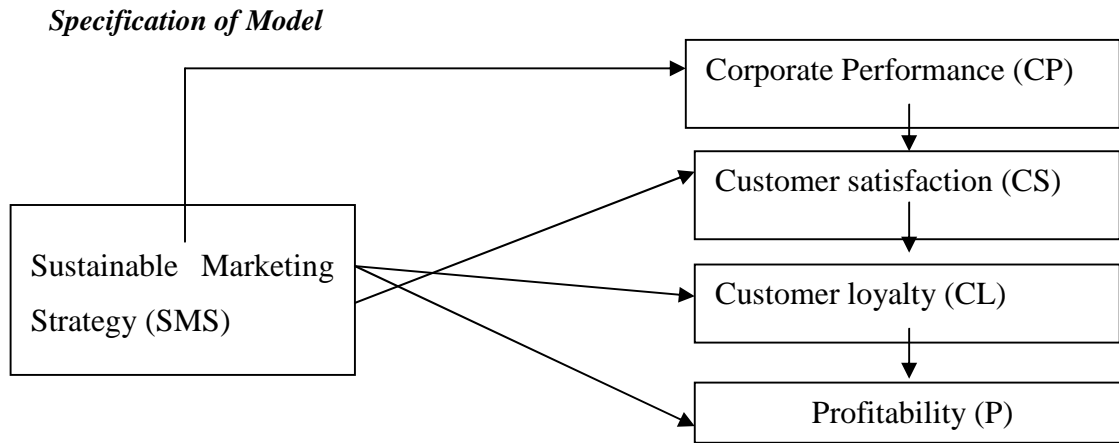


Fig 1: Conceptual Model of Sustainable Marketing Strategy and Corporate Performance.
Source: Researcher's Conceptualization, 2020.

The theoretical model depicted in figure one show the relationship between sustainable marketing strategy and corporate performance (Customer satisfaction, customer loyalty and profitability). The framework illustrates the effect of the variables on each other as directed by the arrows within the context of the firms usage of sustainable marketers strategy.

Methodology

The general purpose of the study was to examine the extent to which sustainable marketing strategy affects the corporate performance of the electronic sector in Rivers State. A total of 244 registered electronic dealers in Rivers State formed the population of the study, from which a sample size of 152 was derived using the Taro Yamene formular. A convenient sampling technique was adopted. Data was generated through the use of structured questionnaire, administered and retrieved through identified administrative channels in each company. Out of the 152 copies of questionnaire distributed, 136 copies were retrieved and usable for the analysis. The tests for hypotheses were done using Spearman's Rank order Correlation Coefficient and regression analysis.

Analysis

Statistical testing of hypotheses

		Sustainable Marketing Strategy	Customer satisfaction	Customer's loyalty	Profitability
Sustainable Marketing Strategy	Correlation Coefficient	1.000	.931**	.950**	.954**
	Sig. (2-tailed)	.	.000	.000	.000
	N	136	136	136	136
Customer's satisfaction	Correlation Coefficient	.931**	1.000	.929**	.928**
	Sig. (2-tailed)	.000	.	.000	.000
	N	136	136	136	136
Spearman's	Correlation Coefficient	.931**	.950**	.929**	.928**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	136	136	136	136

Rho					
	Correlation Coefficient	.950**	.929**	1.000	.995**
Customer's loyalty	Sig. (2-tailed)	.000	.000	.	.000
	N	136	136	136	136
	Correlation Coefficient	.954**	.928**	.995**	1.000
Profitability	Sig. (2-tailed)	.000	.000	.000	.
	N	136	136	136	136

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

The result of the bivariate analysis between sustainable marketing strategy and the three measures of corporate performance (Customer satisfaction, customer's loyalty and profitability) shows a very strong relationship among the variables which are statistically significant at ($r = .931^{**}$; $.950^{**}$ and $.954^{**}$, $n = 136$ and $p < 0.05$). Therefore, we reject the three null hypotheses on the bases of the significant level of the correlation. The result shows that 93% of customer's satisfaction; 95% of customer's loyalty and 95% of profitability in electronic firms can be explained by sustainable marketing strategy in the organizations.

Discussion of Findings

The result above shows the coefficient ($r = .931^{**}$; $.950^{**}$ and $.954^{**}$) between sustainable marketing strategy and the three measures of corporate performance (Customer satisfaction, customer loyalty and profitability) which indicate a positive and significant relationship. On the ground of test of hypotheses, it indicated that strong and positive relationship exist between sustainable marketing strategy and corporate performance of the electronic sector in Rivers State. Based on the findings, the researcher strongly recommends, sustainable marketing strategy as a tools for increasing corporate performance in the electronic in Rivers State.

Conclusion

The study concludes that sustainable marketing strategy has very strong association with corporate performance of electronic firms in Rivers State.

Recommendations

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

- Sustainability of any business is very instrumental to the success of such a business. Consequently, electronic firms operating in Rivers State should strive to sustain a high reputation for their loyal customers by providing them with reliable product that meet and exceed their expectation as to give them confidence in dealing with them.
- Electronic firms should have to be more useful and engaging with the customers so as to move them from being loyal customers to becoming advocates of the company and what they stand for.
- Electronic firms world over should invest huge amount on saving energy, developing green products, holding their employees to achieve long-term growth and create business value.
- Electronic firms embracing sustainable marketing strategy should have holistic transformation of business model as their anchor point as it requires engagement of multiple stakeholders without compromising expectations of consumers

Practical Implications

This study provides electronic marketing firms in Rivers State ample ideas on how to use sustainable marketing strategy as a source of competitive advantage and for positioning of their organization towards greater height of achievement.

This study also arms the electronic marketing firms with strategy on how to attract, retain and grow their customer base which in turn improves their corporate performance.

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