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# Strategic Flexibility and Operational Effectiveness of Oil Producing Firms in Rivers State, Nigeria

## Emoh Chinedu Stanislous and A. D. Alagah

Department of Management, Faculty of Management Sciences, University of Port Harcourt. Port Harcourt, Nigeria Abstract: This study examined the correlation amongst strategic flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria. A total sample size of 297 was drawn from a population of 1,293 managerial employees in twenty (20) oil producing firms in Rivers state. The simple random sampling technique was utilized in order to avoid bias in selection of sample element. The Pearson product moment correlation was utilized in testing the hypotheses. The investigation shows that strategic flexibility significantly relates with operational effectiveness. It was concluded that Enhancing flexibility in production, marketing and finance will subsequently result in positive increase in the operational effectiveness of oil producing firms. consequently, the study recommended that the management of the oil producing firms should inculcate flexibility in production so as to enhance their operational effectiveness. It was likewise suggested that they should develop a robust financial flexibility in order to withstand external shock in the global market.

**Key words:** Financial Flexibility, Marketing Flexibility, Operational Effectiveness, Production Flexibility, Strategic Flexibility

#### 1.0 Introduction

Nowadays, challenging business environment places a demand on companies to incessantly develop flexible strategies to stay abreast and maintain effectiveness in their operations. For several organizations, this creation of flexible strategy is pivotal to adapt to mutable environments. In a vibrant and unstable environment, strategic flexibility is crucial for firms that must withstand divers challenges in business world. Enhancing operational effectiveness (OE) is crucial mostly in the oil producing firms with intent of staying viable, competitive and stay agile in the highly volatile environment. An effective utilization of resources through these core processes aids the firm to avoid waste and acclimatize more

suitable technology to outperform rivalries (Porter, 1996).

However, it is imperative for organizations to deploy strategic flexibility in quest to ensure smooth operational effectiveness (OE) necessary in enhancing firm's success story. The readiness to acclimatize to, anticipate or create future innovative product development performance requirements is called strategic flexibility. Thus, flexibility is a peculiar tactical asset of high prominence to advancing organizations' competitive position, a major influence which could affect their long tern survival and profitability (Aranda, 2003). Grewal and Tansuhaj (2001) sees strategic flexibility as firm's aptitude to manage economic and Political uncertainties through quick response to openings and threat. As assumed by Lau (1996), strategic flexibility is the proliferation in a corporation's capacity to respond to competitive, highly changing market environment by supporting knowledge and key capabilities. Upton (2007) defines strategically flexible companies as ones that can shift their operational activities.

The dare need to intensify effectiveness in operation of organizations has drawn the attention of several scholars. Weerd-Nederhof, Altena and Fisscher (2008) did a study and investigate the scale for measuring operational effectiveness (OE). Santa, Ferrer, and Hyland (2017) examined how systems effectiveness relates with operational effectiveness. The problem of how OE of the oil producing firms has persisted over the years despite several attempts by scholars to address the issue. Furthermore, this problem has manifested in low capacity utilization, high cost of production, poor product quality, low productivity and incompetence to compete favourably in the business world.

Several previous work have been carried out by scholars with determination of fostering the organizations operations. Oguntade and Mafimisehi (2010) examined how pricing in livestock feed market relates with operational efficiency. They observed a noteworthy correlation among the studied variables. Boakye and Normanyo (2016) did a critical study on how effective strategic sourcing impact the operational efficiency in Komfo teaching hospital. The research revealed a noteworthy relationship between effective strategic sourcing and operational efficiency. Depaiva, Freitas, Barbosa and Pizzolato (2018) critically reviewed how environmental management relates with the operational efficiency of Brazalian Public Ports. They observed that the quality environmental management relates with the operational efficiency. Imen. Anke and Riadh (2018) investigated if risk disclosure relates with firm operational efficiency. They observed a positive statistical significance among risk disclosure and operational efficiency. Lawal, Oluoh and Mutari (2018) did an analysis on how asset quality affect operational efficiency of deposit money banks within Nigeria. It was observed that asset quality help enhances operational efficiency. Umoh and Wokocha (2013) examined how production improvement function correlates with corporate operational efficiency. From the extant literature, previous works have not examined how operational effectiveness can be enhanced via strategic flexibility. The dearth of empirical work on how strategic flexibility relates with operational effectiveness is the gap that has informed this study.

#### **Research Objectives**

I. Marketing flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

- II. Production flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.
- III. Financial flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

#### **Research Questions**

- I. What is the relationship between marketing flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria?
- II. What is the relationship between production flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria?
- III. What is the relationship between financial flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria?

#### **Research Hypotheses**

The hypotheses of this study were stated in a null form;

HO<sub>1</sub>: There is no significant relationship between marketing flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

HO<sub>2</sub>: There is no significant relationship between production flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

HO<sub>3</sub>: There is no significant relationship between financial flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

#### 2.0 Review of Related Literature

#### **Concept of Strategic Flexibility (SF)**

Flexibility in strategy denotes the firm's ability to react and uninterruptedly adapt to imponderable change (Greenley & Oktemgil, 1998). It can offer a distinctive advantage to enterprises because the aptitudes to create decision making alternatives and different methods of SF to handle dynamic and varying environments, is undoubtedly difficult for rivals to imitate (Sanchez, 1995). Successfully adapting through SF could likely create greater performance and intensify the challenges with competitor's imitation. Consequently, the necessity for decision makers to enhance their SF proficiency is getting increasingly essential. In alignment with this thought, Sharfman and Dean (1997) offer a clarification for this fascinating phenomenon on a rational or cognitive level. This cognitive models or structure could influence the aptitudes for SF by restraining the thinking or thoughtfulness of decision makers and blindfolding them from inventive decision making. Conversely, this notion is yet to be sufficiently developed. As a result, there are constraints to current knowledge in spite of the probable contribution of SF to effectual marketing and competitive advantage. Drawing from Venkatraman and Ramanujam (1986) perception, two main determinant of operational effectiveness of any establishment include operational and financial performance. The operational area measures quality of a specified product, market share, among others while financial dimension encompasses of indicators like growth in sale, earnings per share and profitability.

#### **Production flexibility**

Flexibility in production has remained a key concerned in companies, which design products for rapidly changing technologies and are under constant pressure to frequently improve upon their products. Sethi and Sethi (1990) posit that flexibility in production involves operational and material-management flexibility. In the case of production, flexibility targets are to reduce the expenses made on stock. Furthermore, also pertinent for flexible production choice is the direct and indirect links amongst plant-groups and products. The inter-permeability of plants and products increases as a result of these relationships (Jordan & Graves, 1995). Product flexibility is similarly perceived as the effortlessness with which present designs can be reformed in response to alteration in market demands. A manufacturing firm in which both staff and plant responsibilities are defined by product, product line, or market segment. Authority in management is highly decentralized, which seem to make the company respond more to market needs and more malleable to introduce new products. This type of organization is more favourable for companies whose dominant orientation is to a market or consumer group and where flexibility and innovation are more vital than coordinated planning and tight control. Product flexibility is the ease with which a product currently in the process of production can be changed cheaply and quickly' (Sethi & Sethi, 1990). Worren et al. (2002) contended in support of the need for more modality in products for companies carrying out activities in specifically dynamic markets. Their study came to a conclusion that flexible designing of product has certain impact on product flexibility. The production flexibility issue is originated in the evolutionary process of product design and redesign; vital to this process is change. Each evolution involves some change that can probably be categorized in diverse ways, such as adaptive redesign or parametric redesign (Otto & Wood, 2001). In Nazarian, Wang (2012), product flexibility is a substantial part of manufacturing system performance. Chryssolouris, Efthymiou and Papakostas, (2013) defined product flexibility as the capability or aptitude of a system for manufacturing to produce divers part types with the same equipment. In Chryssolouris (1996), product flexibility is assessed by calculating the expected cost of accommodating possible changes that may arise in the future.

#### **Marketing Flexibility**

The aptitude of an establishment to possess competitive edge in a market environment is of high relevance to ensuring a healthy organization. Conversely, in view of the turbulent future of the market place, it is imperative for organization to ensure market flexibility geared towards coping with unprecedented varieties. Shalender and Singh (2015) asserted that marketing flexibility is a firm's adeptness to enter and leave markets and similarly to position the firm within current and new markets. The marketing flexible firm achieve reasonable advantage owing to its tendency to make modification and reposition itself swiftly within the global markets. When assessing the connection between flexibility which is market-based and ambiguity in environment, it was noted that providing complex market-based SF in situations of high indecision enhances organization's performance ultimately (Johnson et al. 2003). Prahalad and Hamel (1990) maintained that the actual

source of competitive benefit hinges on company's proficiency in contrast or comparison with its rivals. They contended that the market flexible organization invent new or fresh markets, swiftly enter the evolving markets and were the market is already established, the firms can leave or change the markets depending on the divers' opportunity, prospect or threat that may arise during the period.

Grewal and Tanshuhaj (2001) meticulously considered the role of marketing flexibility with the perception of managing the economic crisis and they defined marketing flexibility as the ability of transnational firms to recalibrate the marketing efforts within a short time in alignment to varying environmental context.

#### Financial flexibility (FF)

According to Gamba and Triatis, (2008) financial flexibility is the proficiency of an organisation to admit and reorganize its financing at a minimal cost. A financially flexible firm can eliminate financial distress during negative shocks, and to readily fund investment when profitable opportunities arise (Gamba & Triantis, 2008). Considering financial flexibility is a way of controlling risk and accumulating investment ability in firms. Financial flexibility strengthens the manager's competence in making future investment. Financial flexibility affords a company the provision of financial alternatives so that in case of unforeseen happenings, proper reaction to boost the value of the business can be rapidly taken (Byoun, 2008). Financially flexible companies have the strength to withstand financial pressures and at profitable situations, it becomes possible to release cash required for the investment without any stress and at minimum cost (Gamba & Triantis, 2007). Financially flexible companies retain for themselves a reserved debt ability so as to apply more investment conservatism policy in the years following. It is a key element in shaping the structure of a company's capital and it is utilized to uphold the debt capability for company's future development purpose or reducing the debts to evade the distress financially in economic recession.

#### **Operational Effectiveness**

According to Kovac (2007) operational effectiveness is a positive outcome when inputs is compared with the obtained outcome. Mandl et al. (2008) and Sorber (1999) posit that effectiveness denotes the link among inputs and effects; therefore, effectiveness shows effects irrespective of inputs or resources required to accomplish the objectives. Robbins and Coulter (2005) state that effectiveness means obtaining the utmost possible output from the smallest quantities of inputs. The relevant literature describes different means for measuring of organizational effectives. Mandl et al. (2008) maintained that effectiveness cannot be ascertained directly; therefore, diverse approaches to data and methodological framework are used. According to Koh and Saad (2007), benchmarking or comparative analysis are repeatedly used techniques. Operational effectiveness denotes the setting of procedures based on core abilities or competencies inside the organization (Porter, 1996). Specifically, it encompasses improving organization's performance by directing the processes inside the organization in addition to appraising and modifying the processes. Porter (1996) posit that, these processes encourages an improved utilization of firms means thereby enabling the organization to jettison waste, adapt extra suitable technology and outperform rivals.

#### **Empirical Review**

Hsien, Jin-Li, and Chia-Lin (2014) researched on financial flexibility of MNE and Operational Performance in Taiwan. A framework of three dimensions to measure MNE flexibility financially was given. This covered; financial capability, liquidity capability and operational capability. They observed that quick ratio and Export ratio, impulsive short-range debt ratio had considerably positive effect on firm operational performance. A study done by Alamro (2015) with the aim of investigating how new product flexibility impact operational performance in Jordan manufacturing enterprises. Questionnaire was designed for data collection. The scales for measurement utilized in this research were modified from earlier empirical inquiry carried out on organizational performance. The population was the manufacturing enterprises in stock exchange market in Amman and this contains 93 industrial firms. 320 surveys instrument were issued. 230 survey instrument were collected; The results point out that NPF do positively influence performance operationally via quality improvement, productivity enhancement, reduction in lead time and cost.

Abdulkareem (2009) researched on how flexibility in strategic associates with the achievement of strategic Objective. Flexibility in market, flexibility of new product, and flexibility in expansion was covered as dimensions of SF. A cross-sectional study was adopted. Employees in upper echelon in manufacturing establishment in Jordan were the targeted population. 225 usable questionnaires were utilized and multiple regression was employed analyzing the data. The results revealed a substantial impact of the three dimensions of SF on the achievement of strategic objectives.

Raheleh and Yousef, (2018) did a work on Flexibility in strategy and firms Innovation with the aim of looking at the impact. The study was classified as descriptive survey regarding the method used for gathering data. The research population includes all managers and employees at Ghalamchi, the Cultural and Educational Centre, which are about 212. The sample size is calculated to be 136 using Cochran's formula. The Cronbach's alpha obtained for strategic flexibility, innovation, and all questionnaires is 0.915, 0.937, and 0.937 respectively which shows high consistency of the measurement instrument. Linear regression was utilized for the analysis of data. Results showed that strategic flexibility does positively and substantially impact organizational innovation. Organizations need to rise their adaptive capacity so as to build their resilience to addressing intraorganizational and environmental shocks. Accordingly, both secondary and primary hypotheses were supported. Results of the contrast of standardized  $\beta$  coefficients show that strategic or tactical flexibility has the most influence on innovation of product (0.826) and the slightest effect on process innovation (0.695) among others.

Yazan, (2018) identify how Flexibility in production, flexibility in market and flexibility in competitiveness; which are the dimensions of SF impact on enterprise effectiveness in hotels in Jordan. Questionnaire was used in collecting data. The descriptive and analytically methodology was utilized in analyzing data that was collected from various respondents. Fifteen (15) hotel represented the population, and sampling element of 150 staffs in marketing and strategy planning department was covered. Results revealed that SF dimensions have direct and encouraging influence on effectiveness in hotels in Jordan. Besides, the utmost impact was competitive flexibility while the least influence was production flexibility#

#### 3.0 Methodology

This enquiry is a survey study with a total population of 1293 employees in the managerial cadre from 20 selected oil producing firms was covered. The Kreicie and Morgan (1970) table was utilized to achieve a sample of 297 respondents. The simple random sampling technique, was utilized. The independent variable (strategic flexibility) was operationalized with respect to market flexibility, production flexibility and financial flexibility as given in Beraha, Bingol, Ozkan-Canbolat and Szczygiel (2017). Marketing flexibility was measured with 5 items (e.g. my organization is able to adjust its activities to suit the challenges in the market). 5 items were used in measuring production flexibility (e.g. our organization can easily introduce new product when the need arises). 5 items were used in measuring financial flexibility (e. g. my company possess the ability to easily react to unexpected expenses and investment opportunities). However, the dependent variable (operational effectiveness) was measured with a set of 7 items (e.g. my organization has the capacity to deliver product before deadline, my organization has the ability to raise the features of its product to suit the customers' needs). The study adopted content validity and the Cronbach's alpha was employed in ascertaining the reliability of the instrument. The alpha value was .926, .719 and .744 respectively. The alpha value for operational effectiveness was 912. The Items were rated on a 4-point Likert scale from 1-strongly disagreed, 2disagree, 3-agree and 4-strongly agreed. The hypotheses were tested using Pearson product moment correlation.

#### 4.0 Result and Discussions

From the total of 297 questionnaires which was distributed to respondents, a total of 262 questionnaires representing 88.2% of total distributed questionnaires was successfully retrieved and utilized for the analysis. The hypotheses test was undertaken at a 95% confidence interval implying a 0.05 level of significance. The decision rule is set at a critical region of p > 0.05 for accepting null hypothesis and p < 0.05 for rejecting null hypothesis.

HO<sub>1</sub>: There is no significant relationship between marketing flexibility and operational effectiveness of oil producing firms in Rivers state, Nigeria.

**Table 1:** Marketing Flexibility and Operational Effectiveness

#### Marketing Flexibility Operational effectiveness 1 .618\*\* Pearson Correlation .000 Marketing Flexibility Sig. (2-tailed) 262 262 Operational effectiveness 1 .618\*\* Pearson Correlation .000 Sig. (2-tailed) 262 262

#### **Correlations**

<sup>\*\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Table 1 shows Pearson correlation (PC) coefficient is 0.618 which shows a positive and strong bearings of the link amongst operational effectiveness and marketing flexibility (p = 0.000 < 0.05). This lead to rejecting null hypothesis, while the alternate form of the hypothesis is accept therefore concluding that there is a noteworthy correlation between marketing flexibility and operational effectiveness of oil producing companies in Nigeria.

HO<sub>2</sub>: There is no significant relationship between production flexibility and operational effectiveness of oil producing firms in rivers state, Nigeria.

**Table 2:** Production Flexibility and Operational Effectiveness

#### **Correlations**

		Production Flexibility	Operational effectiveness
Production Flexibility	Pearson Correlation	1	.436**
	Sig. (2-tailed)		.023
	N	262	262
Operational effectiveness	Pearson Correlation	.436**	1
	Sig. (2-tailed)	.023	
	N	262	262

<sup>\*\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

It is observed in table 2 that the Pearson correlation (PC) coefficient is 0.436 which shows a moderate and positive orientation of the correlation amongst flexibility in production and operational effectiveness. The significance value of 0.023which is less than the 5% level (p = 0.023 < 0.05) leads to the null hypothesis rejection, while the alternate form of the hypothesis is accept therefore concluding that a significant relationship exist between production flexibility and operational effectiveness of oil producing companies in Nigeria.

HO<sub>3</sub>: There is no significant relationship between financial flexibility and operational effectiveness of oil producing firms in rivers state, Nigeria.

**Table 3:** Financial Flexibility and Operational Effectiveness

#### **Correlations**

		Financial Flexibility	Operational effectiveness
Financial Flexibility	Pearson Correlation	1	.562**
	Sig. (2-tailed)		.000
	N	262	262
Operational effectiveness	Pearson Correlation	.562**	1
	Sig. (2-tailed)	.000	
	N	262	262

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

Table 3 shows a coefficient of 0.562 which shows a strong and positive orientation of the association amongst financial flexibility with operational effectiveness. The significance value of 0.000 which is less than the 5% significance level (p = 0.000 < 0.05) leads to the null hypothesis rejection, while the alternate form of the hypothesis is accepted, therefore concluding that a noteworthy relationship abounds between financial flexibility and operational effectiveness of oil producing companies in Nigeria.

#### **Discussion of Findings**

The result of the bivariate analysis shows a significant direct correlation amongst the studied dimensions of SF and operational effectiveness. Detailed discussion with respect to the hypotheses are given as follows;

#### **Marketing Flexibility and Operational Effectiveness**

The result of the enquiry that reveal how marketing flexibility relates with operational effectiveness showed a noteworthy association amongst marketing flexibility and operational effectiveness. P-value of 0.000 was lesser than 0.05. the correlation value ( r ) of .618 implies a high direct correlation amongst the variables. an effective marketing flexibility in the organization, helps to boost the operational effectiveness of such firm. When marketing flexibility increases, operational effectiveness also increases. Furthermore, the coefficient of determination (  $r^2$ )was 0.382. This shows that marketing flexibility in the organization was able to account for 38% of the variation in operational effectiveness. This finding align with that of Raheleh and Yousef, (2018) which did a work on SF and Organizational Innovation. Results shows that the dimensions of SF positively impact on organizational innovation. Thus, firms that can easily adapt to market changes can enhancing their operational effectiveness.

#### **Production Flexibility and Operational Effectiveness**

The outcome of the bivariate analysis that reveal how production flexibility relates with operational effectiveness disclosed a noteworthy correlation amongst production flexibility and operational effectiveness. P-value of 0.023 was lower than 0.05 significant level. the correlation value ( r ) of .436 depict a reasonable direct association amongst the variables. This indicate that an increase in production flexibility of oil producing firms in Rivers state, such help enhance the operational effectiveness of such firm. The coefficient of determination (  $r^2$ ) was 0.190. this shows that 19% variation in operational effectiveness of the oil producing firms in Rivers state, can be accounted for by the production flexibility in the organization. This result is in agreement with that of Alamro (2015) with the aim of investigating the impact of new product flexibility (NPF) on operational performance. The results indicated that NPF positively affects operational performance by improving quality, increasing productivity, decreasing cost and lead-time.

#### **Financial Flexibility and Operational Effectiveness**

Considering the outcome of the bivariate analysis that show the correlations existing between financial flexibility and operational effectiveness, the result observed a substantial positive correlation between financial flexibility and operational effectiveness. P-value of 0.000 was lesser than 0.05 significant level. The correlation value ( r ) of .562 depict a direct correlation amongst the variables. This indicate that the financial flexibility capability of the oil producing firms will result in upsurge in firms operational efficacy. Furthermore, the coefficient of determination ( r²) was 0.316. This shows that 32% variation in operational effectiveness of the oil producing firms in Rivers state, can be accounted for by the financial flexibility of the organization. This result agrees with the study of Hsien, Jin-Li, and Chia-Lin (2014) which observed that financial flexibility in multinational enterprise have significant positive effect on operational performance with respect export ratio, debts from foreign countries, spontaneous short-term debt ratio, and quick ratio. Thus enhancing financial flexibility help enhance operational effectiveness.

#### **5.0 Conclusion and Recommendations**

Flexibility plays a vital part in designing operations strategy as it provides the enterprise the aptitude to present new products, customize products and alter capacity swiftly. It also helps organizations to make quick and effective response to varying situations, especially when handling the unsettled firm environment denoted by swift changes. Furthermore, flexibility is a major element of operations strategy, i.e., it is a rapid response to customize product, change product mix, change production quantity, and bring about new products. It is a strategic defense that enables firms to make effective response to changing situations which can be a measure of controlling diverse uncertainties. Enhancing production flexibility, marketing flexibility and financial flexibility will subsequently result in positive increase in the operational effectiveness of oil producing firms. Consequently, it was recommended that:

- I. The oil producing firms in Nigeria should ensure volume flexibility in their production as such will help the organization to utilize resources efficiently and improve on their operational effectiveness.
- II. The oil producing firms should inculcate high flexibility in their production so as to improve the operational effectiveness of the organization.
- III. The production of the oil producing firms should be more flexible to adapt to any market changes to be able to increase the operational effectiveness of the firm.
- IV. The oil producing industries should develop a robust financial flexibility so as to be able to withstand external shock in the international market.
- V. The management of oil producing firms should adopt high level of strategic agility in their organization in order to maintain operational effectiveness irrespective of their environmental dynamism.

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## Marketing Innovation Capability and Competitiveness of Nigerian Quoted Banks

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<sup>1</sup>Doctoral Candidate, Department of Management, University of Port Harcourt, Nigeria <sup>2</sup>Professor of Management, University of Port Harcourt, Nigeria <sup>3</sup>Senior Lecturer, Department of Management, University of Port Harcourt, Nigeria Abstract: Given the intense competition in the Nigerian banking sector as a result of globalization and rapid change in technology, especially after the banking reform of year 2005, many Nigerian banks have resorted to using marketing innovations to face these challenges. This study therefore aims to establish the effect of marketing innovation capability on competitiveness of these Quoted Banks. The study which is grounded on the resource based theory and dynamic capability theory used cross section survey method to administer questionnaires on 244 respondents. Structural Equation Modeling (SEM) was used to analyze relationships and determine the effects of marketing innovation capability on firm competitiveness. Study outcome reveals that marketing innovation capability had positive and significant effect on product competitiveness and sales growth, which were used as measures of competitiveness. The study recommends that banks should emphasize more on marketing innovation capabilities with complementary investment in human capital development, and firm restructuring.

**Key words:** Marketing innovation capability, competitiveness, Nigerian banks

#### INTRODUCTION

Today's business environment is vastly defined by globalization of markets, rapid technological change, increasing customer awareness and demands. This has resulted in competition among firms becoming fiercer than ever. One of the industrial sectors affected by these environmental forces, in Nigeria, is the banking industry, which is experiencing some turbulence, following the banking reform of 2005.

Nigerian banking industry is seen as one of the most dynamic and competitive industries in the Country which has experienced rapid transformation in recent decade,

shifting from transactional and customer service oriented industry to an increasingly aggressive environment in which competition for revenue is top priority (Adelola ,2016). This challenge has forced banks to take marketing of their products very serious, not only focusing on customers' satisfaction, but being sensitive to customers' needs.

Marketing of banking services is necessary because of the intense competition in the industry, and the need to mop up the excess liquidity in the economy; coupled with the need to attract customers who may need loans or make deposits (Ikpefan,2013). Looking at the importance of Marketing in the banking sector, the author noted how Marketing has greatly impacted on the Nigerian banking system as banks utilize its capability in dealing with competition nationally and internationally, and in creating product awareness. In the same vein, Okonkwo (2004) recognized the contribution of marketing towards the overall development of the entire Nigerian Banking system, and promotion of banks image, which is necessary for gaining and sustaining market share.

In a post-consolidation analysis carried out by Iloh, Ani and Chioke (2014) on the Nigerian banking sector, it was reported that nine of the major banks were found to be non-performing, based on the Central Bank of Nigeria (CBN) assessments of their portfolio and capital base. The situation was so bad that it necessitated the intervention of CBN; in injecting billions of Naira to save them from collapse. Looking at these scenarios, Ikpefan (2013) believes that the distress in the financial system and the poor performance of some banks indicates there is a marketing problem in the system.

This study investigated the effect of marketing innovation capability on firm competitiveness. Many scholars view Marketing capability as a critical factor in achieving high performance (Dwyer et al., 2009); for increasing revenue and ensuring competitive advantage (Dutta, Narasimhan & Rajiv, 1999). Basically the development of marketing innovation capability enables a firm to make innovation changes and improvements in its marketing mix variables – on product design, packaging, promotion, and pricing strategies.

Marketing is customer oriented and aims to identify customer's needs and satisfying them. Generally, firms marketing objective is not only to maximize the consumption of their products and services, but also to maximize the satisfaction their customers derive from their products and services. To achieve this requires innovation. It calls for marketing innovation. The development of this marketing innovation capability and its effect on competitive performance of Nigerian Quoted banks is the focus of this study.

#### LITERATURE REVIEW

This study was anchored on the resource based theory and dynamic capability theory. The resource base theory suggests that a firm gains competitive advantage by having distinctive resources or capabilities which are valuable, inimitable and rare (Barney, 1991). The Dynamic capability theory, on its own looks at how firms achieve and sustain competitiveness based on the processes that take place in a firm, to address the dynamism and volatility in the business environment. Thus, firms develop ability to integrate, build and reconfigure their resources into complementary assets, thereby enhancing their competitiveness (Teece, Pisano & Shuen, 1997).

#### **Marketing Innovation capability**

Marketing innovation capability, as used in this study refers to the ability of a firm to develop a set of capabilities required in the innovative marketing of its products or

services. It entails manipulating the marketing mix variables to influence customer's buying preference. The OECD (2005) definition looks at Marketing innovation capability as "the implementation of a new or significantly-improved marketing method, involving significant changes in product design or packaging, product placement, product promotion or pricing." This definition highlights the innovation in marketing mix variables - Product, Price, Promotion, and Place. The purpose of marketing innovation is to satisfy customers' needs, repositioning of products, and increasing sales (OECD ,2005).

Marketing innovation has also been defined as the capacity to re-configure the existing industry model in ways that create new value for customers, by undermine competitors, in order to produce new wealth for all stakeholders (Hanvanach, Droge &Calatone, 2003); and thus any market innovation has to be directed at meeting the demands and satisfaction of the customers. In similar manner, Yam et al. (2010) view Marketing capability as a firm's ability to publicize and sell products, based on the knowledge of customers' needs, and the competitive environment.

Generally speaking, the logic behind marketing innovation is to enhance sales growth by shifting consumer demand from elastic to more inelastic market segments through the delivery of better value (actual or perceived) to the consumers (Hurley &Hult,1998, and cited by Nwankpa, 2017).

Banks belong to the financial service sector, noted for its highly competitive environment. it is therefore expected that banks develop new products that satisfy their customers, This calls for marketing innovation, in order to ensure that customer needs are met, even in betterways than competitors.

Marketing innovation, according to some scholars like Vorhies and Harker (2000); Weerawardena, (2003) includes marketing activities like market research, price-setting, market segmentation, advertising, promotions, retailing, and use of marketing information systems. But Tan & Sousa (2015) see marketing capability as being composed of four capabilities: product capability, pricing capability, distribution capability and communication capability. Thus a firm that is able to develop these marketing capabilities will ultimately achieve competitive advantage, that is difficult for competitors to imitate.

Marketers have in recent times,, embraced the use of New media in their marketing innovation strategies. A study by Adelola (2016) on the application of new media, in the marketing strategies of Nigerian banks observed how many banks have increased their spending on new media marketing. In this regard, Abubakar (2018) noted some of these spending on new media technologies: "Chat Business", First bank's whatsapp business platform, "FlashKey", a Fidelity Bank's Android Keyboard App; "ADA", a Diamond Bank's App that is accessed via Facebook. Other banks have similar technologies. For instance, Wema bank has "ALAT, which is a digital bank. UBA has "LEO" which works on Facebook. With these technologies, bank customers can open a new bank account, check their account balance, buy airtime, make funds transfer, pay their bills and even do stock trading via the social network.

#### Firm Competitiveness

Firm competitiveness has been defined in several ways. Porter (1985) sees it in terms of a firm being able to successfully compete, while Lall (2001) looks at it as a firm's ability to outperform others in terms of profitability, sales, or market share. Selcuk (2006) sees good financial performance as a hallmark of all competitive firms, while Buckley, Pass and

Prescott (1988) see long run profitability as a sign of a firm's competitive ability.

Some Financial indicators used in measuring firm competitiveness, according to (Panagiotis, & Konstantinos, (2015), include Return on Sales (ROS); Return on Assets (ROA) and Turnover. Another measure of firm Competitiveness is growth rate; and this is in terms of sales and revenues. The non-financial indicators of competitiveness include market indicators like market share and market share growth of the firm, product range, and customer satisfaction.

Firm competitiveness has been linked with growth in productivity, thus having high productivity may indicate higher competitiveness (Momaya & Ambastha, 2004). In this study, two measures of firm competitiveness were used: Sales Growth and Product competitiveness, which are based on measurement Scales developed by Yam, Lo, Tang and Lau, (2010).

**Sales Growth:** Sales growth measures the annual growth rate of a firm for the preceding three years. In fact, the sales growth rate is an indicator of both the sales of new and existing products from new and existing customers. The emphasis is on how well a firm attracts new or existing customers to buy additional products from them. **Product Competitiveness:** This relates to the competitiveness of a firm's new products. Product competitiveness is a non-financial measure, thus a concept that comprises many aspects such as quality level, cost, market competitiveness, uniqueness of product, uniqueness of the process technology etc. (Yam *et al.*, 2010).

#### **Related studies**

There have been some earlier related studies in this area, especially in the Nigerian banking sector. A study by Ikpefan (2013) on money deposit banks demonstrated the existence of significant relationship between marketing and customers' satisfaction. Also, Wazis, Temitope and Usmana (2016) conducted a case study on Fidelity bank, and administered questionnaire on 200 bankers and customers in Maidugiri, Nigeria. The study concluded that there is a significant positive relationship between marketing strategies and bank profitability.

In terms of innovation in the use of New media as a strategic marketing tool, Adelola (2016) observed that there have been improvements in the adoption of new media by many organizations, coupled with an increased spending on new media technologies. A similar conclusion was reached by Salisu ,Abu-Bakr, and Abdul Rani(2017) who investigated the influence of marketing capability on the performance of manufacturing and service firms in Kano, Nigeria. The study established that marketing capability has a significant positive relationship with firm performance.

In Thailand, Ngamsutti & Ussahawanitchakit (2016) examined the link between marketing innovation capability and marketing performance of 187 electrical and electronic appliances businesses and concluded that marketing innovation capability has a positive effect on marketing performance. Also, in Greece, Karagouni & Papadopoulos (2007) confirmed marketing capabilities to be the most powerful of all firm's Technological innovation's capabilities and one that safeguards sales growth and product competitiveness.

#### **Research Hypotheses**

From the review of literature and concepts, the following Null hypotheses were formulated:

- $H_{01}$  There is no significant relationship between a company's marketing innovation capability and Product competitiveness
- $H_{02}$  There is no significant relationship between a company's marketing innovation capability and Sales Growth.

#### **METHODOLOGY**

The study used structured self- completing questionnaire in conducting a cross sectional survey on 244 respondents, who are regional managers, branch managers and operational mangers of the quoted banks under study. The sample was drawn from all the Sixteen (16) Quoted banks, operating in the South- South Region of Nigeria, using stratified sampling technique to determine sample size proportions. Data was collected using a five (5) point Likert scale questionnaire. Descriptive analysis was carried out on each of the study variables, using frequency tables, and percentages in analyzing and presentation of data. Inferential statistics was carried out using Structural Equation modeling (SEM), to test the hypotheses formulated. The analyses were carried out on the Statistical Package for Social Sciences (SPSS) version 22 software program and on IBM Amos program, Version 21 program.

Before conducting the hypotheses testing, a thorough measurement analysis was conducted to verify the survey instruments. The reliability was tested using a pilot test on some Quoted banks. A total of 45 copies of questionnaires were pre- tested and the Cronbach's Alpha value of every variable was greater than 0.7, the suggested threshold value for acceptable reliability (Nunnaly, 1979).

Exploratory Factor Analysis (EFA) carried out was based on Principal Component Analysis method, ensuring that the Eigen value of each factor was above 1 and the factor loadings were above 0.3, which Brown (2006) considered acceptable. Measurement model was constructed for each of the constructs, and the model fit results are within allowable limits.

The relationships between Marketing Innovation capability and firm competitiveness were analyzed with the aid of structural equation modeling, using AMOS 7.0. In analyzing the model, the results from the maximum likelihood estimation and standardized regression weighting were used for interpretation. Multiple indices of fit were used to specify the overall model fit, using CFI, GFI, NFI, RMSEA and Cmin/df. The research hypotheses were tested based on the significant level of p-value in each model.

#### STRUCTURAL MODEL

A structural model was constructed to examine the relationship between the innovation capabilities and firm competitiveness. The results are shown on Table IA below.

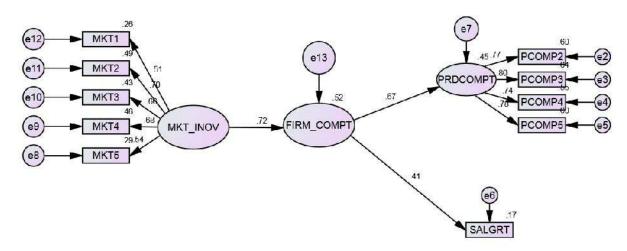


Table 1A: Structural Model used in investigating the relationship between Marketing Innovation Capability and Firm Competitiveness (Using Product competitiveness and sales Growth as measures)

The relationship between Marketing Innovation capability, and firm Competitiveness was investigated using the structural model shown on Fig 1A.above. The model fit yielded a CMIN/DF of 1.120 < 3; CFI of 0.980 > 0.95; GFI of 0.963 > 0.900; RMSEA of 0.042 < 0.08, p-value= 0.053 > 0.050. These indicate that the multiple indices are within acceptable levels as recommended by Hair et al(2010) and Bryme (2002) and the model was considered to have a good model fit.

**Table 1.2 Hypotheses testing** 

MODEL	Variable	Standardized Regression weight	Squared Multiple correlation (R <sup>2</sup> )	Critical Ratio	p-value	Decision
I	Marketing Innovation & Product Competitivenes S	0.499	24.9%	5.276	0.000	H1 not supported
II	Marketing innovation &Sales Growth	0.317	10.0%	4.055	0.000	H2 not supported

The results of hypothesis testing depicted on the Table 1.2 above shows that in Model I, which investigated the relationship between marketing Innovation Capability and Firm competitiveness,( using product competitiveness as a measure), the parameter estimates are as follows: ( $\beta$  = 0.499, R²=24.9%; p= 0.000<0.05) which shows that marketing innovation capability has a significant effect on firm competitiveness (in terms of product competitiveness) With the value of the critical ratio greater than the standard value (5.276> 1.980) and probability value smaller than alpha standard = 0.05 (0.000 < 0.05), therefore, these empirical results do not support the Null hypothesis one (H01) which

states that marketing innovation capability has no significant relationship with firm competitiveness (in terms of product competitiveness). Therefore, this study concludes that Marketing innovation capability has a positive and significant effect on firm competitiveness (in terms of product competitiveness).

In model II, the model parameter estimates for the relationship between marketing innovation capability and firm competitiveness, as indicated by Sales growth is as follows: ( $\beta = 0.317$ , R<sup>2</sup>=10.0%; p= 0.000<0.05). This means that marketing innovation capability has a significant and positive effect on firm competitive, in terms of Sales Growth.

#### Discussion

The analyses carried out above have demonstrated that a positive and significant relationship exists between marketing innovation capability and firm competitiveness. This research outcome agrees with earlier findings on innovation studies. The Kiveu (2017) study reported that marketing innovation has positive and significant effect on Manufacturing SMEs competitiveness in Nairobi, Kenya, and suggested that SMEs should implement marketing innovation, to enhance their competitiveness in terms of profit and sales.

Other studies with similar findings include that of John and Davis (2000) which concluded that marketing innovations increases sales by increasing the demand for the product, leading to increasing profits. Razavi et.al (2016) made a similar conclusion when they tried to establish the existence of correlation between Technological Innovation Capabilities (TICs) and the competitive performance of Iranian ICT firms. They reported that marketing innovation proved to be the most powerful of all the variables and the one that safeguards sales growth and product competitiveness. A related study by Mahmod, Ibrahim, & Rodina (2010) on Jordanian banks confirmed that Marketing capabilities significantly influences the innovation capabilities and performance, and asserts that when organizations have better marketing capabilities in terms of customer relationship management, market analysis, product differentiation and customer service, it tends to enhance their innovation and business performance. Other empirical Studies by Yam et al. (2010) and Lau et al. (2010) show marketing capability as one of the most influential factors that influence firm competitiveness.

#### CONCLUSION AND RECOMMENDATIONS

Looking at the results of many analyses carried out in testing the two hypotheses, the study concludes that marketing innovation capability being developed by Nigerian Quoted banks had statistically significant and positive effects on their competitiveness, in terms of sales growth and product competitiveness. Looking at the impacts, marketing innovation capability has greater impact on product competitiveness than on sales Growth.

Based on these findings in this study, the study recommends that these Quoted banks should emphasize the development of Marketing innovation capability, in their quest to remain competitive, as it guarantees sales Growth and product competitiveness. To have the desired impact on firm competitiveness, the study also recommends these banks to carry out complementary investment in human capital development, and firm restructuring.

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## Procedural Justice and Employee Engagement of Insurance Firms in Port Harcourt, Nigeria

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Abstract: This study addressed the relationship between procedural justice and employee engagement of insurance firms in Port Harcourt. The study is designed as a cross sectional survey, with data generated from 92 respondents using the structured questionnaire. Procedural justice is, the criterion variable, while employee engagement is operationalized using vigour and dedication as the predictor. The Spearman's rank order correlation was utilized in the assessment of the significance of the bivariate relationship between the dimension of procedural justice and the measures of employee engagement.. The findings revealed that procedural, justice have significant effects on all two measures of employee engagement, hence all null hypothetical statements were rejected. The study concluded by stating that the fair distribution, and the processes involved in the allocation of resources within the organization, as well as the features of the relationships between workers and their managers or leaders, significantly enhances the extent to which members of the organization are dedicated, vigorous about their work and the extent to which they are enthusiastic and absorbed in their work. IT was thereby recommended that the distribution and allocation of resources as well as its procedures should follow clear and transparent guidelines which recognize and are based on agreed upon sharing ideals or patterns such that members do not feel side-lined or cheated in the distribution process. Also, practices and systems of justice should be upheld and emphasized through policies and discipline in the organization in such a way that deviance would attract strict penalties and recourse to appropriate formats

**Key words:** procedural justice, employee engagement , Dedication, Vigour

#### **INTRODUCTION**

Employee engagement is currently drawing a lot of interest among various professionals, practitioners and consultants in the business world (Saks, 2006). It has evolved to become one of the most popular concepts in the field of organizational behaviour and management; forming a fundamental factor and feature of employee survey instruments utilized in the generation of social or management related data (Bailey, Madden, Alfes & Fletcher, 2017).

Its interest grows as a result of its key contributions to and implications for workplace relationships and the organization as a whole. This is as the past decade has seen a surge in academic research on the concept of engagement which has been lauded as the key to an organization's effectiveness, competitiveness and a driver for an organization's bottom line performance (Macey & Schneider, 2008; Saks & Gruman, 2014).

In one of the first empirical investigations on the possible predictors as well as consequences of employee engagement within organizations, Saks (2006) observed that employee engagement significantly impacts on workers satisfaction, employee commitment, lower turnover and also organizational citizenship behaviour. Employee engagement is essential to employee productivity and involvement. Employees who are high on their engagement scales tend to contribute to more and in substantial degrees to their organizations. Their levels of task performance and organizational citizenship behaviour will increase in line with their engagement which further results in competitive advantages for organizations (Rich, Lepine & Crawford, 2010). Similarly, Harter, Schmidt and Hayes (2002) affirmed that from their meta-analysis study which was carried out in 36 organizations that employee engagement is related to meaningful organizational results comprising of internal and external customer satisfaction, service quality, profit, employee retention and trust. Employee engagement can therefore be considered a factor for the overall success of the organization as it results in improved business outcomes and higher levels of employee productivity (Gruman & Saks, 2011; Alvi & Abbasi, 2012)

The conceptualization and meaning of the employee engagement construct has been varied among different scholars and schools of thought and to date there is no generally accepted or consensus on what engagement actually implies (Macey & Schneider, 2008; Saks & Gruman, 2014). This is as different constructs of employee engagement can be considered as distinct from one another and have been advanced to capture or illustrate the fundamental features or aspects employee engagement (Shuck, Adelson & Reio, 2016). Following the early works of Kahn (1990) on the concept of engagement as it relates to the work role, several researchers have developed several varieties of engagement constructs which cover mainly: work engagement, job engagement, organizational engagement, intellectual or social engagement and, the subject of this study, employee engagement sometimes as distinct and separate constructs or as components of one or the other (Macey & Schneider, 2008; Shuck et al., 2016).

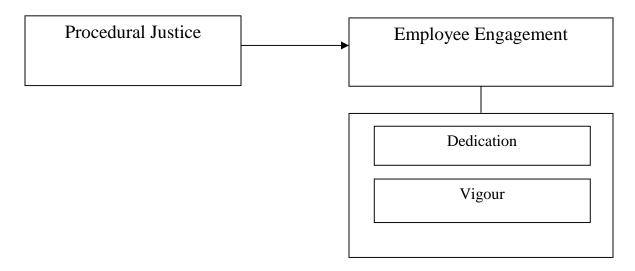
Engagement can also be viewed as a positive anti-thesis of the construct of employee burnout whereby it is characterised by energy, involvement and efficacy (Maslach, Schaufeli & Leiter, 2001). In this regard, employee engagement is often presented as a pervasive instead of a momentary affective-cognitive state that is not particularly focused on a certain object, role or event (Schaufeli, Salanova, González-Roma & Bakker, 2002). It refers to a positive state of mind that is characterized by vigour, and dedication (Schaufeli *et al.*, 2002). Vigour can be described as entailing mental exertion and persistence in the face of challenging events or circumstances and physically using high levels of energy while carrying out one's role; dedication involves a cognitive and affective state of confidence, inspiration and strong drive (Schaufeli *et al.*, 2002; Gan & Gan, 2014).

Kaplan and Norton (2004) note that the transition of business activities and functions from the industrial age to informational age has made organizations across the world increasingly dependent upon the human capital which in turn best flourish when dealt with fair and just way. Today's organizational success largely depends and is predicted by the extent to which employees intimately melt themselves into the work environment of a business (Iqbal *et al.*, 2012). Consistently high engagement by the employees in this competitive environment is a key to achieving the coveted success for the business. As such Employers and managers today are, therefore, more concerned with the attitude employees hold about their organizations. In this sense, procedural justice has been considered of great interest from different quarters such as from industrial psychology, behavioural management and human resource management as a means of endearing organizations to their employees and ultimately making the organizations more effective in terms of employee productivity (Cropanzano & Greenberg, 1997).

Though in the western and other developed parts of the world, there exists large number of studies have been produced which have focused on the effect of procedural justice on employee engagement (Schaufeli *et al.*, 2002; Gruman & Saks, 2011; Alvi & Abbasi, 2012), however, very little empirical studies have been conducted within the context of Nigeria. This is as there exist significant dissimilarities and contextual factors which contribute to the distinct features of each context. For a country like Nigeria, where labours are always in surplus, concepts such as procedural justice and its impact on workplace relations might pose a different scenario compared to other developed contexts (Budhwar & Varma, 2011).

Based on the foregoing, this study departs from previous studies as it extends the research on the variables by testing hypotheses on workers within Insurance firms in Port Harcourt. This is as, over the last two decades, labour and workplace related issues in Nigeria has gained increasing importance in the world economic scene, due to its steady rise as well as opening up of its markets, following liberalization and reforms of several sectors initiated in the early 2000s (Budhwar & Varma, 2011). As one might expect, the liberalization of the Nigerian economy and the resultant growth in competition among service firms has led to significant changes in managerial policies and procedures, especially those related to human resource functions (Budhwar & Sparrow, 1998; Sparrow & Budhwar, 1997). These development and features necessitate the need for a study of this nature and form as a means of understanding and the role or significance of the relationship between the variables of the study within such a context. Hence this study will empirically investigate the relationship between procedural justice and employee engagement in insurance firms in Port Harcourt. Therefore, the objective of this study is to specifically examine the relationship between procedural justice and employee engagement in insurance firms in Port Harcourt firms in Port Harcourt. The study shall therefore be seeking answers to the following research question:

- 1. To what extent does procedural justice relate to dedication in insurance firms in Port Harcourt?
- 2. To what extent does procedural justice relate to vigour in insurance firms in Port Harcourt?



**Fig. 1.1:** Conceptual Framework of procedural justice and employee engagement in Insurance Firms in Port Harcourt, Nigeria

#### LITERATURE REVIEW

#### Theoretical Framework

The underpinning theory for this study is the equity theory is adopted as a theoretical foundation in prescribing possible outcomes and implications with regards to the relationship. Organizations are attempting to develop a work force that is self-managing and autonomous, a sense of justice becomes even more essential as the glue that holds the organization together and maintains teamwork (Cropanzano & Kacmar, 1995). The essential idea behind equity theory is that when individuals work for an organization, they present certain inputs (e.g., abilities or job performance).

Based on what they input in, people expect to get something in return, for example when people input high performance, they expect to get a high pay level (Cropanzano, 1993). Adams (1965) expressed this as a ratio of outcomes per inputs. The difficult thing for workers is to determine when a given ratio is fair. Adams argued that individuals determine fairness by comparing their ratio to the ratio of some comparison other; this allows someone to see if a reasonable amount were obtained.

Equity theory predicts that low rewards produce dissatisfaction; this would in turn motivate people to take action and reduce the discrepancy between their ratio and the ratio of the comparison other. For example, one might reduce inputs (lower performance), or if possible, increase outcomes. According to Adams (1965) when a person is over rewarded, he/she might experience guilt, shame, or remorse instead of anger or resentment. These emotions are negative and therefore should motivate individuals to move toward reducing the imbalance. Because individuals do not usually forego positive outcomes, people are generally likely to respond by increasing inputs. That is, they are expected to work harder.

The concept most often examined in studies of equity theory is pay equity, the degree to which employees perceive their pay to be fair. Equity theory suggests that individuals may

choose from one or more different referents in determining the equitableness of their pay. Among the most theoretically and empirically important referents are internal comparison with persons holding the same or different positions within the same organizations and external comparisons with persons similarly employed in other organizations. Employees may choose family members to measure how their pay meet their needs and compare it with the employee's own pay history.

Equity theory suggests that overpaid workers avoid any inequity reduction techniques that result in (a) negative consequences to self-esteem or physical wellbeing or (b) devaluation of a good job outcome such as job satisfaction or monetary compensation. The preferred method is a psychological justification involving a higher valuation of one's job inputs as indicated by the results of the study (Perry, 1993). When employees are not satisfied with their job they react negatively. This is consistent with what Adams has predicted in which workers who feel inequitably underpaid may respond by raising their outcomes.

According to equity theory people can readdress states of inequity cognitively, for instance, altering their beliefs about the outcomes they received from their jobs. Equity theory asserts that workers who are underpaid financially may be able to re-establish overall level of equity by convincing themselves that they are well compensated with respect to other outcomes. A study on 114 salaried clerical workers, whose pay was reduced, felt that they were inequitably underpaid (Greenberg, 1989). Their pay cut created an underpayment inequity. In this case the employees followed two approaches. First, enhanced the perceived importance of other outcomes (work environment). Second, exaggerate the perceived level of these outcomes needed to establish equity.

The equity theory further tells us that cognitive revaluation of a situation will minimize the distressing effect of inequity (Greenberg, 1989). Heneman's (1985) review showed that pay satisfaction effects on overall levels of employee engagement and also has a big effect on behaviours such as turnover, absenteeism, and the effort exerted on the job. However, overpayment does not produce these results, usually underpayment does that consistently (Mowday, 1987)

#### **Procedural Justice**

The justice literature became more complex with the introduction of procedural justice as a complement to distributive justice. Original work on procedural justice was conducted in the context of legal procedures. Researchers noticed that parties in dispute resolution procedures not only responded to the outcomes they received but also to the process that was followed in determining these outcomes (Nowakowski & Conlon, 2005). This resulted in the development of the construct of procedural justice.

Procedural justice is defined as the fairness of the process that is used to arrive at decisions (Nowakowski & Conlon, 2005). Central to the development of procedural justice is the work done by Thibaut and Walker (1975). They determined that control or influence over the process, also called "voice", plays an important role in creating high levels of procedural justice. Perceptions of procedural fairness seem to be universal, in that procedures such as granting of voice are recognised as fair in many cultures (Greenberg, 2001). Other

structural aspects of the procedures such as openness and clarity are also considered by several cultures to contribute to fairness.

#### **Employee Engagement**

Employee engagement is a relatively new concept in the academic community but has been heavily promoted by consulting companies (Wefald & Downey 2009). Scholars and practitioners in the HRM field tend to agree that the fundamental concept of engagement may help explain behaviour at work, but they present different definitions of it. Thus, while the concept of employee engagement seems on the surface to be compelling, the concept lacks clarity in its definition.

Using Kahn's (1990) seminal work as the point of departure, the concept of engagement was first introduced by him to explain how people are personally engaged and disengaged at work. He defined 'job engagement' as 'the harnessing of organisational members' selves to their work roles where people express themselves physically, cognitively, and emotionally during role performances' (Kahn 1990: 694). This definition clarified the concept of engagement as the manifestation of being 'present at work'. Being 'present at work' requires a particular mental state.

Maslach and Leiter (1997) reintroduced the concept of engagement as an energetic state of involvement that is posited to be the opposite of burnout. Engaged employees who are seen as energetic and take their work as a challenge appear as the opposite to burnt-out employees who are stressed and see their work as demanding (Bakker, Schaufeli, Leiter & Taris 2008). Maslach and Leiter (1997) added to their argument by asserting that, if an employee is not engaged, he or she will be more likely to move to the other end of the continuum and experience burnout.

The state of engagement is characterised as having high energy (as opposed to exhaustion), high involvement (as opposed to cynicism) and efficacy (as opposed to lack of efficacy). Gonzalez-Roma, Schaufeli, Bakker and Lloret (2006) supported this view and further characterised it by activation, identification and absorption. Activation refers to having a sense of energy, identification is a positive relationship towards work, and absorption is being fully immersed in one's job

Engagement has also been defined as an individual's involvement, satisfaction and enthusiasm for work (Harter *et al.*, 2002). This definition was derived from items in the Gallup Workplace Audit, developed by the Gallup organisation, which were based on employee perceptions of work characteristics. Perceptions of work characteristics resulted in this definition having conceptual overlaps with job involvement and job satisfaction. First, job involvement is a concept that focuses on how a job helps define a person's identity (Lawler & Hall, 1970).

To sum up, different school of thoughts have conceptualised employee engagement in various ways. The lack of agreement among scholars in establishing a solid foundation for the definition of employee engagement has caused many gaps in the research area. Some have defined engagement as being present at work, some as the opposite to burnout on a continuum, and some have overlapped it with other constructs such as job satisfaction and

job involvement. The arguments presented in the above sections justify why Schaufeli *et al.'s* (2002) conceptualisation of engagement is most thorough and precise.

Employee engagement focuses upon the positive and fulfilling aspects of doing work. For a person to be engaged, he or she must be vigorous, dedicated and absorbed in their job. This positive reflection is in line with the movement of positive organisational behaviour in seeking to understand how individuals thrive at work. For this reason, Schaufeli et al.'s (2002) view on engagement is seen as more dominant and comprehensive than others. Given these key attributes and following Schaufeli et al. (2002) conceptualisation, this study defines employee engagement as a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption. This definition distinguishes it from other established measures of positive employment states such as job satisfaction and job involvement.

**Dedication**: The first element of employee engagement is dedication. This refers to being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride and challenge (Schaufeli *et al.* 2002). Being dedicated to one's job includes motivated acts such as working hard and giving the best that one can at work. Work not only seems to be important but also requires self-disciplined behaviour, as demonstrated by following rules, taking the initiative to solve a problem at work and exceeding one's personal job requirements (Van Scotter & Motowidlo, 1996). A person who is dedicated to work is veritably engaged to his or her job.

**Vigour:** The first element of employee engagement, vigour, is a positive affective response to an employee's interactions with the elements of the job as well as the environment. The concept of vigour is drawn from the view that individuals share a basic motivation to obtain, retain and protect the things that they value, such as resources (in this case, energetic resources) (Hobfoll 1989). Energetic resources refer to physical strength, emotional energy and cognitive liveliness. According to Schaufeli *et al.* (2002), vigour is characterised by high levels of energy and mental resilience while working, the willingness to invest effort in the work and persistence even in the face of difficulties. Vigour relates to psychological capacities for exercising will power and developing alternative ways to achievement, optimism in expecting future success, and resilience to persist in the pursuit of goals. A person who is vigorous at work distinctly represents an engaged employee.

### **Procedural Justice and Employee Engagement**

Thibaut and Walker (1975) introduced another dimension of organizational justice namely procedural justice. They defined procedural justice to be concerned with individual's perceptions about the fairness of procedures governing decisions. Examples of procedural justice include the degree of voice a person has in the decision-making process and whether or not consistent rules are followed in making decisions (this means that procedural justice is also linked to employee influence).

Thibaut and Walker (1975), in other words, gave the concept of process control and decision control. Their work was mainly limited to legal procedures and disputant reactions. They suggested that if disputants had control over processes, they would still

view procedures as fair even if they had minimal control over decisions. By process control they mean the control over the presentation of argumentation and sufficient time to present the case.

Leventhal *et al.* (1980) introduced procedural justice in an organizational setting (in contrast to legal settings used by Thibaut and Walker in their studies) and introduced six measures of procedural justice. These include consistency across people and time, free from bias, accuracy of information used in decision making, existence of some mechanism to correct flawed decisions, conforming to standards of ethics and morality and inclusion of opinion of various groups involved in the decision process. Skarlicki and Folger (1997) explain the consequences of procedural justice. They argue that individuals accept responsibility for their problems if they perceive that fair procedures were used to arrive at decision outcomes. However, if they perceive that procedures used by the organization are unfair, individuals may show anger and resentment and consequently enter into retaliating behaviours (Skarlicki and Folger, 1997).

Employee perceptions of fairness in treatment and procedures enhances their quality of work, their performance, stimulates commitment and desirability of long-term ongoing relationship with organization (Cropanzano *et al.*, 2001). Also procedural justice is expected to increase perceptions of organizational support, which, in turn, increase both citizenship behaviors directed toward the organization and organizational commitment (Cropanzano *et al.*, 2001). Thus, it becomes important for employees that what is fair and what is not. Favourable outcomes are more likely to engender fairness, whereas unfavourable outcomes are more likely to engender perceived unfairness. This position was further reinforced by the previous findings of Wallgren (2011) as re-affirmed by the study hypotheses. Based on the foregoing, we hypothesized thus:

**Ho**<sub>1</sub>: There is no significant relationship between Procedural justice and dedication in insurance firms in Port Harcourt.

**Ho<sub>2</sub>:** There is no significant relationship between procedural justice and Vigour in insurance firms in Port Harcourt.

### **METHODOLOGY**

The research design for this study will be cross-sectional survey design because it enhanced the gathering of data interpretations to be made based on the data gathered. The accessible population of the study comprises of 154 staff of the five selected insurance firms in Port Harcourt. The sample size for this study comprises of the 111 population with the aid of Taro Yamen formulae. The primary and secondary source of data collection were adopted using journals, magazine and structured questionnaire. The data were analyzed using tables, means and standard deviations. The Spearman's rank order correlation coefficient (r) with the aid of SPSS version 20.0 statistical software to analyze the null hypotheses. Also a five (5) point Likert scales was used to measure the respondents choices and opinions, ranging from Very high extent to Very low extent.

#### DATA ANALYSIS AND RESULT

## Test of Hypothesis One (Ho<sub>1</sub>)

**Ho**<sub>1</sub>: There is no significant relationship between procedural justice and dedication of insurance firms in Port Harcourt.

**Ho2:** There is no significant relationship between procedural justice and Vigour of insurance firms in Port Harcourt.

Table 1.1 Procedural justice and employee engagement

			Procedure	Dedication	Vigour
	=	Correlation Coefficient	1.000	.590**	.494**
	Procedure	Sig. (2-tailed)		.000	.000
		N	92	92	92
	Dedication	Correlation Coefficient	.590**	1.000	.477**
Spearman's rho		Sig. (2-tailed)	.000		.000
		N	92	92	92
		Correlation Coefficient	.494**	.477**	1.000
	Vigour	Sig. (2-tailed)	.000	.000	
		N	92	92	92

Source: Research survey, 2020

# The relationship between procedural justice and dedication

The result for this hypothetical statement indicates that there is a significant relationship between the variables. The evidence shows that at a rho = .590 and a P < 0.05. procedural justice significantly impacts on employee dedication. Consequently, the hypothesis is considered as false and therefore rejected based on the lack of statistical evidence to prove otherwise.

### The relationship between Procedural Justice and Vigour

The result for this hypothetical statement indicates that there is a significant relationship between the variables. The evidence shows that at a rho = .494 and a P < 0.05. procedural justice significantly impacts on vigour. Consequently, the hypothesis is considered as false and therefore rejected based on the lack of statistical evidence to prove otherwise.

### **DISCUSSIONS OF FINDINGS**

The result the stated null hypotheses of bivariate nature are rejected based on the significance of their relationships. These findings indicate that procedural justice has a strong effect on the feelings and emotions of the workers, and also supports the view that procedural justice systems offer the workers equity and recognition. This corroborates with the findings of Greenberg (2001) who observed that procedural justice through its emphasis on representativeness, fairness, equity and recognition, deepens the bond between the organization and the worker (Cropanzano *et al.*, 2005).

This finding also corroborates with the position of Ambrose and Scheminke (2009) who stated that the relationship between procedural justice and the emotions of workers is significantly strong given the implications of ill-treatment on the pride or assumed social status of most individuals. Further support is provided by Cohen-Charash and Spector (2001) who opined that the basis for correspondence and cohesiveness within most teams and work groups is often evident in their interpretations of self within the general workplace and the extent to which they consider themselves recognized and as valued members of the organization.

Furthermore, the changes in the behaviour employees have been linked to their definitions of self. Consequently, there is a high risk and greater chance of losing employees or high evidence of turnover when workers are not afforded their required level of recognition, respect and regard within the organization. In line with these observations it is evident the critical position procedural justice holds in enhancing employee engagement in insurance firms in Port Harcourt. The findings put forward herein provide substantial facts which support this argument and similar others put forward by previous scholars (Ambrose & Scheminke, 2009; Cohen-Charash & Spector, 2001).

### CONCLUSION AND RECOMMENDATIONS

Conclusively, the study therefore concludes that there is positive relationship between Procedural justice and Employee engagement in areas of Dedication and Vigour. Based on this, the following recommends are therefore proffered.

- 1. Relationships within the workplace should be structured to allow for reciprocal respect and mutual understanding of roles and positions. As such relationships should be transformative and based on mutual respect and value for significant others within the organization.
- 2. Practices and systems of justice should be upheld and emphasized through policies and their embodiment in the cultural values and norms of the organization in such a way that deviance would attract strict penalties and recourse to appropriate formats.

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# Attrition and Workplace Harmony of Deposit Money Banks in Rivers State, Nigeria

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Abstract: The study examined the relationship between attrition and workplace harmony in deposit money banks in Rivers State, Nigeria. The study adopted a cross-sectional survey research design. The target population of the study was all the 20 consolidated deposit money banks in Nigeria. However, all the banks have their regional offices in Rivers State, these regional offices constituted the accessible population for this study. There was no sampling technique. The study takes a census of the population as a sample size which constitutes one regional manager and one regional human resource manager in the 20 deposit money banks. Data for the study was collected through structured questionnaire. Inferential statistics such as the linear regression coefficient Statistics technique was used to test the hypotheses with the aid of statistical package for social science version 22.0. The results of the study showed that there was a positive and statistically significant association between attrition and workplace harmony. The study therefore recommends that deposit money banks and their human resource managers need to continually carry out manpower recruitment processes and planning to advance the attrition level in the future workforce situation in the labor market prior to recruitment of employees.

**Keywords:** Workplace Harmony, Attrition, Workplace Harmony, Low Grievance, Team Collaboration

### **INTRODUCTION**

In recent times, workplace disharmony is assuming unprecedented proportions in most of the banking and financial institutions in Nigeria (Rotman, 2013). The incessant grievances and conflicts between management and employees in the banking sector has more than ever before been publicized in the manifestation of negative consequences such as decline in the performance of organization and that of the employee (Agba, Ushie & Agba, 2009). Albert and Yahaya (2013) further stated that the pattern of workplace relations in Nigeria has been conflictual in nature with disruptive consequences and significant workstoppages.

According to Valentine (2012) workplace harmony it refers to those behaviours that facilitate effective member interaction with team defined as a group of two or more

individuals who perform some work related task, interact with one another dynamically, have a foreseeable shared future and share a common fate. He further posits that the function involves the relations and interactions between employers or management and employees, either as individuals or as groups; between supervisors and workers and his trade union, and between one trade union and the other and covers employment problems and security, conditions of work, remuneration, labour and employment grievances and disputes, level of production efficiency, safety, health and welfare of worker, social security and employee development.

However, the study of workforce attrition is a critical issue and pretty high in the industry these days. The term 'attrition' is common, many would be at a loss to define what actually attrition is, attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death (Chiaburu and Tekleab, 2010). It can also be said as employee turnover or employee defection whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships (Chen, 2014).

Modern managers and personnel administrators are greatly interested in reducing attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization. The banking sector in the Nigerian financial market is characterized by relatively high rates of disengaged and workers conflicts which manifest in labour turnover and periodic labour shortage (Chan, Clarke &Dainty, 2011 and McGrath-Champ, Rosewarne and Rittau, 2011). The rise in this awareness has become a pain in the neck of growing human resource practices to such concerns that it attempts to diminish the glory of capitalistic mindedness that once bestride the pathway to managing like a colossus. Workplace harmony seems to be affected by this development that the frequency of management-workforce conflicts is fast raising in the banking sector of nation's economy.

This failure is the essence of this investigation that necessitated the operationalization of attrition as a non-financial index to address the problems of workplace harmony in the Nigerian financial institutions, specifically the deposit money banks. However, this present study was to find out how employee attrition affects workplace harmony in the Deposit Money Banks in Rivers State, Nigeria while the following research questions are posed for answers

- 1. How does employee attrition affect low grievance frequency in the Deposit Money Banks in Rivers State, Nigeria?
- 2. How does employee attrition affect team collaboration in the Deposit Money Banks in Rivers State, Nigeria?

### LITERATURE REVIEW

### Theoretical Framework

The study on the relationship between employee attrition and workplace harmony is domiciled in social exchange theory. This is because most empirical studies have relied heavily on this theory as the baseline theory when discussing employee attrition and workplace harmony (Schuler & Jackson, 1987; Delery& Doty, 1996; Boselie *et al.*, 2005;

Fleetwood & Hesketh, 2008).

The social exchange theory scholars argued that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic tenet of social exchange theory is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain 'rules' of exchange (Armstrong, 2012). Such rules tend to involve reciprocity or repayment rules, so that the actions of one party lead to a response or actions by the other party.

Therefore, fulfilling these obligations constitutes the vital aspect in any social exchange relationship (Rousseu, 1990). For example, beneficial actions aimed at employees by the organization and its representatives facilitate the establishment of high quality exchange relationships that create obligations for workers to reciprocate in positive ways (Settoon, *et al.*, 1996).

# **Employee Attrition**

The term 'attrition' is common, many would be at a loss to define what actually attrition is, attrition is said to be the gradual reduction in the number of employees through retirement, resignation or death (Chiaburu and Tekleab, 2010). It can also be said as employee turnover or employee defection whenever a well-trained and well-adapted employee leaves the organization, it creates a vacuum. So, the organization loses key skills, knowledge and business relationships (Chen, 2014).

Modern managers and personnel administrators are greatly interested in reducing attrition in the organization, in such a way that it will contribute to the maximum effectiveness, growth, and progress of the organization. Theoretically, the term employee/labour attrition underwent a change during the late 20th century. Employee/labour attrition was rechristened as employee attrition. The term attrition is defined as, the process or state of being gradually worn down (Huselid, 1995). Usually the attrition process starts after a person is employed in an organization and ends when the person quits or retires the job. The term employee attrition is used interchangeably with employee/labour attrition. Mostly employees tend to leave the job due to ergonomic discomfort experienced by the employee and the functional incompatibility between the corporate management and the employees.

Becker and Huselid (1999) attrition can be defined as the number of employees leaving the organization which includes both voluntary and involuntary separation. Losing an employees and talents results in huge loss to the organization because there is a huge loss in cost such as the recruitment cost, training cost and other cost that are incurred in making an employee more skillful.

Companies in Nigeria as well as in other countries face a formidable challenge of recruiting and retaining talents while at the same time having to manage talent loss through attrition be that due to industry downturns or through voluntary individual turnover. Aguinis and Kraiger (2009) losing talents and employees result in performance losses which can have long term negative effect on companies especially if the departing talent leaves gaps in its execution capability and human resource functioning which not only includes lost productivity but also possibly loss of work team harmony and social goodwill. With attrition rates being a bane of every industry, companies are devising innovative business models for effective retention of talent. There are a lot of factors responsible for attrition and employers are getting increasingly conscious of the factors

that can keep an employee committed.

Voluntary attrition or voluntary attrition means employees leave the organization out of their own will. Barringer *et al.*, (2005) they may tend to leave the job due to various factors such as lack of interest, salary problems and various problems with their peer groups, supervisors etc. Involuntary attrition refers to the employee discharge by the organization and it happens for various reasons such as retirement, unethical behavior, suspension, dismissals, corporate changes etc. There is another form of attrition known as compulsory attrition where the employees leave the organization due to the implementation of government rules and regulations and the impact of those rules on the organization.

## **Concept of Workplace Harmony**

Industrial harmony refers to a friendly and cooperative agreement on working relationships between employers and employees for their mutual benefit (Otobo, 2005; Osad and Osas, 2013). According to Puttapalli and Vuram (2012), industrial harmony is concerned with the relationship between management and employees with respect to the terms and conditions of employment and the work place. In effect, it is a situation where employees and management cooperate willingly in pursuit of the organization's aims and objectives.

Harmonious relations refers to an industrial environment where workers along with their union and management understand and accept each other as partners in progress; that a cooperative attitude is mutually beneficial in terms of output, performance and rewards. It does not assume that conflicts do not exist but that effective and proactive collective agreements and grievance procedure exist that can prevent the conflicts from transforming into a crisis. Thus internalizing harmonious industrial relations will eliminate poor management as it relates to human resources management.

Industrial harmony in its ideal form, presupposes an industry in a condition of relative equilibrium where relationship between individuals and or groups are cordial and productive. Sayles and Strauss (2009) assert that with the inevitable differences among groups within an organization, conflict and differing objectives permeate modern organizations. This type of conflict prevents the existence of industrial harmony which reflects a state of organizational instability (Sayles and Strauss, 2009). On the other hand, Hanson (2006) opines that industrial harmony represents absence of strike by industrial unions in organization which is bound to result in effective and efficient organization.

Harmonization involves the synchronization of teams by a central leadership team that assists the groups in obtaining what they need for success. It involves the planning of priorities and resources allocation across departments. Cross-functional and multi-department teams should be coordinated to work together effectively. Carr (1992) observes that managers and supervisors who become team leaders experience a significant change of role because team leaders do not direct or control work, but instead work as coaches and mentors.

# Measures of Workplace Harmony Low Grievance Frequency

A grievance is an objection raised by a representative who might be determined by methods accommodated in a collective agreement, a work contract, or by different systems

built up by a business. Such a grievance may emerge from an infringement of a collective bargaining agreement, the terms of an agreement, the treatment by others in the work environment, or infringement of the law. For example, working environment security controls. Under UK livelihood law all workers have a legitimate right to raise a grievance, and there is a statutory Act as Code of Practice for taking care of grievances.

Ordinarily, everybody required with a grievance has strict timetables which must be met in the preparing of this formal protest, until it is determined. Businesses can't legitimately treat a representative any contrastingly whether he or she has recorded a grievance or not. An aggregate grievance is a grumbling raised by two or more representatives in a unionized working environment. Under a few words it might likewise be known as a group or work question. The contrast between a grievance and dissension, in the unionized working environment, is whether the topic identifies with the collective bargaining agreement.

### **Team Collaboration**

In leveraging conflict situation in the workplace, it requires managing complex organizational and inter-organizational interdependencies, inducing a need for team collaboration (Thomson and Perry, 2006). Team collaboration can be defined as a complementary relationship where people collectively create a result that is more than the sum of the individual inputs personal interest and conflict (Sanker, 2012; Thomson and Perry, 2006).

Gray and Wood (1991) propose that team collaboration can be studied through its antecedents, processes and outcomes. Antecedents are pre-conditions for collaboration to transpire, including the personal characteristics in individuals that make them more suitable collaborators (Henneman, Lee and Cohen, 1995; Gray and Wood, 1991). Processes encompass the key activities involved in collaborating (Thomson, Perry and Miller, 2007; Gray and Wood, 1991). Outcomes tend to vary according to the type of business (Patel *et al.*, 2012) and the theoretical perspective adopted (Thomson, Perry and Miller, 2008).

Furthermore, Miller (2008) and Gray and Wood (1991) conducted a study examining various theoretical perspectives within the context of antecedents, processes and outcomes of collaboration. Their conclusion was that none of these theories provide a robust model of the construct. Similarly, Henneman *et al.*, (1995) studied the defining attributes, antecedents, consequences and empirical referents of team collaboration. The investigation was conducted in the context of health care professionals and identified elements that contribute to collaboration. The process component was not however distinguished in this study. The authors concluded that models of operationalising collaboration require further investigation.

# **Attrition and Workplace Harmony**

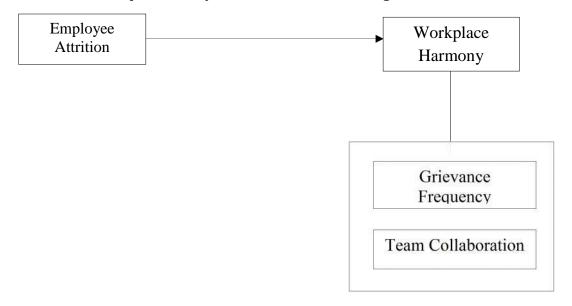
A study describe that attrition is an effort by which an employer make some good policies to retain talented employees for achieve the organization goals and success (Frank, Finnegan and Taylor, 2004). The study concluded that talented work force has high worth to the organizations due their expertise over the knowledge, their skills & experience (Ejiofor & Mbachu, 2001). The research concluded that good administrated compensation structure plays a vital role in retaining the employees. The finding revealed that workers' attrition programmes (taken together) had significantly influenced industrial strike

reduction among industrial workers. It was also found that only three independent variables (conflict skill, communication skill and interpersonal relations skill training programmes) have significantly influenced industrial strike reduction. However, it was found that management skill and computer skill training programmes were not as significant in influencing industrial strike reduction in selected work organizations. Also, there was no significant difference in the level of female and male workers` participation in workers` training programmes in both public and private organizations selected for the study.

Nwinyokpugi (2015) carried out a research on employee engagement and work place Harmony in Rivers state civil service. From 10 ministries in the Rivers State Civil Service, Nigeria, 400 employees were randomly selected. Structured questionnaire was used for the purpose of data collection and data collected were tested using the Pearson Product Moment Correlation. The findings revealed that a significant relationship exist between the variables of employee engagement on workplace harmony in the studied sector.

**Ho**<sub>1</sub>: There is no significant relationship between employee attrition and low grievance frequency in the Deposit Money Banks in Rivers State, Nigeria

**Ho<sub>2</sub>:** There is no significant relationship between employee attrition and team collaboration in the Deposit Money Banks in Rivers State, Nigeria.



## **METHODOLOGY**

The study adopted cross-sectional survey research design because of its requirements to collect data from a wide range of subjects to elicit acceptable generalization. The target population of this study was the 20 consolidated deposit money banks operating in the Nigerian economy whose authentic list is obtained from the Central Bank of Nigeria report (https://infoguidenigeria.com/banks-nigeria/) as at 2019. Since all the 20 consolidated deposit money banks in Nigeria have their regional offices in Rivers State, these regional offices constituted the accessible population for this study. The banks have equal

representatives from each regional headquarters. Two representatives from each of the regional offices of the 20 deposit money banks made up the sample elements. This includes the regional manager, regional human resource manager, making forty (40) respondents. These categories of managers were given the questionnaire because they are at the most vantage point to respond to questions on attrition and workplace harmony. There is no sampling technique. The study takes a census of the population as a sample size which is 40 respondents. The main data gathering/collection instrument was the questionnaire. The study adopts face-validity. The Cronbach Alpha coefficient of 0.7 was the minimum value for the research to be considered reliable and this was adopted to test reliability of the instrument, and the coefficients confirmed the data instrument reliable with an average of 0.82. The hypotheses were tested using inferential statistic such as regression analysis to analyze the extent of the correlation coefficient as well as the t-statistic to determine the coefficients of determination with the help of Statistical Package for Social Sciences (SPSS) version 22.0.

### **DATA ANALYSIS AND RESULTS**

# **Questionnaire Administration and Retrieval**

**Table 1 Questionnaire Administration and Retrieval** 

Population	Sample Size	No. Distributed	No. Not Returned	No. Returned	Used Copies
40	40	40(100%)	2	38	38(95%)

Source: Survey Data, 2019

Table 1 above indicates the copies of questionnaire that was distributed, the rate of responses as well as the usability and rejection rates of the instrument. It was observed that 40(100%) copies of questionnaire were administered to the deposit money banks in Rivers State, Nigeria. 38(95%) copies of questionnaire were returned while 2(5%) copies of questionnaire were not returned out the copies returned 38(78%) copies of questionnaire were correctly filled and this was suitable for the data analysis.

### **Regression Analysis (Test of Hypotheses)**

The analyses were carried out using multiple regression analyses techniques at a (95%) level of confidence interval. Specifically, the tests cover hypotheses  $Ho_1$  to  $Ho_2$  and all were stated in the null form. We have relied on the multiple regression statistics to undertake the analysis. The 0.05 significance level were adopted as criterion for the probability of either accepting the null hypothesis at (P>0.05) or rejecting the null hypothesis at (P<0.05).

# Regression Model 1 Showed the Extent to which Attrition affect Grievance Frequency Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854ª	.709	.902	.56598

a. Predictors: (Constant), Employee Attrition

Source: SPSS Version 22 Output, 2019

Model 1, above showed the empirical result of regression analysis (R-value =0.854) on the predictor variable: attrition had a strong effect on the criterion variable (grievance frequency). While the empirical result of coefficient of determination ( $R^2$ -value 0.709) indicates that attrition explain 70.9% increase in low grievance frequency in the Deposit Money Banks in Rivers State, Nigeria while the remaining 29.1% could be due to the effect of extra variables that is not included in the study.

**Table 2 Regression Coefficients Result on Attrition and Grievance Frequency** 

		CO	emcients <sup>a</sup>			
Standardized						
		Unstandardized Coefficients		Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	1.769	1.050	<del>-</del>	1.686	.101
	Employee Attrition	.286	.133	.333	2.152	.039

a. Dependent Variable: Low Grievance Frequency **Source**: SPSS Version 22 Output, 2019

Ho<sub>1</sub>: There is no significant relationship between Employee Attrition and low grievance frequency in the Deposit Money Banks in Rivers State, Nigeria

**Test of Hypothesis 1:** Table 2 above indicates the empirical result of linear regression coefficients. The relationship between employee attrition and low grievance frequency was found to be significant with a (t-cal. = 2.152) and (t-crit. = 1.96) as the decision to reject or accept the hypothesis. The (t-cal. = 2.152) and significance level of (P>.0.039), indicates that there is a positive and significance relationship between the study variables. Therefore, the null hypothesis is hereby rejected and stated that there was a positive and significant relationship between employee attrition and low grievance frequency. Similarly, from table 21, employee attrition as a predictor variable contributes  $(\beta=0.286)$  to the variation of the criterion variable (low grievance frequency). This implies that employee attrition makes a unique contribution to explain the variation in the criterion variable (low grievance frequency) in the Deposit Money Banks in Rivers State, Nigeria.

Regression Model 2 Showed the Extent to which Attrition affects Grievance Frequency

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.752a	.606	.598	1.50602		

a. Predictors: (Constant), Employee Attrition

**Source**: SPSS Version 22 Output, 2019

Model 2, above showed the empirical result of regression analysis (R-value =0.752) on the predictor variable: employee attrition had an effect on the criterion variable (team collaboration). While the empirical result of coefficient of determination ( $R^2$ -value 0.606) indicates that attrition explain 60.6% increase in team collaboration in the Deposit Money Banks in Rivers State, Nigeria while the remaining 39.4% could be due to the effect of extra variables that is not included in the study.

Table 3 Regression Coefficients Result on Employee Attrition and Team Collaboration

		Со	efficientsa			
		Unstandardized	d Coefficients	Standardized Coefficients	_	
Mode	el	В	Std. Error	Beta	t	Sig.
1	(Constant)	2.848	.938	<del>-</del>	3.035	.005
	<b>Employee Attrition</b>	.106	.119	.141	.894	.378

a. Dependent Variable: Team Collaboration

Source: SPSS Version 22 Output, 2019

Ho<sub>2</sub>: There is no significant relationship between Employee Attrition and team collaboration in the Deposit Money Banks in Rivers State, Nigeria.

**Test of Hypothesis 2:** Table 3 above indicates the empirical result of linear regression coefficients. The relationship between employee attrition and team collaboration was not significant with a (t-cal. = 0.894) and (t-crit. = 1.96) as the decision to reject or accept the hypothesis. The (t-cal. = 0.894) and significance level of (P>.0.378), indicates that there is no significance relationship between the study variables. Therefore, the null hypothesis is hereby accepted and stated that there was no significant relationship between employee attrition and team collaboration. Similarly, from table 4.22c, employee attrition as a predictor variable contributes ( $\beta=0.106$ ) to the variation of the criterion variable (team collaboration). This implies that employee attrition makes no contribution to explain the variation in the criterion variable (team collaboration) in the Deposit Money Banks in Rivers State, Nigeria.

### **DISCUSSION OF FINDINGS**

The study used inferential statistical tools to examine the relationship between attrition and workplace harmony in the Deposit Money Banks in Rivers State, Nigeria. However, the findings indicates that the relationship between employee attrition and low grievance frequency was statistically positive and significant with a (t-cal. 2.152) at a significant level of (P = 0.039). This implies that employee attrition makes a unique contribution to explain the variation in the criterion variable (low grievance frequency) in the Deposit Money Banks in Rivers State, Nigeria. it was also found out that employee attrition had no significant relationship with team collaboration with a (t-cal. 0.894) at a significant level of (P = 0.378). This implies that employee attrition makes no contribution to explain the variation in the criterion variable (team collaboration) in the Deposit Money Banks in Rivers State, Nigeria. The present study in line with previous research of Gostick and Elton (2007) conclude that if employee attrition was conducted properly, it was revealed that employee attrition practice increase profitability and customer service levels, and heighten employee harmony and satisfaction. Caligiuri et al., (2010) concludes that recognition leads to improved communication (employees are more likely to offer solutions and new ideas), better cooperation (employees are more likely to offer to help and go the "extra mile"), and decreased negative attitudes: absenteeism and turnover (employees will demonstrate higher job satisfaction and loyalty).

### CONCLUSION AND RECOMMENDATIONS

From the findings it therefore concluded that there is a positive significant and insignificant relationship between attrition and workplace harmony in the deposit money banks in Rivers State, Nigeria. Specifically the study concluded that: attrition and low grievance frequency was statistically positive and significant. While attrition had no significant relationship with team collaboration and this implies that attrition makes no contribution to explain the variation in the criterion variable team collaboration in the Deposit Money Banks in Rivers State, Nigeria. Therefore, the study recommended that: Deposit money banks and their human resource managers need to continually carry out manpower recruit processes and planning to advance the attrition level of future workforce in the labor market prior to recruitment of employees. Furthermore, it simply requires managers to sit down, think about their future workloads, and decide how many people they need.

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# Job Design and Employee Performance of Manufacturing Companies in Rivers State, Nigeria

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Abstract: The purpose of this study was to investigate the relationship between job design and employee performance of manufacturing companies in Port Harcourt, Rivers State. A cross sectional survey design was used for this study. Primary data was generated through structured questionnaire. The population of the study comprises of principal officers of manufacturing sector in Port Harcourt, Rivers State. The population of the study was one hundred and ninety two principal officers selected from the 32 manufacturing companies in Port Harcourt. The entire population was used as a census hence there was no sample. The hypotheses were tested using the Pearson Product Moment Coefficient with the aid of Statistical Package for Social Sciences version 20.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. Findings revealed that there is a significant relationship between job design and employee performance of manufacturing companies in Port Harcourt, Rivers State. The study thus recommends that management of manufacturing companies should ensure that the specifications of job within their workforce are design in order to reduced job dissatisfaction among employee.

**Keywords:** Job Design, Employee Performance, Creativity, Profitability

### INTRODUCTION

Performance is a critical factor in organizational success. Performance can be described as organizing as well as managing the causal model components that bring about the appropriate achievement of stated aims within limitations precise to an organization and to the circumstances (Lebas, 1995). At the analysis organizational level an organization which is performing well is one that is achieving its goals successfully, that is to say, the one that is executing a suitable strategy effectively (Otley, 1999). The model of AMO (Appelbaum, 2003) maintains performance which is a function of employees' motivation, opportunity to play a part as well as capability. This signifies that an institution will profit most if it arranges the process of work in such a manner that employees who are non-managerial have the chance to contribute optional effort and this can be attained by providing in good

communication, by membership of employee in self-directed and/or off-line teams and by giving them independence in decision making.

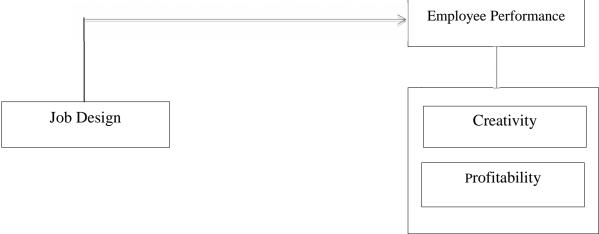
Job design refers to the specification of the jobs methods, relationships and contents so as to satisfy organizational as well as technological requirements and the job holders' personal and social requirements (Armstrong, 2003). According to Ali and Aroosiya (2012) design of job is the functions of task arrangement, responsibilities and duties in to an institutional work unit. Armstrong (2003) states that design of job starts with task requirements analysis, that is what must be done, and after that it must take into consideration the following characteristics of motivation: responsibility, autonomy, self-control and finally discretion

Love and Edwards (2005) reports that design of job comprises of demands of perceived work control of job and social support which result to superior productivity. Professionals of human resources have revealed that there is a strong job design relationship on the motivation and productivity and employees' job satisfaction within an institution. Job design is a major component for performance of employee. Appropriate designing of roles as well as jobs is extremely vital in uplifting the employees' performance, which is tackled via the model of job characteristics, which describes more particularly on the job design of an individual; it as well identifies five major dimensions that include variety of skill, identity of task, significance of task, feedback and autonomy. Design of job has several techniques: job enlargement, job rotation, job simplification and job enrichment.

This study therefore examined the relationship between job design and employee performance in the manufacturing companies in Rivers State, Nigeria.

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

- i. To what extent does job design enhances creativity in the manufacturing companies in Rivers State, Nigeria?
- ii. To what extent does job design enhances profitability in the manufacturing companies in Rivers State, Nigeria?



**Fig.1:** Conceptual Framework for the relationship job design and employee performance **Source:** Author's Desk Research, 2019

### LITERATURE REVIEW

# Theoretical Foundation The Expectancy Theory

Expectancy theory, otherwise known as process theory, explicates the reason for giving preference for one's behaviour over another. This theory was originally propounded by Victor Vroom of the Yale School of Management in 1964. Redmond (2010) observed that a person that expects desired consequence would be stimulated and encouraged to take a decision that will give rise to that outcome. An employee that has belief in his sets of goals would be galvanized and stimulated to achieve such goals since he believes those goal can lead to desired outcome which will enhance him good reward. The aspiration to fulfil a need is capable enough to make the work valuable.

Considering the connection between effort and performance, managers should assign a task that is quite challenging to avoid dullness, frustration and minimal performance on the part of the workers. Managers should also be aware of divergent skills and abilities of the workers while it is equally necessary to assign tasks based on the capability and competencies of individual employee. This is because an employee who perceives he cannot accomplish the task assigned to him would be demotivated and the connection between employee performances would be fragile. It should also be perceived by the managers that employees differ in terms of self-esteem in accomplishing assigned task and high confidence of the employee is relevant and able come up with good performance that will bring about aspired outcome and reward for both the organization and the employee involved.

### Job Design

Job design is a core function of the human resource management and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder or the employee. Its principles are geared towards how the nature of a person's job affects their attitudes and behaviour at work, particularly relating to characteristics such as skill variety and autonomy. Job design research has sought to establish the mechanisms through which job characteristics affect employee outcomes such as performance and wellbeing. Employee erudition has been proposed as one such mechanism Parker and Wall (1999). The basic premise of job design mechanism is that job characteristics stimulate the process. This leads to the acquisition of knowledge about the job and its context, enabling the employee to perform more effectively and to cope better with demand. An additional benefit of the employee being able to cope better with demand is an improvement in wellbeing (Frese and Zapf 1994; Karasek and Theorell 1990). Consistent with this view, studies have found support for a job design mechanism in relation to task performance (Wall *et al.*, 1992).

All jobs are designed, whether consciously or otherwise. In this sense design is simply the process of deciding what goes in and what stays out. Design is, by its very nature, both enabling and excluding. Organisations may seek to divide tasks rationally between different groups of employees in ways that appear to maximise efficiency. Narrowly

designed jobs, for example where employees repeat a restricted number of tasks in relatively short cycles, assume high levels of product or service standardisation, high levels of predictability in the business environment and high levels of employee tolerance of boring work. Job design in manufacturing companies has yet to be established in relation to employee performance, the individual- level process by which new ideas are generated, promoted, and implemented within organizations (Kanter 1988; Rank et al 2004; Van de Ven *et al.* 1989). It is important to know that job design affects employee innovation via its influence because, if true, it demonstrates a route through which employee performance can be cultivated. Organizations might therefore be able to promote employee performance by combining effective job designs with interventions to enhance employee intellect.

Job design means the ways that decision-makers choose to organize work responsibilities, duties, activities, and tasks. Job Redesign thus involves changing work responsibilities, duties, activities, and tasks. Job design is the process of Work arrangement (or rearrangement) aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks. Through job design, organizations try to raise productivity levels by offering non-monetary rewards such as greater satisfaction from a sense of personal achievement in meeting the increased challenge and responsibility of one's work. Job enlargement, job enrichment, job rotation, and job simplification are the various techniques used in a job design exercise Rank *et al.* (2004).

Although job analysis, as just described, is important for an understanding of existing jobs, organizations also must plan for new jobs and periodically consider whether they should revise existing jobs. When an organization is expanding, supervisors and human resource professionals must help plan for new or growing work units. When an organization is trying to improve quality or efficiency, a review of work units and processes may require a fresh look at how jobs are designed. These situations call for job design, the process of defining the way work will be performed and the tasks that a given job requires, or job redesign, a similar process that involves changing an existing job design Rank *et al.* (2004). To design jobs effectively, a person must thoroughly understand the job itself (through job analysis) and its place in the larger work unit's work flow process (through work flow analysis). Having a detailed knowledge of the tasks performed in the work unit and in the job, a manager then has many alternative ways to design a job.

The Classical theory which has a bearing on job design was expounded in early writings of Max Weber and Henri Fayol. For the classicist, any organization achieves efficiency through its division of labour. Managers identify the overall purpose of the organization. They then divide this overall purpose into jobs, each rationally related to the whole. Jobs are, in turn, grouped to create work groups, divisions, and departments. Finally, each group is assigned a supervisor, who is responsible for overseeing the work of subordinates and reporting the results to his or her own superior; therefore, in this process each group now has a designed task to work on as posited in the classical school by Max Webber and Co.

Unlike the classicist, the behaviouralist is much less interested in allocating specific tasks to specific jobs, making sure that the authority matches the position, and then trying to attain

higher efficiency through specialization of labour. Behaviouralists prefer simple organizational structure, decentralized decision-making and informal departmentalization. In an organic structure, subordinates feel free to discuss their performance problems with superiors and have a positive view of the organization. They participate in decision-making and communicate with those whose views are needed to solve immediate problems. These characteristics are in stark contrast to conditions in a traditional organization, where subordinates are guarded and negative about the organization, do not feel sufficient trust to communicate openly with those of higher status, and are not permitted to participate in decision-making. The concept of job design by Davis is seen as the specification of the contents, methods and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder.

Job design is the system of planning or arranging a job, which is drawing an outline from which job contents are made. It is also an outgrowth of job analysis and concern with the design of jobs in order to improve organizational efficiency Van de Ven et al. (1989). There are many factors affecting job design. One of the most common factors is employee dissatisfaction with job that is repetitive, narrow, meaningless and routine. Another one is human relationship resulting as loss of pride in work insecurity etc. in recent years it has been observed with respect to move usual and seeming risky changes to job content which includes; job enrichment, job enlargement and job rotation. Job design as suggested by Taylor is one of the most important components of scientific management. In its basic format, it assures that jobs should be simplified standardized and specialized for each components of the required work. In general organizations operations aisled this basic job design format by breaking each job down into very small but workable units standardizing the necessary procedures for performing the units, and teaching and motivating workers to perform their job under conditions of high efficiency Wall et al. (1992). Therefore, the importance of designing jobs and systems of work in a manner that will satisfy both psychological and sociological needs of manufacturing sectors should be stressed.

# **Employee Performance**

The performance of the employee is considered as what an employee does and what he doesn't do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output employee is able to produce for organizational success. According to Yang (2008) in his study conducted on the performance of individual, the result shows that, the performance of the individuals cannot be verified. Similarly he asserts that organizations can use direct bonuses and rewards based on individual performance if individual employee performance is noticeable (Yang, 2008). Also, Bishop (1987) investigated employee performance and revealed that acknowledgment and recognition and reward of performance of employees direct the discrimination between employee productivity. Moral and productivity of employees is highly influenced by the effectiveness of performance of an organization and its reward management system (Yazıcı, 2008). To satisfy customers, firms or organizations do and put in much effort towards the satisfaction but do not pay attention on satisfying employees. But the fact is that customer would not be satisfied until and unless employees are

satisfied. Because, if employees are satisfied, they will do more work therefore ultimately customers will be satisfied (Ahmad, 2012).

Employee performance is actually influenced by motivation because if employees are motivated then they will do work with more effort and by which performance will ultimately improve (Azar and Shafighi, 2013). Employee motivation has a significant and positive relationship with employee performance. Intrinsic reward An interest in the task itself driven by individual internally rather than external forces and reliance on external rewards refers to intrinsic motivation. Organizations continuously need something to keep their workers working excluding salary alone or bonuses etc., but motivation is the very important factor to keep the workers engage and involve in their work so that their quality and quantity of work and productivity does not deteriorate (Williams, 2004). Intrinsic reward basically deals with the satisfaction of employee to his jobs emerging out of the pleasure of working that he experiences in a good organization that rewards him for his job.

Rewards are very meaningful to employees whether they are extrinsic or intrinsic. Intrinsic reward emerges in a person after the accomplishment of certain task or work (joy, satisfaction, pride etc.) which emanates from the rotation of employee tasks; while extrinsic motivation comes from outside sources or forces as salary, money or grades etc. (Scott and Bruce, 1994),. A person who is intrinsically motivated will work with a math problem because it is enjoyable or he will find a solution to a problem because it is challenging and will give him a feeling of pleasure after solving it. In both the cases no external reward is important to the person such as payment or prize (Roberts, 1991 and Rothwell, 1992). It doesn't mean that extrinsic reward is not important to a person but it means that it is not only sufficient to keep the person motivated (Eisenberger and Cameron, 1996; Janssen, 2000; Mumford, 2000). In a study, it was found that rewards are essential to change the dissatisfaction of employees into satisfaction. It was concluded that when employees are satisfied then they will do task with more interest and will do work hard which will leads to good performance (Mehmod, 2013). A study was conducted in which it was found that employee' performance is directly influenced by intrinsic rewards. Because when intrinsic rewards are given to them they came to know about their performance and do more work hard to gain appreciation (Edirisooriyaa, 2014).

Moreover, in order to achieve the goals of the organization efficiently and effectively, management of the organizations require training of its members. Training is very useful for the employees in various ways as: it keeps them up to date with the fast changing trends and environment of the dynamic globalized world; helps anxiety and frustration reduction caused from work overload or demand of work; helps improve skills to handle the work effectively etc(Chen and Lou, 2004). Employees who feel they are les competent for the task to fulfil will leave the field or if they stay their level of productivity will be suboptimal (Kanelopoulos and Akrivos, 2006). The larger is the gap between what an individual possesses and what he requires, the greater is the dissatisfaction with the job and the higher are the turnover rates. Even though there does not exist a direct connection in literature between job satisfaction and training yet Rowden (2002) and Rowden and Conine (2005), suggest that training can be an effective device to enhance satisfaction from

the job. Similarly Rowden and Conine (2005) claim that employees who get training will ultimately better satisfy the needs and demands of their customers. In line with them Tsai et al. (2007), stated that employees who show their commitment to training and learning possess an enhanced level of job satisfaction that positively affects their performance. Training practices directly or indirectly affect the motivation of employees and their commitment to the organizations (Meyer and Allen, 1991). Training is defined as the planned intervention that is designed to enhance the determinants of individual job performance, (Chiaburu and Tekleab, 2005). A study showed that training is one of the most important aspects in human resource applications which directly influence the performance of employees. Training increases and updates the knowledge of employees which leads to increase in performance. Employee training is like an asset because if employees are competent then companies' performance will increase more and will provide long term benefits as compare to competitor (Ameeq-ul-Ameeq & Hanif, 2013).

# Creativity

According to Farh, *et al.* (2010), the meaning of creativity makes the nature of creativity clear, but many scholars have attempted to clarify its nature. Creativity is the intellectual ability to make creation, invention and discoveries that brings novel relations, entities and unexpected solutions into existence. Creativity is the gifted ability of human beings in thinking, inference, problems solving and product development.

Creativity is to think or do something differently. It is a kind of fantasy in which new ideas are promoted and that new ideas are essential to the advancement of human society. Creativity is defined as the tendency to generate or recognize ideas, alternatives or possibilities that may be useful in solving problems, communicating with others and entertaining ourselves as well as others. It can be said that creativity is the strength or capacity to inflict and create any new thing. Although newness is given special importance in creativity, yet a creative person can present old objects in new forms instead of inventing any new object (Gilson, 2008). Factors like originality, spontaneity, expansion, flexibility in work etc. are inherent in the creative production of a person. Creativity is inherent in each person. Creativity started with the evolution of human society. Creativity can be defined on a variety of levels: cognitively, intellectually, socially, economically, spiritually, and from the perspective of different disciplines within the arts, sciences, and humanities. All students can develop their creative capacities if they have access to rich learning opportunities in environments that nurture and support their creative development (Gilson, 2008). Creativity is the act of turning new and imaginative ideas into reality. Creativity is characterised by the ability to perceive the world in new way to find hidden patterns to make connections between seemingly unrelated phenomena, and to generate solutions. Creativity involves two processes: thinking, then producing. If one has ideas, but does not act on them, then one is imaginative but not creative. Guilford, first of all on the basis of his scientific discoveries on creativity drew attention of all people. It is not necessary that more intelligent people are more creative and more creative people are more intelligent.

According to Jaussi and Dionne (2003), Creativity is very difficult to understand. Different types of thoughts were expressed to understand its different aspects. Many psychologists

agree with the fact that creativity has an important place in giving birth to new thoughts, turning old things into new and building relationship with irrelevant objects. Any action is to be creative if it has immediate solution to the kind of thinking which has always been innovative. Creativity is the essence of making pre-existing objects and elements as new one. Creative thinking is the process of understanding errors unreceived, and rare elements, making concepts in their relationship imagining notions and making tests, carrying results to other persons and making improvement by reviewing the concepts. Creativity is bold thinking. Bold thinking means the ability of thinking beyond the mainstream, receiving new experience and adding the present relationship with that of the future. Bold thinking or creativity is to work or think with new attitude by going beyond mutual thinking. It is the process of bringing something new in human being. Creativity requires passion and commitment. It brings to our awareness what was previously hidden and points to new life. The experience is one of heightened consciousness ecstasy Mueller, & Kamdar (2011).

# **Profitability**

The term profit has distinct meaning for different people, such as businessmen, accountants, policymakers, workers and economists. Profit simply means a positive gain generated from business operations or investment after subtracting all expenses or costs. The concept profit in economics is seen in the accounting sense as an excess of revenue over cost is the sum of two components: normal profit and economic profit Fraering, and Minor, (2004). Normal profit is the profit that is necessary to just cover the opportunity costs of the owner-manager or of the firm's investors. In the absence of this profit, these parties would withdraw their time and funds from the firm and use them to better advantage elsewhere. In contrast, economic profit, sometimes called excess profit, is profit in excess of what is required to cover the opportunity costs. It is also seen as reward received by an entrepreneur by combining all the factors of production to serve the need of individuals in the economy faced with uncertainties. In a layman language, profit refers to an income that flow to investor. In accountancy, profit implies excess of revenue over all paid-out costs. Profit in economics is termed as a pure profit or economic profit or just profit.

The enterprise component of normal profit is the profit that a business owner considers necessary to make running the business worth his or her while, i.e., it is comparable to the next-best amount the entrepreneur could earn doing another job. Particularly, if enterprise is not included as a factor of production, it can also be viewed as a return to capital for investors including the entrepreneur, equivalent to the return the capital owner could have expected (in a safe investment), plus compensation for risk. Normal profit varies both within and across industries; it is commensurate with the riskiness associated with each type of investment, as per the risk-return spectrum.

According to Newton, (1983), Profit is a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs, and taxes needed to sustain the activity. Any profit that is gained goes to the business's owners, who may or may not decide to spend it on the business.

Profit is the money a business makes after accounting for all expenses. Regardless of whether the business is a couple of kids running a lemonade stand or a publicly traded multinational company, consistently earning profit is every company's goal Newton, (1983). As a result, most of business performance is based on profitability in its various forms. Some analysts are interested in top-line profitability, whereas others are interested in profitability before expenses, such as taxes and interest, and still others are only concerned with profitability after all expenses have been paid. There are three major types of profit that analysts analysed: (a), Gross Profit, (b) Operating Profit, and (c) Net Profit. Each type gives the analyst more information about a company's performance, especially when compared against other time periods and industry competitors. All three levels of profitability can be found on the income statement.

From the foregoing point of view, the study hereby hypothesized thus:

**H**<sub>01</sub>: There is no significant relationship between job design and creativity in the manufacturing companies in Rivers State, Nigeria.

**H**<sub>02</sub>: There is no significant relationship between job design and profitability in the manufacturing sector in Rivers State, Nigeria.

### **METHODOLOGY**

A cross sectional survey design was used for this study. Primary data was generated through structured questionnaire. The population of the study comprises of principal officers of manufacturing sector in Port Harcourt, Rivers State. The population of the study was one hundred and ninety two principal officers selected from the 32 manufacturing companies in Port Harcourt. The entire population was used as a census hence there was no sample. The hypotheses were tested using the Pearson Product Moment Coefficient with the aid of Statistical Package for Social Sciences version 20.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

### **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 Matrix for job design and employee performance

		Job Design	Creativity	Profitability
	Pearson Correlatio	1	.882**	.964**
Job Design	n			
job Design	Sig. (2- tailed)		.000	.000
	N	174	174	174
Creativity	Pearson Correlatio n	.882**	1	.923**
	Sig. (2- tailed)	.000		.000
	N	174	174	174
Profitability	Pearson Correlatio n	.964**	.923**	1
	Sig. (2- tailed)	.000	.000	
	N	174	174	174

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

The table 4.13correlation of hypothesis one and two; the hypothesis one shows a significant correlation at  $r = .882^{**}$  where P-value = .000 (P<0.001). This implies a strong and significant relationship between both variables at 95% level of confidence. We therefore reject the null hypothesis (Ho:1), and restated, thus, there is a significance relationship between job design and creativity.

The hypothesis two shows a significant correlation at  $r = .964^{**}$  where P-value = .000 (P<0.001). This implies a strong and significant relationship between both variables at 95% level of confidence. We therefore reject the null hypothesis (Ho:<sub>2</sub>), and restated, thus, there is a significance relationship between job design and profitability.

### **DISCUSSION OF FINDINGS**

The first and second hypothesis shows that there is a strong positive relationship between job design and each of the measures of employee performance in the sample of selected manufacturing companies in Port Harcourt, Rivers State. This finding support the study conducted by Morgeson *et al.* (2013), when they stated that, Since then, there has been a growing volume of research exploring how to bring these elements together so that jobs can be designed both to maximise the engagement and satisfaction of individual workers on the one hand, and maximise the productivity and performance of organizations on the other. There is now considerable evidence that individuals' experience of their day-to-day work directly affects their engagement levels, and also their personal effectiveness. Job

design means the ways that decision-makers choose to organize work responsibilities, duties, activities, and tasks. Job Redesign thus involves changing work responsibilities, duties, activities, and tasks. Job design is the process of Work arrangement (or rearrangement) aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks. Through job design, organizations try to raise productivity levels by offering non-monetary rewards such as greater satisfaction from a sense of personal achievement in meeting the increased challenge and responsibility of one's work. Job enlargement, job enrichment, job rotation, and job simplification are the various techniques used in a job design exercise Rank *et al* (2004).

### **CONCLUSION AND RECOMMENDATIONS**

Job design is one of the critical techniques that managers use in applying the organizational resources as human in their disposal to multitask in order to carry out the goal and mission of the organization for its success. It is an avenue that workers in other department use to learn new skills in other to function in such department should in case such an employee in that department workout of the organization. Therefore, it is imperative for managers of the organization to within interval conduct job rotation among employees to create feminization of the needed skills that such an employee needs in order to be successful in that units/departments.

The study thus recommends that management of manufacturing companies should ensure that the specifications of job within their workforce are design in order to reduced job dissatisfaction among employee.

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# Assessment of the Impact of Indiscipline on Academic Achievement of Senior Secondary School Students in Rivers State: Implications for Counselling

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 <sup>2</sup>amadividal@yahoo.com Abstract: The study assessed the impact of indiscipline on academic achievement of senior secondary school students in Rivers State. The study adopted the descriptive survey research design. The population of the study was 38,477 respondents. The stratified simple random sampling technique was used to select a sample size of 397 fixed using the Taro Yamen Formula. An instrument was developed by the researchers and titled Indiscipline and Academic Achievement Scale (IAAS) with a reliability coefficient index of 0.84 computed using the Cronbach Alpha formula. This is an indication of the items being internally stable and supports the use. The research questions were answered using descriptive statistics of means and standard deviations, while the null hypotheses formulated were tested at 0.05 significance level using the inferential statistic z-test. Results indicated that indiscipline acts prevalent in senior secondary schools in Rivers State by the students are stealing, hooliganism, cultism, sexual offence, fighting, drug abuse and alcoholism, vandalism, lateness, improper dressing and examination malpractice. The study further revealed that the various causes of indiscipline among students in senior secondary schools and stated that the modalities to curb the menace entails reduction of class size, institution of effective parents teachers association, enforcement of rules and regulations in the school to mention but a few. The study concluded that indiscipline does not lead to proper and successful academic achievement of students but compromises the development of children emotionally and also exposes them to social vices and deviant behaviour which are negative core values that militate against students' academic achievement and lead to subsequent school drop-out. Given the above, it was recommended that, to reduce the incidence of indiscipline behaviours among students, parents, teachers and the society as a whole are expected to corporate and help so as to give them stable mind to learn in order to perform well academically and to improve their academic achievement.

**Keywords:** Assessment, Indiscipline, Academic Achievement, Senior Secondary Schools, Students.

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#### INTRODUCTION

In live a meaningful life in any given community and contribute towards the social, economic, and political development of the nation, the appropriate values, attitudes, skills, knowledge, and competencies must be impacted into the individual. One of the most pressing challenges to the teacher is indiscipline which is the act of disobedience to the rules and regulations of a school, community, family, or nation (Egwunyenga, 2014). It is an act of not conforming to an order, policies, procedures, rules and regulation of a given society. Stakeholders have witnessed obviously great increase of indiscipline in senior secondary schools in Nigeria and in particular Rivers State which has invariably brought about huge academic failure among the deviants. Today, in Rivers State, indiscipline has been a major and continuous administrative problem among senior secondary school students. Kabiru (2007) in his study identified the various types of indiscipline that are frequent in schools as stealing, hooliganism, sexual offence, vandalism and cheating as destructive practices. These are the prevalent challenges facing the effectiveness of secondary school system which has otherwise generated poor academic failure, corruption, nepotism, riot, lawlessness, bribery, and absenteeism in the wider society in general and truancy, wanton destruction of property, cheating, examination mal-practices in senior secondary schools in Rivers State (Abubakar, 2000).

Danso (2010) asserted that a report of an act of indiscipline perpetrated by students of secondary schools cannot pass a single day in Rivers State. He lamented over the causes of drug abuse, rape, armed robbery, abortion and even murder in the educational institutions in the State. Thus, meaningful teaching and learning geared towards the attainment of school goals is unattainable if the teachers and students are not disciplined. According to Aguba (2009) to produce a breed of well cultivated youths who will develop not only respect for themselves but also for others in the school and society, discipline is needed. The indication that the war against indiscipline such as stealing, truancy, cultism, sexual offence, fighting, drug abuse and alcoholism, vandalism, improper dressing, lateness, and examination malpractice among others at the school level is far from being won, thus entails the manifestation of indiscipline in the school system and absence of carry over values of discipline either at the higher level of education or public life in general. Poor academic achievement, poor performances, examination malpractice corruption, and robbery which consequently make students to have poor grades in their examinations are consequences of indiscipline. In the view of Onyango (2008), indiscipline is a rudimentary ingredient that plays a crucial role in school system, which insist on upholding the moral values of students. The issue of indiscipline is one of the social problems among the students. The effect of indiscipline are manifested in all works of life including the smooth running of secondary schools in Rivers State. However, indiscipline means the absence of discipline. Thus where indiscipline reigns, disciplines is lacking and academic achievement is not visible (Munyasya, 2008). The various causes of indiscipline among students includes; Poor study habits, overcrowded classroom parental over protection of children, lack of extra-curricular activities, parental rejection of children, teachers lateness and absenteeism, poor teaching by some teachers, and injustice in the society revealed by favouritism, nepotism and corruption (Ken, 2010).

Discipline is said to be a highly desirable quality of human being or social group. Discipline behaviour is accepted as essential characteristics of any educated or cultured person (Dittiniya, 2006). Furthermore, He opined that discipline is a subject of great

concern to parents, teachers, and administrators who are interested in the moulding of the character of young people. Indiscipline is the disobedience of the rules and regulations capable of obstructing the smooth and orderly functioning of the school system and should be consequently avoided through perfect orientation of students and imposition of positive sanction in case of obvious violation of the order (Dittiniya, 2006). Consequently, lack of indiscipline relate to misbehaviour in any form. Indiscipline act is that situation where students set aside the school rules and regulations and do what they like and leave undone what they are expected to do as well as to act against the set-down rules and regulations guiding a learning environment (Edem, 2012). Most schools have a code of regulation which consist of the rules and regulation governing the students at the beginning of the school year. Teachers are to look out for those who break any of the specified rules. The types of control techniques used in punishing any student that disobeys the rules and regulations are standing up, kneeling down, closing of eyes, hands up, uprooting grass, suspension, flogging with cane. School authorities believe that through the rules and punishment techniques they can maintain order and discipline in schools. It has been discovered these aforementioned techniques have made no significant impact in curbing the dangers of indiscipline in secondary schools in Rivers State.

To curb indiscipline in schools, Mariene (2012) stated that the following modalities should be applied; reduction of class size, institution of effective parents teachers association, enforcement of rules and regulations in the school to mention but a few. Therefore, indiscipline in secondary schools is also one of the major problem facing our society today. Discipline therefore, is a subject of great concern to parents, teachers, and administrators who are interested in modifying the character of young people. The school as agent of socialization and training is responsible for molding our future leaders and improving manpower needed in our society. The school as an organization should be able to deliver humanitarian services, which is geared towards the betterment to the government and the society. Such as the ability to inculcate moral, punctuality, regularity, honesty and dedication of work. This means the school should be able to produce disciplined students who will later become good citizens and free from any indiscipline act be it drug addiction, gambling, truancy or other vices (Asiyai, 2012).

#### **Statement of the Problem**

Today, students' indiscipline in secondary schools in Rivers State has become a cankerworm that has eaten too deep into the students' moral and up-bringing. Students have become uncontrollable and highly disrespectful to themselves, teachers, school administrators, parents and to the society at large. Students portray different types of indiscipline among which include the following acts: lies telling, violence, dishonesty, disobedient to teachers, prefects, and school administration, rapping school/class mates, alcohol consumption, confronting and stabbing teachers in schools, boycotting of lessons, watching and practicing pornography, vandalism, lateness to school, cultism, drug abuse, insulting/assaulting, stealing, rioting; among others. The extent to which students' indiscipline in schools influence academic achievement of students and the magnitude of disorder it triggers in schools cannot be over emphasized. Indiscipline in schools greatly affect the quality of teaching and learning, uncovered/unfinished school curriculum (Mariene, 2012) resulting to poor results, dropouts, and wastage of resources invested by stakeholders of education such as parents, and the government. It is evident that most

students' indiscipline and unrests are premeditated to cause maximum destruction. Achievement of the goals of secondary school education largely depends on the positive disposition of students in their academic work and the instructional performance of teachers. A major task facing educational administrators is the continuous existence of the problem of dropout, deviant behaviours, examination malpractice, lateness and poor academic performance among students. Records showed that most of the students involved in cultism in higher institutions started it in their secondary school days. The need has therefore arisen for school administrators, teachers, parents and the general public to eliminate indiscipline in schools.

Thus, Rivers State cannot remain complacent when large human and material resources are wasted, indiscipline is rampant, atmosphere of insecurity, frustration and instability are created in schools leading to poor academic achievement. Student-student relationships (peer-group) influences students' indiscipline as a result of unpleasant and unsustainable environment in which students' needs are difficult to meet. Therefore, it is against this backdrop that the study was carried out to assess the impact of indiscipline on the academic achievement of senior secondary school students in Rivers State.

# **Purpose of the Study**

The purpose of this study was to assess the impact of indiscipline on the academic achievement of senior secondary school students in Rivers State. Specifically, the study sought to:

- 1. Find out the types of indiscipline that hinders academic achievement of students in senior secondary school students in Rivers State.
- 2. Survey the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State.
- 3. Examine the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

# **Research Questions**

The study was guided by the following research questions:

- 1. What are the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State?
- 2. What are the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State?
- 3. What are the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State?

# **Hypotheses**

The following formulated null hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean perception of students and teachers on the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

- 2. There is no significant difference in the mean perception of students and teachers on the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State.
- 3. There is no significant difference in the mean perception of students and teachers on the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

# **METHODS**

The study adopted the descriptive survey research design. The population of the study was 38,477 respondents, which consisted of 28,501 students and 9,976 teachers from 15 selected senior secondary schools in Rivers State. The stratified simple random sampling technique was used to select a sample size of 397 fixed using the Taro Yamen Formula. The instrument for data collection was a 30 items questionnaire patterned with a 4 point rating scale of Strongly Agree (SA = 4), Agree (A = 3), Strongly Disagree (SD = 2), and Disagree (D = 1). The instrument was developed by the researchers and titled Indiscipline and Academic Achievement Scale (IAAS) with a reliability coefficient index of 0.84 computed using the Cronbach Alpha formula. This is an indication of the items being internally stable and supports the use. The research questions were answered using descriptive statistics of means and standard deviations, while the null hypotheses formulated were tested at 0.05 significance level using the inferential statistic z-test.

# **RESULTS**

**Research Question 1:** What are the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State?

**Table 1:** Descriptive Statistics on the Types of Indiscipline that Hinders Academic Achievement of Senior Secondary School Students in Rivers State.

S/No.	Items	Items Students			Teachers $(n_2 = 103)$		
		$\overline{\mathbf{X}}$	SD	Decision	X	SD	Decision
1	Stealing	2.62	1.42	Agreed	3.71	1.41	Strongly Agreed
2	Hooliganism	2.53	1.30	Agreed	2.57	1.80	Agreed
3	Cultism	3.21	1.56	Agreed	3.02	1.52	Agreed
4	Sexual offence	2.73	1.43	Agreed	2.54	1.13	Agreed
5	Fighting	3.10	1.70	Agreed	3.63	1.64	Strongly Agreed
6	Drug abuse and alcoholism	3.50	1.53	Strongly Agreed	3.19	1.82	Agreed
7	Vandalism	2.75	1.25	Agreed	3.20	1.33	Agreed

8	Lateness	3.17	1.09	Agreed	2.61	1.92	Agreed
9	Improper dressing	2.86	1.17	Agreed	3.30	1.27	Agreed
10	Examination malpractice	2.90	1.28	Agreed	2.73	1.44	Agreed
	Grand Scores	2.94	1.37	Agreed	3.05	1.53	Agreed

The total sample for students and teachers used for the study is 397 students and teachers with n<sub>1</sub> and n<sub>2</sub> representing the sub-samples for students and teachers respectively.

**Decision:** Students and teachers of secondary schools in Rivers State **AGREED** that items 1- 10 on Table 1 constitute the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State:  $(2.50 \le \bar{x} \ge 3.49)$ .

Table 1 above shows that the various types of indiscipline that hinders academic achievement of senior secondary school students include stealing, hooliganism, cultism, sexual offence, fighting, drug abuse and alcoholism, vandalism, lateness, improper dressing and examination malpractice. Table 1 shows grand means of 2.94 and 3.05, and standard deviations of 1.37 and 1.53 for students and teachers of senior secondary schools respectively indicating an agreement that items 1 – 10 constitute the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

**Research Question 2:** What are the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State?

**Table 2:** Descriptive Statistics on the Causes of Indiscipline that Deters Academic Achievement of Senior Secondary School Students in Rivers State.

S/No.	Items	Stu	dents (	$n_1 = 294$ )	Teacher	rs (n <sub>2</sub>	= 103)
		$\overline{\mathbf{X}}$	SD	Decision	$\overline{\mathbf{X}}$	SD	Decision
11	Poor study habits	3.21	1.53	Agreed	2.80	1.60	Agreed
12	Overcrowded classroom	2.67	1.34	Agreed	3.24	1.27	Agreed
13	Parental over protection of children	2.83	1.70	Agreed	3.10	1.33	Agreed
14	Lack of extra-curricular activities	2.61	1.25	Agreed	2.83	1.40	Agreed
15	Poor leadership of some school administrators	2.90	1.54	Agreed	2.57	1.32	Agreed
16	Lack of proper rules and regulations	3.03	1.06	Agreed	2.64	1.56	Agreed
17	Parental rejection of children	3.14	1.15	Agreed	3.60	1.47	Agreed
18	Teachers lateness and absenteeism	3.20	1.73	Agreed	2.70	1.23	Agreed

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19	Poor teaching by teachers	some	3.09	1.28	Agreed	3.73	1.69 5	Strongly Agreed
20	Injustice in the revealed by favo	society ouritism,	3.57	1.95 Str	ongly Agreed	2.84	1.53	Agreed
	nepotism and corrupt  Grand Scores	ion.	3.03	1.45	Agreed	3.01	1.44	Agreed

The total sample for students and teachers used for the study is 397 students and teachers with n<sub>1</sub> and n<sub>2</sub> representing the sub-samples for students and teachers respectively.

**Decision:** Students and teachers of secondary schools in Rivers State **AGREED** that items 11-20 on Table 2 constitute the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State:  $(2.50 \le \bar{x} \ge 3.49)$ .

The data presented in table 2 shows the mean ratings of the responses of Students and teachers of secondary schools on the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State. From table 2, the grand means of 3.03 and 3.01, and standard deviations of 1.45 and 1.44 for students and teachers of senior secondary schools respectively indicating a consensus that items 11-20 on table 2 constitute the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State.

**Research Question 3:** What are the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State?

**Table 3:** Descriptive Statistics on the Possible Solutions to the Problem of Indiscipline that Hinders Academic Achievement of Senior Secondary School Students in Rivers State.

S/No.	Items	Stud	lents (1	n <sub>1</sub> = 294)	Teacl	ners (n <sub>2</sub>	= 103)
		$\overline{\mathbf{X}}$	SD	Decision	$\overline{\mathbf{x}}$	SD	Decision
21	Reduction of class size	2.54	1.23	Agreed	2.81	1.52	Agreed
22	Effective parents teachers association (PTA)	2.61	1.28	Agreed	2.75	1.24	Agreed
23	Placement of emphasis on extracurricular activities.	2.63	1.51	Agreed	2.80	1.08	Agreed
24	High parental/school supervision and counseling.	2.81	0.92	Agreed	2.55	1.32	Agreed
25	Enforcing rules & regulation in the school	2.94	1.24	Agreed	2.72	1.19	Agreed
26	Moral leadership and education.	2.70	1.39	Agreed	2.61	1.42	Agreed
27	School authorities to be of good models.	3.05	1.25	Agreed	2.73	1.26	Agreed
28	Provision of adequate facilities for teaching, games and sports.	2.52	0.94	Agreed	2.89	1.37	Agreed

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29	Value re-orientation	3.17	1.06	Agreed	3.16	1.71	Agreed
30	Positive teacher/students relationship.		1.49	Agreed	3.02	1.80	Agreed
	Grand Scores	2.83	1.23	Agreed	2.80	1.39	Agreed

The total sample for students and teachers used for the study is 397 students and teachers with n<sub>1</sub> and n<sub>2</sub> representing the sub-samples for students and teachers respectively.

**Decision:** Students and teachers of secondary schools in Rivers State **AGREED** that items 21-30 on Table 4 constitute the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State:  $(2.50 \le \bar{x} \ge 3.49)$ .

Table 4 shows a grand mean of 2.83 and a standard deviation of 1.23 for students and grand mean of 2.80 and a standard deviation of 1.39 for teachers of secondary schools in Rivers State. This implies that students and teachers of secondary schools agreed that solutions 21 - 30 on table 4 can possibly minimize the rate of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

# **Testing of Hypotheses**

**Hypothesis 1:** There is no significant difference in the mean perception of students and teachers on the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

**Table 4:** Test of Difference in the Mean Perception of Students and Teachers on the Types of Indiscipline that Hinders Academic Achievement of Senior Secondary School Students in Rivers State.

Category	x	SD	N	Df	∝	z-cal.	z-crit.	Decision
Students	3.67	2.13	294	395	0.05	0.95	1.96	$H_0$
Teachers	3.94	2.72	103					Accepted

Table 4 above shows that the z-calculated value of 0.95 using degree of freedom of 395 at 0.05 level of significance is less than the z-critical value of 1.96 which indicates that the null hypothesis that "there is no significant difference in the mean perception of students and teachers on the types of indiscipline that hinders academic achievement of senior secondary school students in Rivers State" is accepted. This implies that students and teachers in senior secondary schools in Rivers State accepted that the various types of

indiscipline listed in the study hinders academic achievement of senior secondary school students in Rivers State.

**Hypothesis 2:** There is no significant difference in the mean perception of students and teachers on the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State.

**Table 5:** Test of Difference in the Mean Perception of Students and Teachers on the Causes of Indiscipline that Deters Academic Achievement of Senior Secondary School Students in Rivers State.

Category	x	SD	N	df	∝	z-cal.	z-crit.	Decision
Students	3.27	1.97	294	395	0.05	1.16	1.96	$H_0$
Teachers	3.80	2.02	103					Accepted

Table 5 above shows that the z-calculated value of 1.16 using degree of freedom of 395 at 0.05 level of significance is less than the z-critical value of 1.96 which indicates that the null hypothesis that "there is no significant difference in the mean perception of students and teachers on the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State" is accepted. This implies that students and teachers in senior secondary schools in Rivers State are of the consensus that the causes of indiscipline listed in this study deters academic achievement of senior secondary school students in Rivers State.

**Hypothesis 3:** There is no significant difference in the mean perception of students and teachers on the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

**Table 6:** Test of Difference in the Mean Perception of Students and Teachers on the Possible Solutions to the Problem of Indiscipline that Hinders Academic Achievement of Senior Secondary School Students in Rivers State.

Gender	Ī.	SD	N	Df	∝	z-cal.	z-crit.	Decision
Male	3.50	2.11	294	395	0.05	1.03	1.96	$H_0$
Female	3.74	2.36	103					Accepted

Table 6 above shows that the z-calculated value of 1.03 using degree of freedom of 395 at 0.05 level of significance is less than the z-critical value of 1.96 which indicates that the null hypothesis that "there is no significant difference in the mean perception of students and teachers on the possible solutions to the problem of indiscipline that hinders academic

achievement of senior secondary school students in Rivers State" is accepted. This implies that students and teachers in senior secondary schools in Rivers State concurred that the listed solutions are imperative in curbing the problems of indiscipline that hinders academic achievement of senior secondary school students in Rivers State.

#### **DISCUSSION OF FINDINGS**

The study assessed the impact of indiscipline on academic achievement of senior secondary school students in Rivers State and found that students and teachers in senior secondary schools in Rivers State accepted that the various types of indiscipline listed in the study hinders academic achievement of senior secondary school students in Rivers State. The various types of indiscipline that hinders academic achievement of senior secondary school students include stealing, hooliganism, cultism, sexual offence, fighting, drug abuse and alcoholism, vandalism, lateness, improper dressing and examination malpractice In addition, this study has the support of Ken (2010) who reported high rates of vandalism and insolence to staff in schools. Kabiru (2007) in his study identified the various types of indiscipline that are frequent in schools as sexual offence, vandalism and cheating as destructive practices. These are the prevalent challenges facing the effectiveness of secondary school system which has otherwise generated poor academic failure, corruption, nepotism, riot, lawlessness, bribery, and absenteeism in the wider society in general and truancy, wanton destruction of property, cheating, examination mal-practices in senior secondary schools in Rivers State (Abubakar, 2000). According to Aguba (2009) to produce a breed of well cultivated youths who will develop not only respect for themselves but also for others in the school and society, discipline is needed.

The study also found that there is no significant difference in the mean perception of students and teachers on the causes of indiscipline that deters academic achievement of senior secondary school students in Rivers State. The various causes of indiscipline among students in senior secondary schools includes; Poor study habits, overcrowded classroom parental over protection of children, lack of extra-curricular activities, parental rejection of children, teachers lateness and absenteeism, poor teaching by some teachers, and injustice in the society revealed by favouritism, nepotism and corruption (Ken, 2010). This finding has the supports of Asiyai (2005). She reported that unconducive school environment characterized by an acute shortage of facilities for teaching, games and sports, engendered unrest and crippled academic activities. In addition, Yaroson (2006) reported that unrealistic school rules were the causes of indiscipline. Rules and regulations are meant to guide and control activities in school but when they become too much and unenforceable, they tend to breed indiscipline. Danso (2010) supported this finding in his study and opined that a report of an act of indiscipline perpetrated by students of secondary schools cannot pass a single day in Rivers State. He lamented over the causes of drug abuse, rape. armed robbery, abortion and even murder in the educational institutions in the State. Thus, meaningful teaching and learning geared towards the attainment of school goals is unattainable if the teachers and students are not disciplined.

Finally the study found that there is no significant difference in the mean perception of students and teachers on the possible solutions to the problem of indiscipline that hinders academic achievement of senior secondary school students in Rivers State. To curb indiscipline in schools, Mariene (2012) stated that the modalities entails reduction of class size, institution of effective parents teachers association, enforcement of rules and

regulations in the school to mention but a few. Therefore, indiscipline in secondary schools is also one of the major problem facing our society today. Discipline therefore, is a subject of great concern to parents, teachers, and administrators who are interested in modifying the character of young people. The school as agent of socialization and training is responsible for molding our future leaders and improving manpower needed in our society. The school as an organization should be able to deliver humanitarian services, which is geared towards the betterment to the government and the society. Such as the ability to inculcate moral, punctuality, regularity, honesty and dedication of work. This means the school should be able to produce disciplined students who will later become good citizens and free from any indiscipline act be it drug addiction, gambling, truancy or other vices (Asiyai, 2012).

# **Implications for Counselling**

School authorities are to look out for those who break any of the specified rules and provide them with sufficient counselling. The types of counselling services will address the contemporary techniques of punishing any student that disobeys the rules and regulations of standing up, kneeling down, closing of eyes, hands up, uprooting grass, suspension, flogging with cane. Counsellors believe that through their services, the punishment techniques applied by the school to maintain order and discipline in schools will be reduced. It has been discovered these aforementioned techniques have made no significant impact in curbing the dangers of indiscipline in secondary schools in Rivers State, hence the need to provide counselling services.

#### **CONCLUSION**

The study assessed the impact of indiscipline on academic achievement of senior secondary school students in Rivers State. Specifically, the study looked at the types of indiscipline prevalent in senior secondary schools, the causes of the indiscipline behaviours and possible measure to curb indiscipline as to improve academic achievement of senior secondary school students in Rivers State. From this study, indiscipline acts prevalent in senior secondary schools in Rivers State by the students were stealing, hooliganism, cultism, sexual offence, fighting, drug abuse and alcoholism, vandalism, lateness, improper dressing and examination malpractice. The study further revealed that the various causes of indiscipline among students in senior secondary schools includes poor study habits, overcrowded classroom parental over protection of children, lack of extra-curricular activities, parental rejection of children, teachers lateness and absenteeism, poor teaching by some teachers, and injustice in the society revealed by favouritism, nepotism and corruption. Given the above the modalities to curb the menace entails reduction of class size, institution of effective parents teachers association, enforcement of rules and regulations in the school to mention but a few. Indiscipline does not lead to proper and successful academic achievement of students. Indiscipline compromises the development of children emotionally and also exposes them to social vices and deviant behaviour which are negative core values that militate against students' academic achievement and lead to subsequent school drop-out. Therefore, to reduce the incidence of indiscipline behaviours

among students, parents, teachers and the society as a whole are expected to corporate and help so as to give them stable mind to learn in order to perform well academically and to improve their academic achievement.

#### **RECOMMENDATIONS**

From the findings and conclusions of the study, it is recommended that;

- 1. Parent-Teacher Association (PTA) meetings for the discussions of students' indiscipline behaviours should be made to be regular.
- 2. A mentorship scheme, which provides for every disruptive child to be accompanied by his form teacher or a surrogate should be developed by schools.
- 3. Counseling services should be provided, intensified and done by qualified persons in schools.
- 4. Rules of classroom and forms of punishment must be discussed with the whole class and consensual agreement must be reached before enforcement.
- 5. Parents should be educated to be responsible and work hard to meet the educational needs of their wards.
- 6. School rules should be restated, reviewed periodically and reinforced without fear or favour

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# Promotion on Transparency, Accountability and Nation Building in Rivers State

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Abstract: This paper discussed the impact of promotion on transparency, accountability and nation building. Specifically, it discusses link between promotion and transparency, promotion and accountability, auditing, non-transparency and accountability and challenges of Nigeria nation building. It concluded that, Promotion when practiced in transparency and accountability has the vigour to assist in building a nation but if neglected like the case of Rivers State, it will lead to economic failure, increase in social vices and corruption.

**Keywords:** Promotion, Transparency, Accountability, Nation Building

# Introduction

The underdeveloped and developing countries of the world today designed better programmes to uplift the economic, social, and technological status of their country but non-commitment, corruption and non-transparent leadership and implementation at all levels both in the private and public sector of the economy has denied us social and economic freedom (Agwor, 2005) Agbor opined that government and businesses conceived, presented and passed quality economic driven policies and decisions but at implementation stage, embezzlement, fraud, mismanagement, highhandedness and non-compliance become the order of the day.

Accountability and transparency forms an integral part of nation building. The practice of accountability and transparency in economic institutions (or business world) ultimately encourage economic growth and nation building (Olaopa, 2003). Transparency and accountability are interrelated and complementary concepts that are indispensible to any good business and remain the requisite for nation building (Ajayi, 2003). These concepts serve as a vehicle for good policies formulation, implementation and enhance

efficient management of resources for the nation's sustainable growth and development (Adegbami & Adepoju, 2017). The authors added that transparency and accountability ensure trust, indiscrimination, confidence, and absolute sincerity in the economic, legal and social system thereby boasting fair play in marketing activities (programmes) and reduces dishonest practice. Hence this study seeks to explore the relationship between marketing communication (promotion) and transparency and accountability in respect to nation building in Rivers state.

# **Promotion and Transparency**

Promotion is the communication arm of marketing which could take the form of advertising, sales promotion, personal selling, publicity or/ and public relation (Gaventa & McGee, 2013). Advertising agencies that assist in the development, preparation and execution of promotional programs have a body that regulates their advert messages and govern these agencies (Asiegbu, & Igwe, 2012). This body is basically designed to correct corrupt practices and enhance effectiveness and development initiatives that will produce greater and more visible results. Gaventa and McGee (2013) opined that transparency addresses both developmental failure and democratic deficits. Advertising agencies advocates for adequate information free of misrepresentation. In same vain, Nelson (2003) asserted that transparency entails among other things fullness of disclosure of information, accessibility of documents (products), timely availability of information and the mechanisms for recourse and influence. Greve and Hodge (2011) asserted that transparency manifests in openness, and the intentional sharing of vital and quality information on activities and programmes.

The reality of advertisement reflects transparency and complaints response about consumer's ordeal showcase accountability which in turn enhances sincerity and encouraged national growth and peace. Un (2004) asserted that lack of transparency and incidence of corruption have negative repercussions on the society and can lead to frustration and resentment amongst the citizens, hostility, truncate national growth and produce failure accompanied with insecurity in the nation. It implies that transparency when employed in the governance of advert agencies and the passing of adequate information about product will enhance quality production that can attract foreign earnings. Nation building is the building of institutions and values which sustain the collective community in modern times (Gambari, 2019). Advert agencies are subset of the business or commercial segment of the economy.

# **Promotion and Accountability**

Promotion is the passing of information about an offer to the actual and potential customers/consumers. Information is a prerequisite for accountability and is divided into three categories namely; standards and commitment, decisions and results and consequences and responsive actions (Paschke *et al.*, 2018).

The provision of sincere information is critical to nation building via accountability by the designers of information sent into the public domain (Paschke et al., 2018). In conducting business in all the sectors in an economy, it is imperative to ensure utmost frugality, prudence in matter relating to finance, earnings, receipts and disbursement (particularly capital expenditure and payments (Agwor, 2015). To avoid falsehood in advert messages the government puts up acts like misrepresentative act among others to

ensure transparency and accountability but to no avail because corruption grows by leaps and bounds in underdeveloped and developing nations predominantly.

# Auditing and Non-Transparency and Accountability

In Nigeria, there is little or no transparency and accountability, yet in the conduct of most business practices, specifically promotional activities (Agwo, 2015). It is imperative that corporate bodies should be transparent, accountable and exhibit non-corrupt or shun sharp practices in their operations. Agwor opined that it has been discovered that accounting records/financial statements of corporate bodies has been falsified, for purposes of avoiding taxation, yet such published financial statements are adjusted as presenting true and fair view of the state of affairs of such corporation for the period under review. Also, promotional activities are often times misleading in order to boycott cost and boast sales.

# **Challenges of Nigeria Nation Building**

According to Gambari (2019), Nigeria faces five main nation building challenges, they are:

- 1. The challenge from our history
- 2. The challenge of socio-economic inequalities
- 3. The challenges of an appropriate constitutional settlement
- 4. The challenges of building institutions for democracy and development, and
- 5. The challenge of leadership.

### Conclusion

Promotion when practiced in transparency and accountability has the vigour to assist in building a nation but if neglected like the case of Rivers State, it will lead to economic failure, increase in social vices and corruption. The corruption ranking of Nigeria, by TI is a shame (Agwor, 2015).

Hence, we need a public concern leadership at every level, supported by strong and dependable political and economic institutions so as to make promotion add value to nation building via transparency and accountability. This work supports the view of Gambari, 2019.

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# Unemployment and Economic Growth in Nigeria: An Empirical Analysis 1985 to 2015

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Abstract: Unemployment is looked upon as a grave problem faced by most developed and developing countries and resulting socio-economic problems. The main purpose of this paper is to examine the influence of unemployment on economic growth in Nigeria. The study employed panel data, which includes a combination of time series and horizontal section data. In the study, the impact of unemployment on economic growth in Nigeria was examined for the period 1985-2015. The data set taken was taken from Nigerian Statistical Bureau and consists of economic growth and unemployment between 1985-2015. The ordinary least square (OLS) method was used to test the influence of unemployment on economic growth in Nigeria. The results indicated that the coefficient of economic growth represented by GDP was found negative and significant at the 5% level, implying that unemployment will fall economic growth. The study therefore, concludes that unemployment has significant impact on Nigeria's economic growth. The study recommends among others that, the government should ensure there is job creation in the economy especially in the real sector, i.e. agriculture and manufacturing sector to raise employment opportunities from these sectors, reduce unemployment rate and trigger economic growth in the country.

Key words: Economic growth, Nigeria, Unemployment.

#### INTRODUCTION

Reducing unemployment and achieving a high rate of economic growth are the most important priorities of developed and developing country economies. In terms of the success of a country's economy, economic growth and employment are two extremely important macroeconomic variables and are indispensable elements of the economic policies of many countries, especially developed countries.

Unemployment is a macroeconomic variable that is important to economic growth and which is of particular concern to countries. Unemployment represents the level of employment in which people have the desire and ability to work and want to pay but who cannot find jobs. Unemployment is the existence of a workforce in and out of the working

force who is willing to work from the existing wage and cannot find a job. Categories of unemployment can be defined as voluntary unemployment, involuntary unemployment, frictional unemployment, cyclical unemployment, seasonal unemployment, technological unemployment, structural unemployment and hidden unemployment. The too little employment state of affairs has several wide-ranging socio-economic, political and moral consequences. Ogwumike et al. (2003) show that persons in compensated employment and those with inadequate skills are most vulnerable when a macroeconomic distress occurs in the labour market. Unemployment arises from the economic structure of a country, and it arises from different reasons depending on whether it is a developed or underdeveloped country. The reason for unemployment in underdeveloped countries is capital inadequacy, while in developed countries technological progress is the reason (Yilmaz, 2005).

There is plenty of study that has quantitatively analyzed unemployment and economic growth in Nigeria. For instance, Okoroafor & Nwaeze (2013) in their research work on poverty and economic growth in Nigeria between 1990 and 2011 have posited that there is a zero correlation between poverty, discomfort index and economic growth in Nigeria. Akeju & Olanipekun (2014) study on unemployment and economic growth in Nigeria with the Okun's law shows that a negative relationship exists between unemployment and economic growth. Poverty and unemployment have continued to be core problems facing the economy of Nigeria and other African countries. It has led to human denial of choice and opportunities for living tolerable life (United Nations, 1997) amid plenty. More so, the number of unemployed youth in Nigeria keeps increasing while the gap between the rich and the poor keep widening.

On this note, this study re-investigates the link between unemployment and economic growth in Nigeria between the periods of 1985 to 2015. Furthermore, the study investigates the nexus of unemployment and economic growth in Nigeria by finding a long run and causal relationship between unemployment and economic growth. This paper is arranged into five parts. The first section presents the introductory aspect of the study while empirical review of past studies was presented in the second section. The third section provided the methodology; fourth section presents the results and discussion whereas the concluding part is shown in the last section

# **Statement of the Problem**

In the developing countries, it is attributed that there is the shortage of economic growth, which is not commensurate with changes in labour market. Since the early 1980s, Nigeria's economic growth in spite of several years of economic reforms has remained sluggish averaging 2.8% in the decade of 1990s. This poor growth performance certainly causes developmental challenges including macroeconomic volatility that impact negatively on low per capita GDP; investment; and high level of unemployment (NEEDS, 2004; NEEDS2, 2007).

It is a widely accepted view that the unemployment is linked to the growth rate of GDP. If employment rises it will have a positive impact on economic growth and the unemployment rate will fall. Many studies confirm the existence of a trade-off between unemployment and economic growth as prevailing in an economy. The main purpose of this paper therefore is to examine the influence of unemployment on economic growth in Nigeria.

#### LITERATURE REVIEW AND HYPOTHESIS

#### **Theoretical Foundation**

This study is anchored on the Keynesian theory of unemployment and Endogenous growth theory.

# **Keynesian theory of unemployment**

Cyclical, demand deficient unemployment or Keynesian unemployment comes about when there is insufficient aggregate demand in the economy. It received its name because it differs with the business cycles, although it can also be enduring as during the great depression of the 1930s. Cyclical unemployment augments during economic down turns and reduces when the economy picks up. Keynes opines that this type of unemployment happens as a result of insufficient effective demand. When demand for most goods and services falls, less production is necessary; wages do not fall to meet the equilibrium level and mass unemployment results. The Keynesian framework, as evaluated by Thirwill (1979), Grill and Zanalda (1995) and Hussain and Nadol (1997), propose that increase in capital stock, employment and technological change are principally endogenous. For that reason, the growth of employment is demand determined and that the fundamental determinants of long term growth of output also have an impact on the growth of employment. Keynes (1936), posit that employment relies upon effective demand which conveys increased output, output engenders income and income generates employment. Keynes (1936) reflects on employment as a function of income. Effective demand is powered by aggregate demand and supply functions. The aggregate supply function depends on the technical or physical state which in the short run does not alter, thus remaining stable. Keynes paid attention on aggregate demand function to deal with depression and unemployment. Consequently, employment depends on aggregate demand which in turn is influenced by consumption and investment demand in that order. Keynes (1936) opines that an increase in employment can take place by increasing consumption and/or investment. Consumption relies on income and when income increases, savings increases. Consumption can be increased by growing the predisposition to consume so as to amplify income and employment. Thus, if the predisposition to consume is constant, employment will rely on investment.

# **Endogenous growth theory**

Endogenous growth theory upholds that economic growth is chiefly the outcome of endogenous and not external forces (Romer, 1994). As well, it upholds that investment in innovation; knowledge and human capital are significant contributors to economic growth. In addition, endogenous growth theory focuses on positive externalities and spillover impacts of a knowledge-based economy which show the way to economic development. First and foremost this theory upholds that policy measures determines long run growth rate of an economy.

The studies of Arrow (1962), Uzawa (1965), and Sidrauski (1967) fashioned the foundation for this investigation. Romer (1986), Lucas (1988), and Rebelo (1991) left out technological change – in its place, growth in these models is as a consequence of unstipulated investment in human capital which had spread out impact on the economy and shrinks the diminishing return to capital accumulation (Rebelo, 1991; Carroll, 2011

The long-run rate of growth in neo-classical growth models is exogenously determined either by the savings rate (the Harrod–Domar model) or the rate of technical progress (Solow model). Though, the savings rate and rate of technological progress stay unsolved. The endogenous growth theory attempts to surmount this shortage by building macroeconomic models further than microeconomic foundations. Households are acknowledged to make the most of utility subject to budget constraints while firms make the most of profits. Key significance is normally specified to the invention of new technologies and human capital. The growth engine can be as simple as a stable return to scale production function or more intricate systems with spillover effects, increasing numbers of goods, rising qualities, etc.

# Previous Empirical Studies on Unemployment and Economic Growth

Adelowokan, Maku, Babasanya and Adesoye (2019) investigate the links between unemployment, poverty and economic growth in Nigeria between the periods, 1985-2015, by means of the Augment Dickey Fuller test for unit root test, Johansen cointegration for cointegration, Ganger causality for causality test and Error Correction Model to establish the short-run links between the variables. The unit root test result demonstrates that the variables trend with time indicating their failure of integration at level. Still, they were found to be stationary at first difference. The causality result portrayed that there is no causal relationship between unemployment, poverty and growth in Nigeria. Similarly, the cointegration results indicated that there is no long-run relationship between unemployment, poverty and economic growth in Nigeria. The short-run parameter estimates designated that unemployment has a negative and significant relationship with growth. Conversely, the coefficient of the interaction between unemployment and poverty is positive and significant at the conventional level.

Soylu, Çakmak and Okur, (2018) examined the relation between economic growth and unemployment in Eastern European Countries for the period of 1992-2014 within panel data framework. The study employed the Okun's Law, and applied Panel Unit Root, Pooled Panel OLS and Panel Johansen Co-integration tests respectively. The results confirm that the economic growth and unemployment series are stationary at first level, unemployment affected positively by economic growth. This implies that 1% rise in GDP will fall the unemployment rate by 0.08% because of Okun's coefficient for Eastern European Countries and there is a co-integration amid these significant macroeconomic variables.

Imoisi, Amba and Okon (2017) explored the impact of unemployment on economic growth in Nigeria using the OLS multiple regression analytical method in analyzing annual time series secondary data obtained from the Central Bank of Nigeria, statistical abstract from National Bureau of Statistics, as well as the World Development Indicators from the period 1980 – 2016. This study discovered that unemployment, population and labour force have significant impact on Nigeria's economic growth, whereas minimum wage does not have a significant impact on the country's economic growth. The study recommends the following: the government should ensure there is job creation in the economy especially in the real sector; private sector employers should be given subsidies so as to encourage them to employ more people; and the labour market should be deregulated.

Khrais and Al-Wad (2016) considered the relationship between GDP growth and unemployment in MENA countries for the periods 1990-2016. The simple linear regression was used for the analyses and the findings indicated that the impact values measured by GDP on the Unemployment in all the = 0.05) suggesting no significant  $\alpha$  countries being involved. The significance level of (F) was greater than ( impact was observed for gross GDP (annual) representing all the countries being involved in the study on unemployment in all the countries calculated from labours numbers in these countries. The impact value is well thought-out to be very small (- 0.009). This value advocates that there may be other factor affecting unemployment other than GDP.

Akeju and Olanipekun (2014) tested the validity of Okun's law in Nigeria, in order to examine the relationship between unemployment rate and economic growth, Error Correction Model (ECM) and Johasen cointegration test were engaged to determine both the short run and long run associations among the variables used in the study. The result proved that there is both the short and the long run association between unemployment rate and output growth in Nigeria. Therefore, there is the necessity to integrate fiscal measures and increase the attraction of foreign direct investment (FDI) to trim down the high rate of unemployment in the country.

# **METHODOLOGY**

The study employed panel data. The panel data consists of a combination of time series and horizontal section data. The panel data is derived from a horizontal cross-sectional datum that is followed during the sampling period. In the study, the influence of unemployment on economic growth and in Nigeria was examined for the period 1985-2015. The logarithms of the data were taken and unemployment throughout the study was expressed as UEMP and economic growth Lngdp. The data set taken from World Bank and consists of growth and unemployment rates of the country between 1985-2015 years. The ordinary least square (OLS) method was used to test the influence of unemployment on economic growth in Nigeria.

# **Model specification**

The model is specified as follows:

```
Lngdp = f (UEMP)....equ (i)

Lngdp = \betao + \beta1X1+ \mut... (ii)

Lngdp = \betao + \beta UEMP + \mu...equ (iii)

Where:

Lngdp - Economic Growth

UEMP - Unemployment
```

# **EMPIRICAL RESULTS AND DISCUSSION**

In this study, Pooled OLS analysis method was used and the findings are shown in table 1. One of the assumptions based on the estimation results that the pooled least squares model is presented is that there is no difference between horizontal (N) data matrices. the model predicts a common fixed term for all horizontal sections (Asteriou, 2006). The pooled OLS regression analysis method provides more information than the one-time cross sectional analyses because it uses the average value of the time-series of the variables. The results are as follows:

The regression is between independent and dependent variables: The independent variable is unemployment, while the dependent variable is economic growth. The test of hypotheses is given below:

Test of Hypothesis

Model 1

Dependent variable: Economic Growth

Method: Ordinary Least Square

**Sample:** 1985-2015.

Table 1: Unemployment and Economic Growth

Variables	Coefficient	Std Error	T-Statistic	VIF
CONSTANT	0.716	0.47956	22.515	
LOG (UEMP)	0.631	0.76	1.410	1.225

**Source:** Regression Result (2020)

R2 (Coefficient of determination) = 0.7467

R2 (Adjusted coefficient of determination) = 0.7452

Durbin Watson = 2.02277

F - Value = 506.939

The results of the test were statistically significant at the level of 5%. The finding of R-square at 0.7467 shows us that about 75 percent change in economic growth is explained by unemployment. As a result of the test, the coefficient of economic growth represented by GDP was found negative and significant at the 5% level, which means that 1% rise in unemployment will fall economic growth rate by 0.25%.

# **DISCUSSION OF FINDINGS**

The concepts of unemployment and growth are important both in terms of economic and social policy makers. Economic growth represents the most essential indicator of achieving macroeconomic targets for all developed and developing countries. The concept of unemployment is a very important indicator in terms of social indicators. These variables are important in that they have the power to influence economic and social life. The problem of unemployment continues to exist both in developed and developing countries as a global problem. The solution of the long-term unemployment problem, which is an economic and social reflection, is possible by determining the national employment policies that are suitable, considering the information society requirements and technological developments and changes. In a country where economic growth is increasing, it is expected that the labor force used to carry out this production will increase and as a result the unemployment rates will decrease (Eser, 2014). Okun's Law discloses that there is an inverse relationship between unemployment rates and economic growth. In the literature, it is generally concluded that the results are consistent with the Okun Law, and that only the coefficient can differ from country to country.

From this point of view, the results of the empirical test in the study are in accord with the literature. Based on the long-term movement of unemployment and growth rate data, it can be assumed that an increase in growth can be seen by locating unemploymentreducing measures. Based on the broad objective of this study which is to investigate the link between unemployment and economic growth in Nigeria the study found that there is a long-run association between unemployment and economic growth in Nigeria in the period covered, implying that growth in the country will happen if people are employed. The economy will expand if the number of unemployed people decreases. Instructively, however, the study finds that unemployment-induced growth; it is a significant determinant of growth in the country in the short run, this is in line with Imoisi (2017) who discovered that unemployment, population and labour force have significant impact on Nigeria's economic growth, while unemployment shown to be a significant determinant of growth in the short run, it is not so in the long run. This can be seen in the related study carried out by Aiyedogbon & Ohwofasa (2012) on poverty and youth unemployment in Nigeria within the period of 1987 and 2011. The reality that the variable is significant means that the impact was felt in the system.

#### **CONCLUSION**

The main target of this paper is to analyze the impact of unemployment on economic growth. In the study, unemployment and economic growth rates of Nigeria from 1985 to 2015 were analyzed by panel data method. In this paper, panel unit root test was applied and it is understood that series are not stationary at level. For this reason the first differences of the series have been taken. After this phase, panel OLS was tested and it was determined that 1% rise in GDP will fall the unemployment rate by 0.08%. Finally, our data

sets were tested by using co-integration test and found that there is a co-integration between unemployment and economic growth. The study therefore, concludes that unemployment has significant impact on Nigeria's economic growth.

#### RECOMMENDATION

Based on the conclusion of the study, the following recommendations were proffered:

- 1. The government should ensure there is job creation in the economy especially in the real sector, i.e. agriculture and manufacturing sector to raise employment opportunities from these sectors, reduce unemployment rate and trigger economic growth in the country.
- 2. Private sector employers should be given subsidies by government so as to encourage them to employ more people.
- 3. The labour market should be deregulated labour market regulations are numerous. The minimum wage policy is one of the most obvious. Economic theories envisage that the establishment of an effective minimum wage policy will likely reduce employment; on the contrary, the rejection of a minimum wage policy, likely increases it. The threat with the establishment of a minimum wage policy is that it pushes up wages nly for the lowly paid but for all groups as workers bargain to restore relativities
- 4. The Nigerian government should work acidulously to reduce the unemployment rate expect to increase her economic growth targets.

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