

ISSN: 5280-481X | Volume 8, Issues 4 & 5 | June 2020 to February 2022

International Academic Journal of Business School Research

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International Academic Journal of Business School Research

ISSN: 5280-481X | Volume 8, Issues 4 & 5 | June 2020 to February 2022

Double Blind Peer Reviewed International Research Journal

www.accexgate.com | papers@accexgate.com



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ISSN: 5280-481X | Volume 8, Issues 4 & 5 | June 2020 to February 2022

Published by:

AccexGate

www.accexgate.com

172 Jose Marti Crescent, Abuja, Nigeria

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Failure and Success of Entrepreneurs in Nigeria: An Empirical Review

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Abstract: *The purpose of the study is to identify the main causes of business failure based on an empirical study in Nigeria. This study examines the prevalence causes of business failure and learning outcomes result from the failure experience of the entrepreneurs. The data of the study were collected through interviews with 15 entrepreneurs who closed their businesses after operating at least 4 years. The thematic analysis of the interview notes revealed that the largest proportion of mature business failures was explained by the integrative approach which includes both individual/organizational (internal) and environmental (external) factors. The data identified three main outcomes in the process of entrepreneurial learning: recognizing of opportunities, exploitation of opportunities and interpersonal. Business discontinuation is an important feature of dynamic economies, and entries and exits of businesses are closely connected. A majority of entrepreneurship literature have focused on successful ventures, therefore, little is known about why ventures fail. Previous studies showed significant inter-country differences in SME failure rates, while most researchers on business failure have been conducted in developed countries, and there is limited knowledge on the causes of business failure in other countries with different economic, political, social, and cultural conditions. Considering the economic conditions of the country, analysis of the entrepreneurship process, and the causes of failure and success, would provide critical information for individual entrepreneurs, and government policy-makers.*

Keywords: *Entrepreneurial failure, Entrepreneurial success*

INTRODUCTION

Business sector Small and medium Enterprises (SMEs) play a key role to innovation, employment, and competitive advantage. One of the requirements for growth, creativity as well as entrepreneurship in societies is to study their failure process. Since new firms create new jobs, open up opportunities for upward social mobility, foster economic flexibility, and reinforce competition and economic efficiency (Liao (2018), they are considered critical for economic growth. Entrepreneurship literature has paid much attention to factors which affect business performance. Performance is defined by Laitinen (2017), as “the ability of an object to produce results in a dimension determined a priori, in relation to a target”. The performance factors based on the literature are as followed: personality of the entrepreneur innovation, planning, and

entrepreneurial culture (Georgellis, 2016).

Business discontinuation is an important element of dynamic economies; on the other hand, entries to and exits from businesses are closely correlated. It has been widely recognized that business growth as well as survival depend both on external and internal factors. While most business challenge may be foreseeable, some will be completely unpredictable. In order to succeed in their business, a management team must pay careful attention to all those aspects which may have a significant impact on business viability and also demonstrate skills both in exploiting the opportunities as well as reducing the threats. The challenges of managing a successful business today are more complex and difficult than any other time in the recent history. Technological, product, and manufacturing innovations, changes in business regulations and increased international competition have placed tremendous pressures on the management of companies. As a consequence, the failure rates of new start-ups, and even young companies beyond the starting phase, are at an all-time high (Bruno, 2018).

According to business guru (Brian Tracy, 2019) “Leadership is the most important single factor in determining business success or failure in our competitive, turbulent, fast-moving economy.” Based on a study by Jessie Hagen (2019) of the US Bank, enumerated four reasons of businesses failure as poor business planning, poor financial planning, poor marketing, and poor management. Proper application of these key factors is a function of good leadership. In the Business Planning category, 78% of businesses fail due to lack of a well-developed business plan.

In the financial planning category, a whopping 82% of businesses failed due to poor cash flow management skills followed closely by starting out with too little money. Business leadership is about taking financial responsibility, conducting sound financial planning and research, and understanding the unique financial dynamics of one’s business. Over 64% of the businesses surveyed in the marketing category failed because of owners minimizing the importance of properly promoting their business followed by ignoring their competition. Leadership is all about taking initiative, taking action, getting things done, and making decisions. In the management category, 70% of businesses failed due to owners not recognizing what they do not do well and not seeking help, followed by insufficient relevant business experience. Not delegating properly and hiring the wrong people were major contributing factors to business failure in the Management category. Leadership is about knowing yourself understanding your strengths and weaknesses. Leaders are aware of their potential. Losers ignore their potential. Leadership is ultimately about influence and delegation. As a leader, you must have the humility to be able to surround yourself with people who are brighter than you and who can make up for your weaknesses and limitations so you can do what you do best: seize the day and lead.

The academic research on entrepreneurship has gained a significant momentum in the last two decades and contributed to the establishment of a robust theoretical basis in this field. Although such research provides ideas about different aspects of entrepreneurship, it usually focuses on the success of entrepreneurs (Sarasvathy, 2004), cognitive entrepreneurship (Baron 2015, 2017), characteristics of entrepreneurs (Begley & Boyd, 2016), capital for entrepreneurship (Chandler & Hanks, 1998) (Perry, 2001). However, Everett and Watson (2017) suggest that if failure is defined as bankruptcy, it would be considered from a very narrow perspective and for example many businesses that still operate although they lose money will be excluded from the analysis. Cannon and Edmondson (2005) made a broader conceptualization and defined failure as ‘deviation from expected and desired result’. When defined in this way, failure may occur when the entrepreneur underperforms in terms of critical processes or when

desired targets are not achieved.

Cope (2011) states that “failure represents one of the most difficult, complex and yet valuable learning experiences that entrepreneurs will ever have the misfortune to engage in”. Thus, venture failure is an important concept to understand in entrepreneurship, both in terms of its causes and consequences for the individual entrepreneur, organizations and society at large. Success and failure of a business can be explained both by individual/organizational (internal) and environmental (external) factors (Zacharakis, Meyer & DeCastro, 2017). Internal causes are those decisions/actions that are under management’s control while external causes are events that are outside of management’s control. In most cases, a complex mixture of causes contribute to business failure. Among the internal factors, managerial incompetence or poor management comes first (Gaskill *et al.*, 2017; Zacharakis *et al.*, 2018). Poor management is referred to the failure of the management to be able to ensure that problems are identified promptly and the correct solutions applied, so as to give the company the best possible change of survival and growth. Overconfidence and excessive risk taking tendency also seen among the failure causes (Hayward *et al.*, 2019). On the other hand, many businesses fail due to poor financial planning, namely getting into cash flow binds, being too easy with credits, spending money on the wrong things. Thus, business failure is connected to the manager's decisions and behaviors, and the way he conducts his enterprise. In contrast, some other scholars seem to suggest that businesses fail rather due to external factors such as inadequate economic circumstances (Gaskill *et al.*, 2018), government.

Entrepreneurs can be difficult to define, and there are many definitions used to describe an entrepreneur. However, an entrepreneur can only be described in one simple definition. An entrepreneur is the one who recognizes any need and satisfies it (Nelson, 2017). Entrepreneurs could also be categorized into four stages. Potential entrepreneur, nascent entrepreneur, new business, and an established business (Global Entrepreneurship Monitor, n.d.). In addition, the established business stage is defined as an entrepreneur who establishes a business for more than three and a half years (Global Entrepreneurship Monitor, n.d.). In the recent years, there is an increase in entrepreneurial activity in some countries. In the United States, venture capitalists have invested their money in 3,995 deals, which totals to 29.4 million dollars in the year 2013 (Wade, 2014). By comparing to an earlier year, the growth is up by 7% in dollars and 4% in the number of deals (Wade, 2014). A successful entrepreneur can fuel the society with value and economic sustainability.

However, the obstacles and challenges that entrepreneurs faced are proved to be harsh for them to survive. This causes most entrepreneurs to fail their business fairly quickly. The causes of failure are lack of a market need, inappropriate team, failed to compete, problems with pricing or cost, product unfriendly to the user, make a product without a business model, substandard marketing, customers ignorance, inappropriate timing for the product, cannot focus, no harmony within the team or investors, bad decisions, no passion, failed to expand geographically, lack of financing or investor, legal difficulties, lack of networking, and failed to make changes (C.B. Insights, 2018). This data may provide a glimpse into the issues that entrepreneurs are facing every day, which might eventually make them fall into one of the categories. The significance of this research is to identify what might cause entrepreneurs to fail in becoming an established business, which covers a specific time span. It is important to identify the causes early, so entrepreneurs who currently have a business under three and a half years old can recognize the problem and take action on that particular problem. This research may also help people who are

becoming an entrepreneur to avoid failing which can increase interest and entrepreneurial activity in the country or region as a whole.

Entrepreneurial Learning

It is a general opinion that entrepreneurs benefit from their previous failures. As the catalyst for further business development, failure provides critical learning opportunities (Cardon *et al.*, 2016). Sitkin (2018) was one of the pioneer among the authors who have similar opinions. He details the way organizations of all kinds may learn through failure, going so far as to argue that failure is an essential part of the learning process for organizations. According to Huovinen and Tihula (2014), failures may lead to the development of entrepreneurial knowledge as well as founding experiences. Politis and Gabrielson (2016) suggests that entrepreneurs' life and work experiences shape their attitudes towards failure. The authors reports that prior entrepreneurial experience as well as experience closing down a business are associated with more positive attitudes toward failure. In Cope's study (2016), learning is emphasized as a process and recovery and re-emergence from failure is seen as a function of distinctive higher-level learning processes that allow entrepreneurs to learn about themselves and entrepreneurship. His research findings suggest that failure can improve "entrepreneurial preparedness" for subsequent entrepreneurial activity.

The literature identifies two key outcomes related to the process of learning. The two learning outcomes are: learning how to recognize opportunities (Shane and Venkataraman, 2013; Shane, 2014), and learning how to overcome traditional obstacles when organizing and managing new ventures, i.e., the exploitation of opportunities (Shane and Khurana, 2013). Entrepreneurial opportunities are those situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production (Casson, 2014). Recognizing opportunities is considered to be among the most important abilities of a successful entrepreneur (Shane, 2017; Shane and Venkataraman, 2018). People generally recognize opportunities related to the information that they already possess (Venkataraman, 2013). People have different stocks of information because information is generated through people's idiosyncratic life experiences (Shane, 2019) Therefore, entrepreneurs that have failed can be considered to have improved their knowledge, capabilities and experience in seeing the opportunities.

Minniti and Bygrave (2016) stress that entrepreneurial failure reduces uncertainty that lead to the discovery of new opportunities. Thus not only successful experiences can increase the effectiveness of opportunity recognition. Also failures increase the effectiveness of opportunity recognition. Moreover, failure acts as a stepping stone not only spotting new opportunities but also exploitation of those opportunities. Exploitation of an opportunity is a decision to act upon a perceived opportunity, and the behaviours that are undertaken to achieve its realization (Choi and Shepherd, 2017).

Cooper *et al.* (2017) found that people are more likely to exploit opportunities if they have developed useful information for entrepreneurship from their previous employment, because such information reduces the cost of opportunity exploitation. Previous experience could increase the ability to better cope with liabilities of newness and reduce the obstacles and uncertainties related to setting up a new business, such as finding financial start-up capital, legitimacy building, adaptation to changes, having access to social and business networks. Previous studies found various factors were contributable to business failure. The factors are summarized as follows:

Entrepreneurial Failure

Oxford English Dictionary defines the term “failure” as “to become deficient, to be inadequate”. In general, many different terminologies are related to business failure, such as firm closures, entrepreneurial exit, dissolution, discontinuance, insolvency, organizational mortality and bankruptcy. Normally, entrepreneurial failure is referred to as the cease of an operation for financial reasons. Since we examined nascent entrepreneurs during the firm’s gestation process, one type of entrepreneurial failure is the discontinuance of venturing efforts by entrepreneurs (Liao *et al.*, 2017), but business failure can be defined as wanting or needing to sell or liquidate, to avoid losses or to pay off creditors, or the general inability to make a profitable go of the business (Gaskill *et al.*, 2013). Pretorius, at the end of his review of business failure definition, proposed a universal definition for the failure phenomenon - a venture fails when it involuntarily becomes unable to attract new debt or equity funding to reverse decline; consequently, it cannot continue to operate under the current ownership and management. Failure is the endpoint at discontinuance (bankruptcy) and when it is reached, operations cease and judicial proceedings take effect (Pretorius, 2018).

There are problems relating to the use of various terms involved in research in business failure. In particular, definitions of business “disappearance”, “closure”, “exit”, and “failure” are confused and often overlapping. “Dis-appearance” of a business may occur because the business failed, or because the business was acquired by or merged into another company, or because the owners voluntarily closed it (Cardozo and Borchert, 2019). “Closure” can be categorized as the inability of a business to survive and thus represents a discontinuation of a business. “Exit” refers to several different meanings; it can refer to the exit of a business from trading. Failure has been defined differently by several studies. Some studies define failure as bankruptcy. The bankruptcy criterion for failure states that failure occurs when the firm is legally bankrupt and ceases operations with a resulting loss to creditors (Perry, 2018). However, Everett and Watson (2019) suggest that if failure is defined as bankruptcy, it would be considered from a very narrow perspective and for example many businesses that still operate although they lose money will be excluded from the analysis. Cannon and Edmondson (2017) made a broader conceptualization and defined failure as ‘deviation from expected and desired result’. When defined in this way, failure may occur when the entrepreneur underperforms in terms of critical processes or when desired targets are not achieved.

Cope (2011) states that “failure represents one of the most difficult, complex and yet valuable learning experiences that entrepreneurs will ever have the (mis) fortune to engage in”. Thus, venture failure is an important concept to understand in entrepreneurship, both in terms of its causes and consequences for the individual entrepreneur, organisations and society at large. Success and failure of a business can be explained. Success and failure of a business can be explained both by individual/organizational (internal) and environmental (external) factors (Zacharakis, Meyer & DeCastro, 2014). Internal causes are those decisions/actions that are under management’s control while external causes are events that are outside of management’s control. In most cases, a complex mixture of causes contribute to business failure. Among the internal factors, managerial incompetence or poor management comes first (Gaskill *et al.*, 2015; Zacharakis *et al.*, 2017). Poor management is referred to the failure of the management to be able to ensure that problems are identified promptly and the correct solutions applied, so as to give the company the best possible change of survival and growth. Overconfidence and excessive risk taking tendency also seen among the failure causes (Hayward *et al.*, 2006). On the other hand, many businesses fail due to poor financial planning, namely getting into cash flow binds, being

too easy with credits, spending money on the wrong things. Thus, business failure is connected to the manager's decisions and behaviors, and the way he conducts his enterprise. In contrast, some other scholars seem to suggest that businesses fail rather due to external factors such as inadequate economic circumstances (Gaskill *et al.*, 2016), government policies (Cardon *et al.*, 2017).

There are also some studies in the literature that analyse the association between the age of the company and business failure (Honjo, 2000; Thornhill and Amit, 2003). Those studies have established that younger firms fail more often due to internal causes (e.g. operational management problems, inexperienced and incompetent management, different management failures) while mature firms fail largely due to external causes (environment, competition, demand) (Lukason and Hoffman, 2015). Immature firms fail more due to their lack of experience (Thornhill and Amit, 2003) or limited resources (Hall, 2014). More recently, Egehn *et al.* (2018) found that successful young firms often fail due to a lack of financial resources (cited in Lukason and Hoffman, 2015). They explained this situation by the mistakes made by the inexperienced managers rather than the managerial incompetence. On the other hand, mature firms are more likely to fail due to changes in their environment which their rigid routines are unable to adjust to (Thornhill and Amit, 2012). Lukason and Hoffman (2015) underlined in their study that the likelihood of failure due to internal and external reasons is very high in all age groups of 437 Nuray Atsan / Procedia - Social and Behavioral Sciences 235 (2016).

Various causes for business failure may originate either from the external environment or from factors internal to the business. While some external causes are not so predictable, internal causes of business failure could in many cases be forecasted in advance. In most cases, a complex mixture of causes contribute to business failure; it is very rare for one single factor to be involved (FEE 2004). According to the literature, the variables that explain firm failure can be grouped into four broad categories: (1) firm specific, (2) industry specific, (3) macro-economic, and (4) spatial or geographic factors (Maoh & Kanaroglou, 2007). Ooghe and De Prijcker (2008), classified causes of bankruptcy into four groups of factors: general environment (economics, technology, foreign countries, politics, and social factors), immediate environment (customers, suppliers, competitors, banks and credit institutions, stockholders, and misadventure), manager/entrepreneur (motivation, qualities, skills, and characteristics) and corporate strategy (strategy and investments, operations, personnel, and administration).

A number of deficiencies in many types of business environment might lead to the failure of a business. Obstacles coming often from different types of business environment occur simultaneously, sequentially, coincidentally, and unpredictably (Oparanma *et al.*, 2010). Factors such as lack of financial resources (Van Auker). According to Oparanma *et al.* (2010), external factors such as poor economic conditions and inadequate infrastructure were the most crucial factors. Wu (2010) also discussed that the health of a firm in a highly competitive business environment is dependent upon its capability of achieving profit and financial solvency.

The majority of entrepreneurs fail in becoming an established business, and many reasons may contribute to their failures. Many studies indicate that entrepreneurs might be impacted by different factors that eventually lead to failure. The purpose of this research is to explore the factors that might cause entrepreneurs to fail in becoming established businesses. According to the research, absence of motivation, poor cash flow, and incompetent organizational skills may be the factors that cause entrepreneurs to face failures. The results suggest that entrepreneurs who are affected by one of these factors or more may not be able to reach the stage of an established business which is a business of more than three and a half years. Ninety percent of

entrepreneurs who build startups will fail (Patel, 2015). This is the truth of what most entrepreneurs are expected to face in the present day. Entrepreneurs are challenged by countless obstacles with a tremendous amount of pressure to survive in the heavily competitive market. While entrepreneurs are very optimistic concerning the ideas or solutions they bring into the market, most of them are not successful with the direction that they have decided to move towards. K Vaitheeswaran, a co-founder of the first e-commerce business in India called Fabmart.com, states that the path that entrepreneurs are on is difficult and there are many causes that make startup failed (Chengappa, 2017).

A number of people desire to become an entrepreneur, but only some are successful in becoming one (Chengappa, 2017). It is crucial to know the causes that contribute to the failure of entrepreneurs and how can entrepreneurs avoid making the same mistakes that other entrepreneurs make. Thus, this research may potentially help future entrepreneurs to have a higher chance of survival, become successful, and establish a sustainable and viable business. Some researchers identify the factors that make entrepreneurs failed, but most of them contain various reasons that lead up to the failure, which is not condensed into one focused research in a specific timespan. There are 80% of entrepreneurs who failed their businesses in the first 18 months (Wagner, 2013). Research of a specific timespan is required to fill in the gap that is missing from other research. The factors that cause most entrepreneurs to fail in becoming an established business are lack of motivation, negative cash flow, and poor organizational skills.

1. Lack of Motivation

Motivation is key to the success of entrepreneurs, but most entrepreneurs lack the motivation to move forward as they may face failures and obstacles on their way to success. Performance of a firm can be affected by the lack of motivation of entrepreneurs which could make the firm face with unintended failure in the future if the matter is left overlook for a certain period. A study by Waita and Namusonge (2013) indicates that performance of a company may improve by focusing on promoting entrepreneurial motivation of the employees in various factors. Motivation is crucial for keeping entrepreneurs to be focused on achieving the goals that are set by the initial factors of motivation when they originally started the business. Entrepreneurs are affected by many motives when starting the business and the types of motive may determine the will to continue or discontinue the business altogether (Staniewski and Awruk, 2015). When entrepreneurs are facing various problems constantly, maintaining the motivation is essential in keeping the business running. Zimmerman and Chu (2013) suggest that most entrepreneurs in Nigeria have a motivation to increase their income when running a business despite the less developed economy they are facing continuously. Each source presents different angles of motivation as a factor that can impact many areas of both the business and entrepreneur which signifies the importance of maintaining or having motivation when running a business. The author agrees with the findings presented as many entrepreneurs decide not to continue their business since they lose motivation in the process of building a business which causes the company to suffer in performance and face closure in the end.

Motivation and performance

Performance of an entrepreneur that reflects on a business may be correlated with the motivation of the entrepreneur. If an entrepreneur is motivated in an environment that requires performance, he or she may thrive in this particular environment. In the culture that focused mainly on performance, an entrepreneur who is positively motivated is more suitable and competent in this kind of culture (Hopp and Stephan, 2012). If entrepreneurs require having a high performance in

themselves or their business, motivation is the key to unlock that level of performance. Moreover, the motivational behavior of the entrepreneur may affect the business performance directly. The motivation of an entrepreneur may correlate with the performance of a business from the empirical evidence given (Jayawarna, Rouse, and Kitching, 2011). Business performance may rely on the motivation that entrepreneurs have on a daily basis, and it may also mean that if an entrepreneur did not have the motivation to do the business, the company might expect to fail. The motivation of the entrepreneur who runs the business could be a factor that impacts the level of performance of a company as a whole depending on the level of motivation that the entrepreneur has.

Motivation provides focus on goals

The initial factors that influence entrepreneurs to have the motivation are crucial for keeping entrepreneurs to focus on the original goals. The first reason that an entrepreneur has is the reason that drives motivation for an entrepreneur to keep moving forward. While the goal of an entrepreneur or the path towards an opportunity is important, motivation is needed to achieve the goals or to utilize the opportunity (Carsrud and Brännback, 2011). It is important that the entrepreneur has a clear focus on the goal and move towards it with motivation as the energy. In addition, the entrepreneurial behavior may be influenced by the motivation of an entrepreneur in pursuit of a goal. The motivation that Steve Jobs has largely impacted the founding of Apple in pursuit of an opportunity to build the PC (Shane, Locke and Collins, 2012). The original goal is a strong driver that creates motivation that could keep an entrepreneur to always move towards a specific goal in mind. Motivation is required to drive the entrepreneur towards a goal, and it may be a factor that keeps the entrepreneur to focus on it.

An entrepreneur needs motivation in running a business on a daily basis to sustain the company long-term. For a business to be successful, motivation is a factor that helps the entrepreneur achieve the dream of running the business successfully. Winter (2010) states that there is much research that shows the positive correlation between achievement motivation and business success in entrepreneurial roles. The sense of achievement gives motivation to the entrepreneur to successfully run a business long-term. Furthermore, the habit of staying motivated is also a deciding factor in the failure or success of a business. If a person always has the habit of being motivated, this is a behavior that differentiates a disappointment and triumphs of small business (Hendricks, 2015). So, it is vital to stay motivated as a habit to be able to make a business survive and thrive. By always keeping the motivation high, an entrepreneur can succeed in the business fairly well in which motivation can come from the achievement in business and well-trained habits.

Cash flow, which includes funding, is crucial for every entrepreneur to start off their business and to keep the business afloat. Entrepreneurs or ones who are starting a business perceive many obstacles including funding as one of the main hardships. Out of many hurdles reported, the students who are looking to start a business mentioned that funding and professional experience are needed to run their business (Staniewski, 2009). In addition, lack of stable cash flow could cause businesses to fail by eventually run out of money. CB Insights (2018) indicates that one of the top causes that make startups fail is simply lack of cash to continue the business. Moreover, small business is what most entrepreneur initially starts off by using funds of their own, but lack of cash flow is an issue that often kills small businesses. Pofeldt (2015) implies that by always checking the status of the cash flow of a business, the firm might be able to grow with increased revenue. The sources give a clear understanding of the

issue that entrepreneur could encounter when running a business regarding the matter of cash flow. The author finds that the findings have a precise approach to the problem, and they are valuable in understanding the cause which might lead to the failure of a business.

Lack of funding

Funding is one of the main hardships that entrepreneurs are likely to face when setting up or running a business. People who experience a shortage of funds in running a business may be unconfident in their journey of being entrepreneurs. Many young people usually perceive themselves with a shortage of funds, experiences, and proper knowledge in starting or running a business which might cause them to feel insecure in the venture (Staniewski and Awruk, 2015). With this kind of behavior or mindset, entrepreneurs cannot succeed in the business they are pursuing which signifies the importance of appropriate funding of the firm. Furthermore, funding could be allocated to other parts rather the business itself to help entrepreneurs have the right education when conducting businesses. Staniewski and Awruk (2015) state that the financial aid which entrepreneurs receive might have greater use in allowing entrepreneurs to participate in training and other programs rather than funding the business. Soft skill is an important skill set that every entrepreneur should have and by refining these skills, entrepreneurs might have an easier chance of conducting a successful business. Thus, the importance of funding is critical in training entrepreneurs to have the right knowledge as well as having the sense of security when running a business.

Lack of stability in cash flow

A well-managed cash flow gives a business its foundation to grow and outperform competitors. Firstly, the foundation is critical for every business to have which also requires sufficient funding and good usage of cash. CB Insights (2018), suggests that insufficient cash of failed startups may relate to other causes which include the process of finding the customer of a product and fail to make the right changes to the business. As a company struggles to find its foundation, the firm might eventually run out of cash to do the necessary change to survive in the market. Secondly, having a more stable cash flow can help the firm survive and get ahead of the competitors. By having a well-managed cash flow, a company might be able to surpass its competitors with additional benefits of higher shareholder value and a lower chance of facing operational and financial risks (Deloitte, 2014). If an entrepreneur could manage his or her cash flow, the company may have a higher chance of surviving in a competitive market. The matter of stable cash flow is a topic in which every entrepreneur should have in mind when doing business as it may lead to a great foundation of prosperity and survivability in the market.

Poor cash flow leads to failure of small businesses

A small business is a starting point for some entrepreneurs who are looking to have a higher income, but the lack of cash flow could potentially fail the business. A small business might struggle to keep up with cash flow management which may cause the company to miss an opportunity to make a profit. Pofeldt (2015) mentioned that a company of any size might experience a problem concerning cash flow if the firm does not manage cash flow well enough. The important fact is that whether the company is large or small, a problem of cash flow could occur to any firm with poor cash flow management. Additionally, cash flow optimization may help the entrepreneurs to revive a business from the crisis that they might encounter. BDC (n.d.) states that Bonté Foods survive the problem concerning cash flow by carefully looking into the

matter and apply extensive evaluation of the structure that the company has, including improvements. Entrepreneurs require looking deeper into the cash flow that they have and restructure it, which might help the company to avoid closure. To summarize, poor cash flow may present an issue that could make a business fail, but if it is well-managed, the company could avoid failure and come out from a bad state.

Poor organizational skills

Entrepreneurs may not be able to succeed in business without possessing outstanding organizational skills. To succeed in business, entrepreneurs require having an exceptional understanding of how to organize a business using their organizational skills which is one of the skills that entrepreneurs must have. Entrepreneurial skills, including organizational skills, is the foundation of the success of a venture or business which includes the starting point, growth, and funding (Adeyemo, 2009). By having poor organizational skills, entrepreneurs could potentially face failure in business while other entrepreneurs with the skills succeed. Bonnstetter (2013) mentioned that to attain the desire achievement or goals, having planning and organizing skills are crucial, but most entrepreneurs do not have these skills in them to succeed. As entrepreneurs often venture into new businesses, the right education can help to enhance the organizational skills of the entrepreneurs which lead to the success of the venture. Elmuti, Khoury, and Omran (2012) find that knowledge acquired from entrepreneurial training have a positive correlation to improved organizational efficiency which may lead to a successful venture. The sources provide clear and valuable insights into the effects of poor organizational skills and factors that could help entrepreneurs improve their business ventures. The author concurs with the findings found in the research which could provide the understanding that entrepreneurs could be looking for in the matter of avoiding business failure by having poor organizational skills.

Organizational skills required to succeed

Success could be a result for entrepreneurs who possess adequate organizational skills. Education can be defined as an investment for entrepreneurs to achieve success in the future, especially for their entrepreneurial ventures. Unger, Rauch, Frese, and Nina Rosenbusch (2011) indicates that there is a statistically significant correlation between human capital and the success in entrepreneurship. While entrepreneurship education may be overlooked by both people who want to be entrepreneurs and entrepreneurs, it is important to realize the fact that knowledge in oneself is beneficial to become successful in entrepreneurship. Moreover, communication as a part of organizational skill could improve the overall efficiency of the company which can lead to success. Root III (n.d.) states that communication is crucial for an organization to accomplish tasks efficiently which requires managers to relay information to other employees at various levels accurately. Organizational skills are more than just organizing people to the task; they are a combination of skills that work together to create a perfect harmony for the success of entrepreneurs. To sum up, organizational skills might help entrepreneurs to become successful if they invest themselves in entrepreneurial education and utilize the knowledge to its capacity.

The lack of organizational skills could cause a business built by entrepreneurs to fail. Most entrepreneurs do not have the necessary organizing skill to manage a business which could lead to inefficiency in an organization. Bonnstetter (2013) finds that most entrepreneurs do not have planning and organizing skills and this may cause entrepreneurs to be at a disadvantage to other entrepreneurs. If most entrepreneurs fail to become an established business, the lack of these skills may hinder entrepreneurs to be at that stage while few entrepreneurs with the

necessary skills succeed in doing so. Furthermore, planning is one of the essential organizational skills that may cause businesses to fail due to ineffective planning strategy. More than 60 percent of organizations do not have effective strategies for their businesses, including a strategy to lead (Wellins and Canwell, 2018). A plan or a strategy should be one of the top priorities for entrepreneurs when running a business which may help to avoid having to face failure as most companies do from the lack of planning. In conclusion, by possessing the required skills and effective strategies that few entrepreneurs have, the business might be more efficient and may have a lower risk of closure than most companies.

Successful venture by entrepreneurial education in organizational skills

A successful venture could be possible by entrepreneurs with the help from proper entrepreneurial education, particularly in organization skills. Organization skills are necessary skills for entrepreneurs to become successful in their ventures. Elmuti, Khoury and Omran (2012) states that entrepreneurs are required to have three unique skills for success, including organizing skills which fall under technical skills, and entrepreneurs can obtain these skills by engaging in impactful entrepreneurial education. Education in entrepreneurship could return an excellent yield for entrepreneurs especially if they receive efficacious organizational skills for a venture. According to a study by Stamboulis and Barlas (2014), apart from financing, product, and research and development, management is one of the factors that are essential for the success in entrepreneurship. As organizing is one of the functions of management, receiving an education to improve this specific skill may contribute to a successful venture of entrepreneurs. To conclude, having the required skills of organizational skills through entrepreneurial education may help entrepreneurs to avoid failure in their ventures and lead to their desired success.

Most entrepreneurs may walk on a path filled with difficulties along the way which might hinder entrepreneurs in making to the stage of an established business. Thus, this research paper aimed to identify the factors that cause entrepreneurs to fail in becoming an established business. When running a business, entrepreneurs may find themselves in a state of losing motivation by the obstacles they are facing along the way, which might cause a negative impact on the performance of a firm and lead to closure as entrepreneurs do not have the motivation to focus on the goals to sustain the business. Moreover, negative cash flow could be a factor that affects the survivability of the business as entrepreneurs may fail to manage their businesses' cash flows which may cause the company to be unstable and require additional funding to survive. Furthermore, organizational skills may be required by every entrepreneur to succeed in the business in which most entrepreneurs lack these skills and cause them to face failure in the end. These findings agree with Zimmerman and Chu's (2013) research on factors that contribute to the success of entrepreneurs in Venezuela, the problem that they faced, and the motivation that drives them to pursue entrepreneurship. Nevertheless, this research topic requires a deeper analysis of each factor that affects entrepreneur's failure which may also be influenced by other aspects not stated in this paper.

LITERATURE REVIEW

It has been widely recognized that business growth and survival depend both on external and internal factors. While most of the challenges which a business will face may be foreseeable, some will be completely unpredictable. However, if a business is to succeed, management must be mindful to all matters which are likely to have a material impact on its viability, and must then demonstrate skills both in exploiting opportunities and mitigating threats (FEE, 2004).

There is a vast literature review on business failure, mostly on the prediction of failure by using financial models, but in this paper, we focus on the causes of business failure. Definition The Oxford English Dictionary defines the term “failure” as “to become deficient, to be inadequate”. In general, many different terminologies are related to business failure, such as firm closures, entrepreneurial exit, dissolution, discontinuance, insolvency, organizational mortality and bankruptcy. Normally, entrepreneurial failure is referred to as the cease of an operation for financial reasons. Since we examined nascent entrepreneurs during the firm’s gestation process, one type of entrepreneurial failure is the discontinuance of venturing efforts by entrepreneurs (Liao *et al.*, 2009), but business failure can be defined as wanting or needing to sell or liquidate, to avoid losses or to pay off creditors, or the general inability to make a profitable go of the business (Gaskill *et al.*, 2019).

Pretorius, at the end of his review of business failure definition, proposed a universal definition for the failure phenomenon - a venture fails when it involuntarily becomes unable to attract new debt or equity funding to reverse decline; consequently, it cannot continue to operate under the current ownership and management. Failure is the endpoint at discontinuance (bankruptcy) and when it is reached, operations cease and judicial proceedings take effect (Pretorius, 2017). There are problems relating to the use of various terms involved in research in business failure. In particular, definitions of business “disappearance”, “closure”, “exit”, and “failure” are confused and often overlapping. “Disappearance” of a business may occur because the business failed, or because the business was acquired by or merged into another company, or because the owners voluntarily closed it (Cardozo and Borchert, 2004). “Closure” can be categorized as the inability of a business to survive and thus represents a discontinuation of a business. “Exit” refers to several different meanings; it can refer to the exit of a business from trading in a specific market or from producing a particular product. It also refers to the end of the owner’s participation in the business, as in the search for “exit routes” by entrepreneurs wishing to sell or exit from a business (Stokes and Blackburn, 2002). “Failure” is generally regarded as the discontinuance of the business due to the lack of adequate financial resources (Everet and Watson, 1998), cessation of operations with loss to creditors (Cardozo and Borchert, 2004), termination of operations, and exit from business population because it is no longer a viable concern (Bickerdyke *et al.*, 2000). The causes of business failure are many and varied, and may stem both from the external environment as well as from factors internal to the business. Internal causes of business failure may in many cases be capable of being foreseen in advance, while on the other hand some external causes are not so predictable. In most cases, a complex mixture of causes contribute to business failure; it is very rare for one single factor to be involved (FEE, 2004). Earliest empirical studies on business failure examined the role of various owners and firm characteristics to explain business failures.

The numerous characteristics shared by failed firms, are directly related to personal decision-based characteristics of the owner (lack of insight, inflexibility, emphasis on technical skills, etc.), managerial deficiencies (lack of management skills and appropriate managerial training, etc.) and financial short-comings (no accounting background, cash flow analysis, financial records, etc.). Many aspects of poor management are reported to be connected to several related issues, such as poor financial circumstances, inadequate accounting records, limited access to necessary information, and lack of good managerial advice (Gaskill *et al.*, 2019). Some studies focused more on the managerial causes of failure and listed some 25 causes and categorized them simply as poor management, and concluded that poor management combined with the personality traits of the owner-manager, and external factors cause business

failure (Berryman, 1983). A business failure may happen as a result of poor management skills, insufficient marketing, and lack of ability to compete with other similar businesses. It can also be the result of a domino effect caused by business failures of suppliers or customers (Wu, 2010).

In the annual report of GEM, financial problems were cited as the reason for quitting the business by no more than 55% of all respondents; it was cited more often by respondents in the factor- and efficiency-driven economies (just over 50%) than innovation-driven countries (just over 40%) (Bosman *et al.*, 2009). The effect of the environment depends upon the time period, geographic area, and market sector in which the firm operates (Burns, 2001). Government and government-related policies is also an important factor affecting business failures, and is discussed in some studies. The scholars found that failure rates increased due to the heavy burden of taxation and regulation, while the growth in money supply (higher growth decreased the failure rate) and the volume of bank lending (higher volume of bank lending reduced the rate of business failures) are significant factors (Gaskill *et al.*, 2019; Burns, 2001; Oparanma *et al.*, 2010).

They discussed the negative internal and external environmental factors including pressure from competitors or new entrants, poor improvement in modern technology and poor sales, the outbreak of pests, and farm diseases etc (Oparanma *et al.* 2010). A conceptual failure model was presented by Ooghe and Waeyaert in 2004 expounding the causes of failure and mutual relations between the general and immediate environment of the company as external causes, and the company's management and policy as internal causes of failure (Ooghe and De Prijcker, 2008). In this model, the causes of failure can be grouped into five interactive aspects. These include general environment (economics, technology, foreign countries, politics, and social factors), immediate environment (customers, suppliers, competitors, banks and credit institutions, stockholders, and misadventure), management/entrepreneur characteristics (motivation, qualities, skills, and personal characteristics), and corporate policy (strategy and investments, commercial, operational, personnel, finance and administration, corporate governance), and company characteristics (size, maturity, industry, and flexibility) (Ooghe and Waeyaert, 2004). Liao (2004) also mentioned the effects of four groups of factors-individual characteristics of the founder, resources, structural characteristics and strategies of the firm, and environmental conditions in which a firm operates on business failure. The European Federation of Accountants has identified the following internal and external causes of business failure.

Accordingly, internal causes include poor management, deficit in accounting, poor cash flow management, inappropriate sources of finance, dependency on customers or suppliers, impending bad debt, fraud/collusion and external causes of business failure are economy, catastrophic unpredictable events, governmental measures and international developments, environmental protection and other regulatory requirements, and the bankruptcy of main customer or supplier (FEE, 2004). Inter-country difference. Some inter-country studies show that there are significant inter-country differences in SME failure rates and causes of business failure. In their inter-country study of business failure in Malaysia and Australia, Ahmad and Seet (2009) found that some reasons for business failure were given more emphasis in one country than the other. Australian participants attributed their failure to reasons such as the inability to manage a large number of employees, the inability to manage the fast growing firm, and the inability to administer a large firm. This may perhaps provide an insight into why the participants preferred to stay small in business. Malaysian participants, by contrast, highlighted softer issues such as the lack of personal contacts and the failure to maintain close personal relationships with customers, providing evidence of the importance of maintaining good personal relationships with

others.

According to the annual report of GEM, evidence show that business discontinuance rates are relatively high in factor-driven economies (in Angola, for example, the reported rate is as much as 23%) and relatively low in innovation-driven economies. Among high-income countries, Norway, United States of America, Republic of Korea, Iceland and Ireland have the highest rates of business discontinuation. The business not being profitable on its own was the most reported financial problem. Problems with raising finances were considerably lower in innovation-driven countries where the “Entrepreneurial Framework Condition” and “Entrepreneurial Finance” are generally more developed. “The opportunity to sell” and in particular “retirement” were mentioned more often in innovation-driven countries as the most important reason to discontinue the business. Personal reasons caused around 20 to 25% of all discontinuations. Such reasons could include sickness, family, and death of a business partner, divorce, the need to finance an event such as a wedding, through sale of business assets rather than the business itself, or simply boredom. They were more prevalent in factor- and efficiency driven countries (Bosma *et al.*, 2009). As indicated in the literature, several factors cause business failure; some of them are internal and could be controlled by the entrepreneur, while others are external and rather unpredictable. There are factors on which more emphasis has been given in prior studies. Prior studies focused only on some internal or external factors without a general view. This is an investigation on different internal and external causes of business failure in a developing country with different socio-cultural, economical, and political context.

The following are the research questions:

1. What are the characteristics of failed business owners/managers and their businesses?
2. What are the personality characteristics of failed business owners/managers?
3. What are the main causes of business failure in Nigeria context?

METHODOLOGY

Some researchers have expressed difficulty in studying failed ventures (Liao, 2004; Bruno *et al.*, 2013). They argue that it is difficult to locate ventures that failed because of poor performance, and homogenous samples are hard to find. Entrepreneurs are reticent about failure and they are more likely to attribute failure to external causes than to internal ones. As it is extremely difficult to obtain feedback from entrepreneurs who have experienced business failure, this approach is hardly utilized by researchers. In this research, we used this approach to obtain the point of view of failed business-owners/managers concerning causes of business failure. This survey is implemented based on a face-to-face questionnaire. In the first part, the failed business-owners/managers were questioned about their background, experience, education, and family. Then a personal characteristic test examined six entrepreneurial characteristics including tolerance of ambiguity, need for achievement, risk taking, creativity, locus of control, and independence. The questionnaire on the personal characteristics was obtained from the Entrepreneurship Development Institute of India and had been used many times in Nigerian context (Ahmadpour and Moghimi, 2006). The participants finally reported on their causes of business failure. The questionnaire on causes of business failure was obtained from a previous study on the causes of business failure in Nigerian context (Gholami, 2008) in which both authors were involved.

This questionnaire was developed based on a literature review and interview with 13 Nigerian entrepreneurs whose businesses had failed. The validity of the questionnaire was

significantly revised by 7 experts in entrepreneurship. Reliability or internal consistency of the items within the structure of this study was assessed by indication of Cronbach's alpha. Each item in the questionnaire was accompanied by a Likert-type scale, allowing, perceived indication of the extent to which the item contributed to the business failure. The Likert-type scale ranged from 1 (to very little extent) to 5 (to great extent). Responses to this measure were based on perceptions of ex-business owners/managers. Sample group is the business owner/manager who has experienced business failure and stops his/her business activities voluntary or involuntary. One of the greatest barriers to study about business failure is to identify ex-owners/managers who failed in their business. In this study, we developed our own sampling frame that sought to be as representative as possible of the range of business failure and exit types, rather than relying on one source, such as official receivers' data that reflects only a limited number of types of closure. This was derived with the help of entrepreneurship masters students in our faculty who are dispersed all over the country. We did not put the limitation in the business sector, failure phase and geographical location of business, to study more cases of failed businesses. In total, a database of 150 ex-owners/ managers was created. The questionnaire was sent to a random sample of 80 ex-owners/managers. 51 complete and valid questionnaires were obtained and analyzed using SPSS software. Based on Pretorius (2009) definition, a venture fails when it cannot continue to operate under the current ownership and management. A successful entrepreneur is a business owner who succeeds to overcome different challenges and problems and still can survive in difficult situation.

Data was gathered by questionnaires based on Ooghe and De Prijcker's (2008) model (in five-point Likert) which ask questions around four elements including: general environment, immediate environment, manager/entrepreneur, and corporate policy. The annual report of Global Entrepreneurship Monitor (Bosma *et al.*, 2009) shows that there is significant inter-country differences in SME failure rates. Discontinuance rates are relatively high in factor-driven economies (in Uganda for example, the reported rate is as much as 24%) and relatively low in innovation-driven economies. Failure rates are somewhat higher in efficiency-driven countries as a proportion of discontinuation, reflecting the increasing importance of scale and efficiency in business in these countries. Failure rates, both in absolute terms and in proportion to all discontinuations, are lowest in innovation-driven economies, because entrepreneurs have better skills and environments are more favorable. In Nigeria, the business discontinuation rate (6%) is almost higher than average of efficiency-driven economies (4.9%). Denmark and Italy in innovation-driven economies have the lowest business discontinuation rate (1.1%) (Bosma *et al.*, 2009). On the other hand, most of the researches in business failure have been conducted in developed countries, and there is limited knowledge on the causes of business failure in other countries with economic, political, social, and cultural differences. In order to know more about the business environment of Nigeria, we address the annual report of World Bank in 2011.

Variables

The research variables are classified in three categories:

- i. Characteristics of failed business-owner/ manager
- ii Junior. Business. Manager.

Characteristics of failed businesses (business sector, business age, business life cycle); iii. Causes of business failures (lack of financial support from banks and financial institutions,

inaccurate evaluation of project, unclear determination of business sector, inconsideration of market issues, problems in product or service supply, lack of related experience, expertise and good work relationships, management deficiency, cheating and fraud, substituted products or services, government policies, inconsideration of legal issues, inadequate financial circumstances, problems of partnership and teamwork, lack of interest and dissatisfaction in work or at the work place, and negative influences by the family). Validity and reliability Content validity of the questionnaire on the causes of business failure was estimated by submitting the questionnaire to several experts in entrepreneurship, all of whom approved the content of the questionnaire. To test the reliability, the internal consistency of the questionnaire was assessed by Cronbach's alpha coefficient that was 0.81 for the questionnaire on the causes of business failure, and alpha equal to or greater than 0.70 was considered satisfactory.

RESULTS

Results of this research contain four sub-sections: first, a description of sample, then, the results of Friedman's test on causes of business failure, and finally, the role of gender and business sectors on the causes of business failure were further presented. Sample description Most of the failed business owners/managers were aged between 25 and 45 years old (Mean = 32.9, SD = 6.43). 84.3% of them were men (see Table 1). They were well educated and most of them were married. 64.4% had experience in the related sector and 35.3% were experienced in business. The number of businesses in the manufacturing and services sector were equal (47%), while 6% were in the agriculture sector. 76.1% of businesses failed within three years and 55.1% failed in the phase of establishment. Personal characteristics of failed business owners/managers. The results of the chi-square test on personal characteristics of failed business owners/managers show significant difference in the level of some personal characteristics. This difference is significant for "tolerance of ambiguity", "need for achievement", "creativity", and "internal locus of control". These results point out that failed business owners/managers have low level of tolerance of ambiguity, while they have high level of creativity and internal locus of control and moderate level of need for achievement. Main causes of business failure given the fact that our data regarding the causes of business failure is in the Likert scale, we used non-parametric Friedman analysis of variances to identify the main causes of business failure. The results show significant variable differences in mean rank (2, N = 51) = 105.180, $p < 0.001$).

Table 1: Variables under Study

Variables	Percentage
Male	94.3
Female	5.7
Married	84.3
Experience	35.5
Manufacturing and services sector	47.0
Agricultural sector	6.0
Business failures in the phase of establishment	55.1
Business failures within 3 years	76.1

Source: Field Study

These results point out that management deficiency is the first cause of business failure, although failed business owners/managers prioritize other factors like financial support, inadequate

economic sphere and insufficient government policies as the main causes of business failure. They also mentioned other internal and external factors that cause business failure. Gender and causes of business failure. In this study, we are interested in knowing how gender influences the causes of business failure. For this reason, we used t-test in which grouping variable is gender of failed business owner/manager. The result indicates that difference in the causes of business failure is significant for two of the business failures, which are "lack of financial support from banks and financial institutions" and "problem of partnership and team work". These results point out that the mean of "lack of financial support from banks and financial institutions" is higher for women and the mean of "problem of partnership and team work" is higher for men. Business sector and causes of business failure. The other question of this study was to know how the business sector could influence causes of business failure. In this regard, we used the ANOVA analysis.

These results point out that the difference in mean is significant for two of business failure causes which are "inaccurate evaluation of project" and "lack of interest and dissatisfaction in work or at the work place". This indicates that the mean of "inaccurate evaluation of project" is higher for agriculture business in comparison to the manufacturing sector. Although the mean of "lack of interest and dissatisfaction in work or at the work place" is lower for the manufacturing business in comparison to the service sector.

Factors affecting the failure of SMEs

In order to find the factors influencing the failure of small and medium-sized enterprises an analysis of scientific papers in this field has been done. Based on the analysis of scientific papers, all factors can be classified into two groups: (1) individual factors, and (2) non-individual factors. Within non-individual factors we can make the difference between those who come from the environment – external and those arising from the characteristics of the organization itself – internal. Individual factors refer to the characteristics of the owners/managers of SMEs, while non-individual factors are all those factors that do not depend on the owners/managers of SMEs. The most common case is that owner is also the manager of SME. As noted, within non-individual factors we can make a distinction between external and internal influences. External influences refer to those impacts coming from the environment on which SMEs have no effect, while internal influences refer to the characteristics of the SMEs.

Such classification of the factors influencing the failure of small and medium-sized enterprises is the most common one. For example, European Federation of Accountants (FEE), also distinguishes between internal and external causes of business failure. Accordingly, internal causes include poor management, deficit in accounting, poor cash flow management, inappropriate sources of finance, dependency on customers or suppliers, impending bad debt, fraud/collusion, while external causes of business failure are economy, catastrophic unpredictable events, governmental measures and international developments, environmental protection and other regulatory requirements, as well as the bankruptcy of main customer or supplier.

Individual Factors Affecting the Failure of SMEs

A Large Number of scholars examined the relationship between the characteristics of the owners/managers of SMEs and its failure. Authors Zahra Arasti, Fahimeh Zandi and Kambeiz Talebi have explored the effect of individual factors affecting business failure in new established small businesses in industry sector of Nigeria. This study consists of

qualitative and quantitative research. In qualitative study 10 semi-structured interviews, were carried out, from which four groups of individual factors were identified: (1) motivations, (2) skills, (3) capabilities, and (4) characteristics. Then, these individual factors have been evaluated in a sample of 158 unsuccessful businesses and data analysis of 52 complete questionnaires pointed out that “Lack of crisis management skills” and “Lack of marketing, financial and human resource management skills” are the main individual factors affecting business failure in new established small businesses in industry sector. Also, authors pointed out that “change of motivations over time”, “have a traditional look in business”, “insist on mistake” and “lack of capabilities (time, knowledge and experience)” are respectively important individual factors of failure in new established small businesses.

The same author, Zahra Arasti in her paper “An empirical study on the causes of business failure in Nigeria context” examines the causes of failure of SMEs in Nigeria where she takes into account different individual factors. The results of her research show that personal characteristics of failed business owners/managers show significant difference in the level of some personal characteristics. Namely, failed business owners/managers have low level of tolerance of ambiguity, while they have high level of creativity and internal locus of control and moderate level of need for achievement. Also, author has carried out investigation of impact of owners/managers gender to causes of failure of SMEs. The result shows that gender difference in the causes of business failure is significant for two of the business failures, which are “lack of financial support from banks and financial institutions” and “problem of partnership and team work”. These results point out that the mean of “lack of financial support from banks and financial institutions” is higher for women and the mean of “problem of partnership and team work” is higher for men. As reason of failure, author also mentions negative influences by the family.

Authors Mário Franco and Heiko Hasse conducted a qualitative research in order to identify factors for poor performance and failure of SMEs. In their study they included eight SMEs in Portugal. Four interviewees mentioned ‘lack of entrepreneurial qualification’ as a difficulty in starting and managing their firms. Only two out of eight owner–managers have university-level degrees, while most of their interviewees (five cases) possess education at the secondary level. Bates has already shown that years of schooling and higher education level are positively associated with a firm’s performance. Authors Bradley and Moore conducted a survey of individuals from the south and southwestern part of the United States, who had filed bankruptcy during the calendar years 1995 and 1996. Results shows that the majority of small business owners possessed very little or limited marketing, economic, and planning skills, as well as lack of understanding of their business environment and consumer needs. The majority of the small businesses that failed had no written marketing plan. Forty-eight percent of the respondents never used target marketing to identify customers, while 34% had never conducted marketing research after starting a small business. All this indicates incompetence of the owners of small businesses. Ooghe and Waeyaert (2018) also, recognized the management/entrepreneur characteristics as the reason of failure of SME, where emphasize the following characteristics: motivation, qualities, skills, and personal characteristics. Also in work of Liao we can recognize importance of individual characteristics of the owners/managers of SMEs as a reason for failure of SMEs.

Non-individual factors affecting the failure of SMEs

In contrast to individual factors, non-individual factors do not depend on characteristics of owners/managers of SMEs. These factors can be divided into two groups. In

the first group are factors originated from characteristic of SMEs, as well as decisions made within SMEs (internal). The second group includes factors coming from environment of SMEs and negatively affecting the success of SMEs (external). Internal non-individual factors refer to factors within SMEs and they are in control of SMEs. Beside characteristics of SMEs, this group includes decisions made within SMEs and other factors originate from SMEs. Arasti, (2018) through her research came to the following factors: management deficiency, inconsideration of market issues, lack of interest and dissatisfaction in work at the work place, inaccurate evaluation of project, lack of related experience, expertise and good work relationships, problems of partnership and team work, unclear determination of business sector, inconsideration of legal issues, cheating and fraud. Other authors in addition to these factors identify other factors such as: inadequate accounting records, limited access to necessary information, lack of good managerial advice.

CONCLUSION

Most entrepreneurship studies have been conducted in western countries and focused on successful ventures. As indicated in several studies, a deep understanding of new venture failures in a different context would provide critical information for individual entrepreneurs, venture financiers, and government policymakers. This first study on the causes of business failure in Nigeria context focused on the influence of several internal as well as external factors by using a hard approach to obtain feedback from entrepreneurs who have experienced business failure.

Contrary to the belief that failed entrepreneurs will attribute their failure to external factors, the respondents in this research ranked their management deficiency as the main cause of business failure and it may be due to their high internal locus of control. While the external factors such as lack of financial support, inadequate economic sphere and insufficient government policies were also mentioned as the main causes of business failure.

These results could help policymakers to identify the problematic areas of entrepreneurship and indicate need for a support system in financial management, competition and growth strategies, and most importantly entrepreneurial skills training programs. Failure in different context of a developing country and could be an introduction to future studies. In this study, we used an unlimited sample to study more cases of failed businesses. Future studies on a large and homogenous sample can lead to a better result. We examined the entrepreneurial characteristics of failed business-owners/managers and found a low or moderate level in most of these characteristics. Other studies could investigate on the impact of failed business owner/manager's characteristics in business failure. This study indicated the influence of gender on the causes of business failure. More investigation on a sample of unsuccessful women business owners/ managers is needed to better understand the phenomenon of business failure in this particular population. The difference in the causes of business failure by business sector asks for more investigation on each business sector. In addition, future researches could study the causes of business failure in different phases of establishment or growth. Future research can study the influence of push and pull factors that motivate people to start a business to know whether those different motivations at start-up influence business failure. The inter-country study on business failure and post-failure process is also an interesting area of research.

While there are many studies concerning the factors that cause entrepreneurs to fail, most studies do not provide a focus on a specific stage of entrepreneurs who are running a business for less than three and a half years. If the factors that cause entrepreneurs to fail in becoming an established business are not thoroughly explored, this may lead to a high rate of failure in their

businesses. Thus, this topic requires further studies on the factors mentioned in this paper which can provide a better understanding of the success and failure factors affecting entrepreneurs when operating a business. The findings of this research could help entrepreneurs to be aware of the factors that might cause them to fail in reaching the stage of an established business, which in turn might contribute to a higher probability of success in the business. To conclude, there are various factors that may cause entrepreneurs to fail in becoming an established business. Hence, being aware of these factors is crucial to the success of a business. Current and future entrepreneurs may need to recognize these factors and avoid making the same mistakes that most entrepreneurs might have done before. Therefore, having the knowledge of factors that may cause most entrepreneurs to fail is vital for both current and future entrepreneurs.

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Employees' Commitment: The Influence of Managerial Humor Practices

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Abstract: *Employee commitment has become one of the most desired employee's work outcome by managers of all organization due to the essential role it plays in ensuring organization's goal and objectives are attained. Thus, the purpose of this study is to examine the relationship between humor practices and employee commitment of deposit money banks in Rivers State, Nigeria. A survey design was adopted using questionnaire as the research instrument which was distributed to 285 employees of deposit money banks in Rivers State. The generated data were analyzed through the use of Pearson Product Moment Correlation Coefficient and t-statistics in order to ascertain the relationship between the variables of the study with the aid of Statistical Package for Social Sciences (SPSS) Windows version 22 within a significance level of 0.05. The findings showed a significant and positive relationship between humor practices and employee commitment of deposit money banks in Rivers State, Nigeria, hence we recommended among others that managers of DMBs in Rivers State should use humor in situations that permits such freedom to increase the commitment of their employee.*

Keywords: *Humor Practices; Managers; Employee Commitment*

Introduction

To achieve long term success in today's extraordinary and exceptional wave of change, managers of Deposit Money Banks (DMBs) must by all means turn this turbulent environment to an opportunity rather than a threat through their human resources outcome. Hence, Raiden and Dainty (2006) expressed that the changing requirements in the day to day operations of organizations require the formation of capable human resource which depends on the nature, dynamic and uncertainty of the work. Among all the resources possessed by an organization, the human resources are one of the most important and their work outcome in ensuring competitive advantage as well as organizational success is of enormous importance. In other words, employees are the key asset and differentiator for any organizations be it public or private. This is because the human resources provide matchless, valuable and explicit services to the organization which have qualify them to be a source of competitive advantage (Kazlauskait & Buciuaien, 2008), thus lack of commitment of these important resources has many consequences for organizations including DMBs. The committed employee submerged his own identity for the good of the organization (Mowday, Richard, Steer & Porter, 1979). The commitment of the employee is very essential since all other behaviours that can be exhibited by the employee both negative and positive behaviours (positive behaviours such as organizational citizenship behaviour, high level performance, enhanced productivity or negative behaviours such as absenteeism, turnover intentions) are predicted by the level of the employee's commitment

(Biljana, 2004). Therefore, managers must endeavour to adopt effective approach to ensuring that employee commitment are enhanced through appropriate strategy such as humor practices. Humor practices appropriately adopted and applied is very essential in providing an atmosphere or climate of excitement that provide relieves from stress and pain to the employees. This is because humor has the ability to invoke laughter in an individual that makes him or her excited. Milne (2007) noted that if managers applied humor in the organization, employees will be passionate about what they do, happier and more productive. They will in turn infect customers and co-workers with their positive attitude and stay longer with the organization. Humor practices is associated with improving morale among workers, creating a more positive organizational culture, enhancing group cohesiveness, stimulating individual and group creativity, and increasing motivation towards better commitment. A good sense and appropriate use of humor is very significant for efficient and effective management when combine with skills like human skills, conceptual skills and good speaking ability. As a valuable communication tool, humor can serve and be of great benefit to organizational manager. Decker and Rotondo (2001) opined that humor is relevant for explaining job tasks, assist in energizing and propelling behaviour, boosting innovation as well as helps to positively grease the interactions between employees and managers.

Furthermore, due to the importance of employee commitment, lots of scholars have studied the concept with other variables in bid to enhancing it, such as Mathieu and Zajac (1990) who studied personal features and employee commitment. In their result it was found that personal characteristic such as age, length of service has positive relationship with employee commitment. Also, John and Lenn (2001) opined that marital status has positive relationship with employee commitment. Glisson and Durick (1988) observed that employee's level of education has inverse relationship with commitment. Similarly, Gaertner and Nollen (1989) looked at commitment from the area of security of job, training and promotion as well as mentoring. They found that the more the above factors are provided and improved the more employee commitment would be enhanced. More so, in the aspect of organization's environment attributes associated with employee commitment include organizational structure, organizational climate, and human resource processes (DeCotiis & Summers, 1987), role conflict and ambiguity (Hrebiniak & Alutto, 1972). Furthermore, though it is commonly assumed that a manager's application of humor practices might have a significant influence on employee commitment, moderately inconsiderable empirical proof has been accumulated that plainly back up this assertion according to Mesmer-Magnus and Viswesvaran (2012). Thus, the study looks forward to studying the relationship between managerial humor practices and employee commitment of DMBs in Rivers State. The adopted research questions for the study is: what is the relationship between managerial humor practices and employee commitment of DMBs in Rivers State, Nigeria while the hypothesis to be tested in the course of the study is stated in the null form: there is no significant relationship between managerial humor practices and employee commitment of DMBs in Rivers State, Nigeria.

Literature Review

Theoretical Framework

The study adopted relief story as its theoretical framework. The relief theory shows how people experience humor and laugh because they observed that stress has been minimized in a certain way (Berlyne, 1972). The theory holds that humor stems from the relief experienced when tensions are engendered and removed from an individual. Also, Lorenz (1996) observed that jokes provoke laughter by building up a pressure to laugh which is then suddenly and

unexpectedly exploded. Freud (1991) comment that, for instance, the sad feeling an individual gets that prevents him or her from insulting someone directly can be overcome if that insult is logically done in the form of a joke which can serve as a source of pleasure to the individual. Humor helps to convert aggression and control it, while at the same time permitting its expression (Coser, 1960). Thus, the application of humor generates feeling of excitement in the organization which can provide and enhance the commitment of the employees.

Concept of Humor

Humor is an entertaining way of communicating with others that result in positive feeling and cognitions. Humor is multi-dimensional concept which consist of self-enhancing humor, affiliative humor and aggressive humor practices which can be positive or negative depending on the way it is communicated (Mesmer-Magnus *et al.*, 2012). There is likelihood that a said joke can have positive effect on one side and negative effect on the other side. It can be used to build mutual trust and friendship among people; it thus serves as a toolkit that can be used by management in the organization. Humor practices is often considered as an informal means of communicating unserious message; however, there is truly a science to the application of humor, which can be use adequately as a means for managing employees in the organizations. Managers of organizations are admonished to welcome humor practices as a unique means of communication since it provides environment of excitement in the organization (Collinson, 2002). In nowadays global environment, people sees laughter as a means of managing life's issues (Ziv, 1988). Adage or saying like a good laughter daily prolong life and laughter is the best medicine reflects the importance of laughter to people. More so, laughter is more than that because it can assist interaction between employees. Duncan, Smeltzer and Leap (1990) also observed that humor should not be used anyhow and at any time; however the individual using it should know when to be funny in order to avoid the accusation of not being in appreciation of other people's value. Hence, humor should be based on the situation at hand. In the same vein, Newstrom (2002) observed that there should be a particular times and situations, managers should have some fun with his/her subordinates or peers. In the same vein, Barsoux (1996) suggested three suitable situations vis-à-vis the following:

Sword: it is the action aspect of humor which involves the persuasion of others to accept their view points. It gives the employee the leeway to say the things which otherwise could not have been said without invoking conflict in the organization.

Shield: it is the defensive aspect of humor which focused or provides ease against the negative effects of humor and enable employees and various groups to contend periods of distress.

Values: it is the aspect of humor that makes employees to adjust to a specific pattern and strengthen the values of the organization.

Furthermore, Watson (2006) opined that humor is an important aspect of daily activities in the organization which make employees to be excited and laugh in order to forget things that bother them. Hence, humor is a generally agreed phenomenon in the organization and without it individual will no more be people. It holds that humor in the organization is an inevitable requirement and the capability to be successful in the organization depends on how well managers learn to choose exciting behaviour.

Concept of Employee Commitment

Employee commitment is the degree to which an employee identifies with the organization and wants to continue actively participating in it (Newstrom & Davies, 2002). A committed employee is an employee who stays with an organization, goes to work early and regularly,

protects and guide organizational assets, and also has fate in the goals of the organization. Employees in today's organization have become so aware of their value to their managers and they would intentionally work for the organization that can satisfy their expectations. Hence, an organization that shows that they are committed to their employees will certainly draw and retain them (Madigan, Norton & Testa, 1999). Employees commitment is very important to the organization and the achievement of its goals, thus it must be taken seriously by managers. Employee commitment develops in different stages and according to Mullins (1999), it has three stages which are as follows:

Compliance: which involves a situation where an employee stays with an organization just to get a kind of benefit, such as pay.

Identification: this involves the employee accepting influence of the organization so as to maintain a satisfying relationship and to be proud of belonging to the organization.

Internalization: in this stage the employee finds the values of the organization to be intrinsically rewarding and compatible with his or her personal values.

In similar vein Martin and Nicholls (1987) coined a model of commitment on three pillars, which are:

A sense of belonging to the organization: it focuses on the loyalty of the employee that is important to the success of the organization. The desired to belong to an organization should be built by managers by making sure the employees are properly informed and involved in the goals and values of the firm.

A sense of excitement in the job: unless workers are excited about their work, they will not be motivated to carry out their assigned task effectively.

Confidence in management: it refers to the ability to belong and to be excited in the organization which can be truncated if employees do not have regards for the management in the organization.

Methodology

The study adopted the correlational vis-à-vis cross sectional survey research design which examines the relationship between managerial humor practices and employee commitment of DMBs in Rivers State, Nigeria. The study adopted questionnaire as the research instrument which consist of four respond choices for each variable with 5 Point Likert scales ranging from 1 to 5 indicating strongly disagree, disagree, indifference, agree and strongly agree respectively. Face and content validity was also used for the validity of the research instrument while the reliability of the research instrument indicates a Cronbach Alpha value higher than 0.7; specifically the values for managerial humor practices = 0.917 while that of employee commitment= 0.985. The independent variable is managerial humor practice and it was used as a uni-dimensional variable while the dependent variable is employee commitment which was also used as single variable without measures. The population of the study comprised of 1027 employees of Head office Branches of 17 Deposit Money Banks operating in Rivers State with sample size of 285 derived using the Krejcie and Morgan (1970) sample size determination. The study also adopted simple random sampling technique. Furthermore, out of the 285 questionnaires distributed; 254 representing 89.12% were retrieved while the other 31 (10.88%) questionnaire were not retrieved. Also, 22 of the retrieved questionnaire representing 8.66% were discarded because they were not filled properly. Hence, 232 (91.34%) of the questionnaire retrieved were useful, it therefore served as the basis for analysis in this study. The data derived were analyzed through the use of Pearson Product Moment 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 (SPSS) Windows version 22 within a significance level of 0.05.

Data Analysis and Results

The Strength of the Relationship between Managerial Humor Practices and Employee Commitment

Table 1: Correlations analysis showing the relationship between Managerial Humor Practices and Employee Commitment

Correlations		Managerial Humor Practices	Employee Commitment
Managerial Humor Practices	Pearson Correlation	1	.961**
	Sig. (2-tailed)		.000
	N	232	232
Employee Commitment	Pearson Correlation	.961**	1
	Sig. (2-tailed)	.000	
	N	232	232

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

Source: SPSS Result, version 22.0

Table 1 above shows that the Pearson's Product Moment Correlation coefficient (r) is = 0.961. This means that a very strong and positive relationship exists between managerial humor practices and employee commitment. In other words, direct relationship exist between the variables and further improvement in managerial humor practices will result in better employee commitment. The relationship is further tested applying t-statistics as shown in Table 2 below:

Table 2: effects of managerial humor practices on employee commitment.

Variables	Coef.	t-cal	sig. t	t-tab (0.05, 230)	R	R ²	F-cal	F-tab (0.05, 1, 231)	sig f
Constant	16.128	24.466	0.000						
MHP	0.724	19.540	0.000	1.96	0.961	0.923	2760.48	3.92	0.000

Dependent Variable; Employee Commitment

Source: SPSS Result, version 22.0

Table 2 above reveals that the coefficient of correlation is 0.961. This shows that significant and very strong relationship exists between managerial humor practices and employee commitment because r is closer to one (1). Also, the Coefficient of Determination (R^2) = 0.923 which implies that 92.3% variation in employee commitment is explained by variations in managerial humor practices. This implies that the above stated model has a good fit (explanation is > 50%). Therefore the remaining 7.7% is explained by some other variables not covered in this study model. The F-calculated of 2760.48 had a corresponding significant t-value of 0.000. Therefore,

it concludes a good and useful model. Conventionally $F\text{-Cal} = 2760.48 > F\text{-tab}_{(0.05, 1, 231)} = 3.92$ hence the decision of a useful model is upheld. Also, managerial humor practices had a calculated t-value of 19.540 and a corresponding Probability Value (PV) of 0.000. Hence, since the $t\text{-calculated} = 19.540 > t\text{-tabulated}_{(0.05, 231)} = 1.96$; then the null hypothesis is rejected, hence there is significant relationship between managerial humor practices and employee commitment of DMBs in Rivers State.

Discussion of Finding

From our findings, it is statistically obvious that managerial humor practices has positive and direct effect on employee commitment of DMBs in Rivers State, Nigeria. In other words, managerial humor practice is important for effective and efficient management and gratification of subordinates. Thus, Ford, McLaughlin and Newstrom (2003) observed that managerial humor practices brings better pliability in the organization and warrant enhanced employee commitment rates. More so, in the words of Burford (1987), managers' application of humor has strong relationship with employee loyalty and satisfaction. To further buttress our finding, Decker (1987) expressed that employees who considered their managers high in the application of humor, records greater job commitment. Also Cooper (2008) observed that proper usage of humor act as an armament against stress by helping individual employee to feel at ease from tensions that develops due to job challenges which is an important tool for communication and has effect on employees' commitment and organizational group's behaviour. According to Kjerful (2007) happiness at work is the ultimate productivity booster. This is due to the fact that happy people work better with others, are more creative, fix problems instead of complaining, are more optimistic, are considerably more motivated, get sick less, learn faster, worry less about making mistakes and make better decisions which make them to be more committed to their organizations. Romero and Cruthirds (2006) affirm that managers' application of humor can be apply to attain organizational outcomes such as stress reduction, enhancing group cohesiveness, improvement in organizational communication, encouraging creativity and developing culture of happiness that brings about commitment. Furthermore, Cooper (2008) suggested that humor can be a type of ingratiation behaviour that can bring about a favourable mood required for employee commitment. Christopher and Yan (2005) opined that it can also assist to develop relationship between employees in the organization which affect organizational commitment. In his study Collinson (2002) observed that humor releases tension and aggression. Also, humor is effective in bringing group cohesiveness and serves as social lubricant among team members by building a sense of community (Cruthirds & Romero, 2006). This make the employees to be excited about their work and make them more committed to the organization.

On the contrary, Avolio, Howell and Sosik (1999) observed that application of humor in organizational contexts can be hypothesized to have both positive and negative effects on individual and unit commitment. Humor used adequately can act both as a form of social lubrication and as a productivity booster, while also being extremely contagious (Garvin & Mason, 2004). What is common with negative humor practices is that it may distract employee from work and sometimes result in physical conflict. Thus, negative aspect of humor in an organization can cause emotional harm to other employees (Juni & Katz, 2001). When humor is used negatively and interpreted by employee as harassment, can lead to lawsuits, reduction in productivity and might subsequently induce employee turnover (Mueller, DeCoster & Estes, 2002). However, the chance of annoying somebody is depended and increases with organizational diversity (Quinn, 2000). If applied wrongly or in a reckless way managerial humor practices outcome could be disastrous which can crush down relationships that have been

built over time. Also, while humor practices might seem good enough on a personal level, it can make employees to disregard quality or safety ethics which can lead to conflict within the organization. There is certainty that sooner or later, consistent usage of humor in a negative form might certainly annoy the target. Though managerial humor practices play important role in enhancing employee commitment, managers must be very careful with how it is used in the organization.

Conclusion

From the data analyzed, we therefore conclude that managerial humor practices has positive and significant impact on employee commitment of DMBs in Rivers State, Nigeria. This is because, humor application plays a positive and significant role to ensuring organizational work are more enjoyable. Hence, for organizations to achieve commitment of their employee, a proactive and strategic application of humor is therefore needed. It is obvious from this research work that the application of humor will help both organizations and manager due to the important part it plays in influencing both the mood of employees, communication channels and commitment. More so, it is not what is been said that matters but how it is been said. For instance referring to a co-employee as a clown can be a compliment; however it can be seen as an insult in another scenario. Therefore, managers must be careful on how they apply humor; thus they must use it appropriately and sensibly, so as to maximize its effectiveness without been interpreted negatively. This is because, humor used adequately can act both as a form of social lubrication and as a productivity booster, while it might also result to conflict. We therefore recommend that:

1. Managers of DMBs in Rivers State should use humor at situations that permits such freedom to increase the commitment of their employee.
2. Also, managers of DMBs in Rivers State should provide enabling environment that encourages the use of positive and appropriate humor practices in order to develop and enhance employees' commitment.

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Human Capital Development and Corporate Sustainability

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Abstract: *The study surveys the association between human capital development (HCD) and corporate sustainability (CS) of the food and beverage firms in Rivers State. Ninety employees of five randomly selected firms constitute the population of the study. The instruments, a questionnaire was administered to 73 employees that are the sample size. The findings show a significant relationship between human capital development and corporate sustainability of the food and beverage firms in Rivers State.*

Keywords: *Human Capital Development, Personnel Sustainability, Financial Sustainability and Strategic sustainability*

INTRODUCTION

Sustainability inspires organisations to find important clues and decide on the effect of the environment, technology, globalization and all forms of capital that influence the business growth. Human capital harnesses all other forms or capital and activities in the organisation. According to Slaus & Jacob (2011) studying sustainability requires knowing all forms of capital and their complex relationship and how they derive their values, usefulness and intellectual awareness. Attaining sustainability encompasses more than good market potential, adequate financial resources and efficient production system in an organisation. It entails meeting the present needs, not conceding the future needs, and requires human efficiency in driving the organisation wealth, resources and technology. Employees need constant development to meet challenges and higher responsibilities and attain sustainability. The organisation productivity rely on human innovation and creativity, as equipment and technology are products of their mind.

Nigeria possesses natural and human resources but is yet to realise their full potential. Despite having independence since 1960, Nigeria depends on expatriate from other countries to tap her natural resources. The institutions of learning in Nigeria are not adequately equipped to provide the total skills and knowledge required and the skills gained before joining the company is not enough, employees require continuous competence development for improvement as successful performance of duties requires the acquisition of relevant skills and knowledge. The researcher observed a decay in infrastructures, poverty, environmental negligence, corruption and inadequate government funding of the education sector, inadequate training and development. Political instability has resulted in regular changes in education policies. Low funding of education and training results in low quality of education. Many institutions now produced unqualified employee. How can a country produce valuable talent when these institutions are neglected and the resources needed for productivity are not available? The world is a global village with competitive pressure, meeting needs without compromise of future needs is globally trendy, but requires a long continuous process and procedures. The inability of many

firms to focus on HCD and sustainability results in their collapse, hence the researcher examines if HCD in terms of knowledge and skills development can enhance corporate sustainability. The study examines the influence of HCD on corporate sustainability in the beverage sector in Rivers State.

RESEARCH HYPOTHESES

- Ho₁ Knowledge development does not relate to personnel sustainability.
- Ho₂ Knowledge development does not relate to financial sustainability
- Ho₃ Knowledge development does not relate to sustainability
- Ho₄ Skill development does not relate to personnel sustainability.
- Ho₅ Skill development does not relate to financial sustainability
- Ho₆ Skill development does not relate to strategic sustainability.

LITERATURE REVIEW

Human capital is an embodiment of knowledge, a productive, valuable asset that generates added value to the organisation. Human capital as a valuable asset for creating goods. This implied that human capital has the responsibilities of ensuring smooth economic activities such as production, transaction and consumption to generate added value. Human capital development is the progression, empowering and fulfilling of potentials. (Ibok & Ibanga, 2014). Human capital is the totality of skills, abilities and knowledge used in creating economic value for society. Human Capital Development increases skills, competency and experience, needed for economic growth. The constant variations in the technology and environment require the best of talent and knowledge for competition and adequate development to meet the fast changes in technology and environmental challenges.

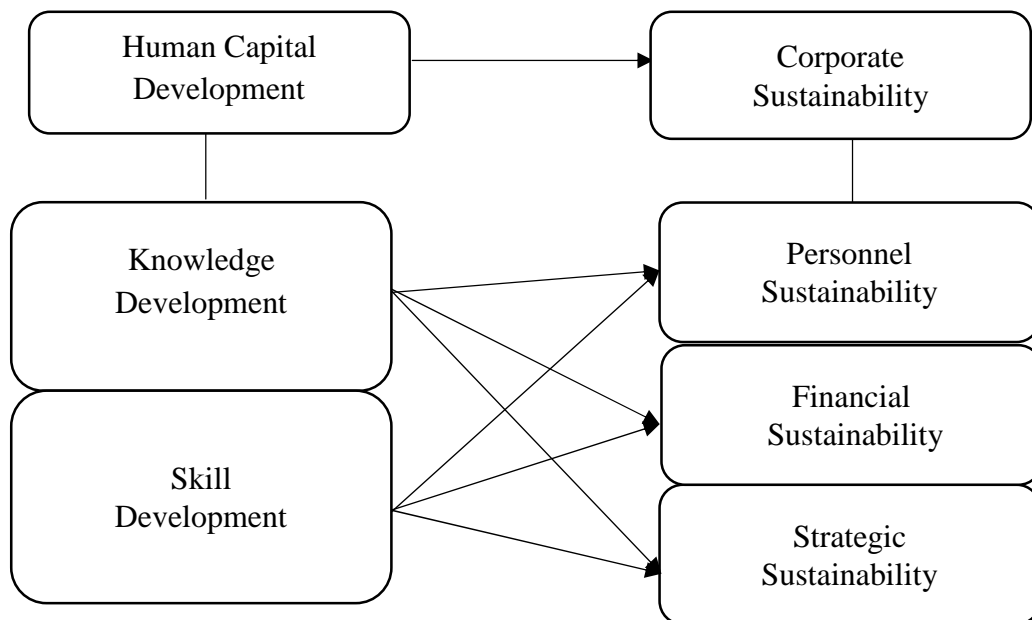


Fig. 1: Operational framework of HCD and CS.

Source: Researcher (2020).

Knowledge is generating awareness, understanding, perceiving, discovering and learning (Wikipedia 2019). Development is a growth process or changes that bring advancement (Cambridge English Dictionary, 2019). Knowledge development is creating, sharing, using, managing and advancing a justified truth in the organisation. Job complexities and technological changes involve constant knowledge development. Employee productivity cannot be assured in a complex environment without meeting the required knowledge and competency, as basic school knowledge is inadequate, constant knowledge development is required in meeting with innovative changes at work. To acquire knowledge, employees should be well trained. Continuous knowledge improvement is important in meeting the trend of globalisation and environmental changes and industrial competition. Innovative excellence is the driving force in global competition and not the natural and financial wealth of the organisation, therefore organisations should continually improve workforce to be knowledgeable and competent. To ensure growth, productivity and survival, moving with time is a necessity by all organisations. All organisations need productive, knowledgeable and experienced personnel in a complex and dynamic environment (Rahman, 2014).

Technology and liberation of trade made globalisation a success and only organisation with a knowledgeable workforce can withstand the complexities arising from it, thus for an organisation to survive, they should have a trained workforce that can achieve their goals and aims. Tacit and explicit knowledge has a great impact on increasing the efficiency and effectiveness of the employee and organisation. Knowledge and sustained learning are crucial in business; how we develop, process and keep information advance progression and accomplishment. Every manager should speed up their learning process, develop techniques for consolidating successful patterns and create a system for understanding complex or difficult subjects. Firms now realise sustainability requires knowledge. Newer knowledge management theories explain why modern companies are increasingly selling knowledge or incorporate it into their intelligent products. Creating a new value is achieved by creating new knowledge and its exploitation. Intellectual property becomes the company's most valuable asset.

A skill is performing a task with results within a given time, energy, or both (Wikipedia, 2019). Skills development is recognising skill gaps and developing the skills. In goal achievement, skills are the tools needed. Life of human beings is for skills development or acquisition, as we learn to walk, talk, and feed. This learning occurs through constant repetition until it becomes a subconscious act. This same pattern is used in acquiring skills in life. Skill development is important for better opportunity, careers prospects, future development, and nurturing. A skill enhancement program is essential in an organisation, the organisation should identify the skills to developed to achieve the organisation goals and objectives. With the fast-paced nature of technology, skills and method used today will not be practical in the future. Skill development of existing staff members saves the cost associated with recruiting outside help and the training makes them more productive.

Sustainability is a guide for economic and social policy making and ecological conditions (Seghezzo, 2009), attaining worldwide prevalence (Martínez & Bosque, 2014), achieving present-day needs, without conceding future generation's needs. (WCED,1987 in Montiel & Delgado-Ceballos, 2014). Sustainability are processes and actions used by humanity to explain natural system functions, to void the depletion of natural resources, remain diverse, productive, keep ecological balance, meet needs and create the long-term shareholder value.

Sustainable development was advanced in 1987 in the Brundtland Report (WECD, 1987), which measured the proper management of natural resources, justice, equity and ethics as the basis to preserve the planet and long-term subsistence (Baumgartner, 2014) and eventually discussed in academic literature as a fair process which requires the integration of social equity, economic and the environment, whose aim is focused on human development. This implies that sustainability involved three pillars. The economy, society and environment. It describes professional practices applied in social, ethical, environmental and economic considerations and how stakeholders influence sustainable business behaviours.

A sustainable employee is a productive workforce. They determine the social, economic and ecological development. Therefore, when the organisation hires and develops their employees, they are raising a sustainable employee who thinks beyond receiving income but a competent, industrious, determined, resourceful employees who are inclined in making impacts on the environment, the customers and creating initiatives that attract financial sustainability.

According to the International Economic Development Program (2016), sustainability initiatives require specialised knowledge, which should be cultivated at all levels. Focusing on sustainability practices brings higher resourceful purpose. Management should support and motivate employees by providing career development. Thereby, creating a valuable, sustainable employee that is equipped with the skills that's nurture innovation, manage risk and transform the operating economic systems and enhance societal goals (Shaughnessy, 2020). Building sustainable personnel enables the organisation to create united, intelligent, creative, proactive employees with better work culture, work life balance and knowledge for impacting society.

The financial sustainability addresses the competitive advantages and values of organisations, the material wealth that enables economical sustainability for surplus and using business initiatives to manage operations and reduce the environmental impacts derived from production processes. Financial sustainability is an assessment of sufficient financial stability to execute projects and meet all resources and financial obligations (Govindaraju, & Mabel (2015); starting, growing and maintaining staffing business with short- and long-term financial stability (Adelman, 2020); maintaining beneficiaries (Humentum, 2020); obtaining revenues as demanded to sustain steady growth and produce results (Husin & Haron, 2020). Financial sustainability is a long-term financial goal, activities and strategies that withstand unpredicted times of financial hardship and generate returns. The organisation cannot generate revenue, nor become financially sustainable without the activities of man, as they are the major factors in economic growth. Their choices and actions determine the economic growth. They provide the fund, manage risks, finance costs and build reserves.

Strategic sustainability is defining the organisations long term purpose, stating the economic goal, creating a sustainable knowledge and competence, creating transformational changes, ensuring that employees manage economic, environmental, and social developments risks and making sustainability a vital responsibility in the organisation.

METHODOLOGY

The study conducted a survey of five randomly selected firms in Rivers state, Nigeria. The population of study comprises 90 employees of the selected sample and the sample size was 73. Krejcie and Morgan 1970 table was used for the sample size. The instrument was a questionnaire rated on a 4-point Likert scale. The instrument items were collated and analysed with Spearman Rank Correlation coefficient at the 0.05 level of significance.

RESULT AND FINDINGS

Table I: Correlation of Knowledge Development and CS

		Knowledge Development	Personnel sustainability	Financial sustainability	Strategic sustainability
Spearman's rho	Knowledge Development	Correlation Coefficient	1.000	.535**	.527**
		Sig. (2-tailed)	.	.000	.000
		N	73	73	73
	Personnel sustainability	Correlation Coefficient	.535**	1.000	.554**
		Sig. (2-tailed)	.000	.	.000
		N	73	73	73
	Financial sustainability	Correlation Coefficient	.527**	.554**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	73	73	73
	Strategic sustainability	Correlation Coefficient	.578**	.498**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	73	73	73

Source: SPSS Output, 2020.

The analysis in Table 1, demonstrate the association of knowledge development and corporate sustainability measures.

Knowledge Development and Personnel sustainability: The result shows a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.535^{**}$. It indicates a positive relation between knowledge development and personnel sustainability. The null hypothesis, H_{01} , is rejected and the alternate accepted.

Knowledge Development and Financial sustainability: The result of the data in table 1 shows a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.527^{**}$. The results reveal a significant link between knowledge development and financial sustainability. We therefore, reject the null hypothesis, H_{02} , and accept the alternate.

Knowledge Development and Strategic sustainability: The result of the data analysis reveals a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.578^{**}$. Indicating an association between knowledge development and strategic sustainability. The null hypothesis H_{03} , is rejected and the alternate accepted.

The above results show that knowledge management is significantly related to CS.

Table 2: Correlation of Sill Development and CS.

		Skill Development	Personnel sustainability	Financial sustainability	Strategic sustainability
Spearman's rho	Skill Development	Correlation Coefficient	1.000	.574**	.545**
		Sig. (2-tailed)	.	.000	.000
		N	75	75	75
	Personnel sustainability	Correlation Coefficient	.574**	1.000	.525**
		Sig. (2-tailed)	.000	.	.000
		N	75	75	75
	Financial sustainability	Correlation Coefficient	.515**	.525**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	75	75	75
	Strategic sustainability	Correlation Coefficient	.545**	.585**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	75	75	75

Source: SPSS Output, 2020.

Table 2 shows the relationship between Skill development and corporate sustainability measures. **Skill Development and Personnel sustainability:** The result shows a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.574^{**}$. It indicates a positive significant relation between skill development and personnel sustainability. The null hypothesis, H_{04} , is rejected and the alternate accepted.

The outcome of the analysis above shows that skill development is significantly related to corporate sustainability.

Skill Development and Financial sustainability: The data in table 1 shows a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.515^{**}$. The results reveal a significant connection between skill development and financial sustainability. We therefore, reject the null hypothesis, H_{05} , and accept the alternate.

Skill Development and Strategic sustainability: The findings show a significant level $p < 0.05$ ($0.000 < 0.05$), $\rho = 0.545^{**}$. Indicating an association between skill development and strategic sustainability. The null hypothesis H_{06} , is rejected and the alternate accepted.

CONCLUSION

The study examined human capital development and sustainability of Nigerian food and beverage sector. Knowledge and skill development were used as the measure of human capital development, while personnel, financial and strategic sustainability was used as the measure of corporate sustainability. The findings revealed an association between HCD and CS.

RECOMMENDATIONS

1. The firms should see human capital development as a sustainability tool.
2. The employees should be developed for continuous changing issues of sustainability.
3. The organisation should engage in strategic sustenance plans that foster development.
4. Management should make proactive efforts in career development.
5. The organisation should harness the employee's unique competence.

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Implications of COVID-19 on Motor Transportation in Ebonyi State

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Abstract: *The novel Corona virus popularly known as COVID-19 is an infectious disease caused by a new strain of Corona virus first discovered in Wuhan, the Hubei region of China. 'CO' stands for corona; 'VI' for virus; and 'D' stands for disease. The disease was first referred to as '2019 novel-corona virus' or 2019-nCoV. The paper recognises the effect on transportation in emerging economies, where lockdowns and restrictions on movement may be ineffective, a state with high population density, poor transportation infrastructure and a large informal economy. Adopting the 'avoid-shift-improve' framework, this paper presents practical implications for public and private sector policymakers, as they navigate this precarious time and chart a new path for individuals and Nigeria. In a bid to slow the rate of spread of the virus, the Federal Government of Nigeria, on several occasions, imposed targeted lockdown measures in areas with rapid increase of Covid-19 cases. The states in which the Federal Government imposed the targeted lockdown included Lagos, Ogun, and the Federal Capital Territory in Abuja. Some States like Ebonyi, Enugu, and Cross River etc in the country imposed partial lockdown and closure of interstate borders. Curfews have also been introduced in all the states nationwide. To alleviate the effects of the lockdown, the Federal Government of Nigeria rolled out palliative measures for targeted groups. However, lamentations have trailed the distribution of government palliatives by the masses. Citizens allege that the process of distribution of palliatives had been politicized.*

Keywords: Covid-19, lockdown, transport operators, government.

INTRODUCTION

The COVID-19 pandemic in Nigeria is part of the worldwide pandemic of corona virus disease 2019 (COVID-19) caused by severe acute respiratory syndrome corona virus 2 (SARS-CoV-2). The first confirmed case in Nigeria was announced on 27 February 2020, when an Italian citizen in Lagos tested positive for the virus. (Nigeria Centre for Disease Control. 28 February 2020. Retrieved 10 March 2020) Maclean, Ruth; Dahir, Abdi Latif (28 February 2020) On 9 March 2020, a second case of the virus was reported in Ewekoro, Ogun State, a Nigerian citizen who had contact with the Italian citizen. ("Nigeria records second case of Corona virus". P.M. News. 9 March 2020. Retrieved 10 March 2020). The novel Corona virus popularly known as COVID-19 is an infectious disease caused by a new strain of Corona virus first discovered in Wuhan, the Hubei region of China. 'CO' stands for corona; 'VI' for virus; and 'D' stand for disease. The disease was first referred to as '2019 novel-corona virus' or 2019-nCoV. The COVID-19 virus is linked to the same family of viruses such as Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS). It is also related to some types of common cold.

Symptoms of COVID-19 include fever, Runny nose, Headache, Cough, Sore throat Fever, shortness of breath, A general feeling of being unwell Human corona viruses can sometimes cause lower-respiratory tract illnesses, such as pneumonia or bronchitis. This is more common in people with cardiopulmonary disease, people with weakened immune systems, infants, and older adults. According to a report by the United Nation's Children's Fund (UNICEF) titled: *UNICEF Key Messages and Prevention and Control in Schools* (March, 2020), "in more severe cases, infection can cause pneumonia or breathing difficulties. More rarely, the disease can be fetal. These symptoms are similar to the flu (influenza) or the cold, which are a lot more common than COVID-19. This is why testing is required to confirm if someone has COVID-19 (<https://www.unicef.org>).

The virus is transmitted through direct contact with respiratory droplets of an infected person (generated through coughing and sneezing). Individuals can also be infected from touching surfaces contaminated by the virus and touching their face (e.g., eyes, nose, mouth). The COVID-19 virus may survive on surfaces for several hours but simple disinfectant can kill it," says UNICEF.

In a bid to slow the rate of spread of the virus, the Federal Government of Nigeria, on several occasions, imposed targeted lockdown measures in areas with rapid increase of Covid-19 cases. The states in which the Federal Government imposed the targeted lockdown included Lagos, Ogun, and the Federal Capital Territory in Abuja. Some States in the country imposed partial lockdown and closure of interstate borders. Curfews have also been introduced in all the states nationwide.

Nigeria is an emerging economy with its underlying economic challenges as it copes with the pandemic. The country ranks as Africa's largest producer of oil and the sixth-largest oil-producing country in the world, and almost 90% of its export earnings are tied to oil (^{NNPC, 2020}). Nigeria has 36 states, and Abuja is the Federal Capital Territory.

As public transport brings people into close contact in a confined space, increasing their risk of exposure to the virus (^{Yezli and Khan, 2020}), the Lagos State government-issued public transport guidelines to operators and passengers to curb the spread of the corona virus in buses, cabs, motor parks and garages in March 2020. The directive expects passenger's spacing to be fully observed, such as 2 m of a minimum distance between passengers. Still, a concern arises in how feasible it is to achieve this minimum distance in a bus or on a tricycle, where these modes of transportation are far shorter than 2 m. Taxi drivers, like tricycle and motorcycles riders, have an increased risk of acquiring the virus, given their close contact with their customers (^{Yezli and Khan, 2020}). Moreover, cash payment which is predominant on Lagos transport puts drivers and essential workers at a higher risk of spreading the virus. While social distancing is essential, it will be impractical to practice social distancing in Lagos transport mode.

The effects of COVID-19 are being felt across the transport sector. The pressure on organizations has shifted from moving citizens to keeping a core transportation system operational with a skeleton workforce to ensure freight and key essential workers can continue to move. A secondary effect of this shift is the sudden change in sources of revenue for transport operators, with many experiencing an unexpected shortfall in their finances. Organizations will need to plan ahead to ensure that the transport network will be ready for a return to normal operations when lockdown measures are lifted. The implications of this, with particular regards to our kind of public transport and shared taxi system, are huge. First, the terminals and bus stops for loading and offloading of most transport companies are crowded, while vehicles, especially those of the informal and semi-formal transport, are overloaded with tight seating arrangements.

Secondly, it is needful that managers of transport companies, terminal operators and company/vehicle owners sanitize and disinfect the terminals and vehicles repeatedly. This currently does not seem to be the case. Thirdly, is the NCDC aware of the implication of this and monitoring the transport sector beyond aviation and maritime? For instance, elsewhere, it is mandatory for passengers and in vehicle operators, to wear nose guards, have tissues/handkerchief and sanitize their hands before entering a public vehicle. Fourth, some cities have banned shared taxis and taxis in the wake of COVID19.

Potential long-term impact on transport organizations

- Transport organizations will need to ensure that transport networks can continue to operate throughout the lockdown measures, striking a balance between reduced operations and providing enough capacity for key workers to be able to practice social distancing.
- Longer term investment programs may need to be re-planned and re-prioritized, in light of decreased revenue.
- Organizations will need to plan for the availability of key personnel to ensure that staff with critical skills and training are available throughout the COVID-19 pandemic to keep networks operational.
- Commuting and traveling patterns may not recover to their pre-COVID-19 state once lockdowns are lifted.

During the lockdown, only essential people and commodities are permitted by the authorities. The list of essential people and commodities must be continuously revised to minimize the adverse impact on people's lives and the spread of the pandemic. Considering this lockdown as a large travel demand experiment, organisations have much to gain from optimising transportation of employees in the future, in terms of productivity and costs. Also, during this period, due to no transport modes, people have been exposed to walking in roads with neither pollution nor congestion. Hence authorities may expect better results in future policies aimed at nudging short trips into pedestrianised modes. However, as the transportation sector employs millions, in the long run, it is necessary to understand the pandemic's impact on consumer preference and the subsequent transportation demand for passengers and goods.

After the situation normalizes, the perception of risk associated with crowded areas could lead to shift in preferences towards personal travel modes. That is, people may avoid using public transport modes to avoid crowds. People may also avoid shared mobility modes like auto rickshaws, micro-transit vans, e-rickshaws etc. The drivers employed in app-based taxi services are economically suffering in the short term due to the COVID lockdown. However, it cannot be said if these modes may face long term economic effects in terms of reduced travel demand.

REVIEW OF RELATED LITERATURE

Dr.Naushad Khan, Mahnoor Naushad, Ayasha Akbar, Shah Faisal and Shah Fahad (January to 16th June,2020) reviewed on critical review of covid-2019 in Pakistan and its impact on Pakistan Economy. The major objective of the study was to critical review Covid-2019 in Pakistan and its impact on Pakistan Economy. Secondary data was used and total 21 articles were downloaded from the net and read many times and result was drawn. The result indicates that the first case was appeared on 26th February 2020 in Karachi city Sindh. In the first week of February the number was nil while when the people came from Iran the spreading in Punjab and Sindh were

increased. The government tried for locked down and Prime Minister imposed locked down on 15th March and then it extended to 9th May, 2020 and partial locked down was continued while in partial locked down only milk shop, meat shop and other goods shops were opened from 9.am to 7pm in the country. During this period the security personal advised to people for rule regulation but the people avoid the rule and regulation while people were roaming. The corona was mostly spread in Eid and on 16th June the was reached to one lace figure in Pakistan. In some part of the country, marriage ceremonies were held which have increased the corona sick people trend in the country and now it reached to one laces and fifty thousand above. Now government again thinking of locked down and very soon the locked down will be imposed for corona virus controlling in the country. Locked down policy were not fully applied in the country by government of Pakistan. Culture and religious institution avoid the rule regulation. Mosques were not closed as like Saudi Arabia and other countries of the world. Mask, sanitizer social distance methodologies were not fully exercised in the country due to illiteracy. Facilities in the hospitals were weak. The test kit was found less than the requirement. The ICU beds were found less than the requirement. No proper dress was provided to Doctor Community in the hospital and because of this majority Doctors were found infected by corona virus. Due to staff infection few hospital of the country was closed; similarly required facilities were not provided to the nation and large number of people were died in the country. Mental torture was faced to community in the country while sugar, blood pressures were increased in the country due to social stigma.

Another study Prime Minister Imran Khan(May 4, 2020 9:19 PM IST) said that the nationwide lockdown will be lifted gradually, asserting that Pakistan cannot afford an indefinite closure, hours after 1,083 new infections were diagnosed, taking the country's total confirmed COVID-19 cases past 20,000. Also Read -India Rejects Pakistan's Attempts to 'Bring Material Changes' in PoK in J & K Khan addressed a ceremony to launch the Corona Relief Tiger Force, a controversial youth organization he set up to help the government in identifying the poor to provide help to them. Also Read –Corona virus: Pakistan PM Imran Khan Changes Media Team Amid Growing Criticism. He said, adding that Pakistan cannot afford an indefinite closure. The current lockdown period will end on May 9. Khan said that the Corona Relief Tiger Force was not a political group but a volunteer force to help strike a balance between saving people from the virus and saving them from hunger and unemployment. “Volunteers will have to register. All those who have lost their jobs due to the lockdown at their respective union councils. Special Assistant on Health Dr Zafar Mirza said that 17,000 of the people who had volunteered for the Corona Relief Tiger Force belonged to the medical community. “No one really knows how long this disease will last and everyone needs to play their role,” he said at the ceremony addressed by Khan. He added that the medical professionals will be given specific roles for the tele health initiative so that they can help the government in fighting the pandemic.

Noreen et al (21 May, 2020) reported that the initial economic losses in different sectors have been estimated at 5 billion rupees, as assessed by the Asian development Bank (ADB). Drops in Gross Domestic Product (GDP) growth is observed because of the reduction in services sectors like airline businesses, revenue losses, sharp decline in imports and exports, reduction in remittances, and disruption in food supplies. The country's GDP expected loss is 10 %, which is around 1.1 trillion rupees due to disruptions caused by corona. Karachi, a major financial hub with a population of around 20 million people, is expected to face a major revenue loss due to the lock down of up to 380 billion rupees .At present, the Federal government is not in favour of a complete lock down because of the social impacts of the Pakistani population, 24.3% live

below poverty line. The most vulnerable populations, with regard to enforcement of lockdown, are the daily wage vendors and the labour class. However, there are mechanisms in place for supporting vulnerable people in society. Homes need to be utilized for supporting the vulnerable class. Poverty is rampant in the country, with poor people unable to make both ends meet, considering corona virus as the least of their issues. Other countries that imposed complete lockdowns had higher income per capita than Pakistan. It is important to keep the economy afloat with the priority of keeping people safe from the pandemic. In order to dilute the economic impact of the current outbreak, the government has decided to announce a comprehensive economic plan offering protection and incentives to industries and relief packages for the vulnerable and poor. The Sindh government has given a relaxation of three months in submission of utility bills below 5000 Rupees. <https://jglobalbiosecurity.com/articles/10.31646/gbio.63/>.

Holland and Knight (April, 20, 2020) reviewed on The Impact of COVID-19 on Your Advertising and Marketing Campaigns. The researchers said that “The corona virus (COVID-19) global pandemic has resulted in changes to advertising, marketing, promotional and media spends, forcing businesses and brands to reevaluate their thinking about current and future advertising and marketing campaigns to maintain a steady stream of income. While brands currently seek to strike the right tone during a global health emergency, the future portends market alteration, increased competition and a demand for creative and aggressive marketing practices”.

As brands adapt and figure out how to promote products and services in the midst of the COVID-19 crisis, governmental agencies are closely monitoring potential unfair and deceptive business practices to protect vulnerable consumers, monitor aggressive marketing campaigns and terminate COVID-19 scams. The Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), U.S. Food and Drug Administration (FDA) and state attorneys general have sent subpoenas, warning letters and cease and desist notices to businesses that are attempting to capitalize on vulnerable consumers through deceptive marketing, scams and price gouging of "essential" supplies. The 2019 novel corona virus known around the world as COVID-19 has led to unprecedented economic and public health concerns, which will likely transform how businesses operate going forward. This transformation will be limited not only to how businesses operate but also to how they sustain and grow their brand and customer base. Central to this concern is how businesses attract consumers and promote their products and services. A business' advertising, marketing campaigns and promotional practices will be a core focus of its ability to thrive in the future.

This Holland & Knight alert provides an overview of the impact of COVID-19 on the advertising, marketing and promotional practices of businesses. This alert also includes practical best practice tips that can help companies understand their responsibilities and enhance their regulatory compliance programs to minimize the risks associated with advertising, marketing and other promotional activities in the wake of the COVID-19 pandemic.

According to Holland & Knight (2020), Practical Tips for Advertising and Marketing Initiatives During the COVID-19 Pandemic. When a defining cultural event occurs such as the COVID-19 pandemic, it is critical for brands to be tactful, employ mindful marketing and be empathetic to consumers' plight. Brands must acknowledge the crisis while continuously reflecting positive values that will keep consumers coming back for more. This can be accomplished through adjusting marketing campaign and scheduled content timelines, evaluating the language and imagery used in advertisements and marketing materials and awareness of consumers' increased anxiety at this time. Brands must also evaluate prior to release new

slogans, logos or other intellectual property for compliance with the appropriate regulatory framework.

The Belmont Report refers to five basic categories of harm: social, economic, legal, psychological, and physical. For example, psychological harms may range from mild embarrassment to a psychotic relapse with significance resultant harms across all other categories: economic (lost employment), legal (e.g., being declared incompetent by a court, social (e.g., through stigma), (DuBois, Elizabeth, Bankert, and Robert, 2006).

The above definition helps in buttressing the fact that persons that have been asked to remain indoors as a result of Covid-19-induced-lockdown are vulnerable; persons that lost their jobs are vulnerable; those that are locked behind bars are vulnerable; those that are facing one illness or the other are vulnerable; etc. The above groups ought to partake in the palliative measures of the government. Thus, the governments are supposed to implement schemes that will help cushion the effects of the lockdown for the broader groups of the vulnerable.

While acknowledging the economic challenges, it is essential to optimise the transport infrastructure and make sure that they are sustainable to meet the growing demands of the commuters. Musselwhite et al.(2020)noted that this pandemic highlights the importance of rethinking the essential design of social and economic resilience.

METHODOLOGY

To gauge the impact of COVID-19 on transportation in Ebonyi state, this study has relied on the surveys that were distributed via email, social media and professional networks between March 26 and July, 2020 and administered to the residents of Ebonyi State. A summary of the questionnaire has been provided in. To ensure that the respondents were residents of Ebonyi state and were in Ebonyi state at the time of response, a section of the questionnaire inquired about their residence and location at the time of response. The questionnaire also addressed the demographic characteristics of the respondent and the core objective of the study, which is the impact of COVID-19 on transportation in Ebonyi state. The researches extended examination of the contemporaneous influence of COVID-19 to the economic, social and religious activities because researchers believe that these are key factors as to why transportation in Ebonyi state has become disruptive and consequential. The influence of COVID-19 on transportation can be assessed based on the dynamic changes to the commuters' transport demands and relative fare prices during the pandemic, the operators' expected revenue or income structures and the loss in government revenues, which is loss emanating from taxes, tickets and other related government transport income generations sources.

CONCLUSION

People's lives and livelihoods are being affected as a result of restrictions on movement, and it is not surprising to see people find ways to circumvent these restrictions. This, how-ever, presents a challenge that must be dealt with to curb the spread of the disease and the financial consequences (Mogaji, 2000).While acknowledging that humans will come out of this pandemic strong, it is essential to support each other throughout this period.

RECOMMENDATIONS

The researchers suggested the following points to the readers:

1. The government, transport operating companies, regulators and public transport owners should be aware of the exposure of the transport workers. This responsibility also falls on

the operators and individual operators within the informal economy to protect themselves and reduce the risk of exposure.

2. As often as possible, the transport workers must be reminded and educated about the need to protect themselves.
3. The transport operators must ensure that the handrails and door handles are always kept clean. This cleanliness also includes the life jackets on commuters' board ferries. If possible, hand sanitizer, water, soap and paper towels should be provided.
4. Monitor compliance by operators accordingly.
5. Publish basic dos and don'ts for passengers and in-vehicle operators (drivers and conductors)
6. The Nigeria Center for Disease Control (NCDC), in tandem with the Presidential Committee on COVID19, should set up a transport sub-committee to examine, monitor and report on transport related management of COVID19
7. In addition, where possible, protective screens should be installed on buses to provide a physical barrier and additional protection for the drivers and to ensure social distance. Individuals need to explore the possibilities of working from home and changing their travel behaviour. This will reduce their exposure to the disease, reduce the congestion on the road and enhance their wellbeing. As social distancing may negatively affect the subjective wellbeing and health status (De Vos, 2020), those who are not involved in essential travelling should be encouraged to walk and cycle to enhance their health and wellbeing. However, the accessibility, physical activity options and safety should be considered (Farinloye et al., 2019).

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Product Innovation and Competitive Advantage of Aluminium Manufacturing Firms in Rivers State, Nigeria

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Abstract: *This study examined the relationship between relationship between product innovation and competitive advantage of aluminium manufacturing firms in Rivers State, Nigeria. The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through structured questionnaire. The population of this study covers 156 employees of 5 aluminium manufacturing companies in Rivers State. The sample size was 112 calculated using the Taro Yamane Sample size determination formula. 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 Statistics at the 0.05 significance level. The findings revealed that there is a significant relationship between product innovation and competitive advantage of aluminium manufacturing firms in Rivers State, Nigeria. The study therefore recommends that management of aluminium manufacturing companies should put mechanisms in place to enhance more internal innovations. This should include giving employees enough space to innovate new products and services. In addition, there is need for aluminium manufacturing to set aside a budget that will be used exclusively for product innovation.*

Keywords: *Product Innovation, Competitive Advantage, Cost Advantage, Differentiation, Market Focus.*

INTRODUCTION

At the advent of the twenty-first century, it becomes imperative for organizations to come up with precise strategies. Except the organizations come up with a precise vision as to how to be clearly peculiar, providing products/services that are dissimilar to their rivals to some dissimilar set of clients, they are going to be eaten raw by the height of rivalry (Porter, 2011). The world is indeed too dynamic for any organization that is succeeding today to do nothing and expect the continuity of the success. To attain and sustain a competitive advantage, organizations should innovate (Hyde, 2013; Porter, 2011). It has been advocated that a culture of positive crisis should be so established in such a way that what is good now is not being adequately good (Markides, 1998; Wood, 2007). The reason is to ensure that we have innovation take place in the face of adequate financial resources to take care of the said innovation (Wood, 2007).

In order to beat competition, organizations are charged to embark on innovation so as not to only compete for the same finite customers but equally create and expand the market space for all players (Hyde, 2013). Innovation strategies are asserted to produce more profits than competitive strategies (Kim & Mauborgne, 2005). In addition, they are viewed to be more sustainable in offering competitive advantage; it might take well over 15 years for competition to erode profits earned from innovation (Burke, Stel & Thurik, 2010).

Furthermore, innovation strategies have the potential to do away with the need for a trade-off, meaning companies are no longer bound to make decisions about whether they will be low cost or highly differentiated (Kim & Mauborgen, 2005).

Organization embarking on innovation should make two strategic decisions; innovation emphasis and innovation timing. Innovation emphasis comprises scientific research, product development and process improvement. The first two lead to differentiation and the last option leads to cost advantage. Another strategic decision is the timing – is the organization prepared to be the first mover or it wants to be a follower in the industry to avoid some of the risks associated with being the first mover. Robbin and Coulter (2013) opined that for an organization to be successful in hypercompetitive world of business, it should be innovative but differs in that innovation should not be in part but must be whole. To him, innovation is all about providing offerings in a manner that is entirely different, embarking on novel combinations. Innovation is not just small, incremental improvements – these are just part of being a dynamic organization. Innovation is essentially finding new ways of combining things generally.

Davila, Marc and Robert (2006) defined innovation as the art of acting on the inventive thoughts with a view of making some specific and tangible distinction in the domain in which the innovation occurs. It can take the form of a new service or product, a new structure, a new production process, or a new administrative system (Bilgihan, Okumus & Kwun, 2011). Innovation is influenced by several environmental and firms dimensions and brings about results. Hence, the research about innovations encompasses not only the study of their sources, determinants, mechanisms or processes, but also their consequences (Van, Polley, Garud & Venkataraman, 2001). According to Chen, Ming-Ji and Ching-Hsun (2009), the ability of a firm to absorb new changes is one of the most important determinants of the firm's innovation performance through the development of ability to acquire, assimilate, and profitably utilize new knowledge. To this end, when firms have a greater absorptive capacity, it would increase their performance in innovation.

Innovation constitutes part of the system that produces it which leads to a shift in the focus of innovation towards providing individuals with unique and customized experiences when they purchase products and services. For this experience to be meaningful, companies will have to understand their user's behavior and include them early on in the innovation process to provide them with solutions that satisfy their needs. As consumers and users become more informed, and are able to exchange and utilize globally-available knowledge, they are placing higher demands on products and services delivered by companies as well as the public sector. At the same time, the world is becoming flat, offering all individuals the possibility of participating in the economy and value creation. The ability of an organization to innovate is a pre-condition for the successful utilization of inventive resources and new technologies. Conversely, the introduction of new technology often presents complex opportunities and challenges for organizations, leading to changes in managerial practices and the emergence of new organizational forms (Macrouse, Hodder & Stoughton, 2003).

Hyde (2013) argued that innovation strategy is superior to the traditional competitive strategy and is key to attaining competitive advantage, and further divided innovation into three categories which are blue ocean innovation, disruptive innovation, and strategic innovation.

Nielson (2014) towing the similar line had divided innovation into four categories which are as follow: breakthrough innovation, sustaining innovation, new market innovation, and disruptive innovation. When a firm can sustain profits that supersede the average for its industry, the firm is rightly considered to have a competitive advantage over its competitors. The essence

of business strategy is to attain a sustainable competitive advantage. Porter (1998) came up with two main types of competitive advantages which are; differentiation advantage, and cost advantage.

A firm is said to possess a competitive advantage if it can come up with the same benefits as rivals but at a lower cost (cost advantage), or come up with benefits that supersede those of competing products (differentiation advantage). Thus, a competitive advantage allows the organization to deliver superior value for its customers and superior profits for itself. Even though research on innovations and sustainable competitive advantage has been done in a variety of industries, hardly any comprehensive research to the best of the researcher's knowledge been done in this respect in the aluminium manufacturing companies in Rivers State. This study therefore examines the relationship between product innovation and competitive advantage of aluminium manufacturing firms in Rivers state, Nigeria.

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

- i. What is the relationship between product innovation and cost advantage of aluminium manufacturing companies in Rivers State?
- ii. What is the relationship between product innovation and differentiation of aluminium manufacturing companies in Rivers State?
- iii. What is the relationship between product innovation and market focus of aluminium manufacturing companies in Rivers State?

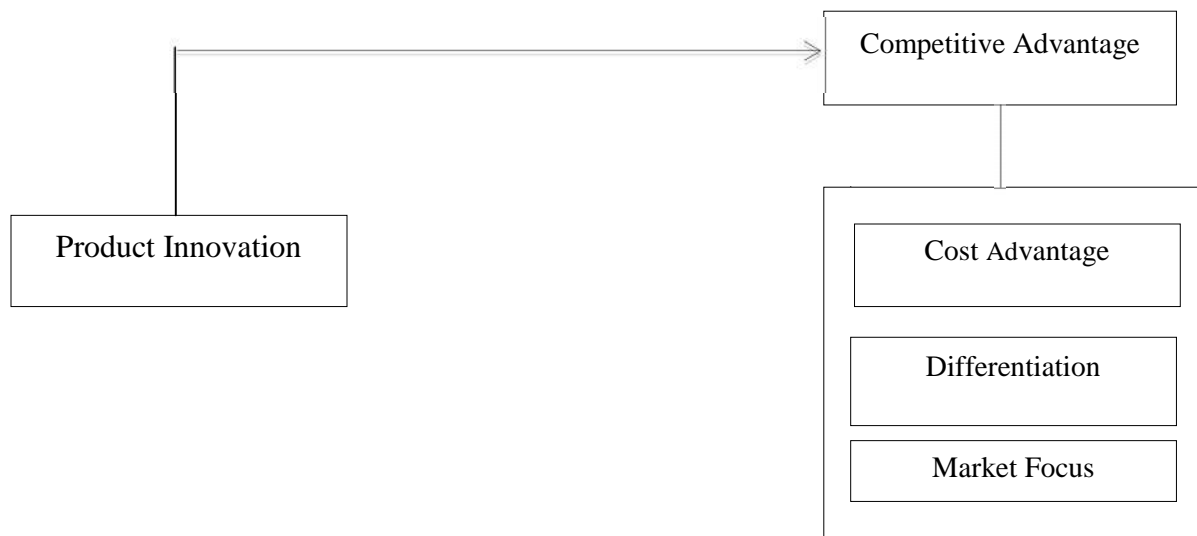


Fig.1 Conceptual Framework for the relationship product innovation and competitive advantage

Source: Author's Desk Research, 2020

LITERATURE REVIEW

Theoretical Foundation

Resource -Based View Theory

This theory tries to explain the internal sources of a firm's sustained competitive advantage (Kraaijenbrink, Spender and Groen, 2010). The resource-based strategy paradigm emphasizes distinctive, firm-specific, valuable, imperfectly inimitable and rare resources and capabilities confer competitive advantage on the firm that possesses them (Wernerfelt, 1959). Its innermost proposition is that if a firm is to attain a state of sustainable competitive advantage it must obtain and control valuable, rare, inimitable, and non-substitutable (VRIN) resource and capabilities, plus have the firms in the place that can absorb and apply them. Resources relate to a firm's intangible and tangible assets whereas capabilities are the way of accomplishing firm activities, depending on the availability of resources (Wernerfelt, 1959; Barney, 1991).

Simply stated, in order to produce a competitive advantage that is sustainable, firms should base their success in their distinctive competencies which are grounded in their resources and routines. For Menguc and Auh (2006), innovativeness is a rare, valuable and hard-to-copy firm level competence. It is the key driver of innovation in a firm (Damanpour, 1991; Dobni, 2006), and represents a firm's ability to continually develop innovations (Damanpour, 1991; Dobni, 2006; Paleo and Wijnberg, 2008). Fundamentally, innovativeness increases a firm's capacity to innovate (Damanpour, 1991) by encouraging innovative behaviours through strategic practices (Siguaw, Simpson & Enz, 2006). The essence of the argument is that innovativeness is constructed by the purposeful orchestration and strategic application of practices that accumulate bundle and leverage resources (Wernerfelt, 1959; Moingeon & Lehmann-Ortega, 1998). In order to create innovativeness a firm must implement strategic practices that enhance their innovativeness competence (that is, strategic practices are the "how to" for creating innovativeness).

According to Resource Based Theory (RBT), human capital is considered to be a source of competitive advantage for entrepreneurial firms. Ownership of firm-specific assets enables a company to develop a competitive advantage. Sustainable competitive advantage results from resources that are inimitable, not substitutable, tacit in nature, and synergistic (Barney, 1991). Therefore, managers need to be able to identify the key resources and drivers of performance and value in their organizations. The RBT also states that a company's competitive advantage is derived from the company's ability to assemble and exploit an appropriate combination of resources. Such resources can be tangible or intangible, and represent the inputs into a firm's production process; such as capital, equipment, the skills of individual employees, patents, financing, and talented managers. As a company's effectiveness and capabilities increase, the set of available resources tends to become larger. Through continued use, these "capabilities", defined as the capacity for a set of resources to interactively perform a stretch task or an activity, become stronger and more difficult for competitors to understand and imitate.

Product Innovation

A product innovation is the introduction of a good or service that is new or significantly improved regarding its characteristics or intended uses; including significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics (OECD Oslo Manual, 2005). Product innovation is considered an obvious means of generating revenue and thus improving performance. Camison and Lopez (2010) state that product innovation not only acts as a means of improving and safeguarding quality but also for cost saving. It is further lauded for retaining and growing the competitive

position of a firm, as well as retaining a strong market presence. Products that are constantly improved are particularly important for long term business growth and performance (Bayus, Erickson & Jacobson, 2003). Product innovation is prevalent among new entrants in any industry as it has been used to boost their popularity in the market in a surprising short time (Hult et al., 2004).

Product innovation is the introduction of a good or service that is new or has significantly improved characteristics or intended uses. In SMEs, not only the R&D staff but also the owners may play a major role in acquiring and applying the new knowledge for product innovation (Migdadi, 2009, Omerzel & Antoncic, 2008). Product innovation requires appreciation of customer needs, design and production while innovation process is linked to the application of technology to improve efficiency in the development and commercialization of the product, (Alegre et al 2002). Furthermore, theories of organizational innovation argue that information imported from sources outside an organization facilitate the creation of new ideas and enhance product innovation.

Product innovation is however not always successful, with a main inhibitor to its success being regulation (Lado & Olivares, 2001). Regulations are set by governments to protect policyholders from illegal malpractices against them by insurance companies but on some instances these very regulations limit the range of potential products offered by the firms. Consumer distrust is noted in literature too as another inhibitor to product innovation (Bhalla, 2010). This restricts innovation in that, consumers need a lot of convincing whenever a new product is released to the market.

Competitive Advantage

The rapid change in the economic and business environment in recent times has lead organizations to strive harder in other to increase the revenue they generate, their market share, and also the quantum of their customers with quality goods and services that satisfy customers needs. Competition on a global scale has led to changes in technology whereby customers demand for superior products/services at low prices. The escalation in worldwide competition has brought the decline in product life cycle. Emphasis is now being place on the competency of the organization and competitive advantage which is believed to give an edge over other competitors in the industry. Raduanet al (2009) relates that “though there are many objectives an organization would want to achieve these days, the two major ones are: (i). to achieve a competitive advantage position and (ii). Enhance their organization’s performance in relation to that of their competitors.

Hence it is necessary that organizations recognize the relationship between its strengths and weaknesses and the potential effects it has on the organizations competitive advantage and performance. Organizations should make a choice of the type of competitive advantage to adopt and the scope to attain it. Porter (1985) developed the generic strategies which when implemented effectively helps an organization to achieve competitive advantage. The strategies are: product differentiation and cost leadership. Porter (1980), explains that a differentiation strategy involves the firm creating a product/service, which is considered unique in some aspect that the customer values because the customer’s needs are satisfied. On the other hand, cost leadership emphasizes low cost relative to that of the competitors. Porter (1985) argued that cost leadership and differentiation strategies are mutually exclusive.

According to Barney (1991), when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors, such a firm has competitive advantage. In addition, competitive advantage is an added advantage one

organization has over other organizations in the industry. Competitive advantage exist when organizations provide the same value as other competitors to customers at a lower cost(cost advantage) or provide value that exceed those of competing products (differentiation).

According to Prahalad& Hamel (1990) the source of the advantage can be something the business does that is distinctive and difficult to replicate, also known as a core competency. According to Stalk, Evans & Shulman (1992) “sustained competitive advantage has become more of a matter of movement and ability to change than of location or position. Prahalad& Hamel (1990) posit that competitive advantage is ultimately built and maintained by adding value to customers. Value is added by cost leadership. That is, offering equal quality products or services at a lower cost than competitors, or by differentiation, that is, offering products or services that are perceived to be unique relative to some important characteristic (Markides& Williamson, 1994). Understanding how each competitively relevant resource and capability affects costs and uniqueness is an important aspect of understanding how, or if, each adds value to the services provided” (Duncan, Ginter& Swayne, 1998).

Competitive advantage is at the heart of an organizations performance. It is concerned with the interplay between the types of competitive advantage, i.e., cost and the scope of the organizations activities. The value chain plays an important role in order to diagnose and enhance the competitive advantage. A sustainable competitive advantage creates some barriers that make it difficult to replicate.

Measures of Competitive Advantage

Cost Advantage

This is Porter's generic strategies known as cost leadership (Malburg, 2007). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1987, 1996; Cross, 1999). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2007). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2007). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2007).

Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, product designs reducing manufacturing time and costs, and reengineering activities. A low-cost or cost leadership strategy is effectively implemented when the business designs, produces, and markets a comparable product more efficiently than its competitors. The firm may have access to raw materials or superior proprietary technology which helps to lower costs. Cost leadership strategy seeks to achieve above-average returns over competitors through low prices by driving all components of activities towards reducing costs. To attain such a relative cost advantage, firms will put considerable effort in controlling and production costs, increasing their capacity utilization, controlling materials supply or product distribution, and minimizing other costs, including R&D and advertising.

Firms do not have to sacrifice revenue to be the cost leader since high revenue is achieved through obtaining a large market share (Porter, 1987). Lower prices lead to higher demand and,

therefore, to a larger market share (Helms et al., 1997). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market (Hyatt, 2001). The leader then is somewhat insulated from industry wide price reductions (Malburg, 2000). The cost leadership strategy does have disadvantages. It creates little customer loyalty and if a firm lowers prices too much, it may lose revenues (Cross, 1999).

Market Focus Strategy

The focuser's basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 1995).

A focus strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the rest of the market. On the other hand, a focus strategy based on differentiation depends on there being a buyer segment that demands unique product attributes. In the focus strategy, a firm targets a specific segment of the market (Porter, 1996). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Martin, 1999). For example, some service firms focus solely on the service customers (Stone, 1995). Focus also is based on adopting a narrow competitive scope within an industry.

Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. A successful focus strategy (Porter, 1980) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Market penetration or market development can be an important focus strategy. Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. But, focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival firms (David, 2000).

Differentiation Strategy

Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy. Using this strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique, (Davidow & Uttal, 1989). Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price.

Innovativeness and Competitive Advantage

Several studies discussed the relationship between innovation and firm performance. Baker and Sinkula (2002); Kim and Mauborgne (2005) found a positive relationship between innovation and firm performance. Baker and Sinkula (2002) found that innovation helps companies deal with the turbulence of the external environment and is therefore one of the key drivers of long term success in business, particularly in dynamic markets. However other studies challenge this view and give conditions under which innovation is successful. According to Danneels (2000)

big organizations are more likely to have experience with innovation projects leading to organizational innovation capabilities. Smaller and especially new firms often lack this organizational capability and thus run the risk of engaging in managerial undertakings without experience.

Additionally, empirical studies on the innovation-performance relationship present mixed findings. According to Siguaw, Simpson and Enz (2006), innovation is an expensive and risky activity, with positive outcomes on firm performances but also with negative outcomes, such as increased exposure to market risk, increased costs, employee dissatisfaction or unwarranted changes. Similarly, Wright, Palmer and Perkins (2005), using a sample of small businesses, found that product innovation does not affect performance in benign environment, but has a positive effect on performance in hostile environment.

Evidence on the relationship between innovation and business growth, profitability and exporting has become more common in recent years (Love and Roper, 2013). Four main conceptual perspectives underlie studies of the links between innovation and survival. The first, relates to the efficiency effects of innovation. Here, the line of argument, which either implicitly or explicitly reflects the notion of entrepreneurial learning (Jovanic, 1982), runs that as firms become more mature, innovation may lead to efficiency improvements and higher productivity which then reduces the probability of failure: 'Firms that obtain innovations improve their efficiency, which makes them fitter to survive' (Esteve-Perez and Manez-Castillejo, 2008). Consistent with the liability of newness (Stinchcombe, 1965), there is some evidence to support the efficiency-effect model (Colombo and Delmastro, 2001).

From the foregoing the study stated the following hypotheses to be tested:

- H₀₁:** There is no significant relationship between product innovation and cost advantage of aluminium manufacturing companies in Rivers State.
- H₀₂** There is no significant relationship between product innovation and differentiation of aluminium manufacturing companies in Rivers State.
- H₀₃** There is no significant relationship between product innovation and market focus of aluminium manufacturing companies in Rivers State.

METHODOLOGY

The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through structured questionnaire. The population of this study covers 156 employees of 5 aluminium manufacturing companies in Rivers State. The sample size was 112 calculated using the Taro Yamane Sample size determination formula. 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 Statistics at the 0.05 significance level.

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. In testing hypotheses one to nine, the following rules were upheld in accepting or rejecting our alternate hypotheses: all the coefficient values that indicate levels of significance (* or **) as calculated using SPSS were accepted and therefore our alternate hypotheses rejected; when no significance is indicated in the coefficient r value, we reject our alternate hypotheses. Our confidence interval was set at the 0.05 (two tailed) level of significance to test the statistical significance of the data in this study.

Table 1: Correlation for between product innovation and measures of competitive advantage

			Product Innovation	Cost Advantage	Differentiation	Market Focus
Spearman's rho	Product Innovation	Correlation Coefficient	1.000	.662**	.596**	.748**
		Sig. (2-tailed)	.	.000	.000	.000
		N	59	59	59	59
	Cost Advantage	Correlation Coefficient	.662**	1.000	.898**	.947**
		Sig. (2-tailed)	.000	.	.000	.000
		N	59	59	59	59
	Differentiation	Correlation Coefficient	.596**	.898**	1.000	.932**
		Sig. (2-tailed)	.000	.000	.	.000
		N	59	59	59	59
	Market Focus	Correlation Coefficient	.748**	.947**	.932**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	59	59	59	59

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

Source: Research Data 2019, (SPSS output version 21.0)

Ho₁: There is no significant relationship between product innovation and cost advantage of aluminium manufacturing companies in Rivers State.

From the result in the table above, the correlation coefficient shows that there is a positive relationship between product innovation and cost advantage. The *correlation coefficient* 0.662 confirms the magnitude and strength of this relationship and it is statistically significant at $p\ 0.000 < 0.05$. The correlation coefficient represents a strong correlation between the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate accepted. Thus, there is a significant relationship between product innovation and cost advantage of aluminium manufacturing companies in Rivers State.

Ho₂: There is no significant relationship between product innovation and differentiation of aluminium manufacturing companies in Rivers State.

From the result in the table above, the correlation coefficient shows that there is a positive relationship between product innovation and market focus. The *correlation coefficient* 0.596 confirms the magnitude and strength of this relationship and it is statistically significant at $p\ 0.000 < 0.05$. The correlation coefficient represents a moderate correlation between the variables.

Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate accepted. Thus, there is a significant relationship between product innovation and market focus of aluminium manufacturing companies in Rivers State.

Ho₃: There is no significant relationship between product innovation and differentiation of aluminium manufacturing companies in Rivers State.

From the result in the table above, the correlation coefficient shows that there is a positive relationship between product innovation and market focus. The *correlation coefficient* 0.748 confirms the magnitude and strength of this relationship and it is statistically significant at $p < 0.000 < 0.05$. The correlation coefficient represents a strong correlation between the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate accepted. Thus, there is a significant relationship between product innovation and market focus of aluminium manufacturing companies in Rivers State.

DISCUSSION OF FINDINGS

This study using inferential statistical methods examined the relationship between product innovation and competitive advantage of aluminium manufacturing companies in Rivers State. The findings revealed a significant and positive relationship between product innovation and competitive advantage of aluminium manufacturing companies in Rivers State using the Spearman Rank Order Correlation tool and at a 95% confidence interval. The findings of this study confirmed previous studies conducted by Baker and Sinkula (2002); Kim and Mauborgne (2005) who found a positive relationship between innovation and firm performance. Baker and Sinkula (2002) found that innovation helps companies deal with the turbulence of the external environment and is therefore one of the key drivers of long term success in business, particularly in dynamic markets. However other studies challenge this view and give conditions under which innovation is successful. According to Danneels (2000) big organizations are more likely to have experience with innovation projects leading to organizational innovation capabilities. Smaller and especially new firms often lack this organizational capability and thus run the risk of engaging in managerial undertakings without experience.

The test of the first, second and third hypotheses revealed that there is a significant positive relationship between. Product innovation and cost advantage of aluminium manufacturing companies in Rivers State. This finding agrees with the arguments of Camison and Lopez (2010) state that product innovation not only acts as a means of improving and safeguarding quality but also for cost saving. It is further lauded for retaining and growing the competitive position of a firm, as well as retaining a strong market presence. Products that are constantly improved are particularly important for long term business growth and performance (Bayus, Erickson & Jacobson, 2003). Product innovation is prevalent among new entrants in any industry as it has been used to boost their popularity in the market in a surprising short time (Hult et al., 2004).

Product innovation is the introduction of a good or service that is new or has significantly improved characteristics or intended uses. In SMEs, not only the R&D staff but also the owners may play a major role in acquiring and applying the new knowledge for product innovation (Migdadi, 2009, Omerzel & Antoncic, 2008). Product innovation requires appreciation of customer needs, design and production while innovation process is linked to the application of technology to improve efficiency in the development and commercialization of the product, (Alegre et al 2002). Furthermore, theories of organizational innovation argue that information

imported from sources outside an organization facilitate the creation of new ideas and enhance product innovation.

CONCLUSION AND RECOMMENDATIONS

In the globalization, integration and liberalization era, the business environment is becoming fiercer than before, businesses of all types and sizes are facing continually changing situations externally and internally. Furthermore, the question at the heart of every strategist in every business enterprise is how to cope with these ambiguities, leverage competitive edge and expected level of performance (Vazquez, Santos, and Alvarez, 2001). In highly dynamic and uncertain environments, competitiveness must be regarded as a multi-dimensional construct comprising customer values, shareholder values and an organization's ability to act and react.

As a result of the foregoing, the study recommends that management of aluminium manufacturing companies should put mechanisms in place to enhance more internal innovations. This should include giving employees enough space to innovate new products and services. In addition, there is need for aluminium manufacturing to set aside a budget that will be used exclusively for product innovation.

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Effect of Monetary Policy Rate on Agricultural Sector Output in Nigeria

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Abstract: *This study investigated the effect of monetary policy rate on agricultural sector output in Nigeria between the period of 1981 and 2018. Ordinary Least Square (OLS) method of data analysis was adopted. The data used were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin. The variables were agricultural sector output as the dependent variable, while monetary policy rate is the independent variable. The study employed unit root test, to determine the stationarity of the variables, co-integration approach to determine the long-run equilibrium relationship of the model and error correction model to determine the short-term effect of the model. The findings shows among others that Monetary policy rate has significant effect agricultural sector output in Nigeria. The study concludes that The special interest of government in the agricultural sector is due to it's relevance in the provision of raw materials for industries and most importantly the provision of food for the teaming Nigeria population and also serving as a source of foreign exchange for the economy. The study reveals that the monetary policy rate impacted on agricultural sector via reduction on, interest rate. The study recommends monetary policy rate must be allowed to operate through market mechanism to ensure that interest rate is determined by demand for loanable fund and the supply of loanable fund.*

Keywords: *monetary policy rate, agricultural sector output, Interest rate ECM*

i. INTRODUCTION

The agricultural sector is seen as the key driver for growth and development. In fact to further buttress the pivotal role the agricultural sector plays in the Nigerian economy, the agricultural sector is part of the Millennium Development Goals (MDG's) program of poverty reduction in Nigeria. In most developing countries (low and middle-income countries), the agricultural sector remains, the largest contributor providing inputs, food, employment opportunities, raw materials for other industries, provision of foreign earnings from exportation of the surpluses, and more importantly the enormous advantage of the value added in the various production process (Okoro, 2011).

Interest rate varies with time, default risk,, and productivity of capital (Chandra 2014). Changes in interest rate encourage substitution in agricultural productivity. According to Kevin (2013), the interest rates in the organized financial sector of the economy are guided within preferred range through monetary policy. However, for the unorganized financial sector, the rates are not controlled and may fluctuate widely depending upon the demand and supply of funds in the market. An investor has to consider the level and growth in interest rates prevailing in the different sectors of the economy, and evaluate their impact on the performance and profitability of companies. Chandra (2014) submits that a rise in interest rate depresses

agricultural profitability and also leads to an increase in the discount rate applied to equity investors; both of which have adverse impact on agricultural prices, and vice-versa

Emeka (2007) asserts that the agricultural sector creates jobs for a large number of the teeming unemployed population in Nigeria, which accounts for over 65 percent of the entire population. This high percentage comprises of subsistence farmers using crude and rudimentary implements like hoes, cutlass and shovel among others to cultivate fragmented farmlands as a source of livelihood. In affirmation of Emeka, Mackie (1964), Abayomi (1997), Abdullahi (2002); World Bank, (2007), all agree that, the agricultural sector contributes to the economy in four perspective areas namely; provision of products, contribution of inputs, market participation i.e. marketing and accrual from foreign exchange.

In 1986 government deemphasized the direct food production policy and adopted an integrated approach that combined real sector with rural development. As a result of this new agricultural development thrust, government established the Directorate for Food, Road and Rural Infrastructure to construct and maintain feeder road. However, by 1988 government agricultural policy thrust was directed at providing support services while all aspects of agricultural production and marketing including input supply as well as agricultural mechanization were to be handled by the private sector.

The effect of monetary policy rate on the agricultural output in Nigeria has attracted significant attention from finance, economics and development experts and has been debated extensively. Several studies were carried out on monetary policy rate on the agricultural though with mixed findings. Erinma (2016) examined the impact of rising interest rate on the performance of the Nigeria agriculture sector. Findings from the study shows rising interest rate in Nigeria has a negative effect on the contribution of the agriculture sector to GDP as well as on the average capacity utilization of the Nigeria agriculture sector. Rasheed (2010) used error correction model (ECM) to investigate the impact of interest rates on agricultural sector performance in Nigeria The study revealed that interest rate spread and government deficit financing have negative impact on the growth of agriculture sector sub-sector in Nigeria. Akpan, Yilkudi, and Opiah, (2017) investigates the impact of lending rate on output of the agriculture sector sub-sector The empirical results indicated that high lending rate had negative impact on agriculture sector in the long-run. Ogar, Eja, and Gbenga .(2018), investigated the relationship between interest rate and the agriculture sector performance in Nigeria. The results equally confirmed a negative but significant relationship between lending rate and agriculture sector in Nigeria. Nwandu (2016) examined the effect of rising interest rates on the performances of the Nigerian agriculture sector. Finding from the study shows that rising interest rate in Nigeria has a negative effect on the agriculture sector. This implies that the rising interest rate in Nigeria impedes the activities and the performances of the Nigerian agriculture sector

The reason behind these contradictory results could be explained by the inconsistencies or vagueness in the construct of the measurements aimed at capturing monetary policy on the agricultural. Another might be differences in method, variables, scope or country of the study. Due to inconsistent result it is necessary to re-evaluate other important variables that could determine monetary policy rate on the agricultural as well as consider longer time frame since their research covered only few years. In the light of these limitations this study is therefore set to find out the effect of monetary policy rate on the agricultural. There is therefore need for more research concerning the relationship between monetary policy rate on the agricultural. This is to determine the level of generalization that is possible between various empirical studies. There is also, to a certain degree, need for updated research, since several previous studies could be

considered as outdated, due to the fast development of monetary policy rate reforms and the surrounding context in recent years.

ii. REVIEW OF RELATED LITERATURE

MPR is the interest rate at which CBN lends to commercial banks. The MPR is the benchmark against which other lending rates in the economy are pegged and is usually used as an instrument to moderate inflation in the economy. The rate of interest measures the percentage reward a lender receives for deferring the consumption of resources until a future date. Correspondingly, it measures the price a borrower pays to have resources now.

Interest rate is the cost of hiring money or credit. The rate of interest is the amount of interest per unit of time, typically one year. Wicksell (1969) originally introduced the concept of neutral [natural] interest rate, also known as the Wicksellian rate of interest, which refers to the equilibrium value of the real interest rate at the natural level of output. This interest rate is regarded as an interest rate in the goods market in which demand and supply of goods are in equilibrium. In the eye of Wicksell, the natural interest rate provides not only a monetary equilibrium, but also a real equilibrium for the economy. Herein, the monetary equilibrium implies the presence of a stable price level, while real equilibrium denotes consistency between saving decisions by households and investment decisions by firms. Any deviation of the market rate—that is, the money rate of interest appearing at the capital market—from the neutral interest rate results in changes in the prices through the Wicksell's cumulative process which explains how the difference between natural interest rate and market rate results in increases in prices (see Wicksell (1969) Accordingly, suppose that if the market interest rate is lower than the natural one, in such case, the level of economic activity will enhance and thus a rise in prices will occur. And then, increases in prices will put further pressure on the real interest rate, resulting in a further rise in the level of economic activity and therefore at prices.

The Big Push Theory

The theory is associated with the name of Professor Paul N. Rosentein-Rodan. The thesis is that a “Big Push” or a large comprehensive programme is needed in the form of a high minimum amount of investment to overcome the obstacles to development, in an under developed economy and to launch it in the path to progress.

The theory states that processing “bit by bit” will not launch the economy successfully on development path, rather a minimum of investment is a necessary condition for this. It necessitates the obtaining of external economics that arises from stimulation of technically interdependent industries. Thus, indivisibility and external economics flowing from a minimum quantum of investment are a pre-requisite for launching economic development successfully. A climate for development is only created when investment of a minimum speed or size is made within an under-developed economy.

From the foregoing theories above, it can be clearly seen that agriculture is a road map for a country's development, and as such it can be inferred that if Nigeria develops profitable agricultural sector and high tech-industries, she would be on her way to development. The Nigerian government should develop enabling environments where agriculture can thrive as well as provision of credit facilities to small and medium scale farmers. Erinma (2016) examined the impact of rising interest rate on the performance of the Nigeria agriculture sector. Annual time series data used for the study span thirty five (35) years covering 1981 to 2015. The models were analyzed using the ordinary least square techniques. Findings from the study shows rising interest rate in Nigeria has a negative effect on the contribution of the agriculture sector to GDP

as well as on the average capacity utilization of the Nigeria agriculture sector.

Rasheed (2010) used error correction model (ECM) to investigate the impact of interest rates on agricultural sector performance in Nigeria using co-integration and an error mechanism (ECM) technique with annual time series covering the period between 1970 and 2002. The study revealed that interest rate spread and government deficit financing have negative impact on the growth of agriculture sector sub-sector in Nigeria.

Akpan, Yilkudi, and Opiah, (2017) investigates the impact of lending rate on output of the agriculture sector sub-sector using the Vector Error Correction Model (VECM) and annual data from 1981-2014. The empirical results indicated that high lending rate had negative impact on agriculture sector in the long-run. This suggests that increase in lending rate un-dermines agriculture sector, thus retarding growth in the real sector. Specifically, the estimates revealed that a 1.0 per cent increase in lending rate reduces agriculture sector by 0.03 per cent.

Ogar, Eja, and Gbenga .(2018), investigated the relationship between interest rate and the agriculture sector performance in Nigeria from the period 1981-2016. The study employed time series secondary data which were sourced from the central bank of Nigeria (CBN) statistical bulletin. The results established the existence of a long run relationship among the variables; the results equally confirmed a negative but significant relationship between lending rate and agriculture sector in Nigeria. A positive but insignificant relationship between deposit rate and the agriculture sector output was observed. Short run association between the variables was equally recorded.

Nwandu (2016) examined the effect of rising interest rates on the performances of the Nigerian agriculture sector. Data for the study spans thirty five (35) years covering 1981 to 2015. The models were analyzed using the ordinary least squares. Finding from the study shows that rising interest rate in Nigeria has a negative effect on the agriculture sector. This implies that the rising interest rate in Nigeria impedes the activities and the performances of the Nigerian agriculture sector.

Nwokoro (2017) investigated the impact of Foreign Exchange and Interest Rates variations on the Nigeria's agriculture sector output during the period 1983 to 2014. Interest rates (INTR) have negative but significant relationship with agriculture sector (MANO).

Horgan (2014) examined the impact of interest rate and foreign exchange rates on agriculture sector in Nigeria during the period 1980 -2012. The study adopted the OLS and the co integration techniques. Data on index of agriculture sector output, and FDI and government capital expenditure on agriculture sector output. The study revealed that while interest rate in the long run does not impact on agriculture sector government capital expenditure does.

Okonkwo and Godslove (2017) investigated the effect of interest rate fluctuation on industrial growth in Nigeria. The findings of the study revealed that inverse relationship exist between interest rate and industrial growth in Nigeria, meaning that increase in interest rate will decrease industrial growth and verse versa in Nigeria.

iii. METHODOLOGY

The study adopted the ex post facto research design. Ex post facto design is a no experimental research technique in which pre-existing groups are compared on some Dependent variable. Some major advantages of conducting an ex post facto study are that the data are already collected, obtaining permission to conduct the study is less involved than enrolling participants, and less time is involved in conducting the study.

Model Specification

This work is based on the modified growth model of Ogar, Eja, and Gbenga (2018), who studied interest rate and the agriculture sector performance in Nigeria which is stated thus;

$$AGO = f(DPR, LDR)$$

Where

AGO = Agricultural output

DPR = Deposit rate

LDR = Lending rate

The model is modified in this study as follows

$$AGO = f(\text{Monetary policy rate})$$

Where

AGO = Agriculture sector Output

MPR = Monetary policy rate

Econometric form of the model being

$$AGO = \beta_0 + \beta_1 MPR + \mu$$

Where

β_0 = constant

Where

β_0 = Autonomous Intercept

β_1 = Coefficient of parameter MPR

μ = Stochastic error term

iv. DATA ANALYSIS

The method used was the Ordinary Least Square (OLS) regression technique, this method was chosen over others because of its “BLUE” properties “Best Linear unbiased Estimates, it is also efficient and consistent, When compared with other linear unbiased estimator.

Unit Root Test

Table 1 result of the unit root test

Variable	ADF statistic	Order of Integration
MPR	-5.818906	(1)
AGO	-4.039225	(1)

Source: Author's computation using E-view version 9.

The result of unit root test shows that all the variables were stationary at first difference.

Co-Integration Test

Co-integration exists among the variables if they are integrated of the same order. The aim of co-integration analysis is to determine the long-run equilibrium relationship between the variables. 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 use the Johannes co-

integration approach to examine the existence of long-run relationship between the variables of interest.

Table 4.2 co-integration result table

Unrestricted co-integration rank test (trace)

Table 4.3 Regression Result

H0	Hi	Trace static	0.05 critical value	Max-Eigen	0.05
r=0	r=0	14.78287	12.32090	13.57944	11.22480
r≤1	r>1	1.203429	4.129906	1.203429	4.129906

Source: Author's computation using E-view version 9.1

NB* implies rejection of the null hypothesis (Ho) of at 5% level of significance. Both the trace test and max-eigen values test indicates 1 co-integration equation at 5%. Johansson co-integration result shows that there is long-run equilibrium relationship between the dependent and independent variables.

Presentation of the Regression Result

However, the diagnostic tests or some key statistics or the variable that needs to be interpreted are shown below

Table 4.3 Error Correction Model Result

Variable	Coefficient	Std Error	T-statistics	Prob
C	5.481718	0.279136	19.63818	0.0000
MPR	-0.064277	0.015174	-4.236068	0.0000
ECM(-1)	-0.692540	0.033725	-3.943018	0.0002

Source: Author's computation using e-view version 9.1

R –Square 0.762815

Adjusted R-squared 0.750628

F-Statistics 440.1796

Durbin-Watson stat 2.154981

Prob (F-statistics) 0.000000

Interpretation of the Regression Result

From the result in table 3 above, $R^2 = 0.76$, it means that the independent variables explained about 76% of the total variation in the dependent variables leaving the 24% which will be accounted for by other variables outside the model as captured by the error term. The adjusted R^2 is 75% which means that even after adjustment in the explanatory variables, the model can still explain about 75% of the change in the dependent variables.

The F-statistics is used to test whether the model has a significant relationship between the dependent and independent variables in the regression model. From table 3 the calculated value of F is 440.1796 while its probability is 0.0000 which is less than 0.05 desired 5% level of significance, we accept and state that there is a significant relationship between the variance of the estimates and that of the independent variables. This means that the parameters are statistically significant in explaining the relationship between the dependent variable and independent variables.

The a priori expectation is used to determine the existing finance theories and this indicates the signs and magnitude of the variables. From the regression it is observed that monetary policy rate has a negative sign, and its value as -0.064277 this implies that decrease in monetary policy rate increases agricultural output by 6%. This conforms to our a priori expectation.

The t-test is used to measure the individual statistical significance of our explanatory parameter in the model. From table 4.3 above, monetary policy rate is -4.236068, this is statistically significant and implies this suggest monetary policy rate encourage agricultural produced in Nigeria. The finding of this study is similar to the study of Erinma (2016). Rasheed (2010); Akpan, Yilkudi and Opiah (2017) Ogar, Eja and Gbenga (2018), who found a negative relationship between interest rate on agricultural output. The Durbin-Watson (DW) test for autocorrelation will be used to test for the presence of first order autocorrelation in the model. When the value of DW is closer and a little above 2.00, it means the absence of autocorrelation among the explanatory variables. From the table 4.5 above our DW result is (2.) this implies the absence of autocorrelation hence our variables can be used for predictive purposes. Finally, the negative coefficient of the ECM (-1) confirms that the variables in the model are co-integrated and indicates a stable long-run equilibrium relationship between the variables. It shows coefficient of the ECM as -0.692540 and is the speed of adjustment and it shows that about 69% of the previous year's shocks adjust the equilibrium in the current years. From the regression result above it was observed that monetary policy rate has significant effect on agricultural output in Nigeria. Hence alternative hypothesis is accepted which state that there is a significant relationship between current account liberalization and economic growth in Nigeria.

v. SUMMARY

Based on the analysis the researcher concludes that monetary policy rate has a significant effect on agricultural productivity in Nigeria. Although there is persistent fluctuation in monetary policy rate which makes it difficult for farmers to acquire or apply for agricultural credits. Change in monetary policy rate over the periods under review have a strong influence or effect on the volume of credit to agricultural sector. The special interest of Government in the Agricultural sector is due to it's relevance in the provision of raw materials for industries and most importantly the provision of food for the teaming Nigeria population and also serving as a source of foreign exchange for the economy. The Nigerian Agricultural section is not alone in government intervention in terms of regulation, according to Akiri and Adofu (2007), opined that the banking industry owing to the nature of activities role, and function it performs in the economy, is also one of the widely and heavily regulated sector in both developing and developed countries of the world. As financial intermediary, banks help in channeling funds from surplus economic regions to the deficit one's in order to facilitate business transaction and economic development in general. The Agricultural sector is not left out in benefits of surplus fund from the surplus spenders in the economy. Monetary policy rate must be allowed to operate

through market mechanism to ensure that interest rate is determined by demand for loanable fund and the supply of loanable fund.

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The Effect of Venture Capital Financing on the Economic Value Added Profile of Nigerian Micro and Small Business

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Abstract: *Micro and small businesses make up more than 60% of the total business ventures in Nigeria. Despite their relative importance, capital remains their major challenges. This paper examines venture capital as a source of financing small and micro businesses in Nigeria. It adopts survey research design. A sample of 56 respondents was selected from venture capital firms in Abia state using stratified sampling technique. Data were collected through questionnaire. Analysis were done using distribution table, frequency, mean and weighted average. Major findings include that small and micro businesses do not place much importance on venture capital; however, venture capital is an important source of fund for financing any form of business in Nigeria. It therefore recommends that proper enlightenment through the mass media to promote the services of venture capital firms to businesses operating in Nigeria.*

Keywords: *Micro, Small and Medium Enterprises (SME), Venture Capital, Capital Cost, Emerging Economy*

INTRODUCTION

The failure of previous financial policies of governments to achieve desirable economic growth was concerned about restructuring of the system, especially in the glare of an ailing economy (Orie, 2011).

The introduction of the structural adjustment:

Precisely, this scheme involves the use of venture capital (VC) financing, and financing history shows that many large corporations that encompass the world today actually started out with venture capital financial. E.g Frederick Smith founder of FedEx started out with VC funding of \$72million in 1973, Hisrich and Peters (1998) venture capital is a subset of private of private equity capital which brings bright ideas and breakthroughs to reality. In other words, Nigerian SMEs that work closely with venture capitalists could transform to large enterprises within an acceptable period of time given the essential, ingredients of venture capital financing.

Again, entrepreneurs could receive venture capital financing at different stages (seed, start-up, expansion, development or bridge finance) implying that VC financing can sustain an enterprise to the point initial public offer (IPO) (Ihemeje, 2014). This study

explores the effect of venture capital resources on the economic value added of Nigeria's SMEs such that they could add value to various strata of the Nigerian economy. The essential feature of this new window is its commitment towards effective delivery of financial resources, managerial skills and technical expertise. Could this be a reality or another myth in Nigeria, and how would it affect the society?

These are some questions that required answers after a reasonable period of stock taking since the commencement of SMEs in Nigeria. In 2001 when SMEs was introduced the Nigeria economy was experiencing crises of negative performance in all four macroeconomic indicators, price stability, employment, economic growth and external trade equilibrium. It was believed that SMEs would receive the SME sector. Similar contributions of VC financing to economic performance were confirmed in Europe, USA and Asia Mortin (2002) Wright (2002) and Pandey (2001), for instance, in Britain, venture capital firm created 46 new jobs per VC – backed Company with an overall investment of million jobs and \$1.8 trillion in sales in 2003. In other words, Nigeria SMEs could achieve competitive advantage through innovation, quality, cost and speed. Thus, the thrust of this study is to compare the economic value added (EVA) of VC-backed and non-VC backed SMEs in order to establish the effectiveness of the assessment of EVA as an alternative to profit in evaluating the performance of SMEs using the three dimension of time (Agyemar, 2001).

LITERATURE REVIEW

Theoretical Framework

In every economy the real and financial sectors complement each other in order to maintain a progressive balance. This is important as a deficiency in one sector impairs development in the other. For instance, Sharp (1995) argue that there exists a strong relationship between highly developed financial sector and real investment. In Nigeria, however, evidence shows that both sectors are not so symbiotic such that the financial sector milk-dries the real sector (Soludo, 2004 and Sanusi, 2003). Banks declare huge profits even as factories close down they were to term trade financing and foreign exchange deals. This includes even the investment banks that were traditionally structured for long term financing. Indeed this remains the reason why Nigeria's real sector is largely infertile despite several interventions.

Empirical Review

Small and medium scale enterprise constitute a very heterogeneous group, complicity of a variety of firms that posses a wide range of sophistication and skills and operate in different markets and social environments. Some are dynamic innovative and growth oriented; others are traditional enterprises that are satisfied to remain small. In some countries, SSIs (Small Scale Industries) and cottage industries owners and workers are dominated by members of particular ethnic groups, such as raffia works among the Annangs of Ikot Ekpene in Akwaibom State, tie and die among the Yorubas of South West region or the bronze works among the Nupe people of Niger state of Nigeria

(Obadon, 2009). Despite differences in definitions of small scale industries both within and outside boundaries of countries. One of the distinctive features of SSIs is that they are sole proprietorships, partnership or limited liability companies. Both in most cases, even liability companies the true ownership is either one man or partnership (Udechukwu, 2003). Lack of adequate skills and technical know-how, capital inadequacies or sheer ignorance on the part of most of the promoters and founders of SSIs led them to purchase obsolete and inefficient machinery and equipment thereby making them defendant on important raw materials and spare parts. This will set the stage abinitio for lower levels of productive quality, output and market acceptability (Basil, 2005). It is therefore, not surprising that many of them had to either close down completely or scale down their operations at the expense of labour.

Conceptual Framework

Constraints to SMEs Financing in Nigeria

Banks by their nature and position in the economy remain the known formal sources of finance for enterprises. A 2001 World Bank Survey on Nigeria showed that although 85% of the firms had relationship with banks, most of them had no access to credit (Terungwa, 2011). The lack of adequate financing for the SMEs is traceable among other reasons, the reluctance of banks to extend credits to them for the following reasons:

- i. Inadequate collateral by SMEs operations.
- ii. Weak demand for products of SMEs as a result of the dwindling purchasing power of Nigerians.
- iii. Lack of patronage of locally produced goods.
- iv. Poor management practices by SMEs operators.
- v. Under capitalization

Venture capitals and equity is another source of financing for SMEs. Some of the challenges facing Nigeria policy makers in the area of venture capital include:

- i. Institutionalizing tax benefit from equity investment to attract foreign investors.
- ii. Providing risk guarantees to create strategic ventures capital industries that improve self reliance and curb import quotas.
- iii. Enhancing venture capital capacity to stimulate and promote the industrial expansion.
- iv. Focusing equity investment on SMEs that optimize resources utilization and assist local raw material development.
- v. Promoting innovative business ideas processes and techniques that boost both productivity and profitability.

Innovations/Initiatives to Overcome the Financing Constraints

The federal government policy interventions for the funding of SMEs are generally geared towards improving the expected contribution of the sector to the growth and development of the national economy. Government has over the years introduced a variety of financing schemes and programs aimed at overcoming the financial constraints as witnessed by the SMEs in Nigeria (Ihemeje, 2014).

Some Ways of Financing SMEs

A Debt and Equity Financing

The capital structure of a firm involves decisions about debt and/or equity financing and the implication that higher leverage increases values seems to be more applicable to large corporations than a fledglings. Usually, at the early stage preference is given to survival and sustainability, in which case the first rule is to employ the structure that does not expose the enterprises to over bearing financial obligation during period of low cash flow and return on assets. Long term financial decision for SMEs favors private placements (Grinblaft and Titman, 1998). It has been proved severally that the value of a firm increases more with increasing leverage, Durand (1956) and Ezra (1963) perhaps, this explains why there is still strong emphasis on the use of dept despite the overwhelming contribution of Franco Modigliani and Merton Miller (MM) in 1958 on the irrelevance of capital structure. However, MM position in a world of taxes (which is a more realistic assumption) implies that expected return (Brealey and myers, 1996). Debt financing is cheaper only with mature businesses or business with high initial cash flow. It implies that past institutional enterprise promotion with debt finance was inappropriate, thus the outcomes were disappointing. Therefore, private equity/venture capital finance is more strategic (Tanous, 1997).

B. Venture Capital

Venture capital is a type of private equity financing involving investment in unquoted companies with growth potential. It is generally medium to long term in nature made in exchange for a stake in a company. The term venture capital is likely to be accepted as the generic term for business angles, Mezzanine equity, Institutional or any similar investment in early stages of business. In summary it is a professionally management pool of equity capital (Hisric and Peters, 1998). According to Berlin (1998) venture capitalists, take an active role in the management of firms they fund and work in close collaboration with the stock market to take firms they fund public. Therefore, they place emphasis on the support they offer start-ups and the control they might be granted as well as the exit strategy available. In all, they foster growth in companies through hands on involvement in financing, management, and technical support. In Nigeria, Small and Medium Enterprises Equity Investment Scheme (SMEEIS) represent the major institutional framework for the promotion of VC financing (Dagogo, 2009).

C. Economic Value Added

It is one thing to compare profits, yet it is another to measure the efficiency or cost effectiveness of capital employed. Economic value added (EVA) is the residual income a company earns after capital cost are deducted (Van Horne, 2002). It is operating profits minus the required (Naira) return for the capital employed, the required return is a market determined weighted average cost of capital (WACC), which reduces bias of debt and equity lob-siding (Ihemeje, 2015). In other words, comparism of EVA between the two categories of SMEs would show the effects of the independent variables propelled venture capital backed SMEs.

The Implications for using Venture Capital (VC) to Finance SMEs (Based theories)

The fact that VC-backed SMEs outperformed non VC backed in EVA is a clear signal for high level enterprise sustainability of the private sector in Nigeria. However, the following other factors are complementary to VC financing. Increasing local demand capacity, export promotion, continued promotion of private enterprises, opportunities for outsourcing and increasing local content corporations, tax incentives, improving information and communication technology, and supply of skilled labour (Orie, 2011). In order to sustain the meager success of VC firms, the following steps are necessary: strengthened systematic structures like power supply, establishment of technology and industrial parks, reduction in corruption index, attraction of Nigerians in Diasporas, protection of intelligent property rights, efficient exit windows for venture capitalists, and reduction of inflation to a single digit (Nuectiterlein, 2003).

For individual SME, the outcome implies greater competition for customers, financing resources, and raw materials. This further implies that product qualities must be standardized, cost efficiency must be met, innovative strategies preferred, and consolidation exercises such as merger, acquisition or virtual scaling implemented (CBN, 2012). Theoretically, the return on alternative investment, which defines the cost of capital is a major determinant of value added. If cost of capital is high value added reduces and vice versa keeping the operating income constant, the implication of higher value added therefore is that interest rate and the return on equity investment should reduce. But if that happens, there is no incentive for investment in the local economy, this inducing capital flight.

METHODOLOGY

Research Design

This study adopts the survey research design because the researcher lacks control over the variables. The researcher is only interested in observing what is happening to the variables without any attempt at manipulating or controlling them. The design of the research is cross sectional because of its size and time dimensions. In an attempt to carry out this study, a sample of 56 respondents from eleven capital ventures in Abia state selected using multi-stage sampling technique. The sampling method is informed by the relative homogeneity of venture capital characteristics in the area under study.

Data collection

The primary method of data collection was used mainly in this section. To obtain the required data/information, a detailed questionnaire was prepared and mailed to the respondents. The questions were structured in Likert format.

4.0 Data analysis and Discussion

Data presentation was made in tables while percentage, frequency and weighted average were used in data analysis. Furthermore, the mean score and standard deviation techniques were adopted to test the significance of the stated hypotheses. The weighted score utilizes the Likert score as follows:

Strongly agree=5

Agree= 4

Undecided=3

Disagree= 2

Strongly disagree=1

Based on the scoring system, a mean of 2.5 and above indicates a strong relationship while mean of less than 2.5 indicates a weak relationship.

Analysis and discussion of findings

To analyse the data collected which is the respondents' responses or answers given to the questionnaire, the weighted scale analysis was used.

Hypothesis

Ho: Venture capital does not significantly improve any form of business in Nigeria

Responses to questions 2, 3, 5, 6 and 9 were used to evaluate the extent to which venture capital can impact on the growth of any form of business.

Table 1: Relationship between venture capital financing and micro/small business growth

S/No	Statement	S.A. (5)	A (4)	U (3)	D (2)	S.D. (1)	Sum Average	Weighted Average	Ranking/ Remarks
2	Venture capital is an easy source of capital for business firms in Nigeria	25	13	2	9	7	208	3.7142	Agreed
3	Venture capital requires less and stringent collateral unlike banks	22	13	1	9	10	193	3.4464	Agreed
5	Venture capital provides cheaper loans that enhances micro business profitability	12	23	3	7	11	186	3.3214	Agreed
6	Venture capitalist provides more guarantee of lease financing	19	21	2	7	7	206	3.6786	Agreed
9	Poor knowledge on Venture capital limits ability of micro business to raise fund to develop their businesses	16	21	1	8	10	193	3.4464	Agreed

Source: Field survey, 2017

Table 1 shows the responses to the selected questions for analysis as well as their weighted average. Findings from the analysis shows that Venture capital makes it easy to obtain loans having scored an average weight of 3.712. Moreover, venture capital requires less and stringent collateral unlike banks based on an average weight of 3.4464. Responses also showed that Venture capital provides cheaper loans that enhance micro business profitability which is based on an average weight of 3.3214 while an average weight of 3.6786 was obtained for Venture capitalist provides more guarantee of lease financing. Findings from the analysis further provides that Poor knowledge on Venture capital limits ability of micro business to raise fund to develop their businesses which has a weight score of 3.4464. It can be deduced from the above that venture capital can

contribute significantly to micro business growth if given adequate recognition and patronized by business owners.

From the results, except for the fact that small and micro businesses do not place much importance on venture capital all the other responses shows that venture capital is an importance source of fund for financing any form of business.

5.0 Conclusion

In Nigeria, small and micro businesses form the largest business enterprise employing well over 60% of the total working class in Nigeria. It is also the commonest of the business type existing in Nigeria. Despite the importance of the enterprises certain factors were found to limit their growth depending on the economic condition of the host nation. In Nigeria, the major problems of small and micro businesses in Nigeria were found to be lack of access to capital.

Venture capital is an important source of capital for small and micro businesses in Nigeria. Therefore, there should be proper enlightened campaign through the mass media to promote the services of venture capital firms in Abia State and in Nigeria. Venture capital firms should be reformed to make the industry stronger and more effective in propagating small and micro businesses to bigger businesses.

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QUESTIONNAIRE

1. Venture capital is relatively a new financial instrument in Nigeria?

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐ (d) Disagreed ☐
(e) Strongly disagreed ☐

2. Venture capital is an easy source of capital for business firms in Nigeria.

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐ (d) Disagreed ☐
(e) Strongly disagreed ☐

3. Venture capital requires less and stringent collateral unlike banks

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐
(d) Disagreed ☐ (e) Strongly disagreed ☐

4. Policies provided by traditional banks limits access to capital by SMES.

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐
(d) Disagreed ☐ (e) Strongly disagreed ☐

5. Venture capital provides cheaper loans ☐ enhance micro business profitability.

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐
(d) Disagreed ☐ (e) Strongly disagreed ☐

6. Venture capitalist provides more guarantee of lease financing?

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐
(d) Disagreed ☐ (e) Strongly disagreed ☐

7. Government has made serious efforts in encouraging venture capital in Nigeria.

- (a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐
(d) Disagreed ☐ (e) Strongly disagreed ☐

8. Many firms have succeeded through government encouragement in provision of venture capital.

(a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐

(d) Disagreed ☐ (e) Strongly disagreed ☐

9. Poor knowledge on Venture capital limits ability of micro business to raise fund to develop their businesses?

(a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐

(d) Disagreed ☐ (e) Strongly disagreed ☐

10. Small scale industries place important concern to venture capital.

(a) Strongly agreed ☐ (b) Agreed ☐ (c) undecided ☐

(d) Disagreed ☐ (e) Strongly disagreed ☐

Effect of Market Orientation on Firm Profitability of Sachet Water Companies in Anambra State

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Abstract: The study examined the effect of market orientation on firm profitability of sachet water companies in Anambra state. The research design used for this study is a descriptive study. This enabled the researcher to generate first hand data for the study and for the test of hypotheses. Questionnaire and semi structured interview were used to collect data from manager-owners and other key officers in the selected firms. The population of the study was 2540 staff, and a sample size of 486 was determined using Godden formula, 462 were retrieved. Statistics such as frequency count and percentages were put to use in the analysis of research questions while research hypotheses were tested using ANOVA with the aid of Statistical Package for Social Sciences. From the analyses tested, the study found that, Customers focus has no significant effect on firm profitability of sachet water companies in Anambra state. ($T=.579$, $P=.000$). Competitor focus has significant effect on firm profitability of sachet water companies in Anambra State. ($T=6.480$, $P=.000$) Inter-functional coordination has significant effect on firm profitability of sachet water companies in Anambra state. ($T=10.118$, $P=.000$). This study concluded that market orientation had significant positive effect on firm profitability of selected sachet water companies in Anambra state Nigeria. The study recommended that Firms are encouraged to enhance and practice market orientation as to improved firm profitability. This will help to improve their profitability level.

Keywords: Market orientation, firm profitability, Customers focus, Competitor focus, Inter-functional coordination

1 Introduction

The concept of market orientation (MO) was derived and coined from the word entrepreneurship orientation and strategic management literatures. Hence, the notion has grown very rapidly in a complex, dynamic and competitive business environment Akande, et al (2019). Therefore, the prominence of market orientation (MO) has been discussed by numerous past researchers ((Oseyomon, & Gbandi (2014), Akande, Inegbedion, Ighodalo, Ojelade, & Nwaogu, (2019) Neneh, (2016), Hassen, & Singh, (2020). Kabuoh, Moibi Ademilua & Sunmola., (2020)).

Market orientation is a marketing idea that is based on a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the significant position of marketing in communicating the needs of the market (customers) to all major business departments in organizations (Kurt, Sonja & Sonja, 2006). The issues that are apparent from the above statement include customer focus, co-ordinated marketing, profitability and customer satisfaction.

Customer needs and prospect develop over time and delivering constantly high quality products and services and openness to changing market needs often calls for the introduction of new products and services together with innovation capability for a firm. Market orientation has also been described as the performance of marketing activities designed to satisfy customer needs better than competitors are able to satisfy customer needs (Martin and Grbac, 2003). While there is some variability in conceptualizations of market orientation, it typically focuses on three components; (1) customer focus, (2) competitor focus and (3) interfunctional coordination (Celuch et al, 2002).

Customer Focus

Customer orientation is the ample thoughtful of one's target buyers to be able to generate greater value for them incessantly (Levitt, 1980). Because the marketing concept encourages a business to be forward looking, a customer-focused business is likely to be more interested in long-term business success as opposed to short-term profits. Firms emphasizing customer-focused intelligence gathering activities at the cost of competitor information may be classified as "customer preoccupied". Because the marketing concept promotes putting the welfare of customers first, many researchers (Narver and Slater, 1990, Levitt, 1980, Kenosi et. al. 2011) considered customer-focus to be the most fundamental aspect of corporate culture (Deshpande, Farley and Webster 1994, Lawton and Parasuraman 1980).

Competitor Focus

Competitor orientation means that a seller understands the short-term potency and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors (Aaker 1988, Day and Wensley 1993; Porter 1980). Competitor-focused firms seek to identify their own strengths and weaknesses and to keep pace with or stay ahead of the rest of the field. Because such competitors may frequently alter their strategic emphasis, a close monitoring of competitors is difficult yet important in a hostile environment (Porter, 1980).

Inter Functional Coordination

Inter functional coordination is the coordinated utilization of company resources in creating superior value for target customers (Porter 1980, Narver and Slater, 1990). Inter functional coordination is based on the customer and competitor information and comprises the business's coordinated efforts, typically involving more than the marketing departments to create superior value for the buyers.

Over the past decades, market orientation and firm performance have attracted significant attention from marketers and development experts, and have been debated extensively. Several studies were carried out on market orientation though, with mixed findings from different authors Oseyomon, & Gbandi (2014) revealed a mean index score of 2.3 measured against a scale of 5. This implied that the extent of customer satisfaction was below average. Akande, Inegbedion, Ighodalo, Ojelade, & Nwaogu, (2019). The results revealed that product innovation had a positive relationship and significant effect on performance of return of sales and profit in paint manufacturing firms Neneh, (2016) MO-performance relationship is positively moderated by market turbulence and negative moderated by technological turbulence and competitive intensity. Hassen, & Singh, (2020). The findings revealed that small and medium enterprises

need to be more market oriented to realize superior performance. Kabuoh, Moibi Ademilua & Sunmola, (2020). Findings revealed that Market Orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. Ogbonna, & Ogwo, (2013). The research findings show that the insurance firms that engage in market orientation recorded progress while those that have not applied this strategy experience low performance. Keelson, (2012). The four components of market orientation were found to have statistical significance correlation with both economic and non-economic performance of business.

The differences in findings might be as a result of model specification, geographical differences, the type of data used and type of method of analysis employed. Against this back drop, the present study will improve on the previous study on the following ground; firstly, this study will use an updated literature on the effect of market orientation and firm profitability. Secondly, it will be carried out in Nigeria to ascertain the true situation since the results of some of the reviewed empirical studies done were conflicting. Thirdly, the study will sought to adopt regression Analysis through SPSS package to critically examine the effect of market orientation on firm profitability of sachet water company in Anambra state..

2. Literature Review

Theoretical framework

The study is anchored on dynamic capabilities theory. From the dynamic capability approach, Teece et al. (1997) recognized the dynamic capabilities theory (DCT). This theory is “an extension of the resource-based theory that was introduced to give details how firms can build up their potential to adapt and even capitalize on the rapidly changing technological environments” (Montealegre, 2002). The basic foundation of the energetic capabilities viewpoint is that the “efficient use of an organization’s characteristic capabilities possibly will bring a sustainable aggressive advantage and better performance accomplishment in the present unstable business condition” (Teece, Pisano, & Shuen, 1997). Voola and O’Cass (2010) explain MO as “the set of managerial capabilities that facilitates to serve up targeted clients and observe the organization’s competitors more professionally”. Precisely, this study is alarmed with the linkage that exist between Market Orientation (MO), and firm profitability. Thus, the DCT was found to be an appropriate theoretical foundation for this current study.

Empirical Review

Oseyomon, & Gbandi (2014) determine the extent to which customers of quoted companies in Nigeria are satisfied with the products (goods and services) of quoted companies. Purposive sampling method was used to select a total sample size of fifty (50) companies. Through the techniques of simple random sampling, a total number of two thousand, two hundred and twenty (2,220) customers were selected from the quoted companies. Index and mean index methods were used to measure the level of customer satisfaction. The results obtained from the analysis revealed a mean index score of 2.3 measured against a scale of 5. This implied that the extent of customer satisfaction was below average. The study recommends that quoted companies in Nigeria should be customer-oriented in order to serve their customers better

Akande, Inegbedion, Ighodalo, Ojelade, & Nwaogu, (2019) evaluated the effect of innovation orientation strategy on performance of paint manufacturing firms in Lagos state with special reference to quoted paint manufacturing firms in Lagos state, Nigeria. Secondary data were adopted from both internal financial records and audited financial reports of selected firms from a period of 2012-2017. Purposive sampling techniques were used to select eight (8) of the quoted firms. Data collected was analyzed using Descriptive statistics while non-parametric statistical test such as regression analysis and ANOVA were used to test the formulated hypothesis. The results revealed that product innovation had a positive relationship and significant effect on performance of return of sales and profit in paint manufacturing firms ($R^2=0.795$, $P=0.000$, $F=34,400$). Technological innovation had a positive relationship and significant effect on performance of sales and profit in paint manufacturing firms in Nigeria ($R^2=0.776$, $P=0.000$, $F=33100$). Therefore, market and distribution innovation had a positive relationship and significant effect on performance of sales and profit ($R^2=0.605$, $P=0.000$, $F=31300$). This study concluded that entrepreneurial innovative orientation had significant effect and relationship on performance of selected paint manufacturing firms in Nigeria. Therefore, the study recommended that entrepreneurs and management of paint manufacturing firms should promote innovative and proactive culture in order to take advantage of new market emerging dynamics and opportunities in the paint industry.

Neneh, (2016) investigated the impact of market orientation on small and medium scale enterprises performance, as well as the moderating effects of the external environment on the MO- performance nexus. Using data from South Africa, this study showed that two of the three dimensions of market orientation (i.e. customer orientation, competitor focus) are significant drivers of business performance and that the market orientation -performance nexus is moderated by the external environmental factors. Specifically the MO-performance relationship is positively moderated by market turbulence and negative moderated by technological turbulence and competitive intensity. The study culminates with theoretical and practical implications that can be valuable for scholars and businesses operating in South Africa.

Hassen, & Singh, (2020) investigated the effect of market orientation on the performance of small and medium enterprises in case of Amhara Region, Ethiopia. Primary data was collected from a total of 250 owners/managers of small and medium enterprises using structured questionnaire. A multivariate data analysis technique of structural equation modelling was employed to analyse the data. The result indicated that customer orientation and interfunctional coordination dimensions of market orientation are significantly and positively affected small and medium enterprises performance. However, competitor orientation dimension was not found to have a positive and significant effect on the performance. The findings revealed that small and medium enterprises need to be more market oriented to realize superior performance. In addition, the different beta coefficient of market orientation indicated that new business ventures are highly recommended to conduct a market orientation profile and take care in investing their scarce resources. Moreover, the mixed results indicate that firms are advised to replicate market orientation to score superior performance with due care in considering the contexts and time in the industry they are operating and match strategies with their internal resources and core competencies.

Kabuoh, Moibi Ademilua & Sunmola,. (2020). examined the effect of market orientation on profitability of selected fast-moving consumer goods companies in Lagos state, Nigeria. The

study adopted cross-sectional survey research design .The population comprised 18, 382 staff of five leading selected FMCG. The Research Advisors table was used to determine a sample size of 491. A validated questionnaire was administered for data elucidation. The Cronbach's alpha reliability coefficients of the constructs ranged from 0.732 to 0.851. The response rate was 86.2%. Data were analyzed using descriptive and inferential statistics. Findings revealed that Market Orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. ($R = 0.059$, $R^2 = 0.003$, $F(1,421) = 1.469$, $P > 0.05$). The study concluded that market orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. The study recommended that FMCG companies should strategically imbibe effective benchmarking through SWOT analysis to achieve desired profitability.

Ogbonna, & Ogwo, (2013). examined the effect of market orientation on corporate performance of insurance firms in Nigeria. The specific objectives of the study include determining how the various indices of market orientation like customer orientation, competitor orientation and inter functional coordination have influenced the corporate performance of these insurance firms. This study adopted a survey research methodology to examine the market orientation strategies of insurance firms in an attempt to attain their desired performance potential. The hypotheses in the study were tested using Spearman's Rank correlation coefficient (r), multiple regression and partial correlation analyses to determine the strength of relationships and effects of dependent/independent and moderating variables respectively. Fifty two respondents of the insurance firms indicated that there was a positive relationship between market orientation and corporate performance in the insurance industry. The result also revealed that age of the firm and market information system has weakly moderate the relationship. The research findings show that the insurance firms that engage in market orientation recorded progress while those that have not applied this strategy experience low performance.

Keelson, (2012) examined the association between market orientation and business performance in a larger market context, using a synthesis model approach. Using the survey approach 24 companies out of 37 listed companies participated in the quantitative study; where 72 senior officials were surveyed from August 2011 to September 2011, through a five-likert scale questions. In this preliminary analysis, correlation analysis was used to measure the association between antecedents of market orientation and components of market orientation; as well as the link between market orientation components and business performance of firms. The findings indicated that top management factors on the average had statistical significant relationship with market orientation; organizational factors related highly with market orientation; and external factors also had statistical significant relationship with market orientation. Similarly, the four components of market orientation were found to have statistical significance correlation with both economic and non-economic performance of business. Thus, the results implied that the overall performance of listed companies in Ghana is linked to market orientation

Byihinmoyan, & Akinyele,. (2000) examined the issue of interrelationships between market orientation, firm innovativeness and innovative performance. Three dimensions of market orientation, namely collection and use of market information, development of market oriented strategy and implementation of market oriented strategy are measured. Factor analysis used to validate the measures of market orientation, firm innovativeness and innovative performance. A

correlational analysis is performed to determine whether market orientation is associated with firm innovativeness and innovative performance.

Udegbe & Udegbe (2013) addresses the issue of interrelationship between market orientation, firm innovativeness and business performance of companies in Nigeria with specific focus on the following dimensions of market orientation variables; collection and use of market information, development of market oriented strategy and implementation of market oriented strategy. This study used both primary and secondary data. The primary data were obtained with the aid of a questionnaire, while the secondary data were obtained from extant literature. The primary data was collected from marketing managers, operation managers, and executive managers of a sample of 400 companies in Lagos, Nigeria. Three copies of the questionnaire were administered in each of the 400 companies that served as the sample. The respondents were selected based on convenience sampling method. The selected 400 companies were stratified into the categories of services, manufacturing and others. Out of the total sample of 1,200, 843 useable questionnaires were returned representing a response rate of 70.25%. Factor analysis is used to validate the measures of market orientation firm innovativeness and organizational performance. The research instrument showed high reliability and validity. A correlational analysis is performed to determine whether the market orientation practices are associated with firms innovativeness and business performance. The major findings of the study are as follows: collection and use of market information, development of market-oriented strategy, implementation of market-oriented strategy, and firm innovativeness are correlated with the business performance. These findings are consistent with previous findings on the subject

3. METHODOLOGY

3.1 Research Design

The research design used for this study is a descriptive study and the cross-sectional survey method was adopted for this study. This enabled the researcher to generate first hand data for the study and for the test of hypotheses. The area of this study is Anambra state. The capital and seat of Anambra is Awka, while the commercial hub of the State is Onitsha and industrial city of the state is Nnewi. Anambra State consists of 21 local government areas, with three senatorial districts such as Anambra North, Anambra South and Anambra central. The sources of data for this research were mainly primary data and secondary data.

3.2 Population of the Study

The population of this study comprised registered sachet water companies in Anambra state, Nigeria (Ministry of trade, commerce and industry, Awka, 2019). However, 60 sachet water companies were selected from the four major cities in Anambra state namely; Awka, Ekwulobia, Nnewi and Onitsha. These 60 sachet water companies were purposively sampled for this study because they have the specific employees who can provide the desired information and they conform to the criteria of the researcher.

Thus, the study population for this research comprises all members of staff (Middle and lower level) of the 60 sachet water companies selected because of the level of organizational structure. The population of the 60 sachet water companies' employees in Anambra state as obtained by the researcher from these companies was 2,540.

3.3 Sample Size Determination

The sample size for the study was mathematically determined using Godden (2004) formula. This mathematical method is given as:

Infinite population formula:

$$n = \frac{z^2 pq}{c}$$

Where:

- SS n = sample size
 z = z-value (eg. 1.96 for a 95% confidence level)
 p = percentage of population picking a choice, expressed as decimal usually 0.5 is chosen
 C = confidence interval, expressed as decimal (eg. 0.04 = +/- 4 percentage points)

A z-values (Cumulative Normal Probability Table) represent the probability that a sample will fall within a certain distribution.

The z-values for confidence levels are:

1.645 = 90 percent confidence level

1.96 = 95 percent confidence level

2.576 = 99 percent confidence level

Thus,

$$SS = \frac{3.8416 \times 0.5 \times 0.5}{(0.04)^2} = 600$$

Sample size – finite population (where the population is less than 50,000)

New sample size:

$$New\ SS = \frac{SS}{1 + \left(\frac{SS - 1}{Pop}\right)}$$

Pop = population (2,540)

Thus, substituting in the above equation, we have;

$$\begin{aligned} New\ SS &= \frac{600}{1 + \left(\frac{600 - 1}{2540}\right)} \\ &= \frac{600}{1 + \left(\frac{599}{2540}\right)} \\ &= \frac{600}{1 + 0.2358267717} \\ &= \frac{600}{1.2358267717} \\ &= 485.50 \quad 486 \end{aligned}$$

3.4 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).

4. PRESENTAION AND ANALYSIS OF DATA

This chapter presents the data obtained from the respondents through the administered questionnaire. Four hundred and eighty-six (486) copies of the questionnaire were administered. However, four hundred and sixty-two (462) copies were retrieved. 98.4% was the percentage rate of returned questionnaire; therefore the analysis and interpretation of data were only based on the returned copies of the questionnaire.

Table 1: Summary of Respondents Demographics
(n = 462)

Characteristics	Frequencies	Percentage
Gender		
Male	238	51.5
Female	224	48.5
Total	462	100
Status		
Married	252	54.5
Single	100	21.6
Divorced	42	9.1
Separated/widow	68	14.7
Total	462	100
Age		
18-20	122	26.5
21-25	205	44.5
26-30	54	11.7
31-35	28	6.1
36-above	52	11.3
Total	462	100

Source: Field Survey, 2021.

4.1 Respondents' Demographic Variables

Gender Distribution (SEX): The gender distribution constitutes a larger chunk in favour of male, accounting for about 51.1%, while female account for about 48.5%

Status: majority of the respondents are married at the time of this study. 54.5% of them were married while 21.6% were single, Divorced were 9.1 %, Separated/widow accounted for 14.7%

Age of Respondents: Interestingly, the respondents were in the selected areas in their early twenties and early thirties and above from the selected sachet water company

4.2 Empirical Analysis

The researcher employed ANOVA methods to explain the relationship between dependent and independent variables.

Table 2 path coefficient of determination and its significance

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.905	.072		12.498	.000	.763	1.047
1 CUFO	.021	.036	.028	.579	.563	-.050	.091
COPO	.215	.033	.297	6.480	.000	.150	.281
INTFCO	.356	.035	.500	10.118	.000	.287	.425

a. Dependent Variable: PROF

Table 3 Model Summary

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	.762 ^a	.581	.578	.80759	.581	211.063	3	457	.000	1.651

a. Predictors: (Constant), INTFCO, COPO, CUFO

b. Dependent Variable: PROF

4.3 Interpretation of the Result

Coefficient of determination, this is called the goodness of fit. It explains the percentages, proportion or total amount of variations in the regreesand or dependent variables as a result of changes in the regressors or independent variables included in the model. This will portray the usefulness significance of the regression. The closer its values are to 1 the better the fit since it is usually 0-1. From our regression result in table 2 R^2 is .76%. This implies that the independent variables can explain about 76% of the variable in the dependent variable, leaving the remaining 14% which would be accounted for by other variable outside the model.

The adjusted R^2 is 58.1% meaning that even with an adjustment in the independent variables, they can still account for about 58.1% of the changes in the dependent variables.

The F- statistics, this is used to test for the overall significant of the model. . From the result in table 2 above, our computed value of F- statistics is 211.063, while the probability is 0.000. 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.

The a' priori criteria which is determined by the existing business theories and indicates the signs and magnitude of the business parameter under review. In table 4.3 above, we found out that customers focus has a positive sign given its value as .036, this implies that a unit increase in customers focus increases the firm profitability by 36%, this conform to our a' priori expectation. Competitor's focus has a positive sign and its value is .033 this implies that a unit increase in Competitor's focus increases firm profitability by .033%, this confirm to our theoretical expectation. Inter-functional coordination has a positive sign and its value as 035, this implies that a unit increase in Inter-functional coordination increases the firm profitability by 035%. This conforms to our a'priori expectation.

T- Statistics, this is carried out to know the significant 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 significant. It was discovered that customers focus is statistically insignificant, this implies that it has not contributes significantly to firm profitability.

Competitor focus is statistically significant at 5% level of significant this implies it is one of the determining factor of firm performance. Meanwhile, inter-functional coordination is also statistically significant it is second to highest among all showing that it plays a significant role on firm profitability.

Test for autocorrelation, this is to test whether errors corresponding to difference observations are uncorrelated. It checks the randomness of the residuals. 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 1.651 revealed no autocorrelation in the models. Hence, the result is good for the analysis

4.4 Test of Hypotheses

Here, the four hypotheses formulated in chapter one was tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variables on the dependent variables.

Hypothesis One

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

Ho: Customers focus has no significant effect on firm profitability of sachet water companies in Anambra state

Drawing inference from our regression result in table 4.3, we found that the value of Customers focus is .0579, while its probability is .563, this shows that Customers focus is statistically significant on firm performance. Furthermore since its probability (.563) is less than 0.05% level of significance, we reject the null hypothesis (H0) and accept alternative hypothesis (H1) which says that Customers focus no has significant effect on firm profitability of sachet water companies in Anambra state.

Hypothesis Two

Ho: competitor focus has no significant effect on firm profitability of sachet water companies in Anambra state

From table 4.2 above, we find out that computed value for Customers focus is 6.480 while it's probability is 0.0251 this shown that the competitor focus is statistically significant at 5% level of significant. Based on this analysis we accept (Hi) and reject (Ho), which implies that competitor focus has significant effect on firm profitability of sachet water companies in Anambra state

Hypothesis Three

Inter-functional coordination has no significant effect on firm profitability of sachet water companies in Anambra state

Inter-functional coordination is 10.118 while it's probability is .000 this shows that the Inter-functional coordination is statistically significant at 5% level of significant. Based on this analysis, we accept (H_i) and reject (H_o), which implies that Inter-functional coordination has significant effect on firm profitability of sachet water companies in Anambra state

5. Conclusion and Recommendation

In conclusion, this study has provided priceless in-sight as to how market orientation is an vital to firm profitability and a basis of viable advantage for businesses. From the discussion, it is apparent that sachet water firm will perform well if market orientation is improved and practiced. Sachet water owners/mangers necessitate incorporating market orientation as part of their organizational culture and viewpoint since it has been found to enhance their business performance. This can be achieved if clients and their needs are prioritized, and customer information successful disseminated amongst Sachet water owners/mangers and their employees. Yet again, Sachet water owners/managers need to constantly scan the environment to comprehend the strength and weaknesses of their current and possible competitors, as well as the value chain of buyers so they can be able to create better value to customers on a continuous basis. However, the pursuit of finding solutions to the depressing performance of Sachet water should not be limited to only providing financial support, but also to make sure that they extend and provide training programs that will train and equip Sachet water owners/managers with a market oriented culture and attitude. Firms are encouraged to enhance and practice market orientation as to improved firm profitability

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Customer Education and Brand Performance of Pharmaceutical Companies in South-South, Nigeria

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Abstract: *This study examined customer education and brand performance of pharmaceutical companies in South-South, Nigeria. The study used the purposive sampling technique to select fifteen (15) elements from marketing, sales and customer service departments of each firm. These were seen as the elements in a better position to provide the necessary research information for the study. From computations, the number gotten was sixty (60). This served as the sample units (the respondents) that participated in the study. However, from the sixty (60) questionnaires distributed, fifty four (54) representing 90% were returned, valid and used for the analysis, while six (6) representing 10% were not returned. The data collected for the study was analysed and hypotheses were tested using Spearman's correlation coefficients. The study found a significant association between the variables of the study. Based on the findings, the study concludes that, a strong and positive association exists between customer education and brand performance. As such, it is recommended that; pharmaceutical companies that seek to improve on their brand performance should consider customer education. Pharmaceutical companies should regularly educate customers about their offerings to improve brand awareness, preference and reputation.*

Keywords: *Customer Education, Brand Performance, Brand Awareness, Brand Preference, Brand Reputation*

INTRODUCTION

The environment of business recently is characterized by rapid development of information technology coupled with recent, faster and more efficient ways to help marketers communicate with their audience in an exceptional way. Being in an era of intense competition where everyone is striving for a better position, organizations are necessitated to differentiate their products. This can also be achieved through branding.

The capacities of organizations to significantly affect their business situations are possible through the introduction of their own brands. Hence, this has become a measure for the distinguishing proof of its products and business ventures. Organizations are seen to have taken advantage of branding as a method by which they can improve their own performance as well as gaining loyal customers. They now have expanding patterns in making a brand for their own items. This gives their customers higher opportunities to identify them, and also help encourage

or champion the introduction and improvement of marketing policies, together with giving them the chance to get through new markets.

According to Gupta and Zeithaml (2006), the fortunes of a firm rely on how well its brands perform in the marketplace as this is a priority to the attainment of marketing goals. An optimal brand performance begins with effectively exposing the brand to a target audience, so that required engagement can be created in the long run. In 1977, Honebein defined customer education as “the process by which companies systematically share their knowledge and skills with external customers to foster the development of positive attitudes”. This means customer education is not limited to exposing skills to business professionals alone but also individuals and exposing skills to individuals remains one of the best form of keeping customers engaged. The positive attitudes are evident in every stage of the decision making process, which eventually leads to a better ability to use a product. Aubert et al (2005) shifted the meaning of the term to the online sphere. He saw Customer Education as “a peripheral service dedicated to help consumers of online services to better understand the process (how to use the service) and the content (what is the service).

The pharmaceutical industry on its part is seen to be different from other markets (Kay, 2017), and current societal challenges play a major role in this. As life expectancy increases by the day, people now pay more attention to their health as more is seen to be spent on medication than before. This has placed the pharmaceutical industry under pressure (Moschis & Friend, 2018). Being Africa’s largest consumer market, Nigeria is seen as the next frontier for pharma after South Africa (Tania, et al 2017). In the midst of the economic downturn that has cast a different light on the prospects of the pharmaceutical industry, Nigeria still offers an attractive opportunity for firms that have realistic expectations together with the ability to tailor creative strategies in the local context that suits patient’s journeys. However, the economic setbacks and the sensitive nature of consumers have made some firms in the industry wonder if robust growth is still attainable. This comes as a result of the low patronage experienced by some firms in the industry. In 2019, Ogundipe and Obinna’s report in the Vanguard Newspaper indicates that most pharmaceutical companies are not successful today because of customer’s preference on foreign-made drugs over locally made ones. In the report, Pharmatex Company explained how the low performance by brands in the pharmaceutical industry in Nigeria is described as a big threat to the survival of the industry.

According to Yasin and Ozen (2016), despite the increasing level of health-related information available on the internet, it still appears that many health care consumers need assistance in understanding product information as consumers are seen to be confused and sometimes afraid when presented with drugs that are unpopular and yet to be experienced. Delorme (2017) claimed that though TV, radio, newspaper, product leaflets, and in store adverts help consumers in gaining product information, it has limited impact on pharmaceutical brand choices and level of exposure. That notwithstanding, studies have shown how customer education has helped in improving brand performance if properly applied. This however, has not ruled out the evidence of poorly performed pharmaceutical companies despite having some of these firms engaging the strategy. Based on the foregoing, the study sought to find out the association between customer education and Brand Performance of pharmaceutical companies in South-South, Nigeria.

LITERATURE REVIEW

Theoretical Foundation

This study is based on **Diffusion of Innovations Theory**. This theory was developed by Everett M. Rogers in 1962. It appeared in communication and gives an explanation on how an idea or product gains impetus and spreads through a population or social system over a period of time. Being part of the social system, people adopt new ideas, behavior or product as a result of this diffusion. Adoption entails altering previous performances like acquiring a new behavior, buying or using a new product etc.). Diffusion is seen to be possible only if individuals perceive ideas, behaviors, or products as new. In a social system, adopting an innovation does not happen simultaneously, it is rather a process where some individuals adopt the innovation more quickly than others.

The diffusion of innovations theory examines the manner new ideas, practices, and objects spread among a network of people via interpersonal and mass communication. Four main elements are used to describe this. The first is the *innovation* that entails idea, practice or object seen as new by people or other units of adoption which are relevant. The second element is the *channel* through which communication takes place. The third element considered is the time period. Diffusion of innovation is said to happen *overtime* and among the members of a *social system* (Rogers, 1976). In their study on the adoption rate of new medical procedures of rural doctors, Rogers and Singhal (1996) discovered how ideas are passed between social groups, and noted that word of mouth communication can fit into the diffusion model when connected to interpersonal communication and in a case where mass communication is involved. According to Rogers (1962), diffusion of innovations happens when consumers go through “a mental process through which an individual passes from first hearing about an innovation to final adoption”. Consumers have the privilege to make their own decisions about the information they receive. This will help them decide whether or not they will adopt the innovation given the meanings and consequences of other decisions. Individuals go through stages of decisions such as problem observation, analyzing the problem, deciding the courses of action available, taking action, and accepting the consequences that come as a result of those decisions, before they can be seen as individuals who have completed an adoption (Rogers, 1962).

Typically, Consumers adoption rates tend to be different. According to Rogers (1995) they are classified as innovators (about 2.5 percent of the population), early adopter (about 13 percent of the population), early majority (about 34 percent of the population), late majority (about 13 percent of the population), and laggards (about 16 percent of the population). Each of them holds numerous, but different features along the adoption curve. This is an indication that diffusion of innovation is not just a technical matter, but a social process. Ideas are also regarded as innovations, hence the consideration of viral marketing as an innovation. Just as new products can be diffused among consumers, viral marketing can also be diffused through agencies. Here, the public relations agencies are consumers trying out viral marketing for the first time. Haven examined post-adoption attitudes of internet advertising, focusing advertising and public relations industries, Rodgers and Chen (2002) x-rayed an important aspect of this theory. They pointed out that the innovation adoption relies on relative advantage and complexity. Relative advantage refers to the manner in which an adopter sees the innovation to be superior to other previous methods of completing a task. Complexity on the other hand refers to the level of difficulty of use and implementation of the innovation in the perspective of the adopter. These

two factors play a large role in deciding if an agency would adopt viral marketing. In a case where a relative advantage and low complexity is perceived by the practitioner, customer education will be likely adopted, and vice versa.

Concept of Customer Education

There has obviously been an interest in customer education for decades, but academics seem to pay little attention to the concept. Hennig-Thurau, Honebein and Aubert (2005) noted that academic research on the concept was scarce. The concept is therefore analyzed using both conceptual and empirical studies which are related to company sponsored education. Meer (1984) saw customer education as ‘any purposeful sustained and organized learning activity that is designed to impart attitudes, knowledge or skills to customers or potential customers by a business or industry’. These activities are directly related to the promotion of sales or the assistance of customers in product usage. The activities are also geared towards ensuring customers become aware of products; make better purchase decisions, and more satisfied with a company’s products. Munshik et al (2015) noted that Customer education can be delivered via different educational programs like seminars, professional advice, forums, blogs, advertising, and booklets.

Customer education is also the “active involvement of customers in all aspects of training efforts”. I.e. educating customers come in the form of both academic and practical courses. This is better targeted at business professionals in both pre-purchase and post purchase phase. When customers are actively involved in every aspect of training, the result is not only about having an understanding of the product(s) but also having a better understanding of the business environment of their suppliers. This will enhance the quality of the association between a company and its customers. Customers here will also express greater commitment to their supplier.

In 1977, Honebein defined customer education as “the process by which companies systematically share their knowledge and skills with external customers to foster the development of positive attitudes”. This means customer education is not limited to exposing skills to business professionals alone but also individuals. The positive attitudes are evident in every stage of the decision making process, which eventually leads to a better ability to use a product. Aubert et al (2005) shifted the meaning of the term to the online sphere. He saw Customer Education as “a peripheral service dedicated to help consumers of online services to better understand the process (how to use the service) and the content (what is the service). This process is seen as the manner in which websites can be used by customers in issuing stock exchange orders. On the other hand, the content involves basic knowledge and skills concerning mechanisms of finance and investment.

Customer Education on this path focuses on knowledge and skills that are related to financial aspects and proper usage of online services. After noting that customer education refers to a “company’s role in providing consumers with the information, skills and abilities needed to become a more informed buyer”, Apart from active customers, customer education is also targeted at potential customers. This in many cases brings the potential customer to the point of trial, and repeat purchase, as the case may be. As noted by Duymedjan and Aubert (2003), Customer Education entails “a set of pedagogical actions devoted to helping potential or current customers to acquire the knowledge and skills necessary at every stage of experience lifestyle”.

They include; being aware of the company's identity and product value, analyzing needs and buying, ordering, delivery and installations, product usage, troubleshooting, and product upgrade. Hennig-Thurau, Honebein and Aubert (2005) also trod on this part when they explained that Customer Education involves using materials to enhance the skills of customers that help them use the value placed in the product after it is bought. These materials are communicative activities that help in exposing the value in a product. For instance, some products can actually be used in more than one way, but without a proper knowledge on its usage and value, other parts might be neglected.

Honebein and cammarano (2005) opined that customer education is a customer skill building tool, since it helps in increasing the expertise of customers as well as their satisfaction and repeat purchase. In today's modern business environment, customer education is seen to receiving little attention, despite the release of more technologically sophisticated and innovative products capable of leaving customers confused. The full value of a product can only be recognized when customers are educated its uses and benefits. This is the reason customer education is also referred to as customer empowerment. Given the various meanings above, customer education can see to be targeted at individuals and business professionals, both active and potential buyers of a company's product(s). It is also clear that this education is important for both pre-purchase and post purchase phases. Customer education is also seen to be geared towards making customers more aware of products, making better purchase decisions that bring satisfaction, a better understanding of the business environment amongst others.

Concept of Brand Performance

The concept "brand" is often seen to have a distinct identification. On one part it is seen as a name, a trademark, a symbol, a logo, or an identity, and at the other part, brand includes both tangible and intangible attributes of an organization (Prasad & Dev, 2000). According to Franzen and Bouwman (2001), "via branding, a product's functional and sentimental values are effectively encoded in customers' perceptions". While some brands meet or exceed their functional expectations, for one reason or the other, negative sentiments might becloud the customers' sense of judgment regarding the functional capabilities of a brand.

Going by studies that have been carried out in the field of marketing, it is seen that "performance is often used as a dependent variable in most marketing literature" (Tran Quan Ha Minh, 2006). The brand performance can be seen as a factor that is in line with the evaluation of the success of a brand, this can assist brands achieve their goals in the market place. The performance of a brand points out how successful a brand is in the marketplace and seeks to evaluate the strategic successes of a brand (Kapferer, 1997). It was stressed that brand performance describes how well the product or service meets customers' more functional needs. In other words, the performance of a brand is seen in terms of meeting the primary or basic need of the customers. In reality, brands may be on top notch in terms of functionality in the marketplace, and still be lagging behind when returns are expected. These returns can be in the form of customer satisfaction, brand preference, sales volume, return on investment (ROI), profitability etc.

According to Chaudhuri, and Moris (2001), brand performance is the result of desirability and profitability in a brand. For a brand to be termed successful, customers need to long for or desire to possess a brand in a manner that enables the brand to generate revenue in excess of its expenses. Brand performance shows the strength of a brand in the market and is also defined as

the relative measurement of the success of a brand in the marketplace (O'Cass & Weerawardena, 2010). It is mirrored in its attainment of a firm's strategy and goals. This can be done through its market share, sales growth or profitability. With this a brand is termed weak when it doesn't achieve its set objective and strong when objectives are met. It is known that no two firms can have the same brand goals and objectives in a particular period of time, and objectives of a firm can also change from time to time. It can be brand awareness at one point, and top of mind or brand loyalty at another time. For example, 'Brand A' might be gaining awareness while 'Brand B' will be recording massive number of loyal customers. The details here doesn't make 'Brand A' a failure if the objective is to gain awareness at that period of time.

Luu (2017) revealed that "Brand performance is reflected in its attainment of organizational strategy and goals as it can be measured through its sales growth, profitability, and market share". This shows that brand performance involves how a brand succeeds in the marketplace financially and non-financially. On their part, Styles and Ambler (1997) looked at the performance of a brand as comprising functional, psychological and economic benefits for customers. They stressed that economic metrics alone shows inadequacy for the construct "brand performance". In other words, brand performance shows how a brand financially and non-financially succeeds in the marketplace. Overwhelmed with myriads of choices, customers tend to fall back on brands that give them extra satisfaction.

Oliveira-Castro et al (2008) on their part suggested that measuring the performance of brand should be done using both financial and consumer-oriented measures. These measures are seen to be interrelated since consumer-oriented measures like consumer-based brand equity are positively related with financial performance measures. We have examples like revenue and brand market share. Lee et al (2008) also agreed that performance should be done using both financial performance measures like market share, sales growth and return on investment as well as customer-based performance measures like customer maintenance, customer acquisition, customer satisfaction, brand loyalty etc. Coleman et al (2015) recommended customers awareness and reputation, loyalty, relative satisfaction, finance (net profit and revenue-based market share) and employees (employee loyalty and satisfaction) as means of assessing service brand performance. Adding to the measures of brand performance established by academics, commercial research organizations have also come up with brand performance models on the basis of financial performance measures like return on investment and revenue employed by Forbes (Badenhausen, 2017). When comparing brands with competitors, some researchers emphasized on the efficacy of consumer-based measures because of its accuracy in getting consumers opinions about when compared against financial data of that brand. An example of this can be seen when Johansson et al (2012) exposed how consumer-based brand equity outperform financially-based brand performance measures in determining the performance of GBs in the financial crisis of 2008. According to Rust et al (2004), as far as marketing productivity is concerned, financial metrics have proven to be inadequate. This birthed and increased the use of non-financial metrics. It was further seen that academic studies (e.g. De Chernatony et al 2004, Dawes 2009; Çifci, et al 2016; Dawes 2009) and commercial research organizations (e.g. EquiTrend, Brand Asset Valuator, the Global Brand Simplicity Index and the Future Brand,) advocate consumer-based brand performance measures. This study focused on brand awareness, brand preference, and brand reputation as the measures of brand performance.

Brand Awareness

Brand awareness is seen to have a super definition that embraces brand acquaintance and recall of information and ideas about a brand. Simply put, the brand awareness involves a brand taking a useful place in the minds of the consumers when compared among competitors' brands. It can be referred to "a marketing term that describes the degree of consumer recognition of a product by its name" (Kopp, 2020). The creation of brand awareness helps in the promotion of new products and also in the revival of older ones, since it has the power of holding consumers to acknowledge a brand in the midst of other brands (Horsfall & Ubaka, 2018). The extent of a brand's awareness may well be included as the quality that differentiates a product from that of competitors. Brand awareness also refers to the capacity of consumers to recognize or remember a brand. It can also be defined as "the probability that, consumers are familiar about the availability and accessibility of a company's product and service" (Malik, et al., 2013). It determines purchase decision because customers make purchase decision on the bases of the brands in there evoke as well as consideration set. According to Lee, et al (2008), "brand awareness is seen as a prerequisite of peoples' buying decisions". It is known that what an individual is aware of is what he thinks of. A company's successful brand awareness indicates a good reputation and acceptability of the brand in the marketplace (Gustafson & Chabot (2007). While purchasing a product, brand awareness plays an important role since it has control on perceived risk evaluation of consumers as well as the extent of assurance about the purchase decision. While making a purchase decision, there must be a consideration of a brand, without a consideration, there won't be anything to choose (Baker W, J, & Nedungadi, 1996).

Brand awareness "helps in creating a great association in memory about a particular brand" (Stokes, 2005). It involves the extent a brand occupies the mind of the customer. In order to create a strong brand image in the mind of the consumer, the creation of an optimistic brand assessment, accessible brand approach, and a brand depiction that is reliable is required (Farquhar, 1999). Percy (1987) asserted that the importance of brand awareness by making it bare that without brand awareness, there won't be communication, and without communication no transaction will take place. There are cases where some consumers decide to buy only famous brands. Brand awareness begins with a process where the brand is just known to a particular level up till when it has gotten to a higher rank; it becomes the "top of mind" (Aaker, 1991). There are very few purchase decisions that can be done without knowledge about the product. Moreover, without being recognized, learning about the features and advantages of a brand will be difficult. Product identification makes it easy to create a new association with the product. Familiarity is what people like, and knowledge makes the product and brand more well-known and familiar.

Brand Preference

In highly competitive businesses, brand preference is seem to be indispensable. For a business to stand out its brands must be preferred among others else customers might not repeat a purchase. The indispensable nature of brand preference has made practitioners and researchers to have a spotlight on the concept. Brands are distinguishing features of products, and they are important to individuals buying the product. A product's functional value might satisfy the customers but if the brand is not their favorite, they may not consider buying the product again (Steenkamp, et al., 2003).

According to Kalyanasundaram and Sangeetha (2019), Brand preference “means the brand is accepted and preferred over other in the same product category”. This begins with a customer agreeing to try out a product, and afterwards experiences satisfaction after a trial purchase, since a product can actually be accepted at the beginning, and not preferred in the long run when expectations are not met. For this, marketers develop strategies to raise the likelihood that a brand will be activated from the memories of consumers and be added to the consumer’s consideration set also, since he is likely to have a competitive edge in a market when a number of customers have develop preference for its brand.

“Brand preference is a measure of brand loyalty in which a consumer will choose a particular brand in the presence of competing brands, but will accept substitutes if that brand is not available (Amadi & Ezekiel, 2013). This is a selective demand for a company’s brand instead of those of competitors. It is the degree to which consumers prefer one brand over another, and the percentage of people who profess a certain brand is their choice. It “represents which brands are preferred under the assumption of equality of price and availability” (Hellier, et al 2003). Organizations however, should understand that in every product category, consumers have more choices, information and higher expectations than ever before. Brands are to deliver on their value preposition and people need to be shifted from customer’s existing preference set, if customers must be moved from trial to preference.

Brand Reputation

One of the main contributors to perceived quality of a brand is its reputation. Since the brand adds credibility, consumers’ expectations on products manufactured today are having a similar quality as those manufactured in the past (Herbig & milewicz, 1995). Having mixed signals (saying one thing and doing another) damages reputation; Customers will not see a brand as reliable and credible when its promises are not delivered. Positive views from individuals are only formed for brands they perceive credible. Incomplete information collected overtime is assessed by this individual, so organizations need to project consistent messages so as to secure the development of a sound reputation. It is difficult to drastically change a brand's reputation over a short period of time. People are seen to classify brands in different categories and have a different opinion on these categories. Furthermore, there is always a time lag effect which is projected to have an influence on the future opinion that consumers form on the brand.

Academics and practitioners believes in the increasingly importance of brand reputation. A positive reputation must be developed if brands must be successful (Herbig & Milewicz, 1995). Brand names can be seen as storehouses for firm's reputation since a good performance on one product can often be transferred to another product through the brand name (Moorthy, 1985). Reputation has become a very popular concept in the business world. This involves whether to believe a company’s claims about its brands. According to Herbig (1997), Reputation is “the estimation of the consistency over time of an attribute of an entity”. A reputable brand is a strong asset to a company; it brings a high degree of loyalty and assurance of stable future sales. It is also a source of demand and lasting attractiveness since the image of superiority and added value is a justification of a premium price. Aperia, (2004) noted that “for brands with high reputation, the ultimate goal must be to strengthen their image, or more specifically, to examine which key traits the loyal consumers attribute to the brand, and unhealthy brands with low reputation need to focus on fixing image problems”. From the company’s perspective, brand reputation remains a long central construct in marketing, it measures the attachment a customer has for a brand. It

shows the likelihood of a customer switching to another brand, especially when there are changes in the features and price of a product. (Aaker, 1991).

Customer Education and Brand Performance

We are constantly reminded by marketing researchers of how vital product usage and consumption is. This has appeared severally as important in research topics and key business issues. a market may find it difficult to expand to its full potential if there are difficulties in using product (Best,2005). Since customers can only appreciate a product's value by using them (Vargo and Lusch, 2004). Most complains customers bring are connected to experience problems encountered when using the product. Rust et al (2004) reported in a study he carried out that home networking products bought were returned by at least 9% of customers, and 85% of the returned products were caused by the inability of customers to get the equipment to work. This brought the importance of educating customers on product usage to the fore. Without this, products might not perform optimally in the marketplace. On this, Vargo and Lusch (2004) opined that customers must be provided with adequate and necessary skills required to use a product. he maintained that customers must learn to use, maintain, repair and adapt the appliance to his or her unique needs, usage situations and behaviours.

Munshik et al (2015) carried out a study on “the impact of customer education on customer loyalty through service quality”. Several hypotheses were formulated and tested to measure the impact of customer education. The study confirmed that customer education plays a vital part in customer loyalty to a brand. According to the authors, “well-educated customers can utilize service more effectively because they understand application more thoroughly and can assess service performance more accurately” there are also chances that well educated customers will achieve higher levels of satisfaction as well as a stronger sense of loyalty for brands. Shih and Venkatesh (2004) also demonstrated that customers who intensely used products were more receptive to and experienced satisfaction with the technology. They recommended that provisions should be made on new usage scenarios and use-based learning activities. This is pointing to the need for customer education.

Going further, it is also seen that through customer education, the level of customer knowledge and skill increases, and bring about an evolution in consumer behaviour. The aim is to improve the performance of customers, ie. Customer's ability to respond to a brand in a way that companies and customers desire. This assertion reveals that customer education helps in allowing a customer use a brand as it is intended to use and to fully unlock the value inherent in the brand (Bowman et al, 2004). On value, Vargo and Lusch (2004) argued that the customer is the only one to determine brand value by when it is being used. They explained that the creation of value shows upon consumption, and not in the factory. Marketers therefore need to make consumers discern the value of a brand by encouraging an extensive use of it (Hennig-Thurau et al, 2005).

A well-educated customer can also be seen as one capable of breaking the barriers of non-compliance with a brand's intended use. Compliance with a brand's intended use remains a big concern for marketers, since noncompliance can lower the perceived performance of the product and decrease customer satisfaction as well as retention (Wosinka, 2005). According to Bateson (2002), service quality hangs on the quality of consumer involvement in the product process. Hence, customer education is vital in ensuring compliant behaviour. Bitner et al. (1997)

empirically showed that extensive customer education leads to better compliance behaviour and greater level of satisfaction derived from the brand in the long run. Cox et al (1997) conducted a study a study on “the effects of product warnings”. The study revealed that a product warning has an effect on compliance. In the area of services, Dallende et al (2004) demonstrated that customer education births compliance via better levels of the roles customers need to play. Several research on customer education (Danken and Anderson, 2001; Aubert et al, 2005; and Honebein and Cammaran, 2005) agreed that customer satisfaction and brand loyalty are the sole outcomes of customer education.

Customer education seems to focus on usage, but going by evidences from literature, it was revealed to have a place in all phases of the decision-making process. Duymedjan and Aubert (2003) gave details on the impacts of customer education in every stage of the customer life cycle. The researchers however considered two vital areas: the pre-purchase and post-purchase stage. At the pre-purchase stage, customer education equips potential customers with knowledge and skills needed to their awareness of brand’s usage (Dankens & Anderson, 2011). Usage related education also reinforces consumer learning to incite brand patronage.

Based on the empirical reviewed literature, the study speculated that;

Ho₁: There is no significant association between customer education and brand awareness.

Ho₂: There is no significant association between customer education and brand preference.

Ho₃: There is no association between customer education and brand reputation.

METHODOLOGY

This study adopted correlational research design. The population of the study comprised all pharmaceutical companies, specifically the four (4) quoted pharmaceutical companies in the South-South region of Nigeria quoted in the Nigerian Stock Exchange report in 2019. They are Glaxosmithkline Plc with staff strength of 125, Fidson Plc with staff strength of 418, Nigeria-German Chemicals Plc with staff strength of 166, and Ekocorp Plc with staff strength of 74. Focus was placed on the companies listed in Nigeria Stock Exchange (NSE) because being listed comes with a higher public profile as well as visibility that are triggered by the media, investors, and increased coverage from researchers. The study used the purposive sampling technique to select fifteen (15) elements from marketing, sales and customer service departments of each firm. These were seen as the elements in a better position to provide the necessary research information for the study. From computations, the number gotten was sixty (60). This served as the sample units (the respondents) that participated in the study. However, from the sixty (60) questionnaires distributed, fifty four (54) representing 90% were returned, valid and used for the analysis, while six (6) representing 10% were not returned. A validity test that showed the level of capability of a scale to determine the proposed idea, and the degree to which a measurement corresponds to the construct that it was supposed to measure was carried out and the methodology and findings of this study were justified through a reliability test. The reliability analysis in Table 2.2 below shows that the variables have a Cronbach alpha value of ≥ 0.7 which is accepted as a reliable measure (Nunnaly, 1978). Therefore, it would be acceptable for a research tool to measure research variables. With this, it was agreed that the instrument for the research measured appropriately the variables of the study.

HYPOTHESES TESTING AND RESULT

The data collected for the study were analyzed and the hypotheses were tested using Spearman Rank Order correlation coefficient with the use of the Statistical Package for Social Science (SPSS Version 22.0) was employed to test the hypotheses of the study.

Decision Rule

If the Significant/Probability Value (PV)<0.05 (Level of Significance) = Reject the null and Conclude Significant Association. If the Significance Probability value (PV)>0.05(Level of Significance) = Accept the null and Conclude Insignificant association:

Table 1: Association between Customer Education and Brand Awareness

H0₁: There is no significant association between customer education and brand awareness

Correlations			Customer Education	Brand Awareness
Spearman's rho	Customer Education	Correlation Coefficient	1.000	.779**
		Sig. (2-tailed)	.	.000
		N	54	54
	Brand Awareness	Correlation Coefficient	.779**	1.000
		Sig. (2-tailed)	.000	.
		N	54	54

Source: SPSS V. 22.0 printout (based on field 2020).

Table 1 shows that Spearman's correlation coefficient (r) = .779**, this value is high, revealing that there is a strong association between customer education and brand awareness. The positive sign of the correlation coefficient shows a positive association exists between both variables. That means an increase in customer education by the pharmaceutical companies is accompanied with an increase in Brand Awareness. Probability/significant value (PV) is 0.000 < 0.05 level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a significant association between customer education and brand awareness.

Table 2: Association between Customer Education and Brand Preference

H0₂: There is no significant association between customer education and brand preference.

Correlations			Customer Education	Brand Preference
Spearman's rho	Customer Education	Correlation Coefficient	1.000	.723**
		Sig. (2-tailed)	.	.000
		N	54	54
	Brand Preference	Correlation Coefficient	.723**	1.000
		Sig. (2-tailed)	.000	.
		N	54	54

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

Source: SPSS V. 22.0 printout (based on field 2020).

Table 2 shows that Spearman's correlation coefficient (r) = .723**, this value is high, revealing that there is a strong association between customer education and Brand Preference. The positive sign of the correlation coefficient shows a positive association exists between both variables. That means an increase in customer education by the pharmaceutical companies is accompanied with an increase in Brand Preference. Probability/significant value (PV) is $0.000 < 0.05$ level of significance, consequently, the researcher rejects the null hypothesis.

Table 3: Association between Customer Education and Brand Reputation

Correlations

			Customer Education	Brand Reputation
Spearman's rho	Customer Education	Correlation Coefficient	1.000	.868**
		Sig. (2-tailed)	.	.000
		N	54	54
	Brand Reputation	Correlation Coefficient	.868**	1.000
		Sig. (2-tailed)	.000	.
		N	54	54

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

Source: SPSS V. 22.0 printout (based on field 2020).

Table 3 shows that Spearman's correlation coefficient (r) = .868**, this value is high, revealing that there is a strong association between customer education and brand reputation. The positive sign of the correlation coefficient shows a positive association exists between both variables. That means an increase in customer education by the pharmaceutical companies is accompanied with an increase in Brand Reputation. Probability/significant value (PV) is $0.000 < 0.05$ level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a there is a significant association between customer education and brand reputation.

Discussion of Findings

In this study, customer education was specifically seen to have positive influence on brand performance. Munshik et al (2015) affirmed that customer education plays a vital part in customer loyalty to a brand. According to the authors, "well-educated customers can utilize service more effectively because they understand application more thoroughly and can assess service performance more accurately" there are also chances that well educated customers will achieve higher levels of satisfaction as well as a stronger sense of loyalty for brands. Shih and Venkatesh (2004) also demonstrated that customers who intensely used products were more receptive to and experienced satisfaction with the technology. They recommended that provisions should be made on new usage scenarios and use-based learning activities.

Conclusion and Recommendations

Based on the findings, the study concludes that, a strong and positive association exists between customer education and brand performance. As such, it is recommended that; pharmaceutical companies that seek to improve on their brand reputation should consider customer education

imperative. Pharmaceutical companies should regularly educate customer about their offerings to improve brand awareness, preference and reputation.

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New Product Quality and Marketing Performance of Breweries in South-South and South-East of Nigeria

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Abstract: *The study investigated the relationship between new product quality and marketing performance of breweries in South-South and South-East of Nigeria. The survey research design was adopted. The population for this study comprised all the brewery firms in South-South and South-East of Nigeria, which amounted to seven (7). The managing directors and the managers as well as their assistants in the production, marketing, customer care, R & D, and logistics/distribution departments in the seven breweries were used as the sample for the study. The managing directors as well as the managers in these five (5) departments together with their assistants in the seven breweries, which amounted to seventy seven (77), constitute the sample size for the study. The sample size therefore was seventy seven (77). Data were obtained through the questionnaire and analysed using Spearman Rank Order Correlation Coefficient with the aid of SPSS (22.0). The findings in this study revealed that there is a positive and significant relationship between new product quality and marketing performance. It shows that when plans are made on the nature and extension of product line (s) for instance, customers will be able to choose from the brands instead of looking at competitor's products. Based on the above, organizations were advised to pay attention to how customers evaluate and perceive quality attributes so as to focus on the attributes considered more important by customers in order to improve them.*

INTRODUCTION

Venturing into business is justified by the provision of offerings that are capable of satisfying the needs and wants of a defined group of customers. Today, organization's operations and productivity has been revolutionized by quality management. The results of applying quality is seen all around us, in manufacturing industries, oil companies, banks, and even service organizations. Organizations that adopt quality as a way of life end up being more successful than those that do not incorporate quality in their system. Because of the increase in the level of competition among organizations, rapid innovations have emerged in the modern society. Organizations will have an advantage in the face of competition when creativity is searched for in the future, since there is a change in trend from seller's market to buyer's market. Consumers are now more aware of the variety of products in the market, and this has made companies to focus on the customer when manufacturing products. Organizations on this note have to study the customer's needs and how to satisfy them. According to Adam & Foster (2000) quality of goods is determined by customers. Customers have become a key factor that can create competition among organizations and this enable firms to sustain their competitive advantage.

Poor quality products in most cases result in the gathering of customers who don't end up being loyal. In some cases, even the ones that are loyal to existing brands will be discouraged. If products are not of the required specification, it could make them uncompetitive and the resources spent will be a waste. Apart from this, the organization's corporate image is also affected negatively. Despite this knowledge, some organizations pay little or no attention on the quality of products they introduce. It is on this note that this study sought to find out the impact of new product quality on customer loyalty of Brewery firms in Port-Harcourt metropolis.

LITERATURE REVIEW

Theoretical Foundation

Theory of Attractive Quality-Kano Model

This theory as developed by Kano in the 1980s. It was aimed to better understand how customers evolve, evaluate and perceive quality attributes so as to focus on the attributes considered more important by customers in order to improve them. Kano model exposed how the differences that demarcate the degree called sufficient by that of excellent when customer's satisfaction is considered. It considers that quality attributes are dynamic, meaning that over time, a feature may change from satisfactory to unsatisfactory. It is evident that the application of Kano model is important for designing products and services, analyzing the characteristics of the product / service, continuous improvement of quality, manufacturing / delivering of services, and determining customer satisfaction.

The model reveals that in the mind of the consumer, satisfaction and dissatisfaction are two independent concepts and should be considered separately. It shows that the relationship between performance of a need and satisfaction or dissatisfaction as experience is not necessarily linear. So there should be analysis on the possibilities of improving the quality of products and services, because it takes into account the nonlinear relationship between performance and satisfaction.

Concept of New Product Quality

A new product quality is the ability to demonstrate a new product in its fit. it includes the overall durability, reliability, accuracy, ease of operation and repair. This makes it open that customers tend to see a product that is lacking one or two of the above characteristics as being of lesser quality when compared to the one that has got all of them. In the 1970s and early 1980s, one of the major feature of an industrial economy was the increased emphasis on internal quality of execution, rather than price, as a major competition tool. The issue of product quality has been studied by many scholars (Lee & O'Connor, 2003; Kohli, 1999; Kartz & Shapiro, 1992; Mitra & Golder; Teas & Agarwal 2000).

The management of a new product in a way that will prolong its uniqueness, profitability, as well as long life span in the market place should put into consideration the aspect of its quality. This is necessary since consumers in most cases make their choices of purchase on the grounds of product quality. This is supported by Matsa, (2009) when he said "The choice of what product to purchase in most consumer markets is not majorly determined by the lowers of price, a product quality could be a determining factor. New product quality is the comprehensive evaluation of the goodness of the performance of a new good or service (Choi & Pucik). Calanton & Knight

(2000) also commented on this by saying “quality products are those that fit and free from defects. It is seen that winning companies improves at a faster rate that is faster than that of their competitors”. They make use of every available opportunity to make their consumers happy by improving on the quality of their offerings faster. According to Farrel & Saloner (1985), the best thing you should do is to make your customers so happy that they begin to brag about your products to others.

New product quality can be said to be the group of features, characteristics of a released innovation which determine its durability and which can be controlled by a manufacturer to meet certain basic requirement. According to Didia (2004) “innovations are not failure proofs. Hence, the development of new product should be done strictly with carefulness and attention to every necessary detail to ensure that all possible errors are detected and corrected so as to ensure the right quality upon launching. This boils down to the fact that being the first to innovate is not the ultimate, but the innovation of quality product is what gives a company a competitive edge. Henard & Szymanski (2001) expressed that “concentrating on speed for its own sake may lock the company into feverishly developing more and more products, faster and faster, with less yield and less relevance to the market place.

Concept of Marketing Performance

Marketing performance is marketing's result or output compared against the set objectives. Sivadas & Dwyer. (2000) explained that measuring performance has been a central issue in marketing, and remains a vital concern for a majority of organizations. The marketing science institutes research priorities for 2002-2004 also confirmed this when ‘Assessing Marketing Productivity and Marketing Metrics’ was voted as the highest topic for academic study. Recently managers as well as academics have both been drawn to the topic with an urgency and scope previously unpredicted. According to Garvin (1987), the reason the measurement of performance suddenly captured an attention is because, information relating to marketing has been increasingly demanded, after a decade of downsizing, major organizations were reaching the points of diminishing returns which have led to a refocusing on marketing as a driver of future profit and growth, thirdly, a measure of business performance such as the balance scorecard has made the inclusion of marketing measures attractive in the overall assessment of business performance. Finally, marketing managers have become frustrated with other performance measures with little or no value on what they do.

Business performance measurement is receiving active investigation from both practitioners and academics, the attention given to it has made new reports and articles on the topic to appear at a rate of one every five hours of every working day since 1994, with a search of the World Wide Web revealing over 170,000 references (Tellis & Johnson, 2007). Sheremata (2004) expressed that at one level, it may be as simple as its definition, although at another level the notion of a general level of performance is both intriguing yet continually disappointing. Performance is the aggregation of basic stages of action, from intention to result. It will be of no use engaging in marketing activities that cannot be measured; this is because those activities will not yield efficient result. If you can't measure you can't control, if you can't control you can't manage, if you can't manage you can't improve and be efficient.

Analysing the performance of marketing strategies should make clear and give an understanding of how marketing decisions influence financial results and their consequences on the firm cash

flow. This level requires a marketing strategy analysis models that are more complex than the simple input-output analyses.

Customer Satisfaction

Customer satisfaction has been a popular topic in marketing practice and academic research since Cardozo's (1965) initial study of customer effort expectations and satisfaction. Customer satisfaction is regarded as the head of all marketing activities. According to Dutka, (1994), the principal purpose of marketing is to satisfy customer needs and wants. Satisfying customers is essential because satisfied customer will reward firm with favourable behaviour. It's found that enhancing customer satisfaction bring about a higher future profitability (Anderson et al, (1994), increase consumer willingness to pay a higher price, make a good accommodation and use the product frequently (Hayes, 2008) and develop customer loyalty (Salini, and Kenett, 2009). All these points to the fact that customers satisfaction play a significant role in generating long term benefits for companies (Homburg et al, 2006)

There are many attempts on the definition and the clarification of what customer satisfaction is in marketing literature. Oliver (1977) defines customer satisfaction as "the customer fulfilment response". It is a judgement that a product feature or the product provided (or is providing) a pleasurable level of consumption related fulfilment. This could either be under or over fulfilment. According to Hung (1977), satisfaction is a kind of stepping away from an experience and evaluating it. One could have a pleasurable experience that caused dissatisfaction because even though it was pleasurable, it wasn't as pleasurable as it was supposed to be. So satisfaction / dissatisfaction isn't an emotion, it's the evaluation of the emotion. Woodruff and Gandiar (1996) rendered satisfaction to be the evaluation or feeling that results from the disconfirmation process. It is not the comparison itself (i.e. the disconfirmation process), but the customers response to the comparison. Customer satisfaction is also seen as an emotional response to the experiences provided by associating with particular product purchasers, retail outlet, or even molar patterns of behaviour such as shopping and buying behaviour and also the overall market place (Westbrook and Reilly, 1983).

According to Oliver (1981), "Customer Satisfaction is the summary of psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumers' prior feelings about the consumption experience". Customer satisfaction is the satisfactory post-purchase experience with a product, given an existing purchase expectation (Vavra, 1997). It is also said to be the buyer's cognitive state of being adequately rewarded for the sacrifices he has undergone (Howard and Sheth, 1969).

Tse and Witon (1988) defined it as "the consumer's response to the evaluation of the perceived discrepancy between prior and expectations and the actual performance of the product as perceived after its consumption. Berry and Parasuram argued that since customer satisfaction is influenced by the availability of customer services, the provision of quality customer service has become a major concern of all businesses. They see customer satisfaction as typically a post consumption evaluative judgement concerning a specific product or service. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience.

Customer Loyalty

Firms were merely focused on innovation and the triggering of new marketing philosophies, methods and information that will leave customers with no choice than to buy its products. But today customers no longer attach much importance to information (Jacoby & Chesnut, 1978). this is so because all information needed concerning a product is at their fingertips. Their interest now is on products benefits and practical features. Contemporary marketing practitioners, no longer concentrate solely on attracting new customers but also keeping those they have acquired because of the numerous gains of customer retention. According to Mitchell & Tomo (2005) Successful firms consciously create customer satisfaction and loyalty.

According to Hammond et al (1996), loyalty is a customer's inclination to re-buy a particular brand through actions which is measurable and significantly affect sales. Oliver (1999) sees it as a profoundly accommodated steadfastness, to repurchase the product frequently in the future, by that giving rise to repetitions identical brand or identical brand-set buying, notwithstanding environmental influences and switching behaviour. On the other hand Jones and Sesser (1995), sees it as a "sentiment of the fidelity to or fondness for a firm's people or products. Scholars have different opinions as to how loyalty should be measured. According to Pine et al (1995) loyalty should be measured by using "re-buys dynamics and recommendations", but schiffman (1997) argued that "loyalty is not an attitudinal function and thus, should be measured through a purchase parameter so as to include cognitive captured consumer and habitual purchases among others.

New Product Quality and Marketing Performance

The significance of quality and quality control has been studied by several scholars. Kotler, Armstrong,(2010), Eliashberg & Robetson (1988), Curkovic, Vickery & Droge (2000), Singh et al, (2012), Sivadas & Dwyer (2000), Singh et al, (2012), Tellis, Yin, & Nivas (2009), Kordupelski, Rust & Zahorik (1993), Deming (2000) etc have all undertaken studies on product quality and quality control. These studies indicate the association between new product quality and marketing performance. Organizations exist on the base of the offerings they offer and the willingness of customers to patronize those offerings (Didia 2004). This is where the role of quality comes in because the performance of a firm can only be attributed to the delirious of its customers.

According to Zeithaml (1988). "The choice of what product to purchase in most consumer markets is not majorly determined by the lowers of price, a product quality could be a determining factor". Kotler supports this when he said marketing is not the art of finding clever ways to dispose of what you make, it is the art of creating genuine customer value and this value comes in the present of a quality products. He went further to say that there is only one winning strategy; it is carefully defining the target market and directing a superior offering to that target market. New product quality is very important in marketing performance this is so because it is known that first impression matters. A newly launched product that lacks quality will go nowhere before it gets to its decline stage. People that purchase the product at the time of introduction will lose interest in it and might not re purchase the product again. They will also discourage people close to them because of their dissatisfaction (Creusen & Schoonmans, 2005). Armstrong and kotler (2004) opined that a new product quality is the ability to demonstrate a

new product in its function. it includes the overall durability, reliability, accuracy ease of operation and repair.

Also chatina and Andy (2003) opined that it is only when a customer is satisfied with the offering of a company with regards to quality that they are willing to patronize such a product again. Huang Soutar & Brown (2004) analyzed the relationship between new product quality and marketing performance, they found out that quality have a positive and significant association on marketing performance. Breweries like Guinness Pabod and Nigeria breweries all have a taste of positive performances as a result of introducing quality products. Guinness product has won grand gold, gold and silver medals at the world module selection competition. Also, they were awarded the international quality trophy for high quality beer (Guinness Nigeria 2016)

METHODOLOGY

This study adopted a survey research design. The population of the study comprised the seven (7) brewery firms in the South - South and South – East of Nigeria as reported by Nigerian stock exchange, 2017. The seven (7) breweries in the South-South and South East Nigeria were considered since they are below thirty (30). The managing directors in these companies and the managers as well as their assistants in the production, marketing, customer care, R & D, and logistics/distribution departments of each company were chosen as the target population, because they were in the right position to supply the relevant data for the study. The managing director of each company and two managers each from production, marketing, customer care, R & D, and logistics/distribution of the seven companies were selected as the sample size for the study. The total number of respondents in each company therefore amounted to eleven (11). Since there are seven companies, the total numbers of the respondents amounted to seventy seven (77). Therefore, the sample size for the study was seventy seven (77).

This study adopted the questionnaire as its basic research instrument. This helped in translating the research objectives in specific questions, which respondents easily answered. Valid information, were thus given. The questionnaire was divided into two (2) sections. The first section was used to get demographic data while the other section was used to get responses that are related to the research questions. Copies of questionnaires were distributed by the researcher to individuals within the firms and collected on the spot, so as to reduce loss. Data will be collected from individuals within the firm.

The nature of relationship that exists between new product quality and marketing performance was x-rayed. To understand this, descriptive statistics such as frequency percentage, mean and standard deviation were used to analyse the data and Spearman Rank Order correlation coefficient with the aid of SPSS version 22.0 was used to test the hypotheses of the study. In order to test how valid the questionnaire was as regards measuring what it is supposed to measure, it was subjected to content validity. It was also subjected to professional scrutiny. A test-re-test method was adopted to know if there is consistency of the instruments. The reliability of the items measured using the Cronbach Alpha tool had high values (≥ 0.7). This showed the consistency in the response gotten from respondents. The reliability of the instrument used was also revealed.

Questionnaire Response

Questionnaire	Number	Percentage (%)
Distributed	77	100
Not Retrieval	5	6.5
Retrieval	72	93.5

Source: Field Survey (2017)

From the sixty (60) questionnaires distributed, fifty four (54) representing 90% were returned, valid and used for the analysis, while six (6) representing 10% were not returned.

Relationship between New product Quality and Customer Satisfaction

Table 2; Correlation Analysis showing the relationship between new product quality and customer satisfaction

Correlations

Type	Variables 1	Statistics	New Product quality	Customer Satisfaction
Spearman's rho	New product Quality	Correlation Coefficient	1.000	.719**
		Sig. (2-tailed)		.000
		N	72	72
	Customer Satisfaction	Correlation Coefficient	.719**	1.000
		Sig. (2-tailed)	.000	
		N	72	72

Source: SPSS V. 22.0 printout (based on field 2017).

Table 2 shows that Spearman's correlation coefficient (r) = .719**, this value is high, implying that a strong relationship exist between New product quality and Customer satisfaction. The positive sign of the correlation coefficient means a positive relationship exist between both variables. That means an increase in New product quality is accompanied with an increase in customer satisfaction. Probability/significant value (PV) is $0.000 < 0.05$ level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a significant relationship between New Product quality and Customer satisfaction.

Relationship between New product Quality and Customer Loyalty

Table 3; Correlation Analysis showing the relationship between new product quality and customer loyalty.

Correlations

Type	Variables 1	Statistics	New Product quality	Customer Loyalty
Spearman's rho	New product quality	Correlation Coefficient	1.000	.632**
		Sig. (2-tailed)		.000
		N	72	72
	Customer Loyalty	Correlation Coefficient	.632**	1.000
		Sig. (2-tailed)	.000	
		N	72	72

Source: SPSS V. 22.0 printout (based on field 2017).

Table 3 shows that Spearman's correlation coefficient (r) = .632**, this value imply a strong relationship exist between New product quality and customer loyalty. The positive sign of the correlation coefficient means a positive relationship exist between both variables. That means an increase in New product quality is accompanied with an increase in customer loyalty. Probability/significant value (PV) is $0.000 < 0.05$ level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a significant relationship between New Product Quality and Customer loyalty.

Study Findings

It was found that there is a positive and significant relationship between new product quality and customer satisfaction. This is supported by Eliashberg & Robetson (1988), when they said customer satisfaction is the degree to which product performance matches the expectation of customers. Quality without a doubt remains a critical factor in customer satisfaction (Curkovic, Vickery & Droge (2000).

After a purchase, It was seen that a product that lacks quality might not be re-purchased. with this, it will b difficult to maintain loyal customers. According to Tellis, Yin, & Nivas (2009), one of the most effective ways of generating customer loyalty is by delivering superior value via quality product. Also Sivadass & Dyer (2000) observed that the loyalty of customers will be higher when there is a strong perception in a product's performance. Introducing a quality product is one of the ways companies build trust for their other products that has been in existence.

Conclusion and Recommendation

It was concluded that there is a positive and significant relationship between new product quality and customer satisfaction, and between new product planning and customer loyalty. It is therefore recommended that companies be alert to its responsibilities in drawing and addressing their production planning agenda. Also, companies should not just innovate because others are innovating. Quality consideration should be inculcated in company's system so as to make improvement in their marketing performance.

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