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Hallmark University Journal of Management and Social Sciences (HUJMSS) is published thrice a year - February, June and October. Scholars in management and social sciences, as well as related fields all over the world, are invited to send in their contributions. The journal welcomes the submission of manuscripts that can withstand rigorous review. Papers submitted will be published approximately two months after acceptance. Interested contributors should type their scientific papers on A4 size with wide margins and 1.5 line spacing. It should not exceed 15 pages including the abstract of not more than 250 words. A maximum of five keywords should be provided. This journal employs double-blind review process, which means that the reviewers' identities are concealed from the authors, and vice versa and all submitted manuscripts are assessed by two reviewers. HUJMSS equally uses plagiarism software (Turnitin) to check the similarity index, which should not exceed 20%.

The paper should be empirical or theoretical, well researched, and relevant to the broad domain. Short communications, reviews, commentaries, data set and methods could also be considered. Contributors should include Author's name(s), institutional affiliation, the title of the paper, abstract, introduction, statement of the problem, review of related literature, methodology, findings, discussion of findings, conclusion and recommendations. Authors should include their phone numbers and e-mails. Manuscripts must conform with the latest American Psychological Association (APA) documentation style. Manuscripts should be submitted in Microsoft Office Word with Times New Roman, 12 fonts size. This should be sent to hujmss@hallmarkuniversity.edu.ng, copying hujmss@gmail.com.

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FINANCIAL INTERMEDIATION, REGULATION AND MACROECONOMIC PERFORMANCE IN NIGERIA: DIRECTION OF CAUSALITY

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Abstract

This study investigated the direction of causality among financial intermediation, regulation, and macroeconomic variables in Nigeria between 1986 and 2018 using Differenced VAR Granger Causality/Block Exogeneity Wald Tests. The results revealed that even though there exist feedback effects among economic growth, unemployment rate, investment level, and money supply, there is no causal relationship between financial intermediation, regulation, and macroeconomic performance. It further showed that financial intermediation, regulation, and macroeconomic performance are completely independent, changes in financial intermediation and regulation variables through the use of credit to the private sector and lending rate respectively did not translate to changes in GDP growth and unemployment rate as measures of macroeconomic performance in Nigeria. Therefore, this study concluded that intervention through financial intermediation and regulation in Nigeria were not that effective over the years and it is recommended that government and monetary authority should adopt policy measures such as periodic assessment of banks' balance sheets, risk management, and selective credit control policies that can promote better access to credits for the productive private sectors of the economy in other to boost macroeconomic performance; reduce or eliminate if possible the off-balance sheet transactions of the commercial banks in Nigeria as this affects the level of financial intermediation negatively.

Keywords: Differenced VAR, Causality, Intermediation, Regulation, GDP, Unemployment
A version of this paper was presented at the Nigeria Studies in Economics and Management Sciences (NSiEMS) Conference 2019 held at ETF 650, Adekunle Ajasin University, Akungba Akoko, Ondo State. November 25 – 27, 2019

1.0 Introduction

Financial intermediation theories (such as the theory of informational asymmetry, agency theory, and modern theory of financial intermediation) laid more emphasis on the roles of financial markets, information services, liquidity, and institutions that take deposits or issue insurance policies and channel funds to firms and economic importance of banks. According to these theories, the development of intermediaries tends to promote the development of the financial markets and the development of the financial sector leads to a positive performance of macroeconomic variables as well as the development of the economy (Merton, 1995; Allen and Gale, 1997; Allen and Santomero, 1998; Diamond and Rajan, 2000; Andries and Cuza, 2009).

The modern theory of financial intermediation majorly highlights the role of financial intermediation on how it influences the economy as a whole through major macroeconomic variables and the effects of financial regulations on the financial intermediaries (Andries & Cuza, 2009). High transaction cost, incomplete information, and the method of financial regulation among other factors in principle are responsible for the existence of financial intermediaries. Thus, financial intermediation theory is based on the theory of informational asymmetry and the agency theory which generate imperfections of the market and deviations from the theory of perfect markets in which all economic agents have immediate and perfect access to the complete information (Allen and Santomero, 1998; Diamond and Rajan, 2000). Regulation influences the liquidity and solvability

of intermediaries regarding the capital of intermediaries; their "health" and ability for refinancing as well as their mode of debt recovery. (Merton, 1995; Allen and Gale, 1997; Allen and Santomero, 1998).

The role of financial development in economic growth has attracted considerable theoretical and empirical interest in recent years. Given the current emphasis on the importance of the financial sector as an engine of growth in any economy and private sector participation in promoting economic development, financial intermediation should be of major concern because fluctuations in financial variables have real effects on macroeconomic performance both in the short and long-run period (Ogiriki & Andabai, 2014). Also, financial intermediaries provide economies of scale and scope in addition to reducing information problems, mobilizing and allocating resources, managing risk, and exerting corporate control (Umoh, 2005). Hence, this calls formajor concern. Financial intermediaries are financial institutions that deal with the buying and selling of financial assets and contracts and as such, they have a direct impact on the overall macroeconomic performance. They also mediate between the providers of funds and the users of such financial capital to encourage productive innovations in a less risky manner (Oluwasogo, Princess, Oluwatoyin, and Folasade, 2017). The process of transferring funds from agencies with surplus capital to those with productive investment opportunities through financial intermediaries is also called financial intermediation. (Umoh, 2005; Ogiriki and Andabai, 2014).

Regulation consists of rulemaking and enforcement. In line with theory, financial intermediaries perform these four distinguishable functions: reduction of transaction costs, liquidity risk, incomplete information problem, and debt renegotiation (Allen and Gale, 1997; Allen and Santomero, 1998). Out of all these functions, three concern the services the banks offer to savers, which cannot be obtained from financial markets. Regulations, as mentioned earlier, influences most of the functions of financial intermediation and it is more important in the banking system than in the case of other industries. Since the banking sector is the dominant sector in the financial system as evident in most developing economies (Nigeria inclusive), whatever difficulties it passes through have spillover effects on the macroeconomics performance (Ogiriki and Andabai, 2014). In other words, the activities of the banks as a vibrant component of financial intermediary, affect the soundness and stability of the financial system. Therefore, the need for special regulation by the relevant authorities. Financial intermediaries should be regulated and supervised not only to protect investors but also to ensure financial stability in the economy. More specifically, bank regulations exist for the safeguarding of the financial system and for the efficiency of the banking industry against the systemic risk that can lead to financial crises (Umoh, 2005; Oluwasogo, Princess, Oluwatoyin, and Folasade, 2017). The capital requirement is one of the bank regulations, which sets a framework on how banks and depository institutions must handle their capital (Umoh, 2005). For instance, the 13-point agenda of the central bank of Nigeria (CBN) launched in 2004 aimed at creating bigger banks with stronger statements of financial position by increasing the minimum capitalization base of banks from N2 billion to N25 billion and many other regulations thereafter in Nigeria.

There are quite a number of studies (Emmanuel and Odum, 2019; Usman, Alimi and Onayemi,2018; Oluwasogo, Princess, Oluwatoyin and Folasade, 2017; Gisanabagabo and Ngalawa, 2016; Olowofeso, Adeleke and Udoji, 2015; Nwanne, 2015; Nwite, 2014; Ogiriki & Andabai, 2014) that have evaluated the effect of financial intermediation activities on economic growth both in Nigeria and other countries by showing a long-run relationship between intermediation and economic growth with significant impact, but these studies have not critically examined the relationship among these variables in term of nature, direction and intensity (dynamics) of the relationship among financial intermediation, regulation and macroeconomic performance in Nigeria as a topical issue that calls for empirical investigation. However, one may ask the following questions for the sake of empirical investigation: what role can the regulation of the financial markets play with regard to the financial intermediation and macroeconomic performance (extent of effects on output and unemployment)? How does regulation impact financial intermediation and what are the effects of

intermediation on macroeconomic variables in the economy? These are some of the questions that demand a critical answer in any economy (Nigeria inclusive). Therefore, this study aims to investigate the possible nature (direction of causality) and intensity of the relationship among financial intermediation, regulation, and selected macroeconomic variables in Nigeria.

This study is organized into five sections. Section two focuses on the review of literature; section three deals with Methodology, variable measurement, and sources of data. Section four discusses the results with their detailed analysis. Finally, Section 5 attempts to bring together the main findings for concluding remarks.

2.0 Literature Review

According to Pagano (1993), there are three channels through which financial intermediation as a critical component of financial development can affect macroeconomic performance: Firstly, financial intermediaries promote the efficiency of investments. Secondly, efficient financial systems through adequate intermediations decrease transaction costs and as such increase savings. Lastly, financial intermediations may increase or decrease savings depending on the level of financial regulation in the economy. Along with screening and monitoring the most productive investments, financial intermediaries increase productivity through risk-sharing and risk minimization. Well-regulated financial intermediations mitigate risks by diversifying and sharing these risks between investors who support economic growth by increasing total factor productivity (Acemoglu and Zilibotti, 1997; Benhabib and Spiegel, 2001; Beck, 2013).

There are quite a number of studies that have evaluated the effect of financial intermediation activities on economic growth both in Nigeria and other countries. For instance, Gisanabagabo and Ngalawa (2016) investigated the possible co-integration and causal link between financial intermediation and economic growth in Rwanda and it was observed that a shock to domestic credit to the private sector accounts for the largest portion of fluctuations in real output growth after establishing evidence of a co-integrating relationship between them. Olowofeso, Adeleke, and Udoji (2015) examined the impacts of private sector credit on economic growth in Nigeria using a co-integration test. The results showed a co-integrating relationship between them and findings from their error correction model showed a significant effect of private sector credit on output. Also, some empirical findings on the cost of financial intermediation on economic growth; the relationship between financial intermediation and economic growth, and the effect of financial intermediation on economic growth in Nigeria all revealed that total loan (TL) has a significant impact on economic growth; there is also a long-run equilibrium relationship between economic growth and financial intermediation and interest rate margin has a significant impact on economic growth respectively (Nwite, 2014; Ogiriki and Andabai, 2014 and Nwanne, 2015). In contrast, Emmanuel and Odum (2019) examined the effect of financial intermediation on the development of the economy of Nigeria and concluded that credits to the private sector do not contribute positively to the development of the economy. However, the issue of possible nature in terms of a causal link and the intensity of dynamic relationship among financial intermediation, regulation, and these macroeconomic variables in Nigeria were not adequately captured in these studies. Hence, this study intends to address this issue.

3.0 Methodology, Variable Measurement and Data Sources

3.1 Model Specification

Following the empirical review above, the theoretical basis and methodology adopted by this study hinge on the theory of financial intermediation by Allen and Santomero (1998), inline with informational asymmetry and the agency theory of Financial intermediation; in which there is a reduction in transaction costs and asymmetric information in other to promote intermediation which in turn affects macro economy performance and as such new markets for financial futures and options are main markets for intermediaries rather than individuals or firms. Therefore, the baseline model for this study is given as follows:

$$\ln Y_t = \alpha_0 + \beta \ln H_t + \varepsilon_t \quad (1)$$

$$\ln U_t = \alpha_0 + \beta \ln H_t + \varepsilon_t \quad (2)$$

Where H_t represents the matrix of all explanatory variables at time *t*.
By formulating a log-linear model that encompasses all the explanatory variables, the model becomes

$$lnGDP_t = \alpha_0 + \beta_1 \ln CTPS_t + \beta_2 INTR_t + \beta_3 \ln MS_t + \beta_4 \ln INV_t + \beta_5 UNEL_t + \varepsilon_t \quad 3$$

$$UNEL_t = \alpha_0 + \beta_1 \ln CTPS_t + \beta_2 INTR_t + \beta_3 \ln MS_t + \beta_4 \ln INV_t + \beta_5 \ln GDP_t + \varepsilon_t \quad 4$$

Where,
GDP is GDP per capita (a proxy for Macroeconomic Variable);

CTPS is Credit to the private sector to GDP(a proxy for Financial intermediation; Credit to the private sector is an overall and comprehensive measure of attainment in financial intermediation. It captures the extent to which the financial system serves the economy and shows the level of financial intermediation that is in quantitative loan-to-deposit ratio. CTPS is sufficiently recognized by the academic community, as well as a standard in regulatory use by most central banks (DiSalvo & Johnston, 2017; Martin and Emília, 2018).

INTR is Interest Rate (a proxy for Financial Regulation);
MS is Money Supply;
INV is Gross Capital Formation (a proxy for the level of domestic investment in the economy);
UNEL is Unemployment level (a proxy for Macroeconomic Variable);
α is the slope
ε is Stochastic error term; and
β_i represents the coefficients of the variables

To achieve the objective of this study, Vector autoregressive (VAR) technique is employed. The choice of this stochastic process is because it is used to capture the linear interdependencies among multiple time series in terms of the dynamic interactions and shock transmission among variables; it also provides information on impulse responses and variance decomposition (Sims, 1972 and 1980). Since VAR models can override the need for structural modeling by treating endogenous variables in the system as a function of the lagged values of all endogenous variables, the models can explain the structure of time-series better than the Ordinary Least Square (OLS) estimation technique (Sims, 1980; Evans, 1992; Christiano, Motto and Rostagno, 2012).

Therefore, the direction of causality among financial regulation, Intermediation variables, and macroeconomic variable (proxy by GDP and UNEL) in Nigeria economy can be captured or stated as follows:

$$lnGDP_t = \alpha_1 + \sum_{j=1}^{k} \delta\ lnGDP_{t-j} + \sum_{j=1}^{k} \gamma\ INTR_{t-j} + \sum_{j=1}^{k} \beta\ lnCTPS_{t-j} + \varepsilon_{1t} \quad 5$$

$$UNEL_t = \alpha_1 + \sum_{j=1}^{k} \delta\ UNEL_{t-j} + \sum_{j=1}^{k} \gamma\ INTR_{t-j} + \sum_{j=1}^{k} \beta\ lnCTPS_{t-j} + \varepsilon_{1t} \quad 6$$

$$INTR_t = \alpha_2 + \sum_{j=1}^{k} \beta\ INTR_{t-j} + \sum_{j=1}^{k} \rho\ lnGDP_{t-j} + \sum_{j=1}^{k} \gamma\ lnCTPS_{t-j} + \varepsilon_{2t} \quad 7$$

$$lnCTPS_t = \alpha_2 + \sum_{j=1}^{k} \beta\ lnCTPS_{t-j} + \sum_{j=1}^{k} \rho\ lnGDP_{t-j} + \sum_{j=1}^{k} \gamma\ INTR_{t-j} + \varepsilon_{2t} \quad 8$$

Where GDP represents the Gross Domestic Product, UNEL represents Unemployment level, INTR and CTPS represent matrices of all financial regulation and intermediation variables that are assumed to have a direct impact on macroeconomic variables. These variables include interest rate, money supply, and credit to the private sector to GDP. K represents the optimal lag length selected by the various lag length selection criteria while the stability of the variables is determined through appropriate unit root techniques.

3.2 Measurement of Variable and Sources of Data

The study made use of annual time series secondary data over the study period. The description and measurement of variables and the sources of data are presented in Table 1 below.

Table 1: Description and Measurement of Variables

VARIABLES	DESCRIPTION	MEASUREMENTS	SOURCE OF DATA
GDP per capita (GDP)	A measure of Macroeconomic performance	Percentage growth ratio of GDP divided by population	Central Bank of Nigeria Statistical Bulletin (2018).
UNEL (Unemployment rate)	Measure of Macroeconomic performance	Percentage of total unemployment (youth: Male and Female)	World Bank's World Development. Indicator (WDI, 2018).
INTR (interest rate)	Measure of Financial Regulation	Lending Interest rate	World Bank's World Development. Indicator (WDI, 2018).
CTPS (Credit to private Sector)	Measure of Financial Intermediation	The ratio of credit to the private sector to GDP	World Bank's World Development. Indicator (WDI, 2018).
INV (Investment)	Gross Capital Formation captures the level of domestic investment in the economy.	Gross Capital Formation as a percentage of GDP.	World Bank's World Development. Indicator (WDI, 2018).
MS (Money Supply)	M2 = CC + DD + TD + OD, where CC stands for currency outside banks, DD stands for demand deposit, TD stands for time deposit and OD stands for securities deposit.	It consists of currency in circulation, demand, time deposit, and other deposit securities.	Central Bank of Nigeria Statistical Bulletin (2018).

4.0 Data Analysis and Discussion of Results

4.1 Unit Root Tests

Table 2 shows the results of the unit root tests. Since the results revealed that all the variables are stationary either at levels or at first difference but different levels of significance, it becomes econometrically reasonable to conduct the co-integration test.

Table 2: ADF Unit Root Test

Variables	Level	1st Difference	Order of Integration
LNGDP	-0.937972	-3.782452**	I(1)
LNCTPS	-2.831665***	-3.617687	I(0)
LNINV	0.283511	-5.511541*	I(1)
INTR	-1.408936	-4.313278*	I(1)
LNMS	4.839386*	-1.123016	I(0)
UNEL	-0.934242	-3.272746**	I(1)

*Note: * ** *** denotes 1%, 5% and 10% levels of significance respectively.*
Source: Author's Compilation, using Eviews

4. 2 Johansen Cointegration Test

There is the need to determine the long-run relationship among the variables based on the unit toot test results in table 2, which revealed that all the variables are stationary either at levels or at first difference and at different levels of significance. Thus, the Johansen cointegration test is employed to determine the existence of long-run relationship among macroeconomic variables, credit to the private sector, interest rate, money supply, and gross capital formation throughout the study as supported by the works of Gisanabagabo and Ngalawa (2016); Olowofeso, Adeleke, and Udoji (2015); Nwanne (2015); Nwite (2014); Ogiriki and Andabai (2014).

The cointegration test results in Tables 3a and 3b revealed that the null hypothesis of no cointegration among the variables at a 5% level of significance for the model specification was rejected. This means accepting the alternative hypothesis that financial intermediation and regulation dynamics as measured by credit to the private sector and interest rate respectively do not affect macroeconomic variables in Nigeria. The trace statistics revealed that there are cointegrating relationships among the variables. Similarly, the unrestricted cointegration Max-Eigenvalue statistic reports that there exist at least three cointegration equations at a 5% level of significance. This implies that the variables have a long-run relationship.

Table 3a: Johansen Cointegration Test Results: Unrestricted Cointegration Rank Test (Trace)

Hypothesized No of CE(s)	Eigenvalue	Trace statistic	5% critical value	Prob**
None *	0.953124	213.0648	103.8473	0.0000
At most 1 *	0.825041	121.2573	76.97277	0.0000
At most 2 *	0.730869	68.96116	54.07904	0.0014
At most 3	0.489538	29.58444	35.19275	0.1775
At most 4	0.201686	9.411267	20.26184	0.6973
At most 5	0.084656	2.653650	9.164546	0.6472

Source: Author's computation using Eviews

Note:

Trace test indicates 3 cointegrating eqn(s) at 5% level of significance
** denotes rejection of the hypothesis at a 5% level of significance*
***MacKinnon-Haug-Michelis (1999) p values*

Table 3b: Johansen Cointegration Test Results: Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No of CE(s)	**Eigenvalue**	**Max-Eigen statistic**	**5% critical value**	**Prob****
None *	0.953124	91.80749	40.95680	0.0000
At most 1 *	0.825041	52.29619	34.80587	0.0002
At most 2 *	0.730869	39.37672	28.58808	0.0015
At most 3	0.489538	20.17318	22.29962	0.0964
At most 4	0.201686	6.757616	15.89210	0.6990
At most 5	0.084656	2.653650	9.164546	0.6472

Source: Author's computation using Eviews

Note:

Max-eigenvalue test indicates 3 cointegrating eqn(s) at the 5% level of significance
** denotes rejection of the hypothesis at the 5% level of significance*
***MacKinnon-Haug-Michelis (1999) p-values*

4.3 Differenced VAR Granger Causality Tests

In this section, causality between financial intermediation, regulation, and macroeconomic variables in Nigeria was investigated by Differenced VAR Granger Causality/Block Exogeneity Wald Tests. The cointegration tests conducted in this study showed that there exist at least three cointegration equations at a 5% level of significance among the variables. This implies that there exist long-run relationships among the variables included in the estimated DVAR models in Nigeria during the study period. The results of the estimated Differenced VAR Granger Causality/Block Exogeneity Wald Testsare presented in Tables 4a and 4b.

Table 4a: Results of Differenced VAR Granger Causality Tests

Dependent Variable	Independent Variables					
	D(LNGPD)	**D(LNCTPS)**	**D(INTR)**	**D(LNINV)**	**D(LNMS)**	**D(UNEL)**
D(LNGPD)	-	0.147370	0.133094	1.308621	7.438639**	13.42204*
D(LNCTPS)	3.386834	-	2.009269	5.635999***	4.753666	0.706963
D(INTR)	0.975396	1.031573	-	0.070861	1.119807	2.574074
D(LNINV)	1.318447	0.329589	0.347603	-	4.433469	3.021379
D(LNMS)	13.25773*	4.261011	1.210096	14.54851*	-	8.787448**
D(UNEL)	1.710025	3.554250	0.937143	2.321930	2.373568	-

Source: Author's compilation, using Eviews

Note: ** = 1%, ** = 5% and *** = 10% levels of significance*

Table 4b: Inferences of Differenced VAR Granger Causality Tests

Dependent Variable	Independent Variables (**Inferences)**					
	D(LNGPD)	**D(LNCTPS)**	**D(INTR)**	**D(LNINV)**	**D(LNMS)**	**D(UNEL)**
D(LNGPD)	N	N	N	N	X	X
D(LNCTPS)	N	N	N	X	N	N
D(INTR)	N	N	N	N	N	N
D(LNINV)	N	X	N	N	N	N
D(LNMS)	X	N	N	X	N	X
D(UNEL)	N	N	N	N	N	N

Note:*X indicates the presence of causality;*
N indicates the absence of causality

The results from Tables 4a and 4b showed the absence of causality among most of the variables used in the study. In the first column of the table, the results revealed that there exists an absence of causality among nearly all the variables except one. It can be observed that GDP growth does not Granger-cause credit to the private sector, interest rate, investment, and unemployment rate. This implies that there is no causation from economic growth to the financial variables. Hence, there is no causal relationship between financial intermediation, regulation, and macroeconomic performance. The second column of the reference segment revealed that financial intermediation through credit to the private sector does not Granger-caused financial regulation variable (interest rate) and any of the macroeconomic variables (GDP and unemployment). Similarly, it was also shown that financial regulation through the lending rate (interest rate) does not Granger-caused financial intermediation through credit to the private sector and macroeconomic variables. This is an indication that changes in lending rates do cause any reaction from credit to the private sector and macroeconomic performance in Nigeria. It was also observed that the unemployment rate does not Granger-cause credit to the private sector and lending rate but Granger-cause GDP growth rate. This is an indication that there is no evidence of causation from macroeconomic performance to financial intermediation and regulation in the economy.

Finally, the results revealed the existence of feedback effects among economic growth, unemployment rate, investment level, money supply, and credit to the private sector.

5.0 Conclusion and Policy Recommendation

The results of Differenced VAR Granger Causality/Block Exogeneity Wald Tests revealed that even though there exist feedback effects among GDP growth, unemployment rate, investment level, and money supply, there is no causal relationship between financial intermediation, regulation, and macroeconomic performance in contrast to Gisanabagabo and Ngalawa, 2016 (in Rwanda). The findings of this study showed that financial intermediation, regulation, and macroeconomic performance are completely independent and that changes in financial intermediation and regulation variables through the use of credit to the private sector and lending rate respectively did not translate to changes in GDP growth and unemployment rate as possible measures of macroeconomic performance in Nigeria as supported by Emmanuel and Odum, 2019 but in contrast to the findings of Olowofeso, Adeleke and Udoji, 2015; Nwanne, 2015; Nwite,2014; Ogiriki and Andabai, 2014. Therefore, this study concluded that intervention through financial intermediation and regulation in Nigeria were not that effective over the years as they did not translate to changes in macroeconomic variables (GDP growth and reduction in the unemployment rate), it is therefore recommended that Government and monetary authority should adopt policy measures (such as period assessment of banks' balance sheets, risk management, and selective credit control policies) that can promote better access to credits for the productive private sectors of the economy in other to boost macroeconomic performance; reduce or eliminate if possible the off-balance sheet transactions of the commercial banks in Nigeria as this affects the level of financial intermediation negatively.

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DVAR Granger Causality/Block Exogeneity Wald Tests
Sample: 1986 2018
Included observations: 30

Dependent variable: D(LNGPD)

Excluded	Chi-sq	df	Prob.
D(LNCTPS)	0.147370	2	0.9290
D(INTR)	0.133094	2	0.9356
D(LNINV)	1.308621	2	0.5198
D(LNMS)	7.438639	2	0.0243
D(UNEL)	13.42204	2	0.0012
All	37.22117	10	0.0001

Dependent variable: D(LNCTPS)

Excluded	Chi-sq	df	Prob.
D(LNGPD)	3.386834	2	0.1839
D(INTR)	2.009269	2	0.3662
D(LNINV)	5.635999	2	0.0597
D(LNMS)	4.753666	2	0.0928
D(UNEL)	0.706963	2	0.7022
All	101.0122	10	0.0000

Dependent variable: D(INTR)

Excluded	Chi-sq	df	Prob.
D(LNGPD)	0.975396	2	0.6140
D(LNCTPS)	1.031573	2	0.5970
D(LNINV)	0.070861	2	0.9652
D(LNMS)	1.119807	2	0.5713
D(UNEL)	2.574074	2	0.2761
All	7.947147	10	0.6340

Dependent variable: D(LNINV)

Excluded	Chi-sq	df	Prob.
D(LNGPD)	1.318447	2	0.5173
D(LNCTPS)	0.329589	2	0.8481
D(INTR)	0.347603	2	0.8405
D(LNMS)	4.433469	2	0.1090
D(UNEL)	3.021379	2	0.2208
All	29.97055	10	0.0009

Dependent variable: D(LNMS)

Excluded	Chi-sq	df	Prob.
D(LNGPD)	13.25773	2	0.0013
D(LNCTPS)	4.261011	2	0.1188
D(INTR)	1.210096	2	0.5460
D(LNINV)	14.54851	2	0.0007
D(UNEL)	8.787448	2	0.0124
All	31.46817	10	0.0005

Dependent variable: D(UNEL)

Excluded	Chi-sq	df	Prob.
D(LNGPD)	1.710025	2	0.4253
D(LNCTPS)	3.554250	2	0.1691
D(INTR)	0.937143	2	0.6259
D(LNINV)	2.321930	2	0.3132
D(LNMS)	2.373568	2	0.3052
All	13.36443	10	0.2040

VAR Granger Causality/Block Exogeneity Wald Tests

Sample: 1986 2018
Included observations: 30

Dependent variable: D(UNEL)

Excluded	Chi-sq	df	Prob.
D(LNCTPS)	3.554250	2	0.1691
D(INTR)	0.937143	2	0.6259
D(LNINV)	2.321930	2	0.3132
D(LNMS)	2.373568	2	0.3052
D(LNGPD)	1.710025	2	0.4253
All	13.36443	10	0.2040

Dependent variable: D(LNCTPS)

Excluded	Chi-sq	df	Prob.
D(UNEL)	0.706963	2	0.7022
D(INTR)	2.009269	2	0.3662
D(LNINV)	5.635999	2	0.0597
D(LNMS)	4.753666	2	0.0928
D(LNGPD)	3.386834	2	0.1839
All	101.0122	10	0.0000

Dependent variable: D(INTR)

Excluded	Chi-sq	df	Prob.
D(UNEL)	2.574074	2	0.2761
D(LNCTPS)	1.031573	2	0.5970
D(LNINV)	0.070861	2	0.9652
D(LNMS)	1.119807	2	0.5713
D(LNGPD)	0.975396	2	0.6140
All	7.947147	10	0.6340

Dependent variable: D(LNINV)

Excluded	Chi-sq	df	Prob.
D(UNEL)	3.021379	2	0.2208
D(LNCTPS)	0.329589	2	0.8481
D(INTR)	0.347603	2	0.8405
D(LNMS)	4.433469	2	0.1090
D(LNGPD)	1.318447	2	0.5173
All	29.97055	10	0.0009

Dependent variable: D(LNMS)

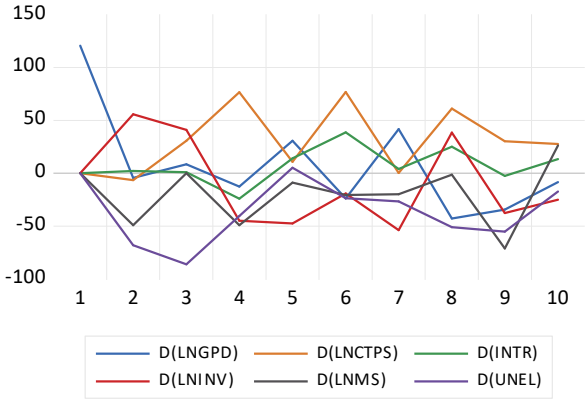
Excluded	Chi-sq	df	Prob.
D(UNEL)	8.787448	2	0.0124
D(LNCTPS)	4.261011	2	0.1188
D(INTR)	1.210096	2	0.5460
D(LNINV)	14.54851	2	0.0007
D(LNGPD)	13.25773	2	0.0013
All	31.46817	10	0.0005

Dependent variable: D(LNGPD)

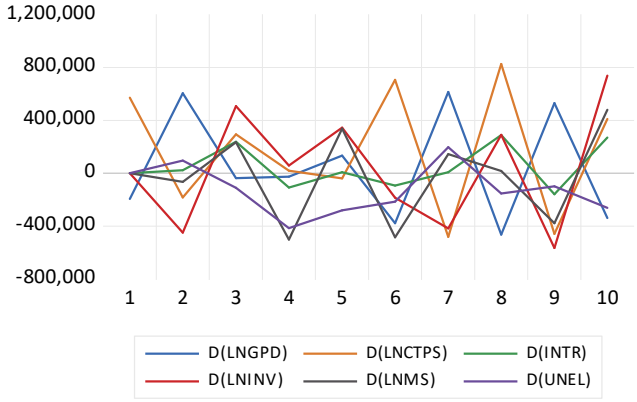
Excluded	Chi-sq	df	Prob.
D(UNEL)	13.42204	2	0.0012
D(LNCTPS)	0.147370	2	0.9290
D(INTR)	0.133094	2	0.9356
D(LNINV)	1.308621	2	0.5198
D(LNMS)	7.438639	2	0.0243
All	37.22117	10	0.0001

Response to Cholesky One S.D. (no d.f. adjustment)Innovations

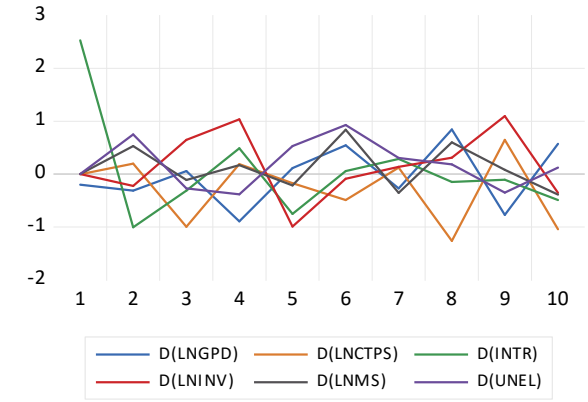
Response of D(LNGPD) to Innovations



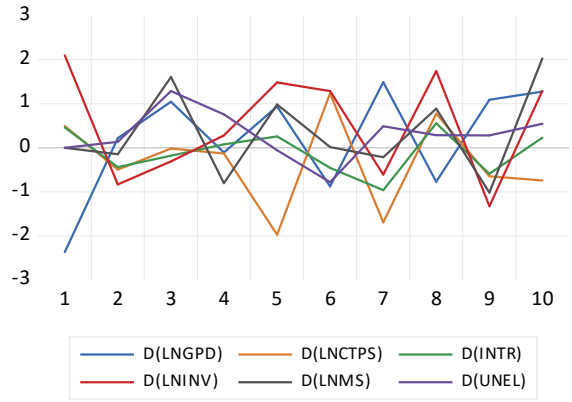
Response of D(LNCTPS) to Innovations



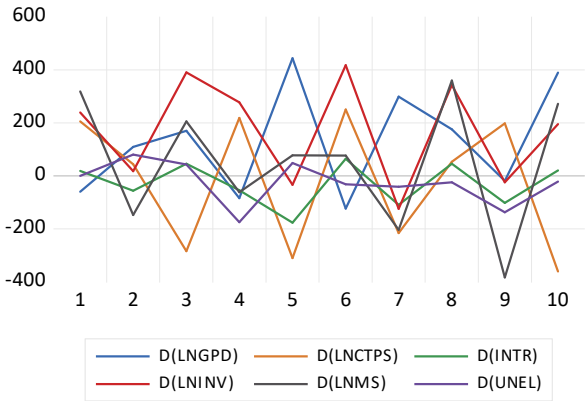
Response of D(INTR) to Innovations



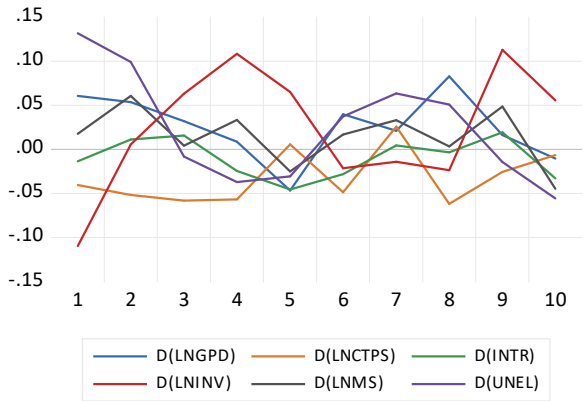
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Response of D(LNMS) to Innovations

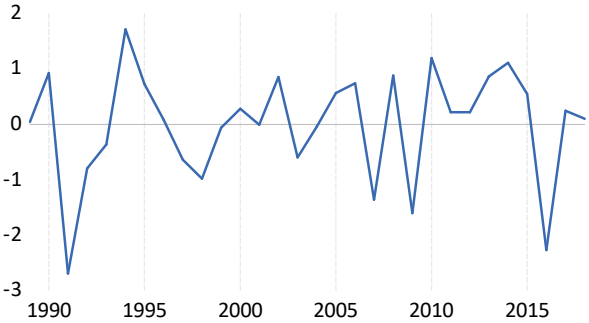


Response of D(UNEL) to Innovations

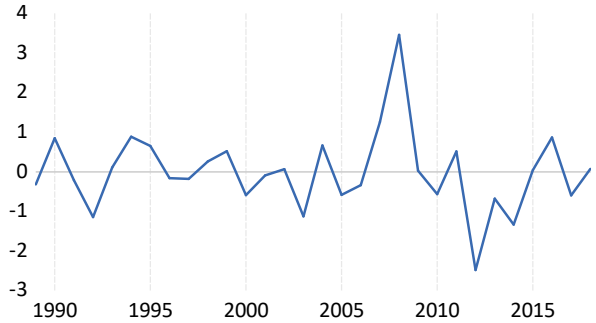


VAR Structural Residuals using Cholesky (no d.f. adjustment) Factors

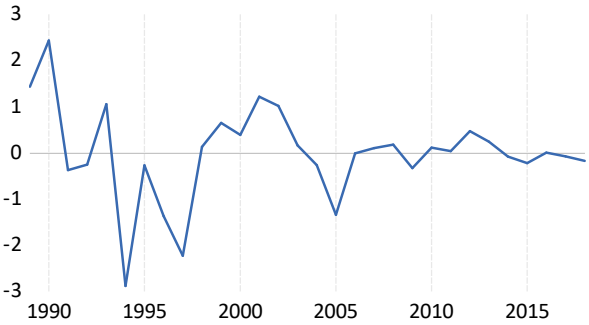
D(LNGPD) Structural Residuals



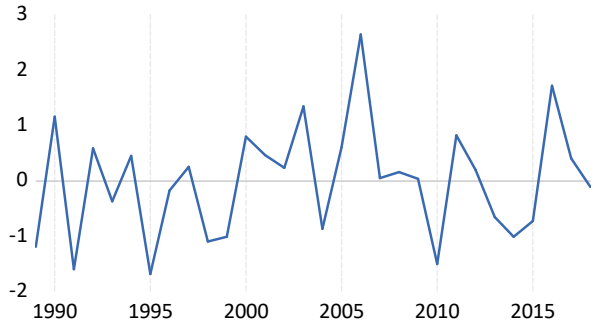
D(LNCTPS) Structural Residuals



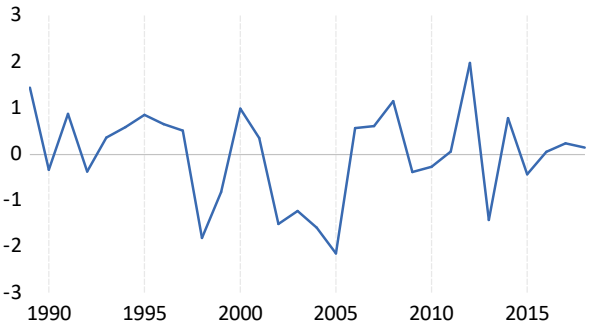
D(INTR) Structural Residuals



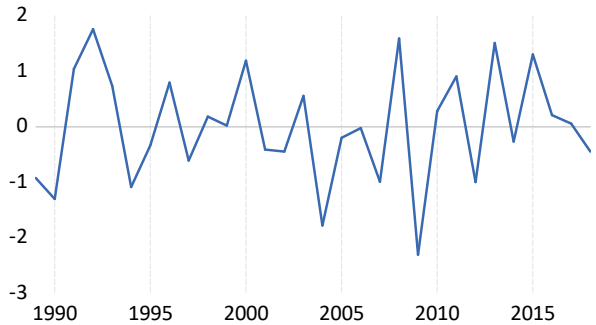
D(LNINV) Structural Residuals



D(LNMS) Structural Residuals



D(UNEL) Structural Residuals



ORGANIZATIONAL GROWTH EFFECT OF BUSINESS PROCESS MANAGEMENT: A MODERATING ROLE OF INNOVATION PRACTICES

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Abstract

Much of the extant studies promote the universal benefits of process management and its impact on organizational performance. However, in academic literature, empirical evidence is mixed. Therefore, this study explores the moderating role of innovation practices on the organizational growth effect of business process management (BPM) to resolve the inconsistency. Anchored on contingency theory, we propose that innovation practices significantly moderate the organizational growth effect of BPM. To test the model, we applied sequential regression analysison thecross-sectional survey data collected through a mailed questionnaire administered to 183 Nigerian CEOs and top managersin the small and medium scale financial intermediation sector in Kaduna, Kano, and Sokoto States. The study employs multi-stage sampling techniques: purposive sampling, quotas, and simple random sampling method for sample selection. Findings from the study support that BPM positively and significantly contribute to organizational growth. The result further provides that the organizational growth effect of BPM is to an extent positively moderated by innovation practices. We recommend that SME CEOs and top managers should givepriority not only to BPM but also innovation practices to enhance their organizational growth. More importantly, Nigerian CEOs/top managers in the financial intermediation sector should insist on radical design and implementation of extant processes from end to end in the light of organizational growth particularly capitalizing on the potential of information technology as a major driver of innovation.

Keywords: *BPM, governance, innovation practices, organizational growth, strategic alignment.*

1. Introduction

In recent decades, business process management (BPM) has been one of the major interesting research subjects due to today's struggle for competitive survival and the changing nature of a dynamic environment. Many organizations have embraced process management initiatives like total quality management, six sigma, and lean management as a means to increase effectiveness and efficiency from restructuring the organization along with cross-functional processes (Flavio, Damiano, Alberto & Barbara, 2011). BPM focuses on improving an organization's efficiency through high-level coordination of an organization's activities in a rationalized system of end to end processes and gives competitive advantages that are needed to support more agile and flexible businesses (Winter, 1994), foster the openness of processes towards internal ideas and work practices (De Bruin & Rosemann, 2006), and opens the door for creative and innovative approaches to enhancing organizational performance (Sullivan, Kelly & Olson, 1999).

Despite the benefits of BPM in practice and its potential to leverage process orientation and increase performance, evidence in extant literature has revealed that there are inconclusive and mixed results with regards to the organizational growth effect of BPM. Some studies suggest that organizations could enhance their overall performance by adopting a process view of business while some studies argue to the contrary. No consensuses have emerged. These equivocal results have highlighted the importance of research into the contingent evaluation of the organization performance effect of BPM to resolve the contradictory findings. Though some researches have explored the BPM-performance nexus, yet empirical work has not examined the moderating role of innovation practices on the effect of BPM on organizational growth. This was the motivation behind the present study.

Specifically, the study seeks to address the following two research questions:

1. How does BPM affect organizational growth?
2. How do innovation practices moderate the organizational growth effect of BPM?

Consistent with the research questions, this study postulates that:

1. BPM significantly affects organizational growth.
2. Innovation practices significantly moderate the organizational growth effect of BPM.

The outcomes of this research are hoped to contribute to the growing body of literature on BPM capacity to foster value creations and enhance business performance. The significance of the current study cannot be overemphasized in that it carefully considers the functional inclusion of the third variable that is innovation practices to establish a true link between the variables of interest and obtain empirically robust results. From the managerial standpoint, the results of this study are expected to provide a more reliable guide for monitoring the extent of business performance through enhanced BPM and innovation practices.

2. Literature Review

This section undertakes a review of the study concepts. It goes further to provide an account of earlier empirical studies to identify the gap and develop a theoretical framework for this study.

2.1 Business Process Management

Business process management (BPM) is a new concept that is gaining increased recognition in the management literature. Today, it has evolved into a widely-deployed and comprehensively studied discipline. However, there is no academically agreed definition of this important concept. According to Pöppelbuß, Plattfaut, and Niehaves (2015), BPM comprises the skills and routines necessary to successfully apply measures of both incremental and radical change to improve the effectiveness and efficiency of business processes. BPM is often proclaimed by many scholars as a new management principle that gives companies the competitive advantages that are needed to support business activities by concentrating on business processes from their design to optimization, to meet the business objectives (Bourne, Melnyk, Faull, Franco-Santos, Kennerley, Micheli, Martinez, Mason, Marr & Gray, 2007; Davis & Brabander, 2007; De Bruin, 2009; Harmon, 2015; Manfreda, Kovacic, Stemberger, & Trkman, 2014; Škrinjar & Trkman, 2013).

In recent years, many definitions of BPM have also emerged. For instance, business process management is seen as a complete, dynamically coordinated set of activities or logically related tasks that must be performed to deliver value to customers or to fulfill other strategic goals (Trkman, 2010). Similarly, Schurter (2007) views BPM as a natural and holistic management approach to operating a business that produces a highly efficient, agile, innovative, and adaptive organization that far exceeds that achievable through traditional management approaches. Zairi (1997) defines BPM as a structured approach to analyze and improve core activities like manufacturing, marketing, communications, and other operating elements of a company. Despite the earlier long-range of definitions, this study offers a simplified definition of BPM in that it is a structured and organized way of managing business processes and operations. This definition is mainly focused on management processes, structural and analytical, and involving continuous improvement of operations.

BPM consists of six main factors: strategic alignment, governance, method, information systems, people, and culture. Each factor, in turn, includes five capability areas. Strategic alignment is concerned with the synchronization between processes and an organization's strategic goals. Governance investigates the roles and responsibilities as well as decision-making processes related to BPM. Methods comprise the set of tools and techniques that support and enable activities along the process lifecycle and within enterprise-wide BPM initiatives. Information systems emphasize IT support across the BPM lifecycle. People refer to the role of employees in processes, whereas culture reflects "collective values and beliefs in regards to the process-oriented organization" (Rosemann & Brocke, 2015). Consequently, this study adopts the aggregate of the six components to measure BPM.

2.2 Organizational Growth

Evidence from a review of literature reveals that there is a diversity of measures for firm growth: sales turnover, employment, profits, assets, market share, and physical output. These measures indicate growth, but do not provide a

specific meaning of growth. Business growth is typically defined and measured using absolute or relative changes in sales, assets, employment, productivity, profits, and profit margins. Delmar, Davidson, and Gartner (2003) posited that various scholars use growth indicators such as assets, market share, physical output, and profits to measure business performance. From the point of view of an SME, growth is an important precondition for the achievement of other financial goals of the business. It has also been found that there is a correlation between the most commonly used growth measures. The most frequently used measures are change in the firm's sales turnover and the change in the number of employees. These measures, frequently used in the SME context, are strongly intercorrelated but not necessarily among capital-intensive large companies. Therefore, this study suggests using multiple growth measures to capture the concept adequately.

2.3 Innovation practices

There is a wide diversity of definitions of innovation. According to Oslo Manual (OECD, 2005), innovation is an implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations. Birkinshaw and Hamel (2008) refer innovation to management practice, process, structure, or technique that is new to state of the art and is intended to further organizational goals while Tushman and Nadler (1986) argue that innovation refers to a new idea, product, method, or service adopted in organizations.

Literature also acknowledges different dimensions of innovation: Subramanian and Nilakanta (1996) classify organizational innovationinto two categories: (i) technological innovation, including product, services, and processes; and (ii) administrative innovation, including organizational structure, administrative process, and programs. According to Franz and Kirchmer (2012), two major forms of innovation can be distinguished: business model innovation and technology innovation. Both require the change of existing or the development of new business processes. Business process innovation is a major success factor for the next-generation enterprise and often necessary to benefit from opportunities in a digital world. Companies need to create an environment that encourages and enables process innovation. Business process management (BPM) has to become the facilitator of innovation initiatives - implemented through the discipline of value-driven BPM. Rothwell (1992) identifies five (5) main generations of innovation models, ranging from linear to highly complex and interactive ones. The first generation is linear. It relies on the science-push model and emphasizes the role of research and design (R&D). Design, engineering, manufacturing, and marketing processes are described as a flow. The second-generation model, also called market-pull, highlights the client's needs. In this generation, innovation is closely linked to marketing strategies. The third-generation model was introduced in the 1980s. Also labeled the "coupling model", it acknowledges the interaction between elements and suggests the existence of feedback loops between them. The main underlying idea is to link R&D and marketing, as both technology push and market pull are considered. The fourth-generation focuses on the integration within the firm, and outside its boundaries, both upstream with key suppliers and downstream with demanding and active customers. This model stresses linkages and alliances and is also called the parallel model. Finally, the fifth-generation sees innovation as a multi-actor process, requiring high levels of integration, intra and inter-firm alike (Tidd, Bessant, & Pavitt, 2005).

Not all the innovations are equally useful; some innovations are more beneficial for a firm's profitability because of R & D activities and innovative tactics (Nemlioglu & Mallick, 2017). In addition, it is also suggested that innovation practices enable business firms to adopt various innovative and technological processes that are required for smooth running to operational activities (Hollen, Bosch &Volberda, 2013). Hinterhuber and Liozu (2017) claimed that an innovative management system uses different policies and procedures to utilize resources in an effective way that helps organizations to gain a sustainable competitive position. Innovation practice helps the organization to achieve high performance by integrating multiple practices within the organization in novel ways. Innovation practice has been deemed a key tool for organization growth and profitability. For these reasons, innovation practice is incorporated in this

study to the moderate cause-effect relationship between organizational growth and BPM.

2.4 Review of Empirical Literature

A plethora of research (Ahire & Dreyfus, 2000; Ittner and Larcker, 1997; Kim, D., Kumar & Kumar, 2012; Kohlbacher & Gruenwald, 2011; McCormack & Johnson, 2001; Ndede, 2004; Powell, 1995; Samson and Terziovski, 1999; Škrinjar, Bosilj, & Indihar, 2008; Singh & Smith, 2004; Sitkin, S. 1992; Spanyi, 2005) have examined the effect of BPM on organizational performance. Indeed, mixed findings; positive, negative, significant, and insignificant have been reported between the variables. For instance, Ahire and Dreyfus (2000) reported that process management positively impacted performance. Ittner and Larcker (1997) found the use of process improvement techniques associated with improved performance in the auto industry but not the computer industry, while Powell (1995) and Samson and Terziovski (1999) found no evidence that the specific use of process improvement techniques affected financial performance. However, Kim et al. (2012) did find that process management had a significant positive relationship with innovation performance in their studies. McCormack and Johnson (2001) and other scholars (Ndede-Amadi, 2004; Kohlbacher & Gruenwald, 2011; Spanyi, 2005) conducted an empirical study to explore the relationship between process management and enhanced business performance. The research results indicate a surprisingly strong relationship between process management and overall performance.

These contradictory findings have necessitated the importance of research into the contingent effects of process management on performance. A tenet of contingency theory is that organizational outcomes are influenced by the fit between the environmental context and the organization's processes and structures (Donaldson, 2001). A growing body of operations management literature is using the environmental contingency perspective to examine the moderating impact of environmental variables. Nonetheless, empirical work has not examined the moderating effects of innovation practices on process management and organizational growth. We undertake that task in this paper.

2.5 Theoretical Framework

The outstanding theories to study the BPM-organizational growth effect include dynamic capabilities, contingency, and task-technology fit theory (Trkman, 2010). Following the categories of these theories, this study is anchored on contingency theory because it appears to be a potentially powerful tool for improving performance in organizations. Contingency theories are often much simpler, easier to understand, and more elegant than those of many other types of theories. They often address issues and factors of a larger scope, scale, and impact than other theories. This simplicity and grand scope give contingency theory its great apparent potential, the potential of developing simple decision rules that have a large-scale impact on an organization's performance.

The assumption underlying contingency theory is that performance is a consequence of the fit between several factors: structure, people, technology, strategy, and culture. Contingency theories were developed from the sociological functionalist theories of organization structure by Reid and Smith (2000), Chenhall, (2003), and Woods (2009). These studies postulated that organizational structure was contingent on contextual factors such as technology, dimensions of the task environment, and organizational size.

One criticism of the contingency approach is that causation is assumed but not explained. The assumption is that because a set of environmental conditions and organizational design characteristics were found to be correlated that this is the best fit. Organizations with inferior fits have been selected out by a process of survival of the fittest. Some organizations can exist for extended periods with a poor fit because the industry is profitable enough to support a company operating sub-optimally. Others survive because the government or the larger organization of which they are a part subsidizes them. The assumption also does not take into account 'fashion'; risk-averting managers do what others do if it seems to work even when other potentially better solutions exist. Correlation between environmental conditions and organizational design characteristics without considering effectiveness indicates selection not fit. (Drazin & Van de Ven, 1985).

3. Research Methodology

3.1 Research Design

This study used a cross-sectional survey research design which is correlational to moderate innovation practices of the causal relationship between BPM and organizational growth. This becomes necessary because data were collected at one time and there was no attempt to manipulate the sample subjects from the population. There are three variables in this study. The independent variable is BPM; the dependent variable is organizational growth and the moderating variable is innovation practices.

3.2 Study Population

The population of this study comprises SMEs in Kaduna, Kano, and Sokoto state in the financial intermediation sector, Nigeria. Contacts were made with officials of the small and medium enterprises development agency of Nigeria (SMEDAN) to obtain a comprehensive list of SMEs in the financial institutions (bank, insurance, pension fund, and thrift and credit societies). Based on the information provided by the officials, Kaduna has one hundred and seventy-seven SMEs (177), Kano has two hundred and nine SMEs (209) and Sokoto has fifty-nine SMEs (59)making a total of four hundred and fifty-five SMEs (455) as at 2017 in the financial intermediation sector (SMEDAN, 2017).

3.3 Sample and Sampling Technique

In estimating the sample size for this study, Krejcie and Morgan (1970) was employed where:

$$n = \frac{Z^2 \propto/_2 \times N \times \sigma^2}{e^2 (N-1) + Z^2 \propto/_2 \sigma^2}$$

N = population size

n = sample size

e = acceptable margin of error or the precision or the estimation error

σ = standard deviation of the population

$Z \propto/_2$ = the value of the standard variate at a given confidence level.

Based on the model, two hundred and eight SMEs (208) are adequate for a population size of four hundred and fifty-five SMEs (455) at a margin error of 5% and p-value of 0.5 with a predetermined critical value of 1.96.

Also, the multi-stage sampling technique was adopted for the research sample selection. In the first stage, the financial institutions were purposively selected in Kaduna, Kano, and the Sokoto state of Nigeria because the region is the second-largest industrial centres in Nigeria. The sector also contributes significantly to the SMEs sector GDP (NBS, 2012). The second stage involved quotas sampling technique while the simple random technique was adopted in the final stage in administering the research instruments among the sample subjects within the SMEs in the study areas.

3.4 Research Instrument

The study used information from both primary and secondary sources to conduct this research. A structured questionnaire with closed-ended questions is used to gather the study primary data with a five-point rating scale. Out of the two hundred and eight (208) questionnaires distributed only one hundred and eighty-three (183) questionnaires were returned, which showed that eighty-eight percent (88%) of the respondents answered the questionnaires. The questionnaire was grouped into three parts. Part one comprises twenty-five (25) items used to measure BPM and was adapted from Rosemann and Brocke (2015). Part two includes twelve (12) items of organization growth adapted from Delmar et al. (2003) while part three covers seven (7) items adapted from Franz and Kirchmer (2012)to measures innovation practices. On the other hand, secondary data contain information on the number of registered enterprises in the financial institution in the study areas. These data were obtained from SMEDAN (2017).

3.5 Method of Data Analysis

Descriptive and inferential statistics were used for data analysis. Descriptive tools include mean, standard deviation, and correlation while inferential statistics was sequential regression to moderate innovation practices on the organizational growth effect of BPM.

4. Data Presentation and Analysis

4.1 Reliability Statistics

Cronbach Alpha is the most common technique to check the reliability of a research instrument. The internal consistency coefficients (Cronbach Alpha) for growth, BPM, and innovation practices were 0.638, 0.757, and 0.893 respectively. The results of Alpha Coefficients are satisfying and fit with a standard threshold value of 0.70.

4.2 Collinearity Statistics

Statistical evidence validates the model collinearity as the tolerance values lie above 0.2 and VIF values situated below 10; therefore, this study concludes that there is no multicollinearity within the data. In addition, the Durbin-Watson value was 2.249, indicating no evidence of auto-correlation of the errors. The value of cook's distance was 0.121 less than 1.00 suggests that there is no potential problem with the outliers.

4.3 Descriptive Analysis of Study Variables

Descriptive statistics in Table 1 depicts the mean, standard deviation, and Pearson correlation among the study variables. The total sample selected from the population of this study consists of one hundred and eighty-three (183) SMEs. The independent variable is BPM; the dependent variable is organizational growth and the moderating variable is innovation practices. Among these variables, organizational growth (38.62) and BPM(69.80) recorded fairly higher scores than the average score while innovation practices (16.585) had scored lower than the average score on a five-point rating scale with respect to each variable number items in the questionnaire. In addition, standard deviation shows low variability to the mean of all variables. For instance, innovation practices had the least variability standard deviation (4.332) which was a bit four times variability to the innovation mean score. What this implies is that all variables mean is a good representation of sample data. Organizational growth signifies a fairly high increase in asset, sale, and employment size band. BPM indicates a relatively high extent in terms of strategic alignment, governance, technology, people, and culture. Innovation practices reflect that the present capacity of business and technological innovations are moderately adequate within the level of requirements.

The descriptive table further provides a matrix of the correlation coefficients for the study variables. Each variable is perfectly correlated with itself and so r = 1 along the diagonal of the table and imperfectly correlated to other variables. All the correlations were positive and significant at 0.05 levels. Some positive correlations were very strong; some were moderate while others were weak. There was a significantly strong positive correlation between BPM and organizational growth with a Pearson correlation coefficient of r = 0.789; a significant moderate positive correlation between organizational growth and Innovation practices with a Pearson correlation coefficient of r = 0.596 and a significantly weak positive correlation between BPM and Innovation practices with Pearson correlation coefficient of r = 0.417. The results suggest that BPM and Innovation practices are vital for organizational growth.

Table 1: Mean, Standard Deviation and Correlation among Variables

Variable	Mean	Std Deviation	1	2	3
Organizational growth	38.617	6.92	1		
BPM	69.80	13.73	.7891		
Innovation practices	16.58	4.33	.596	.417	1

4.4 Test of Hypotheses

The result of the hypothesis in Table 2 revealed that model 1 had R^2 equal to 0.355, indicating that 35.5% of the variations in organizational growth are explained by BPM and innovation practices entered in the model. The f-statistics (ANOVA) of the model equals 167.35, with a p-value equal to 0.000 revealing that the overall model is a significant predictor of organizational growth. The results further indicate the contribution of predictors to the t-test model. The slope that is b-values show the relationship between organizational growth and the predictors. For these data, BPM has positive b-values signifying positive relationships. So, as BPM increases by one unit, organizational growth increases by 2.070 units. From the magnitude of the t-statistics, BPM had a positive relationship. Similarly, to evaluate the strength of the predictor variable in the model, it is important to use the standardized coefficients (beta). The beta weight indicated that BPM is a strong predictor ($\beta = 9.985$, $P < 0.001$). These values indicate that as the independent variable increases by one (1) standard deviation, organizational growth increases by the respective standardized beta.

In model 2, the hypothesis was tested to find out whether innovation practices significantly

moderate the organizational growth effect of BPM. The test revealed R^2 equal to 0.666, which is a higher result to model 1, signifying that the explanatory variables (BPM, innovation practices, and interaction term) explained up to 66.6% of the variations in organizational growth. The f-statistics (ANOVA) of 179.33 together with the corresponding p-value equal to 0.000 indicated that the explanatory variables were jointly statistically significant. The result further displayed that BPM, innovation practices, and interaction term had positive b-values. This implies that as the independent variables and interaction term increase by one unit, organizational growth increases by 1.149, 0.317, and 0.194 units respectively. The beta weight signified that BPM is the strongest predictor (β = 0.643, p= 0.000), followed by innovation practices and interaction term (β = 0.196, p= 0.087).

Table 2: Moderating Analysis of Innovation practices on BPM and Organizational Growth.

	Model 1. Dependent Variable: Organizational Growth				**Model 2. Dependent Variable: Organizational Growth**			
	B	Std Error	Beta	t	B	Std Error	Beta	t
Constant	25.195	1.407		17.910	19.289	1.113		17.326
BPM	2.070	0.207	0.596	9.985	1.149	0.089	0.643	12.937
Innovation Pract.	0.960	0.173	0.276	5.563	0.317	0.274	0.196	4.247
Innovation*BPM					0.194	0.044	0.087	4.379
	R^2 = 0.355				R^2 = 0.666			
	F-Statistics = 167.35, Sig = 0.000				F-Statistics = 179.33, Sig = 0.000			
	Durbin Watson = 2.249				Durbin Watson = 2.249			
	Tolerance value = 0.812, V = 1.529				Tolerance value = 0.753, V = 1.329			

4.5 Discussion of Findings

The results of this study are certainly in parallel with several prior writings (Ahire & Dreyfus, 2000; Ittner and Larcker, 1997; Kim, D., Kumar & Kumar, 2012; Kohlbacher & Gruenwald, 2011; McCormack & Johnson, 2001; Ndede, 2004; Sitkin, S. 1992; Spanyi, 2005) on the importance of BPM to organizational growth. At the same time, this study is also divergent from several other types of research(Powell, 1995; Samson, and Terziovski, 1999; Škrinjar, Bosilj, & Indihar, 2008; Singh & Smith, 2004) especially in the developed and developing countries. Controversies in results may not be unconnected to the methodological differences, variables measurement, and unit of analysis adopted by the different studies. The suggested explanation for these contradictory findings is the remarkable lack of moderating variables in the earlier studies in respective of the methodological differences, variables indicators, and time frames. Therefore, this study resolves these contradictory findings by providing a more comprehensive investigation that moderate innovation practices in BPM-organizational growth relationships.

5. Conclusion and Recommendations

In view of the statistical evidence presented in the previous section, it is fair to conclude that innovation practices positively moderate the organizational growth effect of BPM**.** The correlation between BPM and organizational growth is positive and significantly strong while innovation practices have comparatively lesser positive but significant associations to organizational growth. In contrast, a significantly weak positive correlation exists between BPM and Innovation practices. This significant relationship resulted in the high prediction power of the independent variables in Nigeria. Therefore, this study recommends that SMEs owners/managers should give priority not only to BPM but also innovation practices if an increase in asset, sale, and employment size band objectives must be accomplished. Specifically, Nigerian CEOs/top managers in the financial intermediation sector should always conduct systematic analyses of processes according to their fit with the overall corporate strategy in pursuit of incremental process improvement. Above all, they should also insist on radical design and implementation of extant processes from end to end in light of organizational growth particularly capitalizing on the potential of information technology as a major driver of innovation.

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IMPACT OF SMALL AND MEDIUM ENTERPRISES ON EMPLOYMENT GENERATION IN NIGERIA: EVIDENCE FROM SELECTED SMES IN IBADAN NORTH LOCAL GOVERNMENT

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Abstract

This study examined the Impacts of Small and Medium Scale Industries on Employment Generations in Nigeria, with a particular focus on Selected SMEs in Ibadan North Local Government. To achieve this, three hypotheses were formulated to guide and direct the study. The study objectives were meant to examine the impact of the growth of SME's on employment generation, to examine the influence of the growth of SME's on employment generation, and to examine whether male SMEs owners in medium and small scale industries will score significantly higher on employment generation than female SMEs owners. Descriptive research design was adopted for the study. One hundred and eighty (180) SMEs owners and their members of staff and customers were selected. Purposive, simple random, and stratified sampling techniques were adopted as the sample techniques. Inferential statistics such as correlation analysis and T-test were used to test the formulated hypotheses. The result of the findings of this study clearly revealed a positive relationship between SMEs and employment generation. The study thus recommends for government interventions in infrastructural facilities that enhance effective business operation, enabling business environment that would aid ease of doing business, economic friendly monetary policies that would effectively sustain SMEs operators and drive interest towards investment and provision of loan facilities accessible to the least member of the society without needing to have or know someone in the authority before such loan could be provided.

Key Words: Employment, Employment generation, Medium Scale Industries, Small and Medium Scale Enterprises, Small Scale Industries

Introduction

The contribution of Small and Medium Enterprises to employment generation has been variously documented in extant literature. Small and medium scale enterprises are quintessential to the attainment of the economic prosperity objective of any government. It has been opined that in regions or economies where enterprises have been actively promoted and encouraged, their poverty rates have declined (Safiriyu & Njogo, 2012). An important feature of the SME Sector is its ability to create jobs. SMEs are considered crucial in solving multivariate socio-economic problems in developing economies including unemployment, low growth, and poverty (Abubakar & Yahya, 2013). Since productive employment is the key to achieving a sustainable reduction in poverty and the fact that SMEs have the potential of creating mass employment, it is vital that with a large employment creation potential any government efforts to reduce poverty could achieve more success if they are given the required attention they deserve (Abubakar & Yahya, 2013).

To understand the tremendous danger posed by unemployment, one has to peruse the rate at which crime keeps quadrupling; the strategy at which perpetrators of these crimes has metamorphosed into and the unwavering efforts of these criminals to persist in these nefarious acts of barbarism even in the face of rising public outcry. In any given circumstances, crime and unemployment correlate. There are significant

correlations between unemployment and crime as an adage says, 'An idle mind is the devils' workshop' which literary translate that an un-engaging hand and mind plays into the wits of acts to social vices such as kidnapping, arm robbery, assassins, fraud and indoctrination into terrorism. Chris Ngige, Minister of Labour and Employment, affirmed that the incessant increase of unemployment in the country was alarming. As observed by Ngige, the high unemployment rate of 23.1 per cent and underemployment of 16.6 per cent by the National Bureau Statistics (NBS) of 2019 report was alarming. In his words "it is a worrisome status as the global poverty capital and concomitant high prevalence rate of crimes and criminality, including mass murders, insurgency, militancy, armed robbery, kidnappings, and drug abuse, among others (Agency Report, 2020).

"As if this situation is not scary enough, it is projected that the unemployment rate for this country will reach 33.5 per cent by 2020, with consequences that are better imagined, if the trend is not urgently reversed. "It is a thing of joy to note that Nigeria has not been resting on her oars over the years in terms of dedicated efforts to curb the unemployment problem," he said. Mr. Ngige said various government social intervention programmes targeted at reducing youth unemployment and eradicating poverty has been implemented by different administrations since Nigeria gained independence (Agency Report, 2020).

Objectives of the Study

The main purpose of this research work is to examine how the growth of SME's lead to employment generation. To achieve this, the specific objectives are:

i. To examine the impact of the growth of SME's on employment generation
ii. To examine the influence of the growth of SME's on employment generation
iii. To examine whether male manufacturers in medium and small scale industries score significantly higher on employment generation than female manufacturers.

Research Hypotheses

The research hypotheses formulated to guide this study were;

i. There will be no significant impact of small and medium scale industries on employment generation in Nigeria.
ii. There will be no positive influence of small and medium scale industries on employment generation in Nigeria
iii. Male SME owners in medium and small scale industries will score significantly higher on employment generation than female SMEs owners.

Literature Review

There are diverse views on the concept of SMEs (Bamidele, 2012). However, one clear point is that the conceptualization of SMEs is country-specific. SMEDAN (2017) defined SMEs based on the following criteria: small scale enterprises are businesses with ten to forty-nine people with an annual turnover of five to forty-nine million naira, while a medium scale enterprise has fifty to one hundred and ninety-nine employees with a yearly turnover of fifty to four hundred and ninety-nine million Naira (Ikon and Chukwu, 2018).

Extant literature has revealed that the performance of SMEs in Nigeria is relatively low (Gbandi & Amissah, 2014; Abaukaka, 2014). Regardless of the importance of the SMEs, their contribution to gross domestic product (GDP) is 10% which is at low ebb. It has been observed that more than 90% of SMEs exist in Nigeria but its low contribution to GDP negates the attendant roles to economic growth. Various factors account for the low contribution of the SMEs to Nigeria's GDP; unfriendly business environment, poor funding, low management skills, and lack of access to modern technology (Gbandi & Amissah, 2014).

Despite the low performance of SMEs which is attributed to socio-economic and political factors, SMEs in Nigeria constitute the most feasible instrument for self-sustaining industrial development (Duru & Kehinde, 2012). Its ability to instill the zeal of the culture of an indigenous enterprise is a catalyst for industrialization and technological advancement. Its continual ideals to expand frontiers of expansion engenders innovation and marketing drives which translate to profitability, economic prosperity, per capita income increase, and employment generation. SMEs serve as a catalyst for employment generation, national growth, poverty reduction, and economic development. SMEs the world over can boast of being the major employers of labour if compared to the major industries including the multinationals (Imoughele & Ismaila). The

contribution of SMEs to an economy, especially developing ones include greater utilization of raw materials, employment generation, encouragement of rural development, development of entrepreneurship, mobilization of local savings, linkages with bigger industries, provision of regional balance by spreading investments more evenly, provision of an avenue for self-employment and provision of opportunity for training managers and semi-skilled workers (Kadiri, 2012). The aforementioned roles and contributions of SMEs suggest that with origination and mediation in the sector, SMEs will perform creditably in terms of their contribution to GDP and survival rate.

SMEs are believed to be the engine room for the development of any economy because they form the bulk of business activities in a growing economy like Nigeria. Employment generation contributed to global GDP and SMEs play a critical role asthe principal safety net for the bulk of the population in developing economies. Their labour intensity structure accounts for their recognition as a job-creating avenue. SMEs constitute major avenues for income generation and participation in economic activities in the lower-income and rural brackets of developing societies, especially in agriculture, trading, and services. The employment opportunities provided reduce rural-urban migration and allows for even development. National economic development prospects hinge on the entrepreneurial energy of vibrant SMEs as most big business concerns grew from small scale to become big icons. SMEs protect nations from geographical cost-benefit permutations of a few multinationals who are ever prepared to close up their businesses at the slightest provocation or appearance of economic downturn. Many economies developed and developing have come to realize the value of small businesses. Small business seems to be characterized by dynamism, witty innovations, efficiency, and their small size allows for a faster decision making process. The benefits of SMEs cannot be overemphasized they include; contributions to the economy in terms of output of goods and services, creation of jobs at relatively low capital cost, especially in the fast-growing service sector. It is a vehicle for the reduction of income disparities thus developing a pool of skilled or semi-skilled workers as a basis for future industrial expansion; improve forward and backward linkages between economically.

According to Ngige, available records showed that from 1972 till date, about 14 different programmes have been implemented. He said these programmes included the National Accelerated Food Production Programme (NAFPP) that was implemented between 1972 and 1973. He said others were the current National Social Investment Programme (NSIP) which has been ongoing since 2017, embedded in the National Economic Recovery and Growth Plan (ERGP) 2017-2020. He noted that yet, the unemployment rate and poverty levels are on steady paths of growth, indicating high resilience against the intervention efforts (Agency Report, 2020).

Ngige wondered why some of the intervention efforts were not yielding expected results. "What are the government and other stakeholders not doing right? "What changes are needed in the policies, plans, and strategies? What action areas need priority attention? What roles should different stakeholders play and what other options are not being exploited? "Why do we employ expatriates for jobs Nigerians can do or why can´t Nigerians do these jobs? Why do we have deficits in housing, water, sanitation, food, entertainment facilities, health care, and education, among others? "How do we deploy our population of productive age to fill the skills gaps needed for our national development? "How do we break the resilience of the high unemployment rate in the country?" (Agency Report, 2020). Although the following questions beg answers, it can be deduced from the exact of the minister that over time, the various arms of government and its parastatals including educational policymakers have undermined the role of small and medium scale enterprises to the growth and development of a nation arising from its capability to create a good number of average income class of citizens, innovative entrepreneurs and de-emphasis on white-collar jobs which are scanty because of insufficient industries.

It is literary agreed that rapid population growth, leadership defects, corruption, lack of quality education, lack of infrastructure and basic amenities, and absence of productive forces in the economy are the major causes of unemployment. Rapid population growth has orchestrated the rise in the number of job seekers. Population growth has expanded the growth of labor forces along with the inadequate supply of jobs. The rapid

population growth has been coupled with rural-urban migration thereby escalating the population in cities and raising the level of joblessness.

Another key problem is poor leadership and a high level of corruption in Nigeria. The failure of the government to perform its constitutional duties by way of enacting and implementing good blueprints to enhance employment generation has resulted in a high level of unemployment. Also, the high level of corruption in Nigeria among politicians has resulted in the mismanagement of the funds and resources supposed to be used for the creation of job opportunities for the people. It is quite debasing that money allotted for infrastructure development (adequate electricity, link roads from point of production to market, pipe-borne water as the case may be) ends up in the pockets of a few elite class at the detriment of the majority class. When infrastructures become a fringe of imagination, the economy milieu becomes hostile to potential investors. The absence of investors influences the number of available jobs. The operating companies also use fewer people because of the high cost of production.Most employers believe that Nigerian graduates are unemployable because most of the higher institutions chunk out a large number of literates who are not the prime labour force. The lack of quality education results from the educational programme which usually includes theories and a lack of practical knowledge needed to equip students for the labour market.

Empirical Literature

Related empirical works on the effect of small and medium enterprises on employment generation in Nigeria were reviewed in this section. For example, Nwagwu carried out a study on the relationship between unemployment, poverty, and insecurity of lives and properties in the country using secondary data obtained from the Central Bank of Nigeria. The findings revealed that unemployment and poverty are related to security challenges in Nigeria (Nwagwu, 2014). Arosanyin, Olowosulu, and Oyeyemi explored employment generation and determinants of earnings in the informal transport sector in Nigeria and adapted the Mincerian equation and logistic models. It was found that the informal sector is a source of employment for 21.7 per cent of jobless people; and 72.3 per cent of those who switched jobs from an informal activity to transport business. Household size, experience, and operating hours were found to be significant determinants of earnings. The probability that a motorcyclist would earn at least the informal average in the Okada business when the operator has a driving licence, owns the motorcycle, works on a full-time basis, and also a member of the okada union is 0.8018, which is higher than that of an operator with the reverse attributes at 0.2849. The probability of earning at least the industry average by an educated operator was found to be higher than less educated operators (Arosanyin, Olowosulu & Oyeyemi, 2011).

Eze and Okpala investigated the quantitative impact of Small and medium scale enterprises (SMEs) on Nigeria's economic growth performance from 1993 to 2011 using the econometric technique of the multiple regression method based on ordinary least squares technique. Findings revealed that the output of SMEs does not make any significant contribution to Nigeria's economic growth performance (Eze &Okpala, 2015). Hudson, Andrew, and Ibrahim provide empirical findings on small and medium scale enterprises, and employment generation in Borno State, Nigeria, using univeriate analysis, measure of central tendency, pearson product moment correlation. The findings of the study clearly showed that small scale industries do consistently contribute to employment generation in Borno State. It also found out that there is a significant difference between ratings of the employment quality provided by SMEs in Borno state, which implies that the quality of employment provided by the SMEs is of low quality and that most of the employees of Small and Medium Enterprises in Borno State are young men with low/intermediate educational qualifications. It further showed that there is no relationship between enterprise characteristics and the quality of employment generated by SMEs in Borno State (Hudson, Andrew &Ibrahim, 2014).

Afolabi employed Ordinary Least Square (OLS) method to estimate the Growth effect of Small and Medium Enterprises (SMEs) Financing in Nigeria. The estimated model results revealed that SMEs output exertsa positive influence on economic development while the lending rate exerts negative effects on economic growth (Afolabi, 2013). Ogunrinola and Osabuohien examined the effects of globalization on employment level in the manufacturing sector in

Nigeria using time series data for the period 1990-2006. The result of the analysis showed that several employment and globalization-related variables are positively related to Nigerian manufacturing (Ogunrinola & Osabuohien, 2010).

Tijani, Oyeniyi, and Ogunyomi examined the impact of technical entrepreneurial skills on employment generation in small and medium scale enterprises in Lagos State, Nigeria using t-test statistics and simple regression analysis respectively. Results from the three hypotheses tested revealed that technical entrepreneurial skills generate employment in Small and Medium Scales Enterprises in Nigeria than the commercial entrepreneurial activities. Furthermore, the study revealed that the growth of Small and Medium Scale Enterprise (SMEs) in Nigeria had no significant contribution to the Gross Domestic Product (GDP) of Nigeria due to the identified variables as well as other stochastic variables (Tijani, Oyeniyi & Ogunyomi, 2012).

Abaukaka examined the relationship between foreign direct investment and employment generation in Nigeria using the multiple linear regression model for data that covered the period from 2002 to 2012. From the empirical results, FDI exhibitsa negative relationship with the level of employment in Nigeria while GDP, interest rate are positively related to the level of employment but none of the explanatory variables significantly impact the level of employment in Nigeria within the period of the study (Abaukaka, 2014). Kareem adopted regression analysis and causality tests to investigate the employment level and the economic growth of Nigeria. The results showed that foreign direct investment, inflation, interest rate have a positive relationship with Employment level. The result of Granger causality also showed that GDP Granger causes inflation at a 1% level of significance, FDI Granger causes GDP with a 5% level significance, interest rate Granger causes GDP at a 10% level of significance, FDI Granger causes Interest rate with a 10% level of significance. The result concluded that Gross domestic product (GDP) and interest rate were factors that contributed to the Employment level in Nigeria (Kareem, 2015).

Simple percentage and chi-square were used by Safiriyu and Njogo to examine Financing Small and Medium Scale Enterprises (SMEs): A challenge for Entrepreneurial Development in Gombe state. The results showed that small and medium scale enterprises and sustainable development of the Nigerian economy are related, just as the promotion of SMEs and improvement in employment generation are related. In the final analysis, researchers have approached and investigated the effect of small and medium enterprises on employment generation from different standpoints and varying perspectives. However, there is a paucity of research on the effect of small and medium enterprises on employment generation in Nigeria (Safiriyu & Njogo, 2012).

Additionally, Chinweuba and Sunday investigate the relationship between SMEs and the economic growth of Nigeria. Their findings reveal that SMEs' activities are growth-enhancing through expansion in output and other various means of survival (Chinweuba&Sunday, 2015). In the same vein, Motilewa, Ogbari, and Aka established that SMEs are found to be the engine of growth in Nigeria. They also state that such enterprises operate with multiple challenges including financial and managerial constraints (Motilewa, Ogbari &Aka, 2015). Availability of finance has been widely viewed as a problem to the growth and development of SMEs, particularly in developing countries. For instance, Jibir examined the role of finance in the development of SMEs and found that smooth financing has a strong link with the running and growth of SMEs and can boost their performance (Jibir, 2015).

Using time-series data for Sri Lanka, Vijayakumar found an insignificant nexus between SMEs and the growth and development of Sri Lankan economy (Vijayakumar, 2013). Afolabi evaluates the effect of SMEs financing on economic growth in Nigeria between 1980 and 2010. The study employed the ordinary least square (OLS) method to estimate multiple regression models. The study reveals that SMEs output proxy by wholesale and retail trade output as a component of gross domestic product and commercial banks' credit to SMEs exert a positive and significant impact on the economic development (Afolabi, 2013).

Also, the role of SMEs in employment generation has also been acknowledged in the literature. Anthony and Arthur investigate the role of micro, small, and medium enterprises in the growth of per capita income in the United States, using the database for firms in the formal manufacturing

sector with fewer than 10, 20, 100, or 250 employees. Employing the regression model, the result of the study shows a positive relationship between economic growth and the prevalence of firms of medium size or smaller (250 employees or less). However, they found only a limited connection between growth and the prevalence of small or micro firms with fewer than 10, 20, or 100 employees (Anthony &Arthur, 2008). Kadiri examines the contributions of small and medium scale enterprises (SMEs) to employment generation in Nigeria. The binomial logistic regression analysis was employed as a tool for statistical analysis. The results show that SMEs have not impacted positively on economic growth partly due to poor financing and commitment from the government (Kadiri, 2012).

Theoretical Review

Harrod-Domar Theory of Growth

This research work is guided by Harrod-Domar's Theory of growth. Harrod and Domar assign a key role in investment in the process of economic growth. But they emphasize the dual character of investment. Firstly, it creates incomes, and secondly, it augments the productive capacity of the economy by increasing its capital stock. The former may be regarded as the demand effect and the latter the supply effect of investment. Hence, so long as the net investment is taking place, real income and output will continue to expand. However, for maintaining a full-employment equilibrium level of income from year to year, both real income and output must expand at the same rate at which the productive capacity of the capital stock is expanding. Otherwise, any divergence between the two will lead to excess or idle capacity, thus forcing entrepreneurs to curtail their investment expenditures. Ultimately, it will adversely affect the economy by lowering their incomes and employment in subsequent periods and moving the economy off the equilibrium path of steady growth. Thus, if full employment is to be maintained in the long run, net investment should expand continuously. This further requires continuous growth in real income at a rate sufficient enough to ensure full capacity use of a growing stock of capital. This required rate of income growth may be called the warranted rate of growth or "the full capacity growth rate.

Methodology

This research examined the impact of SME's in employment generation in Nigerian. The study focused on ten (10) selected SMEs ventures in Ibadan, and workers/employees of the selected ventures and some of their customers constituted the target/study population. The population of the study is three hundred eighty-seven (387) members of staff and management of 10 (ten) SMEs in Ibadan Metropolis. One hundred and eighty (180) respondents were sampled in all that is; in each of the selected ventures eighteen (18) respondents were sampled. Thus the 180 constitute the sampled population. Purposive, Simple Random and Stratified sampling techniques were adopted to sample the respondents. A self-prepared questionnaire was used to collect data from the field. The validity was determined through face content validity. The instruments of the questionnaire were subjected to test-retest through Cronbach alpha to determine the reliability of the study which output was 0.813. Chi-square, correlation, and t-test were used to analyze the field survey and presented in tables.

Results

Data collected through the research instruments (questionnaire) were critically analyzed. The analyses were done with respect to the research hypothesis under the study. In the analysis of data, the researcher made use of simple frequency distribution, percentages, correlation (PPMC) T-test, and multiple regression analysis.

Table 1: Chi-square table showing the impact of small and medium scale enterprises on employment generation in Nigeria

Responses	Observed frequency (%)	Expected Frequency (%)	$(Oi-ei)^2$	$\frac{(oi-ei)^2}{Ei}$
Strongly Agree/Agree	40.8	33.3	56.3	1.7
Undecided	19.1	33.3	201.6	6.1
Strongly Disagreed/Disagreed	40.1	33.3	46.2	1.4
Total	100	100		9.2

Source: Researcher, 2020

$\chi^2_{calculated}$ = 9.2

Degree of freedom = 3 – 1 = 2

χ^2_{tab} at 5% significance level = 5.99

Since $\chi^2_{calculated} > \chi^2_{tab}$, we reject H_0 and accept its alternative

Therefore, this study concluded that small and medium scale enterprises will determine employment generation in Nigeria.

Table 2: Correlation table showing the significant influence of small and medium scale enterprises on employment generation in Nigeria

Variable	N	X	Std.Dev	R	P
Employment generation	180	47.841	12.628		
Small and medium scale industries	180	42.228	11.748	.112	.024

Source: Researcher, 2020

The above correlation table reveals that (r=.112, N=180, p<.05. The null hypothesis (Ho) is rejected while the alternative hypothesis (Hi) is accepted. It is thus, concluded that there is a significant influence of small and medium scale enterprises on employment generation by poultry farmers in Nigeria.

Table 3: T-test table showing a significant difference in employment generation by male and female manufacturer in small and medium scale industries in Nigeria

Variable	Sex	N	X	Std. Dev	Df	T. Value	P
Employment Generation	Male	102	47.521	15.315	265	2.111	<.05
	Female	78	41.036	11.238			

Source: Researcher, 2020

The above table shows that there was a significant difference in employment generation of male and female manufacturers in small and medium scale industries in Nigeria (t)=2.111; p<.05) from the above analysis, male scored 47.521 on employment generation while female scored 41.036 on employment generation by small and medium scale industries. Hence, the hypothesis was, therefore, confirmed.

Discussion of Findings

The findings of this study revealed that there will be an influence of SMEs on employment generation in Nigeria, that small and medium scale enterprise will determine the rate of employment generation. The study corroborates the findings of Hudson, Andrew and Ibrahim provide empirical findings on small and medium scale enterprises and employment generation in Borno State, Nigeria. Using univeriate analysis, measure of central tendency, Pearson product-moment correlation. The findings of the study clearly showed that small scale industries do consistently contribute to employment generation in Borno state (Hudson, Andrew & Ibrahim, 2014).

Furthermore, Chinweuba and Sunday investigate the relationship between SMEs and the economic growth of Nigeria. Their findings reveal that SMEs' activities are growth-enhancing through expansion in output and other various means of survival (Chinweuba, & Sunday, 2015). In the same vein, Motilewa, Ogbari, and Aka established that SMEs are the engine of growth in Nigeria thus an instrument through which employees can be generated since economic growth tantamount to growth in GDP (Motilewa, Ogbari & Aka, 2015).

On the contrary, Kadiri examines the contributions of small and medium scale enterprises (SMEs) to employment generation in Nigeria. The binomial logistic regression analysis was employed as a tool for statistical analysis. The results show that SMEs have not impacted positively on economic growth partly due to poor financing and commitment from the government (Kadiri, 2012). Though Kadiri study revealed a negative influence of SMEs on employment generation, it is to be observed that his study hinged on certain constraints onthe effectiveness of SMEs to spur growth. The factors highlighted by Kadiri are of un-enabling nature of the business environment fused with poor

financing mechanism, with its complex nature of seeking loans, and lack of government commitment in terms of monetary policies, infrastructural support, and lack in ease of doing business.

Conclusion

Like the present study, most of the extant literature on SMEs and employment generation found that SMEs have a positive influence on employment generation. As it has been succinctly observed by various scholars in the field, SMEs are the pillar through which the indigenous industrial base of a nation sprout. In most advanced societies, China, for instance, the economic feat of today is a journey from SMEs activities. From innovative imitations of products of other nations, the SMEs sector of the country was able to nip at hand conglomerates which began to metamorphose into present-day industrial feats. Hence, a nation that undermines its SMEs sector is at the mercy of products of foreign nations. The ugly side of dependent on foreign economies for product consumption will always tilt the balance of payment receipt to the favour of the exporting countries thereby creating a deficit economic balance in the receipt of the importing nations. This is an ugly scenario that will continue to endanger employment opportunities.

Recommendations

The study believes that to leverage on the achievement of developed countries as regards to SMEs; the following priorities must be addressed:

- ✓ Finance is the most important and cogent key to any enterprise. Small scale enterprises must be financially supported so that they can take off and expand and be able to meet the needs of the Nigerians. It is also recommended that there is a need for supporting and strengthening Small scale industries' productive capacities and market competitiveness of Small Scale Enterprises in the country. The government should also make policies to protect indigenous entrepreneurs from unhealthy and competition from bigger and multi-national companies. This is because if there is adequate financial support, more unemployed Nigerians will engage in small-scale enterprises thereby gain their means of living easily than looking for an unavailable white-collar job. They promote agro-industries, improve rural welfare, and generally reduce unemployment and poverty in the country.
- ✓ In advanced economies, the Small scale sector is acclaimed as the engine of economic growth and development. However, against international best practices, Nigeria is rated poorly. Extensive efforts in terms of strategic programmes, policy, and practice will be required to elevate Nigeria to a leading position.
- ✓ Finally, as a matter of urgency, the government should prioritize the Small scale sector giving it devoted practical and visible attention to make it virile, vibrant, focused, and productive. Several things were highlighted on what government and policymakers could do to create an enabling environment for SME's to have smooth and effective operations, among which are creating loans and finances for SME's, creating enough employment for the labour force, protecting the welfare of the citizenry, giving financial assistance to SME's; monitoring and implementing policies in the area of SME's, government to create more industries, reduction of import duties, create more avenues for the training of manpower for the less privileged, etc.

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THE SAUDI-IRAN DIPLOMATIC FACE-OFF AND ITS SECURITY IMPLICATIONS ON THE MIDDLE-EAST

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Abstract

The diplomatic face-off between Saudi Arabia and Iran which is currently in its worst period has turned the entire Middle-East into the most unsecured and unstable region in the world. The rivalry, which got prominence from the 1979 Islamic revolution of Iran till date, has divided the region into two major power-blocs with Saudi- Arabia as the leader of the Sunni-dominated countries, while Iran is spearheading the Shia-controlled societies. The rivalry between the two countries has been seen by many as a struggle and competition for power and influence in the Middle-East region. Therefore, this study aims to examine the Saudi-Iran Diplomatic Face-off and its security implications on the Middle-East. The study adopted Game Theory and System Theory for its framework analysis and employed as its methodology, the utilization of data sourced mainly from textbooks, Journals, and relevant online materials. The study concluded that the Saudi-Iran rivalry is being played out in some highly contested theatres, including Yemen, Bahrain, Iraq, Syria, and even Saudi's Eastern Province where the two governments are deeply engaged in proxy conflicts. The current rivalry could further complicate efforts to end wars in Syria and Yemen. The diplomatic fallout could also strengthen the resolve of Sunni extremist groups like the Islamic State (ISIL) to attack Middle Eastern countries with sizeable Shia communities such as Kuwait, Yemen, Lebanon, Qatar, Syria, Saudi Arabia, and the UAE. The study thus recommends that unless the two warring parties shield their swords and avoid the ongoing proxy wars, the region will be plunged into a more catastrophic conflict, the impact of which will be felt in the entire region and beyond.

Keywords: Diplomatic face-off, Proxy, Regional, Rivalry, Sectarian, Security.

Introduction

The kingdom of Saudi Arabia and the Republic of Iran are geographically separated by as low as 20miles off the Persian Gulf, but culturally, politically, and ideologically the gap between the two nations is much wider. The sharp divide between the two countries keeps widening and creating bigger and bitter tension and rivalry, especially in the last four decades thereby plunging the entire region into serious political, socio-economic, and security uncertainties. However, Saudi and Iran have not always had a bad and tenuous relationship. Prior to the 1979 Islamic revolution, Iran and Saudi have enjoyed periods of relative cooperation especially during the regime of Sha Reza Pahlavi as their pro-western monarchies served as the "twin pillars" of regional order in the Middle East (Center for Preventive Action: Council on Foreign Relations, 2016).

However, with the success of the Islamic revolution and the ushering of a theocratic system in Iran, under Ayatollah Ruhullah Khomeini, the political dynamics in the region took on a more sectarian tone creating a sharp Sunni-Shia divide in the region with Saudi and Iran as the major leaders and promoters of the two ideologies respectively. The diplomatic face-off between Iran

and Saudi Arabia, currently in its heyday, is informed by rivalry and competition for power and influence in the region (Dilip, 2018).

Allison (2016) maintains that Saudi Arabia now competes with Iran to limits its regional influence and its ability to threaten key strategic interests. The basis of competition between these countries lies in Iran's attempts to extend its military and political influence and take advantage of the post-Saddam regional political structure. As a result, one of Saudi's major policy goals is to contain Iran's influence.

The security implications of the Saudi-Iran diplomatic tensions and rivalry particularly in the Middle East region are enormous. Within the region, the rivalry between the two regional powers poses serious spill-over effects. The proxy wars in Yemen, Bahrain, and Syria are among the manifestations of the Saudi-Iran rivalry in the Middle East, the consequences of which remain enormous and devastating, resulting inthe dangerous humanitarian and precarious security situation. For instance in Syria, the two countries have been actively supporting proxy groups fighting on opposite sides (Dilip, 2018). This includes Iranian support for the Lebanese Hezbollah militant group and Saudi support for a number of Salafi-jihadist militias who are either formally or informally allied with JabhatFateh al-Sham (formally Al-Nusrah Front), an Al-Qaeda affiliate.

Iran also dispatched members of its Revolutionary Guards Corps to Syria, while Saudi Arabia sends arms and ammunition to rebel groups which exacerbated the Syrian civil war. In Yemen however, Saudi government forces are waging a military campaign against the Houthis, who took over the country in early 2015alleging that Iran directly supports the Houthis, viewing the war in Yemen as a defense against Iranian Shiite hegemony in their southern border. Similarly, in Bahrain, where a Sunni monarch rules over a majority Shiite population is another contentious area in the proxy war between Saudi and Iran where Saudi Arabia alleges Iran to have incited persistent demonstration against the Bahrain monarchy since 2011 which the Saudis sent troops to tackle the protesters. The two countries continue to squabble over Bahrain, accusing each other of meddling in the country's internal affairs and exerting an influence (Center for Preventive Action: Council on Foreign Relations, 2016).

Evidently, the growing rivalry between Saudi Arabia and the Islamic Republic of Iran, and by extension, their allies and proxy forces in the region, will certainly continue to shape the politics of the Middle East for decades to come. Hence, the question remains; what is the nature of the rivalry between Saudi Arabia and the Islamic Republic of Iran? What is the implication of this rivalry to the Middle East region?

Literature Review

Intermittently, Saudi Arabia and Iran have experienced great and fruitful periods of diplomatic relations in the history between the two countries, especially in the pre-Iranian revolution era. Jahner (2012) asserts that there was increased diplomatic dialogue and consultation between Riyadh and Tehran, especially in the 1960s after the overthrow of King Faysal in neighbouring Iraq. The ousting of King Faysal sent a shocking wave to the monarchical regimes in the region. This course for alarm brought the two powerhouses together to combat the threatening nationalist forces which they see as common threats. As a result, king Shah Raza Pahlavi of Iran and the Saudi King Saud, and later King Faisal forged a relationship based on frequent consultations to coordinate their regional policies, and this strengthened the bond between the two rulings families as well as their countries. The relationship was clearly the outcome of a shared interest in the preservation of their respective regimes, in addition to common economic goals and concerns in the Middle Eastern region.

Furtig (2007) describes that the common interest in fighting socialist and radical-nationalist influences the politics in the Gulf region, in ensuring a stable flow of oil and gas, and in increasing wealth through exports, drew Iran and Saudi Arabia closer till the late 1970s. It is however important to note that this period of cordial relations was predicated on the type of government structure in both countries along with complimentary foreign policy and domestic goals at the time. Thus, sectarian divisions were not emphasized, nor were they significant in the bilateral ties between Riyadh and Tehran.

However, the overthrow of the Shah in 1979 resulted in a drastic shift in the foreign policy of

Iran, having in mind the desire to export the Iranian-style Islamic revolution to other parts of the region and beyond. This notwithstanding threatened Al-Sauds in the kingdom of Saudi Arabia who felt their continued existence as rulers were under threat, and therefore, tension and rivalry became the order of the day in the ties between Saudi Arabia and Iran.

Milani (in Mottaghi, 2016) posited that Saudi Arabia and Iran, who have been at odds since the 1979 revolution in Iran and more so in the wake of the Arab Spring are competing for dominance in the global energy market and nuclear technology and political influence in the Persian Gulf and the Levant. This means that the tension and rivalry between Riyadh and Tehran are informed by the states' desire to dominate each other. Succinctly, oil policy, which includes oil production, pricing, and security of supply and demands, is the paramount economic factor that drives the diplomacy and rivalry of these two pivotal regional powers.

Wehrey, et al (2009) highlight that Saudi Arabia and Iran are divided by long-standing structural tensions. Each has ambition for Islamic leadership and each possesses different visions for regional order. Whereas Iran views Saudi Arabia as America's proxy and a buffer against Iran's rightful primacy in the Gulf, Saudi Arabia worries about Iran's asymmetric power and regional ambitions, including its expanding influence in post-Saddam Iraq and its alleged pursuit of a nuclear weapon.

In the words of Allison (2010), however, religion is a key area of contention between Tehran and Riyadh that cannot be separated from regional politics. Saudi Arabia seeks to portray itself as the spiritual and often political defender of Sunni Muslims in the Middle East and beyond. Conversely, Iran is a Shiite state that sees its revolution as the only "legitimate expression of the universality of Islam" and its supreme leader as the natural leader and protector of the Islamic faith. As a result, religious division not only shapes the tension between these two nations but also has serious practical implications in regional conflicts in states like Syria, Yemen, Lebanon, among others. Iran's interference in other Arab states internal crises is rooted in Article 154 of its Constitution stating that:

> *The Islamic Republic of Iran has as its ideal human felicity throughout human society and considers the attainment of independence, freedom, and rule of justice and truth to be the right of all people of the world. Accordingly, while scrupulously refraining from all forms of interference in the internal affairs of other nations, it supports the just struggles of the freedom fighters against the oppressors in every corner of the globe (Constitution of the Islamic Republic of Iran).*

Therefore, interference in other country's affairs is not acceptable until it is aimed at liberating the oppressed. This explains the overall orientation of Iran's foreign policy as defending the Palestinians against Israeli aggression is considered Iran's civic duty and one of the highest priorities in international politics.

It, therefore, emerges from the forgoing that ideological difference, regional dominance, and global energy markets influence as well as other competing interests all define the underlying tensions and rivalry between Saudi Arabia and Iran. Evidently from the realities on the ground, the competition between Riyadh and Tehran has been shaped by the fact that neither side desires direct confrontation, hence both sides operate within a managed rivalry system, including war by proxy.

Theoretical Framework

For a better understanding of the phenomenon under study, the paper adopted the Game Theory and System Theory.

Game Theory

Game Theory is a branch of applied mathematics that models situations in which payoffs emerge from strategic interactions between players (Baldani, Bradfield, & Turner, 1996).The proponents of the Game theory are John Von Neumann and Oscar Morgenstern.

On the assumptions of the theory, John Von Neumannin his 1928 article explained thus: there must be at least two players which is the minimum requirement even though the number of players may be greater than two based on the nature of the game and willingness of the participants. The players of the game are concerned with the strategy or decision as each player is exclusively interested in arriving at a beneficial decision. The theory assumes that in

every game there is a strategy decided by the player of the game and that the players are guided by rationality which means that they always act rationally aware of the alternatives which exist before them by selecting one or more. In addition, the player adopts the rule of priority in the order of preference, arranges alternatives that could lead to maximum pay-off.The player is quite aware that in the game, there are both losses and gains (Arab, 1999).

Considering that international relations are strategic by their nature, it is understood how Game theory contributed to understanding the conduct of nation-states' foreign policy in the international system to maintain and protect their interest.

The application of Game theory in this study reflected the competitive nature of Riyadh and Tehran in the Middle East region. The theory reflected the process, inputs and outputs, possible consequences, and future estimation of Iran and Saudi rivalry in the region. As the manifestations of such a rivalry between the two countries can be seen today in how they supported various proxy groups in Iraq, Syria, Lebanon, and Yemen conflicts, as well as in the global energy markets, to maintain and protect their national interests (Dilip, 2018). Shahriari, et al (2016) asserted that the officials in Riyadh, have on different occasions, acknowledged that the kingdom has lost the game to Iran in the field of Iraq and has extremely criticized American policies towards this status.

The System Theory

The system theory was introduced by David Easton who drew heavily from works done in biology emphasizing the importance of demands and supports, inputs and outputs in a political system. The theory has a broad perspective. Scholars like Emile Durkheim, Malinoskiwi, Talcott Parsons among others have contributed to the development of the theory.

Assumptions of the system theory emphasized that a system cannot operate effectively without the support of its sub-systems or its component units. Proper functioning of a part of the system affects the whole system, each unit of a system perform a series of needed activities in any large and complex establishment as these activities are usually attached to specialized units.

This applies to the socio-political system of any given country and region. The theme of this theory is that, in every organization, institution, country, governmental or political set up, some various parts or sub-systems or units make up the (system) organization. These units work collectively dependent upon the effective and efficient functioning of the entire system. A part or unit of the whole system cannot function in isolation from the other parts (Easton, 1965).

In any large and complex establishment or organization, these activities are usually attached to specialized units. Iran and Saudi Arabia as political systems within the Middle East region cannot operate effectively in isolation without the help or contribution of its sub-systems as a supra-system; it needs the support of the sub-system to maintain a stable political system capable of projecting its national interest abroad. The theory sees nation-states as an organic whole in which each of its elements like governmental institutions works together to advance its interest in the international system.

The relevance of using the System theory hinges on the fact that to maintain regional power status, Saudi Arabia and Iran compete for regional dominance as units or sub-systems of the supra-system (Middle East) upon which their peaceful co-existence translates to minimizing security tension in the region.

Diplomatic Rivalry between Saudi Arabia and the Islamic Republic of Iran

The diplomatic rivalry between Saudi Arabia and the Islamic Republic of Iran is one that has continued to generate so many tensions and uncertainties in the politics of the MiddleEast carried along with it serious security repercussions. For instance, the recent scenario in the rivalry between Riyadh and Tehran was the execution of a prominent Shia cleric by Saudi Arabia, Sheikh Nimr al-Nimr, comes against the backdrop of a series of wars and sectarian conflicts in the Middle-East that are part of the ongoing power-play between the two powerhouses of the region.

The response in Tehran to the execution of Sheikh al-Nimr including an assault on the Saudi Embassy in Tehran and heightened long-standing tensions in countries with sizeable Shia populations such as Iraq, Lebanon, and Bahrain. Saudi Arabia,

Bahrain, and Sudan have severed diplomatic ties with Iran, while the United Arab Emirates has downgraded its diplomatic presence in Tehran (Hubbard, 2nd January 2016). The rivalry between Iran and Saudi Arabia has turned the Middle-Eastern region to be one of the most volatile regions in term of conflicts on the face of the earth and which continue to exacerbate the already worsening the security situation in the region. In addition, the policies and propaganda of the Western governments were used in kindling hostility and disagreements between Iran and Saudi Arabia (Borujerdi 2001: 145).

In Bahrain, for instance, the execution of Nimr has widened the already existing divide between the Sunni governing class and the Shiite opposition. Social unrest continues to weigh heavily on Bahrain's political stability and security. The government in Bahrain has continuously cited Iran as a source of the uprising which was reignited in February 2011 with the emergence of a new city government protest.

The Bahraini government accused Tehran as the force behind the unrest. It is important to recall that during the early stage of the protest, the government in Bahrain asked their Saudi counterpart to assist with security (Hubbard, 2nd January 2016). Today Bahrain and Saudi Arabia continue to accuse Iran of supporting the Shia opposition movements against the government. Manama has expressed its support to Riyadh's decision to the execution of Nimr, and as also expelled the Iranian ambassador for a further show of solidarity to Riyadh. It is worth emphasizing that today, there is growing opposition against the government in Manama which could manifest in terrorist-style attacks. On many occasions, Bahrain has accused Iranian-backed proxy groups of intensifying a campaign to destabilize the country through attacks on police.

In Lebanon however, although the execution of Al-Nimr has had no much impact on the security situation in the country, the presence of Sunni terror groups such as Al-Nusrah Front and Islamic State in Levant (ISIL) has become a major source of concern and security threat to the Shia-majority nation. In 2013, the Al-Qaeda-linked Abdullah Azzam Brigades carried out a double suicide bomb attack on the Iranian embassy, killing 23 people and wounding at least 160 others.

Growing popular discontent with Saudi Arabia among Shiite communities in Iraq, along with calls by key Shiite clerics to protest, has increased the risk of Iranian-supporting Iraqi Shiite militias attacking Sunni clerics and places of worship. On the 3rd and 4th of January, 2016, two incidents occurred that included the assassination of a Sunni cleric in Iskandariyah and bomb blasts that damaged two Sunni mosques in Hilla (Hubbard, 2nd January 2016).

The diplomatic rift between Saudi and Iran is one that has exacerbated the Syrian crisis which has consumed hundreds of thousands of lives and properties worth billions of dollars creating a humanitarian plight in displacement (Mashable, 2016). The rival warring parties supported by both Iran and Saudi Arabia have continued to battle hard even though the Assad government regained most of the major key cities. Many Iranian troops are helping the Syrian government, while Saudi Arabia and some of its western and Arab allies have been financing and equipping the rebels groups (Dilip, 2018). Both Riyadh and Tehran have till today invested heavily in their respective proxies operating in Syria in an attempt to tip the balance of the conflict in their favour.

In another situation, Yemen has always had client status with respect to its ties with wealthier Saudi Arabia. Financial and military aid as well as the flow of remittances from Yemeni expatriate workers in Saudi Arabia has also been a mechanism through which the Yemenis are enticed to keep their national security in check in relation to Saudi national interest. Despite that, the Saudi forces are deeply engaged in air and ground war against the Houthis who are majorly Shiite which prompted the Saudi government to blame Iran for supplying the Houthis with weapons, cash, and intelligence capabilities. The war in Yemen has so far claimed over 11,400 lives, mostly women and children, and displaced millions (PressTV, 2016).

The diplomatic rivalry between Saudi and Iran is partly rooted in the historical Sunni-Shiite split within Islam, it's mainly a struggle for political dominance of the Middle East between Shiite-led Iran and Sunni-led Saudi Arabia. For more than a decade, Iran and Saudi Arabia have engaged in proxy battles backing competing factions in Iraq, Syria, Yemen, Lebanon, and Bahrain in a sectarian conflict that has shaped the Middle-East since the

United States invaded Iraq in 2003. These proxy wars have cost hundreds of thousands of lives, especially in Syria, where over 250,000 have been killed since March 2011 (Mashable, 2016). Consequently, as long as Iran and Saudi Arabia see their rivalry as a zero-sum game where one can only gain at the expense of the other, the Middle East will continue to be plagued with sectarian conflicts, the consequences of which are disastrous.

The current confrontation between Iran and Saudi Arabia has an important sectarian element, but it shouldn't be understood simply as a "Sunni versus Shia" confrontation. Other regional dynamics of playing a balance of power game should be taken into account than analyzing the role of sectarianism to understand the motives of both Iran and Saudi Arabia (Behzad, 2018). In other words, regional competition through the Saudi and Iranian foreign policies is sometimes attributed to the Shia-Sunni divide, yet the key motive for both countries is to preserve the security of their state" (Keynoush, 2016). However, in the sectarianism context in the Middle East, Saudi Arabia which plays a key role in Sunni sectarianism has introduced the Shias as a pagan minority and emphasized the role of Iran as a non-Arab actor in the Arab world seeking to exploit the majority of the Sunni world against Iran (Kalin, 2014). Contrary to that, the Islamic ideology discourse of Iran aims at rebuilding Muslim resistance against the United States and Israel and their regional partners (led by Saudi Arabia).

In other words, Saudi Arabia uses Salafi elements while the Islamic Republic of Iran relies on the mobilization of the transnational network of Shia minorities (Gause, 2014). Regarding global affairs, the Islamic Republic of Iran's national security strategy "has been premised on the belief that resisting U.S. hegemonic aspirations in the Middle East is not only the source of Iran's strength but allows it to maintain its independence".

On the contrary, Saudi Arabia "views the United States as its security guarantor and has relied on U.S. military, political, and economic patronage for decades. In May 2017, as noted by Behzad (2018), the Saudi government signaled its aim to continue this dependency by signing the largest arms deal in U.S. history for $350 billion and thereby winning full support for the country's regional and domestic agenda from the White House" (Mousavian, 2018).

Also, Saudi Arabia utilized the important role of identities in the Middle East such as the Sunni-Arabs identity to halt Iran's influence in the Middle East. The country considers all the Arab lands as its potential sphere of influence and thinks that Iran's proximity to the Shia Iraqi government or Hezbollah's powerful organization in Lebanon is unacceptable. In this regard, both countries pursued their activities at both regional and national levels to counter each other's influence in the region. To achieve this feat, Saudi Arabia expects the U.S. to support Iraq, Syria, and Yemen whereas, in Iraq, the Saudi government wants a government that can withstand Shia sectarian influence. Knowing fully that the majority of Iraqi's population are Shi'ites, yet the existence of a state with less sectarian tendencies can reduce Iran's influence as the largest Shia state in the region. On the contrary, since the majority of Syria's population is Sunnis, the Saudis seek to overthrow the Al-Assad government, the outcome of which is to remove Syria from the Iranian influence, disconnect Iran, and Hezbollah from Lebanon and eventually culminate in Houthis' defeat in Yemen by transferring power to Abdrabbuh Mansur Hadias Saudi Arabia's last steps aimed at overcoming Iran' regional influence (Althunayyan, 2017).

The then US president Barack Obama was cautious against the U.S. involvement in the "proxy wars" fuelled by Saudi-Iranian competition in the Middle East in Yemen and Syria (Schmierer, Jeffrey, Nader, Nazer, 2016). The opposition against success achieved in reaching a nuclear deal between Iran and the P5+1 (China, France, Russia, the United Kingdom, and the United States, plus Germany) by Saudi Arabia and its allies did not go well with the US. Their fears hinge on Iran's emerging from international isolation imposed by sanctions as a result of its nuclear activities will make it stronger and more assertive as a regional power. Hence, reconfiguring regional power base against the feeling that only the Arab states, especially Saudi Arabia had to assume a regional leadership role (Gause, 2015). The coincidence of the successes of Houthis in Yemen, the presence of the Quds Force in Iraq, and Syria sparked the feeling that Iran was seeking expansionist policies in the

region. Nevertheless, with the overthrow of Taliban in Afghanistan (2001) and the fall of Saddam Hussein in Iraq (2003), Iran was able to appear as a major regional actor, supporting Hezbollah in the 2006 Lebanon War against the state of Israel and hence increases its soft power status in the region (Goodarzi, 2013).

The advent of Arab uprisings showcased the possibility of aligning Islamic governance with democracy as seen in the way and manner the Muslim Brotherhood won a free and fair general election in Egyptafter the fall of Hosni Mubarak government in 2011 and the fall of Zine El-Abidine Ben Ali in Tunisia in 2011 of gained the support of the Islamic Republic of Iran which it sees itself as the leader of the resistance block in the Middle East. Hence, the Arab spring era was considered as the period of growth and consolidation of Iran's power in the Middle East coupled with its success in Syria, Lebanon, Iraq, and Palestine(Dilip, 2018).

In addition, the rapid collapse of the authoritarian regimes in Egypt and Tunisia that enjoys the support of the United States and the role of Islamic movements in instituting legitimate power shift has changed the attitude of Iranian authorities towards events in the region which they interpreted as "Islamic Awakening" (Kurzman, 2012). Regarding the uprisings in Bahrain where more than 70 percent are Shias and the country is under control of the Sunni minority, the Iranian government is primarily concerned with the intervention of Saudi Arabia and the UAE armies along with other Arab (Jordan) and even the non-Arab countries (Pakistan) in the region under the guidance of the security forces of the Gulf Cooperation Council who severely suppressed the peaceful political protests (Ulrichsen, 2015).

The geographical proximity of Bahrain to the Eastern Province (Al-Sharqiyyah) and in particular the cities of Dammam, Al-Ahsa, and Qatif where the biggest amount of Shias in the country life, as well as the geopolitical significance of the area for the Saudis in terms of the presence of major Saudi oil supplies near it, is a matter of concern for Saudi Arabia and other countries of the Arab Alliance. It was explained by a possible takeover of power by the Bahraini Shias, which could change the regional equilibrium and Iran's further expansion of regional influence over the last decade. Therefore, with the knowledge of the role and position of supra-national identities in the region, these countries are trying to control the opposition.

Unlike Bahrain and Yemen, Egypt had great importance in the regional strategy of Iran after the presidency of Hosni Mubarak which was due to its geopolitical position in the Arab world close to Israel. In this regard, the Iranian government during the period of Muslim Brotherhood (2011 – 2013) attempted to strengthen its relations(El-Labbad, 2014). Despite the strong economic dependence of Egypt on the U.S. and the Persian Gulf monarchies, Iran supported Morsi's democratically elected government until the military coup d'état in July 2013 (Hinnebusch, 2014). In this regard, the perception of Iran on the uprisings in Syria is more focused on the country's position as the only state actor along with Iran in the resistance bloc unified against Israel in the region. Also, the link between Iran and Hezbollah in Lebanon (Malt Zahn, 2015).

Methodology

This study examines the security implications of the diplomatic tension between Saudi Arabia and Iran, especially in the Middle East. Thus, the research sourced available and relevant data from books, journals, magazines, and newspapers. Other relevant and reliable internet materials were equally used for the objective study of the phenomenon under investigation. Data analysis and presentation were non-statistical in nature but based on literal discussion and inference were drawn from.

Concluding Remark

Saudi Arabia's geopolitical rivalry with Iran will continue to dominate and shape the Middle East's future. The deterioration of relations could alter the regional diplomatic, political, and security landscape. Both parties will likely seek opportunities to exert greater dominance and influence, albeit in more of a reactive manner than proactive. Sunni-ruled Saudi Arabia will remain predicated on diminishing and preventing Shia-Iranian influence and dominance.

Currently, the Saudi-Iran rivalry is being played out in some highly contested theatres, including Yemen, Bahrain, Iraq, Syria, and even Saudi's Eastern Province where the two governments are deeply engaged in proxy conflicts. The current rivalry could further complicate efforts to end wars

in Syria and Yemen. The diplomatic fallout could also strengthen the resolve of Sunni extremist groups like the Islamic State (ISIL) to attack Middle Eastern countries with sizeable Shia communities such as Kuwait, Yemen, Lebanon, Qatar, Syria, Saudi Arabia, and the UAE.

With respect to the conflict risk outlook, any direct military action between Saudi Arabia and Iran could have widespread and unpredictable consequences for the region. Riyadh and Tehran certainly have the military capabilities to engage in high levels of combat but the ramifications far outweigh the rewards. A strike by Saudi Arabia would probably prompt retaliatory strikes by Iran through conventional military methods as well as unconventional ones such as through proxy elements in the form of terrorist attacks. The Saudi government has made it clear that its military forces would be fully mobilized in a conflict with Iran to protect strategic sites. Iranian officials have threatened to use missiles against Saudi oil refineries and other critical infrastructure if it is attacked. Saudi Arabia's largest oil processing facilities are in the Eastern Province and thus within range of most Iranian ballistic missiles. However, there is a strong US military presence in the Persian Gulf that will act as an effective deterrent against escalation and the prosecution of the war.

Despite the growing saber-rattling, it is unlikely that Iran or Saudi Arabia would seek a large-scale military confrontation. However, Iran could engage in subterfuge through proxy elements that would potentially have significant ramifications on Saudi Arabia's security and stability. The majority Sunni kingdom is already facing a low-level uprising in the Shiite-dominated Eastern Province, which could intensify and escalate in response to the latest provocation with Iran. Riyadh has made known its displeasure with Tehran's alleged involvement in the anti-government uprising in Eastern Province, where the security forces are heavily deployed.

It is therefore in the best interest of both nations, the Middle-East and the world in general, that the tension between Riyadh and Tehran eases-up. This is important given the power and influence of the two counties in global politics, especially in the global energy sector.

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RELATIONSHIP AMONG CURRENCY DEPRECIATION, MONEY DEMAND,AND TRADE BALANCE IN NIGERIA: AN AUTOREGRESSIVE DISTRIBUTED LAG APPROACH

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Abstract

This study examines the relationship among currency depreciation, money demand, and trade balance in Nigeria. The study adopts an ex-post facto research design and used secondary annual time series data from 1986 to 2018, sourced from Central Bank of Nigeria (CBN) Statistical Bulletin, 2018. The data collected was analysed using Autoregressive Distributed LagModel (ARDL) with inferences drawn at a 5% significance level. The results showed that currency depreciation (REXRD) had a positive and significant effect on the trade balance and money demand (MD) had a positive and significant effect on the trade balance in Nigeria. This study confirmed from its findings that currency depreciation did not positively affect changes on the trade balance in the short-run but effected changes to trade balance in the long-run. Therefore, the study concluded that depreciation of the naira against other foreign currencies and money demand enhances Nigerian trade balance. It, thus, recommended that the government should create policies towards improving export; enhance the flow of credit to the real sector, and sustained the stability of the naira exchange rate, to bring about the desired effect on the trade balance and stimulate economic growth.

Keywords: Currency depreciation, Money demand, Trade balance, Economic growth, Exportation
JEL Classification Code: E41, E52, E58, E65, F43

1. Introduction

There have been growing concerns and arguments on whether or not currency depreciation helps a country gain international competitiveness to enjoy an improvement in its trade balance. Previous studies (Sulaimon, Omotunde, & Haorayah (2017); Okaro, 2017; Osundina and Osundina, 2016) appeared to have concentrated on the effects of currency depreciation on macroeconomic policy, while its relationship with money demand and trade balance is sparsely documented in the literature. Prior to Nigeria's independence in 1960, the exportation of agricultural commodities earned more than the value of trade imports (Osabohien, et al., 2019). As a result, Nigeria's currency was so strong and almost at par with the US dollar or British pounds. In the post-independence and early 1970s however, crude oil sales took over the major export commodity and became the major source of foreign earnings and external reserves (Onwe, 2013). This development, however, has precipitated excessive importation, increased demand for money, and over-reliance on the exportation of crude oil whose prices and demand volumes are highly volatile and susceptible to shocks in the international market.

As oil revenue brought in easy money, no changes were made as agricultural and mineral oil export swayed back. The oil price shock of less than US$10 per barrel in the early 1980s brought the economy to an overall stagnation; also, there was the problem of financing the budget (Asiyan & Takon, 2014). This development necessitated depreciation of Nigeria's currency with policy shifts and stumble from one developmental programme to another; from industrialization to import substitution and export promotion (Imoisi, 2012). Nigeria did not take advantage of currency depreciation given the recurring deficit in the balance of payment being faced.

Nigeria economy has experienced structural changes since the introduction of the Structural Adjustment Program (SAP) in 1986 yet the country is still battling with series of economic problems, such as external imbalance and double-digit inflation rates with evidence showing depleting foreign reserves, increasing domestic credit, higher money demand and rapid trade imbalance in the federal government current

account (Sulaimon, Omotunde & Haorayah, 2017). To this end, successive governments in Nigeria had come up with different economic policy reforms aimed at boosting confidence in both the public and private sectors of the economy; to serve as a driver of the economy, to reduce importation, and increase exportation. Reforms and recapitalization of the banking sector as well as the quantitative credit control aimed at guiding the supply of money in circulation at the time of excess money demand and to increase reliance on market forces (Adeyemi, Tella & Yinusa, 2018).

Since 1986, Nigeria has not been able to take advantage of the persistent currency depreciation through the promotion of export trade and increasing foreign exchange, and pursuit of a significant improvement in her trade balance. This is because the Nigerian economy remains a mono-product economy (Okaro, 2017). That is, it relies on crude oil export sales for over 85-90 per cent of her annual revenue and highly susceptible to shocks in the international oil market. Between 2006 and February 2015, Bonny Light crude oil prices averaged $94/barrel while the average monthly oil price between 2010 and the end of 2014 stood at $104.4/barrel (Okaro, 2017). Despite the positive windfall gains arising from the benchmark oil price of $79, $77.5, and $65 in 2013, 2014, and 2015 respectively, the country's external reserves declined consistently from $53.6 Billion in 2008 to $23.47 billion in December 2016 while in January 2017, exports declined by 26.7 per cent and imports increased by 24.8 per cent, the unemployment rate increased to12.1 per cent with a negative growth rate of -1.5 per cent in December 2016 from 6.3 per cent in 2014 (CIA-WFB, 2017).

The above reality of macroeconomic indicators on the effects of currency depreciation in Nigeria contradicts the findings of studies that have attempted to proffer a solution to this regard. For instance, studies had argued that currency depreciation has a significant and positive effect on trade balance, the balance of payment, or economic growth in Nigeria (Sulaimon, Omotunde & Haorayah (2017); Okaro, 2017; Osundina and Osundina, 2016; Momodu and Akani, 2016). Contrary to this, another set of studies concluded that currency depreciation exerts no significant impact on trade balance and balance of payment (Anoke, Odo and Ogbonna, 2016; Umoru and Oseme, 2013 and Lotto, 2011). Thus, this contradictory view about the relationship between currency depreciation and trade balance necessitates the need to re-examining the effects of currency depreciation on trade balance in Nigeria.

Most of the previous empirical studies examined the positive effect of currency depreciation on trade balance. The Marshal-Lerner conditions in Nigeria such as Aiyedogbon, Ibeh, Edafe and Ohwofasa (2013), Apergiris (2015), and El-Rasheed, Abdullah and Dahan (2017) found positive and significant effects while others such as Ogundipe, Ojeaga, and Ogundipe (2013), Nduka, Chukwu and Nwakaire (2013), Iyiboyi and Mufutau (2014), Anning, Riti and Yapatake (2015), and Fathi and Mustafa (2016) found a negative or insignificant effect of currency depreciation on improving trade balance. Majority of the empirical studies reviewed focused mainly on depreciation effect on trade balance, balance of payments, or growth, without considering the effect of money demand, a variable which this study considered and incorporated to test the level of their relationship and effects on the Nigerian economy. To the best of our knowledge, there are empirical pieces of evidence that examine the effect of currency depreciation and demand for money on trade balance which could solve the effect of consistent depreciation currently faced in Nigeria with attendant consequences such as external imbalances, huge trade deficit, and increase in the nominal value of importation.

This paper examined the effects of currency depreciation and money demand on trade balance in Nigeria. The rest of the paper is structured as follows: section two reviews the literature on currency depreciation, money demand, and trade balance; section three reports research methodology; section four presents the empirical analysis and results; and section five provides the discussion while section six gives conclusion and recommendations.

2. Brief Review of Literature

Mercantilism and balance of trade doctrine that was in existence during the period between 1500-1800, is considered to be the oldest approach to the BOP (Alawattage, 2009). Broadly, Mercantilists believed that the wealth of merchants and power

of nations could be increased by accumulation of species (precious metals such as gold and silver that one used as money in international transactions) (Alawattage, 2009). Hence, they strictly advocated maintaining the surplus on Balance of Trade, and commodity imports were considered to be undesirable due to the resulting outflow of accumulated species. Therefore, foreign trade was regulated by way of subsidizing exports and taxing imports. In this approach, financial flows between countries were not given great prominence, and trade flows were the main determinant of the analysis (Pitchford, 1995).

Classical trade theory in its standard form relates to trade in goods and services with the real exchange rate. While setting all other variables fixed, the trade theory states that the exchange rate can affect the economy´s imports and exports (Alawattage, 2009). A fluctuation in the exchange rate affects both the value and quantity of trade. If the real exchange rate rises for the home country i.e. if there is home currency depreciation, the households in the domestic country can get less foreign goods and services in exchange for a unit of domestic goods and services. Invariably a unit of foreign goods would give more domestic goods, resulting in domestic households buying less foreign goods and foreign households wanting to purchase relatively more domestic goods that have now become internationally competitive. The higher the real exchange rate, the more surplus in the net exports the country will obtain (Zhang, 2008).

Lerner (1944) widened the standard trade theory by including price elasticities of demand for import and export as important elements in determining the effect of exchange rate changes on the trade balance. An increase in exports and a cut down on imports due to depreciation in the exchange rate does not necessarily mean a correction, or even an improvement, in the trade balance. The trade balance is not concerned with the amounts of physical goods but with their actual values (Lerner, 1962). This means that trade volumes increase from the supply-side, which causes an increase in invention and innovation, the growth rate favourably affected. If such policies succeed in shifting enough individual supply curves, the aggregate supply of all goods will be significantly increased.

On the theory of balance of payment, Jhingan (2011) states that a country's balance of payment is dependent on its exchange rate under a free exchange rate regime. If the balance of payments is favourable, it raises the exchange rates, but if the balance of payments is unfavourable it reduces the exchange rate. Indirectly, it means that the exchange rate is determined by the demand and supply of foreign exchange. The theory inferred that adjustments in the balance of payments could be achieved through depreciation and appreciation of some currencies respectively, for deficits and surpluses in the balance of payments (Okaro, 2017).

Mundell (1963) introduced the idea of including the exchange rate as another determinant of the demand for money in the money demand function. Mundell (1963) propounded that the depreciation of domestic currency or appreciation of foreign currency increases the domestic currency value of the assets held abroad by domestic residents. If this increase is perceived as an increase in wealth, the public will tend to increase their spending by demanding more money. On the other hand, when a foreign currency appreciates, if there is an expectation of further appreciation, the public may hold more of foreign currency and demand less of domestic currency.

The elasticity approach as propounded by Robinson (1947) and Metzler (1948) expanded by Kreuger (1983) states that transactions under contract completed during the period of depreciation may affect trade balance negatively in the short run but over time export and import quantities adjust, which give rise to elasticities of exports and imports to increase and quantities to adjust.

This approach, commonly known as the BRM model, whose proponents are Bickerdike, 1920; Robinson, 1947; Metzler, 1948, has been recognized as providing a sufficient condition (the BRM condition) for a trade balance improvement when the currency depreciates. The concept that depreciation improves the trade balance is also rooted in a particular solution of the BRM condition, called the Marshall-Lerner condition (Marshall, 1923; Lerner, 1944). This condition states that for a positive effect of depreciation on the trade balance, and implicitly for a stable exchange market, the absolute values of the sum

of the demand elasticities for exports and imports must exceed unity. *i.e.,* (η*X*e+η*Me*>1). Where η*Xe* and η*Me* are common notations for the elasticity of exports and imports with respect to the exchange rate respectively. (Daniels &VanHoose, 2005). The shortcomings of elasticity approach are mainly for being a partial equilibrium approach which only accounts for the macroeconomic effects arising from price changes and out-put fluctuations in response to currency depreciation. In addition, this approach only revolves around the issues of volumes and value responses to changes in the real exchange rate (domestic denominated price).

Due to criticisms associated with the elasticity approach, Alexander (1952) propounded what is referred to as the 'absorption approach to balance of trade'. The absorption approach focuses on economic aggregates (Keynesian analysis) contrary to the elasticity approach which considers the effect of exchange rate changes on individual microeconomic behaviour (Marshallian supply and demand analysis). This approach takes trade balance improvement originating from the increase of income over total domestic expenditures (Meade, 1988 and Alexander, 1952). The absorption approach summarily posits that depreciation would only have positive effects on the balance of trade if the propensity to absorb is lower than the rate at which depreciation would induce increases in the national output of tradable goods and services. The emphasis of this approach is on changes in the real domestic income as a determinant of a nation's balance of payments (exchange rate relationship). This approach treats prices as constants and all variables are in real terms (Oladipupo & Onotaniyohuwo, 2011).

The monetary approach is based on the premise that depreciation reduces the real value of money balances. It claims that the balance of payment is essentially a monetary phenomenon (Frankel, 1999 and Johnson, 1977). It analyses the balance of payment behaviour from the point of view of the supply and demand of money, that is, excess demand (supply) for foreign goods would require a more demand (supply) of the stock of money. An increase in import prices following currency depreciation would cause a rise in domestic prices of non-traded goods which would impact negatively on trade balance. In addition, the monetarist view considers an increase in money supply to degenerate trade balance; as such increase, raises real income and further stimulate import demand, a phenomenon known as income absorption effect (Ogundipeet al., 2013).

The monetary approach focuses on both the current and capital accounts of the balance of payments. This is quite different from the elasticity and absorption approaches, which focus on the current account only. Oladipupo and Onotaniyohuwo (2011) state that the general view of monetary approach makes it possible to examine the balance of payments not only in terms of the demand for goods and services but also in terms of the demand for and the supply of money. This approach also provides a simplistic explanation to the long-run depreciation as a means of improving the balance of trade, since depreciation represents an unexpected and potentially distorting intervention in the process of equilibrating financial flows resulting from trade imbalance.

Previous empirical studies such as Agbola (2004) examined the impact of depreciation on trade balance of Ghana. Annual data spanning the period 1970 and 2002 were employed in the analyses. The Johansen MLE (Maximum Likelihood Estimation) multivariate co-integration procedure reveals that Ghana's trade balance and key determinants are co-integrated, and thus share a long-run equilibrium relationship. The empirical result suggests that devaluation does not improve the trade balance of Ghana in the long run. The response in trade balance to movements in the exchange rate appears to be characterized by an M-curve phenomenon.

Goldberg & WiskeDillon (2007) examined why depreciation of U.S. dollars may not close trade deficit among Japan, euro-area countries, other advanced economies, and the OECD countries as a group over the 1975-2003 periods. Comparative analysis was used to estimate the pass-through effect of dollar depreciation on import prices. The major finding was that little exchange rate depreciation is reflected in import prices at the U.S. border, even before the imported goods are distributed to retailers and then consumers. With transmission rates in the United States much below those observed in other OECD (Organization for Economic Co-operation and Development) countries, the effect of dollar depreciation on U.S. demand for any particular

type of import could be relatively small with little impact on trade balance, as there was no strong relationship between movements in the exchange rate and US trade balance.

Bahmani-Oskooee and Wang (2007) investigated the effects of currency depreciation on the trade balance between Australia and its second-largest trading partner, the US. Using disaggregated annual data to consider the trade between 108 industries over the 1962-2003 periods. Bounds testing approach to cointegration and error-correction modeling was used for analysis. They found short-run effects of currency depreciation on the trade balance in 64 industries. The long-run and positive effects were only evidenced in 35 cases. They conclude that in the trade between Australia and the US not all industries were equally affected by currency depreciation.

Bitrus (2011a) employed a comparative analysis of the effectiveness of the determinants of the demand for money in both developed and developing countries. He found that income-related factors or the scale variables are more effective in developing countries. While factors that work through the financial system are more effective in the developed economies and that stock market variables should not be ignored in modeling demand for money. They constitute an alternative to holding cash, especially after currency depreciation of home currency.

Alemu and Jin-sang (2014) investigated how depreciation could affect the export sector and trade balance in selected Asian economies between 1990 and 2012. Using secondary time series data, with random effect model REM for analysis, it also used the feasible general least square (FGLS) with corrected heteroscedasticity standard errors to check the consistency of the results. Accordingly, the study found no evidence for the effect of depreciation to improve trade balance of about 14 Asian economies.

Momodu and Akani, (2016) investigated the impact of currency devaluation on the economic growth of Nigeria for the period of 1986 to 2012. The Johansen Cointegration method and autoregressive distributed lags (ARDL) was used for the analysis. The short-run analysis of currency depreciation reveals an increase in output with an improvement in the balance of payments. Furthermore, the study showed a positive effect of currency depreciation on trade.

Dzanan and Masih (2017) investigated how the exchange rate affects the trade balance in developed countries such as Norway. The study used Time Series Multivariate Forecasting and ARDL techniques to test the correlation in the long run. They used quarterly data from 1980-2009. The study found no empirical evidence for the effect of exchange rate on trade balance in the long-run.

Sulaimon, Omotunde & Haorayah (2017) investigated the impact of the devaluation of the exchange rate on Nigerian trade balance using time series data for the period 1974 to 2014.The Johansen cointegration and the Vector error correction methodologies were employed. Empirical results from VECM model estimations indicated that devaluation of the Naira pulls import demand and pushes export demand.

Adeyemi and Ajibola (2019) examined the effects of Naira devaluation on trade balance in Nigeria. Annual time series data over the period ranging from 1986 to 2017 was used with Engle-Granger cointegration test used to test the existence of a long-run relationship. The results of the estimation show that Naira devaluation had no significant influence on change in trade balance in Nigeria in the periods under study. The result also suggests that Naira devaluation exerts no significant impact on trade balance in Nigeria over the study periods.

3. Methodology

The study adopts the ex-post facto research design because the researcher has no direct control over the variables involved. This is because the issues investigated relate to events that have already taken place and for which a causal-comparative evaluation was carried out to analyze the objectives of the study.

The empirical model of this study is based on the theoretical framework developed by Buluswar, Thompson, and Upadhyaya (1996) as adopted by Agbola (2004) and Ogundipe et al. (2013). Some key variables like domestic interest rate and domestic money supply having significant effects on import, export, and trade balance of an economy were considered as determined by economic theory. Therefore, the trade balance of the economy was taken as the difference between export revenue (X) and import revenue (M); therefore, the trade balance of Nigeria is expressed as follows:

$$TB = X - M = P_x Q_x(P_x/e, Y^*) - eP_m^x, Q_m(eP_m^x, Y) \quad 3.1$$

Where *TB* represents trade balance, *X* is exports revenue, *M* is export expenditure, P_x is the naira price of exports, Q_x is the quantity of exports, P_m is foreign currency price of imports, Q_m is the quantity of imports, *e* is the value of foreign currency in terms of Nigeria naira, *Y* is the domestic national income, *Y** is foreign income.

Where trade balance was postulated as a function of money demand, currency depreciation, a lending rate, and Nigerian international reserves, degree of openness, domestic income, domestic price, and interest rate.

$$TB = a_0 + a_1 M_D + a_2 REXRD + a_3 RL + a_4 logRES + a_5 OPEN + a_6 logY + a_7 P + a_8 IR + \varepsilon_t \quad 3.2$$

Where TB = trade balance, M_D = money demand, REXRD is the currency depreciation, RL = lending rate, RES is the Nigerian international reserve, OPEN is the degree of openness to international trade (***X + M***)/GDP, Y is the real gross domestic product, IR = represents domestic interest rate and ε_t = is the error term.

We re-specified the model for the estimation of our objective due to the outcome of the preliminary tests conducted which showed that the variables were the integration of order zero and one using autoregressive distributed lag (ARDL) framework of the order:

$$\Delta log(TB)_t = \beta_0 + \sum_{i=1}^{P_1} \beta_i \Delta log(TB)_{t-i} + \sum_{i=1}^{P_2} \beta_i \Delta log(MD)_{t-i} + \sum_{i=1}^{P_3} \beta_i \Delta REXRD_{t-i} + \sum_{i=1}^{P_4} \beta_i \Delta RL_{t-i} + \sum_{i=1}^{P_5} \beta_i RES_{t-i} \sum_{i=1}^{P_6} \beta_i OPEN_{t-i} + \sum_{i=1}^{P_7} \beta_i \Delta logY_{t-i} + \sum_{i=1}^{P_8} \beta_i \Delta P_{t-i} + \sum_{i=1}^{P_8} \beta_i \Delta IR_{t-i} + \lambda_1 TB_{t-1} + \lambda_2 MD_{t-i} + \lambda_3 REXRD_{t-i} + \lambda_4 RL_{t-i} + \lambda_5 RES_{t-i} + \lambda_6 OPEN_{t-i} + \lambda_7 lnY_{t-i} + \lambda_8 P_{t-i} + \lambda_9 IR_{t-i} + \lambda_{10} ECM_{t-i} + \varepsilon_t 3.3$$

WhereΔ is a first difference operator and $\mathcal{E}_t$is an identically and independently distributed white noise error term. In equation (3.3), the term with the summation sign represents the error correction dynamics while the second part (the term with $\lambda_s$in equation) corresponds to the long-run relationship. The null hypothesis in equation (3.3) exists when $\lambda_1 = \lambda_2 = \lambda_3 = \lambda_4 = \lambda_5 = \lambda_6 = \lambda_7 = \lambda_8 = \lambda_9 = 0$ which indicates the non-existence of the long-run relationship. The ARDL method estimated $(P+1)^k$ number of regression in other to obtain the optimal lags for each variable, where P is the maximum number of lags to be used and k is the number of variables in the equation.

The paper made use of secondary data, which are annual time-series. The data covered a period of 33 years, 1986 to 2018. Data were sourced from Central Bank of Nigeria's (CBN) various statistical bulletins, National Bureau of Statistics' (NBS) Annual Reports, and International Financial Statistic (IFS) data. The variables that were used in this study were selected on the basis of their theoretical importance, usefulness as a measure of the key construct of the study namely, currency depreciation, money demand, and trade balance, and findings from their usage in the previous empirical literature. The E-views 10 econometric software package was used to analyze the data.

4. Empirical Analysis

Table 1 presented the descriptive analysis of the time-series properties of the variables included in the models. The standard deviation of interest rate (IR), money demand (*log*MD), and degree of openness (OPEN) from their respective long-term mean values every year point stood at 5.42 per cent, ₦7,600.335 billion, 1189.55 per cent. While domestic price level (P), Nigerian international reserves (RES), currency depreciation (REXRD), lending rate (RL), trade balance (*log*TB), and domestic income (*log*Y) were ₦57.91, ₦16,731.78 billion, 19.16 per cent, 3.80 per cent, ₦9,134.485 billion, and ₦19,496.87billion respectively.

The probability value of Jarque-Bera statistics for all the variables showed their distribution level at mean zero and constant variance, while only currency depreciation (REXRD) showed negative skewness. Other variables were positively skewed to the right. This revealed that currency depreciation; money demand and trade balance was normally distributed among all the incorporated variables of interest.

Table 1: Descriptive Statistic

	IR	*MD*	*OPEN*	*P*	*RES*	*REXRD*	*RL*	*TB*	*Y*
Mean	7.403594	5755.584	5259.310	58.51780	18398.79	-8.442597	18.75847	8474.284	35965.39
Median	4.952500	1457.700	5100.381	37.79266	9197.605	-1.644750	17.96500	3241.500	27112.63
Maximum	18.80000	23433.60	7959.177	195.9020	53000.36	7.266200	29.80000	26232.50	75757.00
Minimum	1.410000	27.40000	3330.311	0.876848	1429.590	-77.25110	10.50000	14.90000	15237.99
Std. Dev.	5.423479	7600.335	1189.549	57.90920	16731.78	19.15903	3.791365	9134.485	19496.87
Skewness	0.761688	1.099770	0.143485	0.918030	0.723142	-2.710732	0.956424	0.704772	0.712317
Kurtosis	2.006471	2.725934	2.160594	2.726236	2.056634	9.493241	4.568608	1.951174	2.069040
Jarque-Bera	4.410368	6.550786	1.049273	4.594755	3.975570	95.40593	8.159354	4.115800	3.861694
Probability	0.110230	0.037802	0.591770	0.100522	0.136999	0.000000	0.016913	0.127722	0.145025
Sum	236.9150	184178.7	168297.9	1872.570	588761.2	-270.1631	600.2710	271177.1	1150892.
Sum Sq. Dev.	911.8377	1.79E+09	43865799	103957.7	8.68E+09	11379.12	445.6080	2.59E+09	1.18E+10
Observations	33	33	33	33	33	33	33	33	33

Source: Author's Computation, 2020

4.1 Correlation Matrix

The correlation matrix shown in Table 2 expressed the partial correlation of money demand and trade balance variables employed for this paper in Nigeria within the period of 1986-2017. The table shows the magnitude, strength, and direction of their linear relationship, with some negative linear relationships and a few exhibiting positive linear relationships among them. It indicates the existence of a variable showing a positive correlation between foreign reserve and domestic price (0.666749), lending rate, and interest rate (0.502763). This is in line with economic theories because correlations among the explanatory variables neither violate any assumptions nor affect the unbiasedness of the regressors' coefficients (Wooldridge, 2013).

Table 2: Correlation Matrix

Correlation	*IR*	*LOG(MD)*	*OPEN*	*P*	*RES*	*REXRD*	*RL*	*LOG(TB)*	*LOG(Y)*
IR	1.000000								
LOG(MD)	-0.254740	1.000000							
OPEN	0.190439	-0.433914	1.000000						
P	-0.685823	0.203355	-0.604574	1.000000					
RES	-0.410492	0.488017	-0.195627	0.666749	1.000000				
REXRD	0.164003	-0.233929	0.200005	-0.328735	0.083573	1.000000			
RL	0.502763	-0.322390	0.005574	-0.366436	-0.401093	-0.061375	1.000000		
LOG(TB)	-0.448507	0.370500	-0.367677	0.205874	0.342776	-0.179065	-0.245067	1.000000	
LOG(Y)	-0.371358	0.269215	-0.527527	0.463170	0.493195	-0.229176	-0.327088	0.401491	1.000000

Source: Author's Computation, 2020

4.2: Unit-Root Test Results

Table 3 showed the results of the unit-root test using the Augmented Dickey-Fuller (ADF) approach. The results showed that the variables had a mixture of integration of order zero I(0) and one I(1). Specifically, currency depreciation (REXRD), lending rate (RL), and trade balance (*log*TB) were stationary at a 5% significant level while interest rate (IR), money demand (*log*MD), domestic price level (*log*P), domestic income (*log*Y), Nigerian International reserve (*log*RES), and trade openness (OPEN) were all stationary at the first difference at 5% significant level. Having noted that the variables were integrated of different orders of level and first difference, the study, therefore, applied the Autoregressive Distributed Lag technique (ARDL) in line with the work of Pesaran et al. (2001) since one of the dependent variables (money demand) was non-stationary; none of the variables was I(2) in normal condition (ADF test), and none of the variables was I(2) in structural break.

Table 3: Augmented Dickey Fuller Unit Root Results

Variables	*Level*	*First Difference*	*Order of Integration*
IR	-0.9875	-6.2007	***I(1)***
LogMD	-1.9483	-3.3552	***I(1)***
LogP	-1.1399	-3.8824	***I(1)***
LogRES	-0.7860	-7.5311	***I(1)***
LogY	0.1268	-3.4566	***I(1)***
OPEN	-2.9467	-5.1682	***I(1)***
REXRD	-4.5245	-	***I(0)***
RL	-4.5286	-	***I(0)***
TB	-3.5727	-	***I(0)***

Source: Author's Computation, 2020

5. Result Presentation

Table 4: ARDL Results of the Relationship among Currency Depreciation, Money Demand and Trade Balance

Dependent Variable: LOG(TB)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.***
LOG(TB(-1))	-0.060760	0.182209	-0.333463	0.7441
LOG(TB(-2))	-0.395692	0.225060	-1.758162	0.1022
LOG(MD)	1.700118**	0.550167	3.090188	0.0086
LOG(MD(-1))	-1.310737**	0.593883	-2.207064	0.0459
LOG(MD(-2))	1.088908**	0.499671	2.179247	0.0483
REXRD	0.004927	0.002784	1.769778	0.1002
REXRD(-1)	0.012128**	0.003945	3.074284	0.0089
REXRD(-2)	0.006093	0.003078	1.979491	0.0693
REXRD(-3)	0.006600	0.003385	1.950038	0.0731
RL	-0.038157	0.020773	-1.836853	0.0892
LOG(RES)	-0.096654	0.109556	-0.882232	0.3937
OPEN	-0.000225**	7.06E-05	-3.187259	0.0071
LOG(Y)	-1.843738	1.006120	-1.832522	0.0899
P	-0.003038	0.005349	-0.567890	0.5798
IR	-0.127276**	0.048893	-2.603133	0.0219
C	24.26947	9.385623	2.585814	0.0226
R-squared	0.849092	**F-statistic**		4.876335
Adjusted R-squared	0.674967	**Durbin-Watson stat**		1.764702

Source: Author's Computation, 2020
N.B. **Significant at a 5% level

Table 4 showed the results of the Autoregressive Distributed Lag of order (1, 2, and 3) on the effect of currency depreciation and money demand on trade balance. The explanatory power of the model explained 84.9 per cent of the total variations in the trade balance. This showed that 15.1 per cent of the total variations in the trade balance were not explained majorly by currency depreciation and money demand, indicating that all the explanatory variables especially currency depreciation and money demand played major roles in explaining the significant changes in trade balance in Nigeria. Thus, the model had a high goodness fit. The value of the F-statistic (4.876335) showed that the joint explanatory variables significantly explained trade balance at a 5% significant level, implying that the model is statistically significant at a 5% level. The value of the Durbin-Watson d* statistic was approximately 2 indicating that the model has no serial autocorrelation problem.

Table 5: Long-Run Co-movement Results of Currency Dep. Money Demand and Trade Balance

ARDL Bounds Test		
Test Statistic	**Value**	**k**
F-statistic	9.009354	2
Critical Value Bounds		
Significance	**I0 Bound**	**I1 Bound**
10%	3.17	4.14
5%	3.79	4.85
2.5%	4.41	5.52
1%	5.15	6.36

Source: Author's Computation, 2020

Table 5 showed that the F-statistic value (9.0094) in the ARDL Bound test was significantly higher than the critical value bounds of I(0) Bound and I(1) Bound at a 5% significant level. This showed that the variables in the model have long-run co-movement among themselves. Hence, there was a long-run relationship among the variables, and the variables had long-run co-movement.

Table 6: Short-Run Results of the Relationship among Currency Depreciation, Money Demand and Trade Balance

Dependent Variable: LOG(TB)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
DLOG(TB(-1))	0.395692	0.225060	1.758162	0.1022
DLOG(MD)	1.700118**	0.550167	3.090188	0.0086
DLOG(MD(-1))	-1.088908**	0.499671	-2.179247	0.0483
D(REXRD)	0.004927	0.002784	1.769778	0.1002
D(REXRD(-1))	-0.006093	0.003078	-1.979491	0.0693
D(REXRD(-2))	-0.006600	0.003385	-1.950038	0.0731
D(RL)	-0.038157	0.020773	-1.836853	0.0892
DLOG(RES)	-0.096654	0.109556	-0.882232	0.3937
D(OPEN)	-0.000225**	0.000071	-3.187259	0.0071
DLOG(Y)	-1.843738	1.006120	-1.832522	0.0899
D(P)	-0.003038	0.005349	-0.567890	0.5798
D(IR)	-0.127276**	0.048893	-2.603133	0.0219
CointEq(-1)	-1.456452	0.285002	-5.110320	0.0002
R-squared	0.849092	**F-statistic**		4.876335
Adjusted R-squared	0.674967	**Durbin-Watson stat**		1.764702

Source: Author's Computation, 2020
N.B. **Significant at a 5% level

Table 6 explained the short-run relationship between currency depreciation, money demand, and trade balance. The negative and significant t-Statistic value (-5.2110320) of the coefficient of Error Correction of all the variables (*CointEq(-1)*) confirmed that the short-run changes in trade balance arising from currency depreciation and money demand reverted to their equilibrium position on the long-run.

The short-run coefficient of currency depreciation had a positive sign and it was statistically insignificant at the 5% level. The positive sign exhibited by the coefficient of currency depreciation in relation to trade balance indicated that depreciation in Nigerian currency would lead to an increase in the volume of export and import (trade balance) but this increase would be insignificant. Thus, a unit percent depreciation in currency would result in a 0.0049% increase in trade balance while this increase was not statistically significant. Hence, currency depreciation had no significant influence on trade balance in Nigeria in the short-run.

The short-run coefficient of money demand had a positive sign and it was statistically significant at the 5% level while its lagged had a negative sign and statistically significant at the 5% level. The positive sign exhibited by the coefficient of money

demand showed that a unit per cent increase in demand for money would lead to a 1.7 per cent significant increase in trade balance and hence, increase growth. Thus, money demand had a significant effect on trade balance in Nigeria in the short-run and its lag equally had a significant impact but the impact had an inverse effect on the growth of trade balance and consequently deterred the growth of the economy.

The short-run coefficients of the Federal Reserve, lending rate, domestic output, and price level were negatively signed and statistically insignificant at a 5% level. The negative signs exhibited by these variables (federal reserve, lending rate, domestic output, and price level) showed that there was an inverse relationship between these variables and trade balance and these relationships were as well statistically insignificantly contributed to the growth of trades in Nigeria. Furthermore, the short-run coefficients of trade openness and interest rate had negative signs and statistically significant at the 5% level. The indirect effect exhibited by trade openness and interest rate showed that a unit per cent increase/decrease in trade openness and the interest rate would lead to 0.0002% and 0.13% significant increase/decrease in trade balance respectively in the short-run.

Table 7: Long-Run Results of the Relationship among Currency Depreciation, Money Demand and Trade Balance

Dependent Variable: LOG(TB)				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
LOG(MD)	1.014993**	0.146406	6.932728	0.0000
REXRD	0.020425**	0.005388	3.790884	0.0022
RL	-0.026198	0.014275	-1.835317	0.0894
LOG(RES)	-0.066362	0.076818	-0.863895	0.4033
OPEN	-0.000155**	0.000051	-3.051271	0.0093
LOG(Y)	-1.265910**	0.603514	-2.097566	0.0561
P	-0.002086	0.003857	-0.540729	0.5978
IR	-0.087388**	0.025743	-3.394621	0.0048
C	16.663415	5.081283	3.279372	0.0060
R-squared	0.849092	**F-statistic**		4.876335
Adjusted R-squared	0.674967	**Durbin-Watson stat**		1.764702

Source: Author, 2020

Table 7 showed the results of the long-run relationship among variables of interest, particularly currency depreciation, money demand, and trade balance. The long-run result had no serial correlation problem as evident in the value of Durbin Watson d*-statistic (1.76) and the explanatory variables significantly explained the influence had on trade balance (dependent variable) as evident in the value of F-statistic (4.87).

Also, the long-run coefficient of currency depreciation was positively signed and statistically significant at the 5% level. This implied that the positive relationship exhibited by the coefficient of currency depreciation in the long-run had a significant influence on money demand. Thus, a unit per cent decrease in currency depreciation (an appreciation of domestic currency) led to a 0.02 per cent improved trade balance in the long-run. In summary, currency depreciation had a significant influence on changes in trade balance only in the long-run in Nigeria in the periods under study.

The long-run coefficient of money demand was positively signed and statistically significant at a 5% level. The positive relationship exhibited by the coefficient of money demand in the long-run had a significant influence on trade balance. The implication was that a unit per cent increase in money demand led to a 1.01% increase in trade balance. The implication of this finding was that money demand had a significant influence on trade balance. Hence, households demand more money to demand more goods either locally or internationally. This would foster the production of goods and enhance investment, thus increase growth.

The long-run coefficients of the Federal Reserve, lending rate, domestic output, and price level

were negatively signed and statistically insignificant at a 5% level. The negative signs exhibited by these variables (Federal Reserve, lending rate, domestic output, and price level) showed that there was an indirect relationship between these variables and trade balance and these relationships were as well insignificantly contributed to the growth of trades in Nigeria. Furthermore, the long-run coefficients of trade openness and interest rate had negative signs and statistically significant at the 5% level. The inverse effect exhibited by trade openness and interest rate showed that a unit per cent increase in trade openness and the interest rate would lead to a 0.0002% and 0.09% significant increase in trade balance respectively in the long-run. Hence, trade openness significantly contributed to the units of trade balance in both the short-run and long-run.

Table 8: Diagnostic Tests Results of the Relationship among Currency Depreciation, Money Demand and Trade Balance

Tests	Statistic	Values	Probability
Normality	*Jarque-Bera*	1.1433	**0.5646**
Serial Correlation LM	*Breusch-Godfrey*	0.1558	**0.8576**
Heteroskedasticity	*Breusch-Pagan-Godfrey*	0.7918	**0.6706**
Stability	*Ramsey RESET*	3.2207	**0.0336**

Source: Author's Computation, 2020

Table 8 showed the diagnostic tests' results that confirmed the authenticity of the results emanated from ARDL technique. The tests were in four folds: the normality test, serial correlation LM test, heteroscedasticity test, and stability test. These tests were carried out to determine whether the results were normally distributed, free from serial autocorrelation problem, had constant variance, or suffer from functional form misspecification when they did not properly account for the relationship between the dependent and observed explanatory variables. The value of the *Jarque-Bera* showed that the results were normally distributed since its value was statistically insignificant at the 5% level. Furthermore, the result of the serial correlation LM test using the *Breusch-Godfrey* method indicated that the results of the analysis had no serial autocorrelation problem since its value was not statistically significant at the 5% level. The result of the Heteroskedasticity test using the *Breusch-Pagan-Godfrey* technique showed that the results of the analysis had constant variance with the evidence of not statistically significant F-statistic value at 5% level. Finally, the results of the stability test using the Ramsey RESET (Regression Equation Specification Error Test) test revealed that the results of the analysis had no evidence of non-linearity since its F-statistic value is statistically significant at a 5% level.

5.2: Discussion of Findings

The result of the Autoregressive Distributed Lag on the short-run relationship among currency depreciation, money demand, and trade balance revealed that the short-run coefficient of currency depreciation had a positive sign and statistically insignificant at the 5% level. Whereas, the long-run coefficient of currency depreciation was positively signed and statistically significant at 5% level which agreed with previous studies like Ogbonna, (2010); Ogundipe, Ojeaga, and Ogundipe, (2013); Anoke et al. (2016); and Sulaimon, Omotunde & Haorayah, (2017).

The short-run coefficient of money demand had a positive sign and it was statistically significant at a 5% level while its lagged had a negative sign and statistically significant at a 5% level. On the other hand, the long-run coefficient of money demand was positively signed and statistically significant at a 5% level. The positive relationship exhibited by the coefficient of currency depreciation and money demand, in the long-run, showed that both had a significant influence on trade balance. With the outcome of these findings, the study rejects the null hypothesis: (H_0: Currency depreciation and money demand had no significant effect on trade balance in Nigeria). The result of this study conformed to previous studies in developed and emerging economies like Howard, (2002); Agbola, (2004); and Doguwa (2014).

6. Conclusion and Policy Recommendations

The results of the analysis performed on the effects of currency depreciation and money demand on trade balance showed that currency depreciation had a significant influence on changes in trade balance only in the long-run.

This study confirmed from its findings that currency depreciation did not positively affect changes on trade in the short-run but effected changes to trade balance in the long-run. This was also consistent with the J-curve hypothesis in the literature. While money demand had a strong positive influence on trade balance both in the short-run and long-run in Nigeria over the periods studied.

Therefore, this study concluded that currency depreciation had a significant effect on trade balance only in the long run in Nigeria, which was in line with theory and previous empirical findings. Money demand had strongly and positively influenced trade balance in Nigeria over the study periods. Hence, the paper recommends that the Central Bank of Nigeria through the Monetary Policy Committee should improve on qualitative and quantitative credit control policies towards improving lending to enhance the flow of credit to the real sector to bring about the desired effect on trade balance. This was evident because, in the short run, a unit percent increase in demand for money leads to a 1.7 per cent significant increase in trade balance and hence, an increase in economic growth. In the long run, a unit percent increase in money demand leads to a 1.01% significant increase in trade balance. In addition, the Federal Ministry of Trade and Investment should implement its policy to enhance export-oriented firm through export promotion policies and diversification. This would earn Nigeria more foreign exchange and make the naira appreciate.

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POVERTY AND UNEMPLOYMENT: ENTREPRENEURSHIP THE PANACEA?

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Abstract

According to the Bureau of Statistics figures, the unemployment rate in the country Nigeria is about 20% which is approximately 30 million. This figure sadly does not importantly include the whooping 40 million Nigerian youths that were gotten in the World bank statistic in the year 2009. This means that out of the reported 150 million people in Nigeria, 50% are unemployed and 71% of youths are unemployed. These figures hardly do well to help the cause, poverty, which has been a disturbing and ancient problem facing Nigeria. Qualitative and quantitative research have done justice to the increasing occurrence and sad depth in which poverty has eaten deep into the country. However, this is in stark contrast to the numerous natural and human resources that the country has been blessed with. Worse still, despite how much human and material resources have been invested into helping the poverty cause, there has been no success of any sort and this could be attributed to the absence of leaders in the entrepreneurial sector in the country. The 21st century has seen a rise in entrepreneurship among policymakers, because of the perceived importance and role it plays in alleviating poverty and reducing unemployment. The objective of this paper is to qualitatively review the role and implications of entrepreneurship in improving the sorry state of poverty and unemployment. The relationship between the phenomenon, entrepreneurship, and poverty was explained, with the different methods in which entrepreneurship could improve the nation's economy. This study found out that unemployment was the leading cause of poverty, and to tackle this, entrepreneurship among young people would need to be supported. It also found out that there were programs set up by the government to tackle poverty in its entirety. Conclusively, government, and agencies are required to play huge roles in encouraging the entrepreneurial culture to alleviate poverty and reduce unemployment.

Contribution/Originality: This study contributes to the existing literature by connecting educational policies with the entrepreneurial outcomes and by highlighting the implications of entrepreneurship in unemployment and poverty-ridden economy.

Keywords: Development, employment generation, entrepreneurship, poverty-Reduction, unemployment

1. Introduction

Economists have since recognized the position of entrepreneurship in explaining antecedences of countries' economic development. The roles of entrepreneurs are repeatedly mentioned in economic literature as important. According to (Bruton et al., 2013; Chilova et al., 2015; London and Hart, 2011), different scholars have argued that entrepreneurship might not be the deciding factor in the eradication of poverty. As of now, there has been very little literature that best explains the poverty and entrepreneurship concept, both theoretically and practically. More in-depth studies and pieces of literature efficiently explaining these concepts would need to be put forward in order to properly understand them (Bruton et al., 2015; Bruton et al., 2013). Different researchers and scholars have been able to understand the diverse roles that entrepreneurship plays in boosting the economy of different countries. The entrepreneurial development and growth of Nigeria should be what kick starts the increase in the economic growth, job opportunities, reduction in the unhealthy importation of manufactured food, and decrease in the trade deficit (Osuagwu, 2002).

Ogundele and Olayemi (2004) further reiterated that entrepreneurial development helps youth with the necessary skills that will consistently improve them in their preferred position. Entrepreneurship activities have been shown to play huge and significant roles in improving the value of the life of the citizens and the economy of the nation (Adejumo, 2001). Different studies have established the positive connection in relation to youth empowerment and the disadvantaged portion of the population, economic generation,

economic development (Oluremi and Gbenga, 2011; Thomas and Mueller, 2000; Reynolds, 1987). The various investment and business potentials, that Nigeria possesses, are due to the abundance of human and natural resources. There are viable and potentially useful fields where Nigerians have displayed excellent potentials, like the science, technology, business, and academic sectors of the economy. Entrepreneurship activities taken up by Nigerians include innovative sections like the agricultural sectors which births foodstuffs, fast foods centers, restaurants, and even poultry and fishery.

Another sector is the solid minerals and power and transport area, where activities like quarrying, gemstone development, crushing engineering and power generations, cargo, and passenger business respectively. Concerning information and telecom and hospitality sectors, entrepreneurship endeavours have been through the creation and repair of mobile accessories, recharge card sales, and resorts centers, hotels, cinemas, and video production respectively. Refining and drilling of oil, Pipeline maintenance, and construction make up jobs created by the oil and gas business, while in the waste management sector, youths are involved in refuse collection, drainage and sewage construction and recycling which has proved to be quite lucrative. There is the tailoring, shoemaking, soap making, fashion designing, hair making, and the finance and banking space and there are the stock trading and insurance space. In building and construction, the processes of planning and designing services and material sourcing are involved (Agbeze, 2012).

Sadly, even with the vast resources available, Nigeria remains one of the poverty ravished nations in the world, with the unemployment rate among youths in Sub Sahara Africa, and (Chukwubuikem, 2008) reported that the rate was 55.9%, which was 4 times higher (Salami, 2011). Nigeria has enormous potential to grow and develop a successful economy, provide the necessary amenities, like health and education. Despite how much the country has been blessed with huge natural and human resources, poverty is ravaging the population. According to CBN (1999), characteristics of poverty can be divided into social and cultural, structural, and economic deprivation. The government has made no concrete effort to reduce the misery of its citizens, and this has caused hopelessness among the youths, which has made some resort to crime. There is unemployment, and this is not as a result of the lack of qualification, but the way the structure has been financially, socio-culturally, politically, religiously, and economically disabled (Anyadike, Emeh & Ukah, 2012).

Among the tertiary students that are being graduated from institutions, only a handful of them gets well-paid jobs, hence studying professional disciplines like accounting, law, medicine, do not necessarily guarantee employment due to the dwindling economy. These are challenges, and to transform them into opportunities, entrepreneurship development should be the focus (Odia & Odia, 2013). Different countries have employed diverse approaches, strategies, and entrepreneurial policies to determine how best the talents and skills possessed by citizens can be channeled into various sectors of the economy. The success levels prove how much of an impact, entrepreneurship has had. Most countries have provided support in terms of policies and regulations that support and foster entrepreneurship participation. These policies, laws, and regulations act as a framework for tackling the menace of poverty and unemployment. An example of this was the target to reduce poverty in the year 2015, which was proposed by the MDG, the Millennium Development Goals for countries.

This has prompted lots of nations to adopt huge policies that provide the required input that support the economic sector through entrepreneurship. Entrepreneurship in Nigeria is as old as the country itself, and it began when people started to produce more goods than they usually needed, which necessitated the exchange of goods until money came into play. Specialization of products was encouraged as communities realized how best to focus on products that were best suited for. This, therefore, birthed the entrepreneurship culture in the country (Nick, 2008; Rami and Towobola, 2011). The purpose and aims of this paper are to:

1. Qualitatively review the role and implications of entrepreneurship in improving the sorry state of poverty and unemployment.

2. Express the policies that concern poverty reduction through entrepreneurship available in Nigeria
3. Gain knowledge on the present entrepreneurship that has helped to alleviate poverty.
4. Carefully study and understand the different entrepreneurship programs aimed at alleviating poverty in Nigeria
5. Know how the present entrepreneurship policies have helped to reduce poverty in Nigeria

2. Literature Review

Concept of Unemployment

Unemployed workers involve people who do not have jobs but are always ready to work to get paid, available at the moment, and are actively searching for work (International Labour Organization, 2007). Unemployment of youths in Nigeria has exponentially been on the increase yearly, as graduates constantly are released from the university. The Nigerian National Bureau of statistics in conjunction with the International Labor Organization defined unemployment as individuals in the labor force, those in the working-age bracket, which usually is between the age of 15-64, who are searching and willing to work to earn, but are unable to find jobs for not less than 20 hours in the required period (NBS, 2017). According to the NBS, in the year 2018, the unemployment and underemployment rate rose to 23.1% and 16.6% respectively. Though, the figures for unemployment for the year have not been brought out by the NBS. As regards this menace, the Nigerian government is bent on hiding the job creation quarterly reports, usually brought by the NBS, to escape constant backlash from its citizens (Christian, 2019). He further reiterated that the present government is hoarding data and information to avoid criticisms from Nigerians. Reports have not come out due to the high rate of joblessness rising to about 40% (Christian, 2019). When the unemployment rate of Nigeria is compared with other African nations, it was noticed that Nigeria's unemployment crisis rate was the worst.

In 2010, the unemployment rate in South Africa and Ghana was 25.2% and 14% respectively, while Nigeria recorded 37%. World bank has put statistics for unemployment at 22%, while the unemployment rate for youths is 38%.A survey carried out in the 3rd quarter of 2018 by the Nigerian Bureau of statistics proposed that the unemployment rate was at 23.1% and the underemployment rate sat at 20.1%. Between the ages 20-24, a 40% unemployment rate has been recorded among urban youths, with 31% recorded from those aged 15-19. Also, about two-thirds of unemployed Nigerian citizens were aged 15-24 years old, and most of these numbers were young males with few people to depend upon. Even at the time when the Nigerian economy was normal, i.e in the 1970s, even with the oil boom, the unemployment rate was at 6.2%, 1980 at 9.8%, 1990s at 11.5%, it was still obvious that the unemployment rate was high. The greater the unemployment rate, the greater the poverty and economic meltdown. The social impacts that unemployment has on economies, that have the means of supporting the unemployed class with allowances and subsidies, are low. It is worthy of note that every regime develops a strategy that would help improve economic growth, but so far, no government has reached that objective. Consequences of the huge unemployment rate are the increase in loss of identity, increase in crime rate, low purchasing power, corruption, and mental issues. Unemployment causes a host of serious growth problems and is worriedly increasing at a fast pace (Muhammad, Inuwa&Oye, 2011). Since Nigeria changed to the democratic rule of law in 1999, more focus has been on decreasing the unemployment rate in the 21st century, to improve economic growth. The introduction of programs like the Youth Empowerment Programs (YEP) and the National Economic Empowerment Program (NEEP), was to ensure a massive reduction in the unemployment rate.

Concept of Poverty

Poverty is part of the most uncomfortable, most conversant of human problems. Reports concerning poverty put the rate at 10% of the world's population, with 630 million people going through poverty in 2018, even though it is improving as years go by (Goalkeepers report, 2018). It is seen as a concept that encompasses every challenge going beyond economic issues to social poverty and marginalization (Halper & Meekin, 2019). For many decades, the country has been faced with degeneration from rich to one of the poorest countries in the world, and a large population is becoming poorer as the years go by.

Sadly, with all these natural resources that the country is blessed with, the majority of the population is languishing in poverty. A poor individual is usually regarded as someone who has an income that is less sufficient enough to afford basic needs like shelter, food, clothing, and other essentials. After the development of the Millennium Development goals, the poverty rates globally dropped historically according to the (Associated Press, 2018), but not in Nigeria. Looking at poverty from an economic development perspective, it is said to be more focused on productivity returns and capital acquisitions (Perkins et al., 2013).

To conceptualize poverty, there are three distinct approaches used. These approaches are the income and consumption approach, which prioritizes the material sectors of poverty. It involves individuals improving their lives by basically being able to afford basic needs and also using data on income and consumption to identify the poor locations in the country. Another approach used was the multidimensional style that helps to provide a complete understanding of the living conditions of poor individuals. This helps to analyze the depth of poverty and differentiating levels of wellbeing and helps to give insight on different solutions to reducing poverty. The relational approach helps to find the root cause of poverty, therefore finding solutions to eliminate and not just alleviate poverty.

Millennium Development Goals, the world has had much to celebrate, with global poverty rates reported to have dropped to historic lows this year (Associated Press, 2018). And while the world continues to become less impoverished, the rate of change has slowed (World Bank, 2018). Despite global long-term improvements, local and short-term spikes in the number of people living lives of deprivation continue to cause concern, even in wealthy countries, like Canada and the USA.

In measuring poverty, different metrics can be used. A measurement used is having to take account of the standard of living among the poor, guiding policies on alleviation of poverty, picking a cut off poverty boundary separating the rich from the poor, and comparing poverty level among different individuals and nations. Another level of metrics for measuring poverty, as proposed by the Official Poverty Measure, is usually in three elements, namely the threshold, family, and income. Also, there are different characteristics of poverty measurements and they include the transfer axiom that means the household poverty level increases as income is transferred from a poor to a less poor family. Another property is the Monotonicity axiom which shows that poverty increases if the poor household decreases and showing the different distributions of the living standard of the poor.

Entrepreneurship Concept

Currently, entrepreneurship can be defined as the efficient manipulation of human intelligence, to bring out creativity (Sutter et al., 2019). Monday (2012) viewed Entrepreneurship Development refers as the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes. Monday (2012) viewed Entrepreneurship Development refers as the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes. Entrepreneurship could also be the change we all look for in terms of creating new ventures, firms, and innovation (Denning, 2016). Entrepreneurship has also helped to provide income, huge relative consumption (Robeyns, 2005), and also increased satisfaction from life and social recognition (Kautonen et al., 2017). There is the school of thought that thinks that what the future might hold in terms of entrepreneurship would change as time goes on (Kim et al., 2019).

According to studies on entrepreneurship, it is seen as the process that tends to create value through innovation. It is the innovation using ideas to get a business venture either by a team or an individual" (Ulijn and Brown, 2014, p.5). In the eradication of poverty, entrepreneurship is a deciding factor, as it helps in improving the state of a country's economic growth and ensures there is an increased level of success and prosperity (Audretsch, Carree, Thurik and van Stel, 2001). It reduces poverty by moving the available resources from a location with low productivity into a more productive area (Herrington, Kew, and Kew, 2009). Different hurdles act as barriers to developing entrepreneurship, they include nonexistent financial records, a lack of workspace, inadequate branding, no starting capital, and a general lack of knowledge.

Some self-employment are because some unemployed prefer to temporarily engage in business to keep life moving. As such they may not have the necessary interest and commitment to promote and grow their business like others who consider it as permanent source of income. Similarly, in the labour market, there is a trade-off between lower wages and less unemployment or higher wages and more unemployment. Some programs for poverty reduction and entrepreneurship development in Nigeria. There have been efforts made to develop some programmes that reduce poverty and produce employment opportunities. These programs have been put in place, like infrastructure and housing facilities to create employment. These programs could be in different sectors like agriculture, health, transport, finance, housing, and a host of others. Entrepreneurial programs:

- *The Agricultural Development Program (ADPs):* This was brought about in 1995 in three departments but now covers the whole economy of food in the country. Their main aim was to improve food and fiber production, together with increasing profit and reducing poverty.
- *The Directorate of Food, Roads, and Rural Infrastructure (DFRRI):* This program was created in January 1986 to improve rural development. It helped to ensure emphasis on the adequate provision of food, water, construction, transportation, and rehabilitation of road networks that helps in the proper distribution of food.
- *Better Life Program:* This was targeted at complementing the policies of the Federal Government to develop the rural areas. They were concerned about improving labour productivity and entrepreneurship development in the country.
- *The National Poverty Eradication Program (NAPEP):* This program basically served as a basic coordination center to tackle poverty from the local government level to the national level. It consisted of the rural infrastructure development scheme, the natural resources development conversation scheme, the youth empowerment scheme, and the social welfare service scheme.
- *The National Economic Empowerment and Development Strategy (NEEDS):* This programme is aimed at reforming the institutions that are expected to fight corruption, promote the laws and regulations of the land, and ensure transparency. This programme was basically concerned with ensuring there was growth in the private sector, as it was the main point for economic well-being and employment generation.

The National Economic Empowerment and Development Strategy (NEEDS)

Also worth mentioning is the National Economic Empowerment and Development Strategy (NEEDS) described as a medium-term strategy. The implementation of NEEDS rests on four major strategies. First, it aims at reforming government and institutions by fighting corruption, ensuring transparency and promoting rule of law and strict enforcement of contracts. Another strategy is to grow the private sector as the engine of growth and wealth creation, employment generation and poverty reduction. Third, it seeks to implement a social charter with emphasis on people's welfare, health, education, employment, poverty reduction, empowerment, security, and participation. The fourth key strategy is value reorientation (see Federal Government of Nigeria, 2004:4; Omotola, 2008:511; Chukwuemeka, 2009:407). NEEDS is a national framework of action, which has its equivalent at the state and local government levels as State Economic Empowerment and Development Strategies (SEEDS) and Local Economic Empowerment and Development Strategies (LEEDS) respectively (AFPODEV, 2006).

The National Poverty Eradication Program (NAPEP)

As revealed in the approved blueprint for the establishment of (NAPEP), the program will serve as a central coordination point for all anti-poverty efforts from the local government level to the national level by which schemes would be executed with the sole purpose of eradicating absolute poverty. This is the only government embarking on eradication; a shift from the traditional concept of alleviation. According to Elumilade, Asaolu, and Adereti (2006), NAPEP has have been structured to integrate four sectoral schemes which include:

- Youth Empowerment Scheme (YES)
- Rural Infrastructure Development Scheme (RIDS)
- Social Welfare Service Scheme (SOWESS) and

- Natural Resources Development and Conservation Scheme (NRDCS).

Challenges Facing Entrepreneurship Development in Nigeria

Even with the abundant and available resources in Nigeria, the country is still faced with challenges and difficulties in previous years which have surged extensively, and this has caused a serious setback in the development of entrepreneurship programs. The challenges faced by entrepreneurship in the country include harassment of government officials who derive joy in extorting money from these entrepreneurs. Also, the unavailability of simple infrastructures like terrible roads, low supply of electricity, poor communication channels, and a host of others pose as relevant problems that are faced by entrepreneurs (Mambula, 2002; Chu et al, 2008). Also, there is some difficulty in assessing bank credits and loans. The most pressing issue facing entrepreneurship in Nigeria is the lack of interest in the government as a whole shows towards supporting macro and micro-entrepreneurs (Ariyo, 2005; Chu et al., 2008).

Going forward, the Business Environment and Enterprise Performance Surveys (2007) showed that there were fifteen different critical problems that businesses in Nigeria faced. They named them as courts, corruption, finance, access to permits and licenses, crime/disorder or theft, electricity, inadequately educated workforce, political issues, tax rates and transport, tax administration, customs and trade registrations, labor regulations and practices informal sector. These issues and problems have affected business by increasing the high overhead cost and hostile business environment in Nigeria (Punch, 2010; The Nation, 2011), which in turn has made certain firms close up. The closure of these companies has further compounded the already bad state of unemployment thereby leading to an increase in the country's poverty rate (The Nation, 2011).

Empirical Review

A study carried out by Cumming, Johan, and Uzuegbunam (2019), analyzed entrepreneurship in relation to poverty. It analyzed poverty, income inequality, and entrepreneurship. The results showed that inequality had a major effect on entrepreneurial activity, which results in poverty alleviation. They also found out that public policies against poverty focused on encouraging work was going to hinder entrepreneurial activities, and it also showed the importance of relating policies that alleviate poverty (Cumming, Johan, and Uzuegbunam, 2019). Lin, Winkler, Wang, and Chen (2019) studied the regional determinants of poverty alleviation through entrepreneurship in China. They used the dual structure theory, which helped to examine the determinants of poverty reduction regionally. It showed that even though entrepreneurship helped to alleviate poverty, generally, it had more effects in urban regions than rural regions, and also in developed locations more than underdeveloped regions. This study also showed that financial development at the regional level could control the effect of entrepreneurship on poverty reduction (Lin et al., 2019).

Korosteleva and Stepien-Baig (2019) examined climbing the poverty ladder: the role of entrepreneurship and gender in poverty alleviation in transition economics. This research analyzed the relationship that exists among gender, entrepreneurship, and poverty alleviation in affecting transition economics. This study contributes to the topic, by allowing us to see that entrepreneurship helps in the reduction of poverty, by focusing on business ownership and self-employment. They found out that women play a huge role in the reduction of poverty through entrepreneurship (Korosteleva and Stepien-Baig 2019). Chen and Elston (2013) analyzed the features of entrepreneurial activity in small business owners in developing countries, using data gotten from questionnaires in four different cities across China. Another study carried out by Misango & Amp Ongiti in 2013 analyzed the economic role women play using entrepreneurship to eradicate poverty in Kenya.

The study was done in Kenya, within the Massai market. Using a target market of 664 individuals; 15% were used as the sample, using the purposive and stratified sampling techniques. Also, data were collected both quantitatively and qualitatively. The research showed that entrepreneurship activities usually done was selling mainly African clothes, ornaments, and artifacts. These businesses promoted tourism, export trade, employment, and improved economic growth (Misango & Amp Ongiti, 2013). The study concluded that women had a vital role in eradicating poverty in Kenya. Al-Dajani and

Marlow (2013) brought a conceptual framework that efficiently understood the relationship between empowerment and entrepreneurship in displaced individuals, specifically Palestinian women, engaging in home-based business in Jordan. Qualitative research was used by conducting a semi-structured interview with 43 women that were in the business of producing high quality traditional embroidered products in their home-based business. The result of this analysis found out that women were empowered by their home-based business.

3. Methodology

The data used for this article have been derived from secondary sources, ranging from government documents, magazines, newspapers, journals, and previous researches undertaken by scholars. These materials are well and truly related to the subject, and duly addresses the problems, prospects, and roles that entrepreneurship plays in poverty alleviation. Unemployment reduction and wealth creation among youths in Nigeria. It extensively covers the important steps required to understand the terrains involved in starting up a successful fit. Content analysis approach was used for this analysis.

4. Discussions and Recommendations

The level of youth unemployment has been on a steady increase, especially in the present economic situation surrounding Nigeria and the COVID-19 pandemic ravaging the world. Encouraging the birth of entrepreneurship looks like a viable solution to the problem of youth unemployment, as a result of the ability of individuals and firms to create new job opportunities. The Nigerian government has tried to identify measures and put certain laws and regulations in place, to encourage young individuals to create businesses. However, in the country, the entrepreneurial system is not very favourable to young people. The reviews above have shown that entrepreneurial activities were hugely important in the economic development of a country, especially in hostile environments like Nigeria. Skills, talent, and motivation are very requirements in driving the entrepreneurial behavior towards creating a business. Also, the level of innovation is hugely related to the educational level that has been attained by the entrepreneur. As expected, entrepreneurship would have serious implications in poverty-ridden countries.

Nigeria, even with its mammoth available resources has failed in providing jobs for the teeming population of school leavers and youths. The high poverty rate is a clear indication that the country is required to fight poverty with all it has. Entrepreneurship was proposed to be a leading solution to unemployment and poverty. It entails encouraging the increase in business creation. Stimulating entrepreneurship amid poverty certainly has positive and negative effects. It is very important to find new ways to foster entrepreneurship among youths to completely eradicate poverty. Another major focus is the government policies and regulations, which are meant to ensure the efficiency of entrepreneurship in eradicating poverty and reducing unemployment. These different regulations could include auditing all the policy programs targeted at promoting entrepreneurial activities to prevent replication and clatters in the different parts of the operation. Also, programs should not be sacrificed on the altar of political expediency, rather, they should be judged by their abilities to accomplish the objectives for which they were designed.

The government should get the credit institutions committed to spreading their activities beyond the "comfort zones" in which they currently operate. Finally, sustained education and enlightenment programs on the opportunities that abound in the environment should be put in place. If the Nigerian government must revitalize its economy, reduce unemployment progressively, and generate more employment opportunities, a paradigm shift in policy that is critical to effective entrepreneurship development becomes imperative. In this part of the world, sustaining a business effectively is quite difficult especially for weak entrepreneurs.

Sustaining a business in the world of competition is very difficult to especially for weak entrepreneurs/business owners. The type of products/services offered to the market will determine whether the entrepreneur will survive or not. And certainly to provide customers with choices and to gain competitive advantages through innovations should be of priority to the entrepreneurs at any time. The success of any business created depends on how ideas are

translated into reality in providing actual value to consumers

The resurgence and popularity of entrepreneurship among policy makers in the 21st century is accentuated by the perceived importance and its efficacy in promoting country's economic prosperity, reducing poverty and unemployment amongst others. Many believed that the slow face of entrepreneurship development could be linked to Nigeria educational policies. Therefore, the objectives of this paper are two, first to qualitatively review the role of educational policies in promoting entrepreneurship. Secondly, highlight the implications of entrepreneurship amidst poverty and unemployment in Nigeria. Similarly, entrepreneurship practice in an economy such as Nigeria could reveal many exciting information. It is interesting to find whether the businesses created by the poor and unemployed translate into economic growth or no.

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THE CHALLENGE OF SOCIO-POLITICAL CRISES AND IT'S IMPLICATION ON THE ATTAINMENT OF SUSTAINABLE DEVELOPMENT GOALS IN NIGERIA

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Abstract

The paper examined the causes of socio-political crises in Nigeria and their implications on the attainment of Sustainable Development Goals in Nigeria. It posits that such crises include inter-ethnic crisis, uneasy political succession, inter-faith acrimony, economic deprivation, and attendant social vices, etc. It identified the causes of such crises as a fallout of bad leadership, corruption, mismanagement of public funds, do or die politics, political exclusions, and denials. It concludes that through governance reform, economic diversification, promotion of social welfare, provision of adequate security, and effective management of governmental institutions, those challenges can be overcome soon in Nigeria.

Keywords: Socio, social, political crises, nation, sustainable development

Introduction

The challenge of socio-political crises are endemic in third world countries, particularly in Africa and Nigeria is not an exception and these challenges date back to the pre-independence era and persist to date. Instructively, the underlying and most fundamental characteristics of crises are mistrust, tension, hatred, turmoil, and hostility and every crisis reflects a "state of conflict between two or more adversaries" in which is an issue field, that is, it has a single focus. For instance, in Nigeria's border dispute, the minority question, and electoral problem, among others, are threats to the nation's political regime (Akinboye, 2015).

Nigeria is continuously facing these challenges, as they manifest inform of seemingly intractable challenges of inter-ethnic crises, uneasy political succession, armed banditry, economic depression among others. These crises bedeviled the country since the attainment of political independence and the end not yet in sight as one problem is solved another one is appearing demanding an intervention. Interestingly, Sustainable development goals are a global policy and agenda to promote development in countries of the world. Nigeria has keyed into the UN instigated development strategies in a bid to revamp, transform, and maintain infrastructural and human development in the country. The country is retarded down owing to the afore-mentioned challenges facing the body-polity.

Hence, the paper focuses on identifying social, political, and economic challenges that are hampering the sustainable development agenda and attendant crises facing the country and suggests strategies to overcome them.

Literature Review

The Nigerian State

Nigeria attained political independence in 1960 and there were high hopes of its potentials for sustainable growth and development. These hopes were based on its substantial natural resource endowment, the existence of a competent civil service/favourable growth rate, and above all, one of Africa's most educated elites (Imam, 2010). Nigeria is in its fifth decade of political independence with every political regime, civilian and military alike has inundated the citizens with its political and economic agenda. Yet, right into the twenty-first century, Nigeria cannot feed its citizens, just as it is economically and technologically backward. The country's level of indebtedness and poverty has reached such an alarming state that it has become one of the poorest countries in the world (Agagu 2014).

Youth constitutes about 75% of the African working population and Nigeria account for 15% of it and 50% of the poorest in the world resides in Africa and Nigeria account for 22.5 of them (Demurin, 2018). Also, there is an increasing demand for services and the economic crisis in many African countries (Nigeria inclusive) is becoming prevalent, and meeting human needs in the cities is becoming difficult (Oyeshiku, 2019).

Nigerian is bedeviled with socio-political crises arising out of the mismanagement of public funds, bad leadership, corruption in all its ramifications, and ethnic problems. This has occasioned political instability, military intervention, civil war, and chequered socio-political development. Given the continued growth of the human population and the economic expansion that must occur to provide for the roughly nine billion people who will inhabit the planet during this century, there is a need for the country to key into sustainable development agenda to enhance the living condition of her people. Indeed, socio-political crises in Nigeria are caused by intra/inter-ethnic conflicts, inter-faith acrimony, mismanagement of the economy, growing unemployment rate, high level of poverty and conflict corruption, and greed communities among others (Ajayi, 2014).

Nigeria, as a divided society, in terms of ethnic and cultural plurality, has over the years been confronted with varied crises and a few of these crises have rocked the foundation of the unity and corporate existence (Ajayi, 2015). The unending crises in the polity have retarded the development of the Nigerian state and in these categories are crises of religious intolerance, crises of ethnic nationalism, crises of resource control, crises of electoral politics, among others (Kolawole, 2015). This has hampered the attainment of the lofty objectives of sustainable development in the country and this is a global policy and agenda designed to uplift the socio-economic conditions of peoples in different countries of the world.

Sustainable Development Goals

Sustainable development has been defined in many ways, but the most frequently quoted definition is from our common future, also known as the Brundtland report:

Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concepts of needs, in particular, the essential needs of the world's poor, to which overriding priority should be given; and
- The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs." {IISD, 2018}.

Nature, life support systems, and community are to be sustained while the people, economy, and society are to be developed (Kates, 2005).

Sustainable development goals that are universal were set up by the United Nations (UN) in September 2015 and became applicable in January 2016.

Sustainable development goals include (1) No poverty (2) Zero (3) Good health and wellbeing (4) Quality education (5) Gender equality (6) Clean water(7) Affordable and clean energy (8) Decent work and economic growth (9) industry innovation and infrastructure (10) Reduced inequality (11) Sustainable Cities and Communities (12) Climate action (13) Responsible consumption and production (14) Life below water (15) Life on land (16) Peace, Justice and Strategic institution (17) Partnerships for the goals (IISD).

Sustainable development is an intergenerational concern of development and it is also intergenerational justice equity in development. The social space and culture of the people must be protected and the economic federation must be safeguarded for future use (Akanle, 2012).The sustainable development paradigm has to do with the fact that development is attainable only when economic growth, poverty reduction, and environmental protection are pursued simultaneously. The Brundtland report underlined the role disparities in the economic and social spheres play, relative to differential access to infrastructural and social amenities, resource depletion, and environmental stress (Dauda, 2019).

At the exit of the Millennium Development Goals (MDGs) in September 2015, the world leaders came together at the 70th session of the United Nations Assembly in New York to lay a new global partnership for development tagged SDGs. It consists of 17th Goals and 169 targets to build on MDGs and complete what MDGs could not achieve (Mcdickson, 2016). Ngeria president, Muhammed

Buhari was part of the team of leaders that endorsed the take off the new global policy and affirmed support for SDGs to succeed especially in Nigeria, which is in tandem with the promise of change made Buhari-led administration (Mcdskson, 2016).This is a clear demonstration of the country's avow support for global policies that advance the human condition in the country.

Theoretical Review

System Theory

David Easton is the first major political scientist who has developed a systematic framework based on the system analysis approach for the study of politics. Easton treats all political system as both open and adaptive system and concentration mainly on the study of the nature of the exchanges and transaction that take place between a major political system and the environment (Verma 2011) Easton's treatment of political systems as both open and adaptive to stress coming from the environment with local or international. It provides the theoretical equipment both for looking at political phenomena on a macro level and keeps us awake of the broad implication of political acts and institutions and/or events the interrelatedness of events (Ray, 2011).

At the global level, the international political system establishes the boundaries, and social and physical phenomena and processes outside the boundaries are essential parts of the environment of the international political system (Ofuegbu, 1980).International system is not a structure but a process in which multiple interactions occur among different parties and where various actors learn from the interaction. Actors in this process include not only states but also international organizations and other sub-state, actors such as international bureaucracy. Africa is one of the six continents making-up the international political system (Migst, 1999). Sustainable development goals formed parts of the global agenda and policy designed by states of the world in an agreement with the global international organization (UNO) to improve the socio conditions of the people. This lofty objective of the UN developmental agenda has been harm strong by unending social-political crises in Nigeria that daily manifest on socio-political and economic fronts and tend to slow down the realization of the global objectives in the country.

Unending Socio-political Crises and Its Implications on Attainment of Sustainable Development Goals in Nigeria

The move to achieving socio-economic and political developments in Nigeria have been hampered by crises that have been occurring in the country right from the attainment of political independence in 1960. These range from political to economic to social crises occurring intermittently in the country.Firstly, on the political front, Olurode (2009) notes that in multi-cultural societies with diverse ethno-religions and racial groups such as Nigeria, leadership recruitment through elections becomes a veritable platform that can promote social collision and harmony which should forge trans-ethnic alliances and consensus-building. He aversed that the opposite is the case in Nigeria where electoral malpractices had persisted along with various forms of political violence.

Nigerians are yet to have a broad vision of the democratic process and including continuous monitoring and engagement with the elected officials so that accountability would become reutilized. Nigeria is faced with the challenge of a peaceful transition from one government to the other since the attainment of political independence. Jinadu (2010) highlighted major recurrent deficits in electoral governance in Nigeria. They include abuse/misuse of the power of incumbency, manipulation of the nomination process, at party level and by electoral bodies or their officials including failure to receive nomination papers of opposition candidates or the requirement for prohibitive nomination fees and deposits by candidates, paucity of polling booths and non-information/inadequate information about the locations/including diversion of polling booths from one location to the another, electoral violence during campaigns and on voting days, the partisan role of the police and security services to harass candidates and in encouraging or not take action to present electoral malpractices before and during elections, manipulation of constituency delimitation, among others. The prevalence of electoral malpractices in amoral political culture, whose thrust is anti-democratic in significant ways and which general indifferences to the desecration of the electoral process has further weakened the fragile development of democracy in Nigeria. Electoral crises formed part of the causes of the civil war

(1967-70) and political crises of the aftermath of the 1983 election and continuing to date.

Adekola (2010) posits that the succession process to political offices, particularly the position of the chief executive has not been smooth but problematic and this could be linked to two principal factors. Firstly, the personalized nature of Nigerian politics as decades of vicious military rule have left the Nigerian political landscape dominated by powerful godfathers who sit atop vast patronage networks at the local, state, and federal levels. Political outcomes are primarily a function of titanic struggles among these magnates, who bargain among themselves and at the expense of the impoverished greater public within a specific political context of multiple ethnic-religious divisions.

Secondly, corruption and the attitude of politicians to corner more of the nation's wealth. In Nigeria, today, the desperation to hold on to power is not entirely altruistic, in fact, the quest for political power is driven, in most cases, by the morbid desire for material gains. This is a strong motivating factor why a successful journey into political offices is not smooth but very problematic. The incumbent search pre-occupies their mind for all avenues to defend their atrocities, if possible. Thus, this makes their hidden hands strong in directing the dos and donts of the electoral empire, judiciary, and the security agencies, as well as the buying of votes with pittance from a largely deprived population, intimidation suppression, persecution and even killing of opposition become the order of the day.

Secondly, the desperation for political offices and the high cost of governance and its negative effects on the citizenry is another political challenge. A high cost of governance is prevalent in Nigeria and emoluments of political office holders drain the purse of the state in Nigeria, thereby, favouring the political class only in the country. For example, the national assembly attracts over #200 fund allocation in a year and this tends to drain the national purse. Awosika (2016) held that the desperation for political power and by extension for unrestrained access to economic resources has also deepened the insecurity situation of Nigeria. To him, the primacy of political power as a springboard to economic resources and a higher level of social status has led to the militarization of society in Nigeria and this signifies violence in the struggles of social forces as against peaceful political competition and conduct. The power premium is exceptionally high and the system lacks the institutional arrangement to moderate political competition between classes, thereby creating a fertile ground for insecurity in Nigeria.

Shomoye (2018) posits that the costs of governance need to be reduced in developing nations of the world (Nigeria inclusive). To him, the cost of governance of the public service should not be more than 10% of the aggregate expenditure across the board including various arms of government. Public office holder's remunerations should be adjusted in line with current economic realities. Noting that, the nation must rise at combating unemployment, corruption, reducing the sliding value of currency, the rising level of debt, and reducing the cost governance for sustainable development to be achieved in the country.

Hence, the Nigerian state, which is constitutionally saddled with the responsibility of organizing and engaging in economic activity has failed in its responsibility, directly or indirectly in allocating the strategic opportunities and resources. Thus, the logical corollary is that, while the demand for good governance is daily increasing, the desire for power and continued relevance by politicians comes to the fore. The variation in terms of general response and ability to sustain, maintain, and hold on to power encourages patronage and prebendalism that plays out through spoils (Abioro, 2016).

Thirdly, another noticeable source of socio-political crises in Nigeria is the challenge of social insecurity. Obasa, etal. (2014) posits that the threat to national security in Nigeria arose from the explosive social consequences of economic management deteriorating or gross un-evenness in the exchange of benefits, stagnating production, soaring debts, exchange shortage resulting in the breakdown in the supply of essential commodities and produced goods, glaring polarization of wealth, conspicuous misdirection of resources and all exhibited.

They maintained that the emergence of these contractions arising from unfavorable amalgamation in Nigeria crystallized in demographic surges and imbalances between the ethnic nations and social forces have generated

crises in Nigeria. Noting that, the ever-growing incidences of official corruption, political violence, political killings, thuggery and destruction of property, looting of property, ethnic tensions, and community clashes are indeed noticeable factors of damage to national security. Recently and continuing, the nation has witnessed series of social/political crises and of late, are the challenges of kidnapping, armed banditry, Boko Haram, Herdsmen attacks, and a host of inter-community closes across different regions of the country.

Ayodele (2014) explicates that the Nigerian state is a violent institution and to the extent, a crisis generating mechanism, and repression, suppression, and intimidation are essential attributes of the colonial state. According to him, the situation is worsened by the nature of her federation described as hyper centralized and an untamed leviathan which relies on force and coercion, rather than on legitimacy, as a mechanism to rule. Nigeria is not a positive asset, unlikerobust federalism, which disperses the stakes in political competition and reduces the intensity of the struggle for total control.

He maintains that part of the challenges of the present democratic dispensation is the resurgence of inter-ethnic/state ethnic and ether-religious conflicts which have claimed many lives and still continue to erupt. This reveals the systematic collapse and inability of the security against to engender safety of lives and property. This insecurity situation has been heightened by long and protracted book haram terrorist attacks in some states like Borno, Adamawa, Nasarawa, Yobe, Ondo, Ekiti, Benue, among others. It is even spreading down south in the country, Coupled with Herdsmen/ host community confrontations and attacks, resulting in multiple deaths and destructions of public/ private properties in the country. Fourthly, economic management has occasional crushing poverty and resource agitations in the Nigerian state right from the attainment of political independence.

Ololeye (2014) bemoaned that the failure of many government ventures in Nigeria since independence to date has revealed the pattern of contrived mismanagement, misallocation, profligacy, recklessness, nepotism, corruption, and looting of the public treasury by the people in power. To him, public institutions have been converted and run down as personal and family estates. The mentality of the people in power is that the government would continue to give subventions while they continue to spend with the highest profiting without recourse to transparency and accountability.

Dauda (2019) in her inaugural argued that the major challenges facing the Nigeria economic sector include bad governance, lack of political will, infrastructural bottleneck, lack of conducive business environment, excessive population growth, inefficient public enterprises, volatility in foreign exchange earnings, corruption, mismanagement of public finance, low productive efficiency of the manufacturing sector, lack of consistency of Nigerian products, lack of a consistent framework for economic management, divergences, brain drain and chronic failure of economic policies. She adds that Nigeria has the potential to become Africa's largest economy and a major place in the global economy by virtue of its rich human and material resources endowment but much of its human resources potential has remained untapped.

Hence economic crises occurring in the country are due to mismanagement of the economy and lack of appreciable and progressive industrialization and overdependence on oil as the major source of revenue and these have made the country weak economically and externally dependent on other countries of the world. Infact, it is being alleged that the nation has gradually drifted into financial recession. This equally heightened the robbery cases, arm banditry, and other social vices in the country in recent times.

Finally, another source of socio-cultural crises in the body polity is identity and ethnic problems facing the country and it is an unending challenge to date. Jinadu (2004) underscores the ethnic phenomenon as the manifestation of ethnicity, the politicization of ethnicity, or the ethnicization of politics for competitive political purposes by political entrepreneurs. Its salience is due to the powerful symbolism of identity that springs and is embedded in the collective sub-conscious of members of ethnic groups in the marketplace, giving it social and political force, across time and space. It heats up the political space and sends waves of grievance and resentment that altogether heighten the problem of insecurity, poverty, and hunger (Nwangu, 2004).

Jega (2003) notes that the process of decomposition of the state, characterized by chaotic management of the economy, institutionalized, and the inability of the state to provide the basic socio-economic and security needs of the people was simultaneously accelerating the emergence of contending loci of power organized around identity politics. Noting that the crises of legitimacy which has engulfed Nigeria have forced citizens to increasingly retreat from their "Nigerian identity" which the post-colonial state had fought to promote, into communal ethnic, religious, and other forces of identities.

He argued that the goal of constructing a citizen with a solid "Nigerian" identity detribalized, secured, patriotic identity is elusive. This situation has not been helped with the state existing as an avenue for corruption, self-enrichment, and effectiveness in the provision of basic amenities to the country. In Africa, (Nigeria inclusive) ethnic and religious differences have resulted in the widespread violence and unrest that most African leaders who lack a popular political support base willingly exploited ethnic identities to further their political interests. In this wise, the pursuit of political office, personal ambition, and interest of political elites are framed in ethnic terms to mobilize ethnic solidarity (Emaka 2017). The has been the bane of socio-political development in Nigeria since the attainment of political independence and still manifesting daily in form of marginalization and domination by one ethnic group over others.

Conclusions and Recommendations

From the foregoing, the fact that Nigeria is faced with socio-political challenges is incontrovertible and these have impacted negatively and have critically hindered the needed advancement in the human condition as cherished by the sustainable development agenda of the United Nations.

We, therefore, recommend that effective steps towards arresting and political crises facing the nation will facilitate the achievement of sustainable development goals in Nigeria.

We concur with Falola (2019) that strategies to reforming governance development in Nigeria must include, enhancing political awareness in a multicultural society like ours must involve free mobilization, participation in election to governance criticism, there is need not only to create poli6tical awareness among the citizen but to ensure that this awareness is continuously sustained and yields positive result.

Secondly, reinforcing of the economy through diversification of the nation's source of revenue from the dependence on crude oil, which international market value is continuously depreciating. Countless resources should be harnessed and out of good economic boost, from agriculture to mineral resources such as coal, gold, and iron as these natural resources continue to be underdeveloped and the people live in extreme poverty due to the substandard economy and terrible government policies.

Thirdly, the promotion of social welfarism to ensure the well being of the citizens from the poor health care system, to lack of electricity, water, good roads, internal connection, accommodation, etc. Hence, the feeling of inclusiveness, loyalty, nationalism, which are central to is good governance can be achieved by attending to the essential needs of the people.

Fourthly, ensuring security by curbing political violence, inter-religious and ethnic uprising robbery, kidnapping, and terrorism among others. Security issues that threaten the peace of the people and the stability of society. Finally, efficient management of the government institutions, maintenance culture of facilities, infrastructures, amenities, services, etc. Management policies should be put into place to maintain public facilities and government infrastructures and an effective security network and ensure that safety a characteristic of good governance.

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EFFECT OF LEADER WORK-LIFE BALANCE ON CREATIVITY: A STUDY OF SELECTED BANKS IN OGBOMOSO

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Abstract

The main purpose of this study is to examine the relationship between a leader's work-life balance and creativity in five branches of commercial banks operating in Ogbomosho area. The study adopted a cross-sectional survey research design. Primary data were collected from the target population through copies of questionnaires for a sample size of 91 bank staff using a stratified random sampling technique. The data were analysed using Spearman's rank correlation analysis technique with the aid of Statistical Package for Social Science (SPSS, 20). The findings reveal that there is a positive relationship between leader work-life balance and creativity and statistically significant as shown with the p-value of 0.01. Therefore, the paper concludes that when a leader's work-life does not interfere with personal life, the leader's creativity skills would be enhanced. This paper recommends that there is a need for leaders of banks to systematically devise means to enhance their work-life balance to achieve better creativity in the work environment.

Keywords: Banks, Creativity, Efficiency, Leader work-life balance, Organizational productivity

1.0 Introduction

The rate of changes in the external business environment has created a need for leaders of organizations to be creative. This is because the key force that drives the success and competitive advantage of organizations is creativity (Amabile, Schatzel, Moneta & Kramer, 2004; Gumusluoglu & Ilsev, 2009). Creativity aids leaders in seeing things from new perspectives and finding a novel and more efficient combination of processes, products, and/or services. According to Amabile *et al* (2004), leader creativity can increase organizational productivity and efficiency. Creativity is also important as these behaviours indicate that a leader is optimally functioning and flourishing (Seligman & Csikszentmihalyi, 2000). Given the perceived importance of creativity, increased effort is being placed on leaders of organizations to establish policies and practices that will improve the creative abilities within organizations (Gilson & Shalley, 2014).

These policies and practices require leaders to be fully committed and motivated towards awaking their creative potentials. But a leader has two sides of life that require commitment: commitment to work and commitment to a no-work-life-like family. This dual role of a leader has been a challenge when trying to balance work-life. At work, the workload is very challenging for a leader; different critical meetings and activities going on at the same time with limited time at the disposal of the leader. Juggling priorities is always at the forefront. Work-life balance has been defined by Clark (2000) as satisfaction and good performance at work and home with the least amount of role conflict. Whenever there is a conflict between these roles, a leader becomes stressed, dissatisfied with the job, and lacks commitment.

In Nigeria, the banking sector has evolved gradually, commercial banks are very competitive and this has resulted in organization devising means of attracting prospective customers and retaining the existing ones to have a larger market share. To attain targeted market share, leaders have increased their opening hours, introduced more products, opened up more branches, and have adopted the latest IT Infrastructure. This has resulted in leaders staying long hours at work, having work overload, being transferred from one

branch to another, therefore, making leaders have a lot of work pressure and generating a culture of poor work-life balance making leaders becoming highly dissatisfied with their jobs. Banks could incur great financial losses caused by a leader's negligence as a result of stress.

Due to these challenges leaders face, some studies have been carried out on leader creativity to see their effectiveness. George and Zhou (2013) examined the role of leader emotional intelligence on leaders' creativity and found that leaders who are high on emotional intelligence help their followers be flexible in their information processing such that creative ideas are recognized as such and explored with enthusiasm. Amabile et al (2004) suggest that there is a link between leader intrinsic motivation and leader creativity and that extrinsic restrictions in the work environment operate as destroyers of intrinsic motivation and creativity at work.

Few or no studies have been carried out in Nigeria to ascertain the extent to which work-life balance affects leader creativity. Given this knowledge gap, this study intends to fill this gap and to also empirically examine the impact of work-life balance on leader creativity in the banking sector. By doing so, this study hopes to provide some useful insights for business organizations on promoting creativity through work-life balance.

Based on the problem statement above, the following research questions are raised:

i. To what extent has work-life balance interference with personal life affect the creativity skills of a leader?
ii. Does personal life interference with work-life affect the creativity skills of a leader?
iii. Does work enhancement/personal life enhancement affect the creativity skills of a leader?

The objectives of the study are:

i. To determine the level of work-life balance interference with personal life and creativity skills of a leader
ii. To examine the level of personal life interference with work-life affect creativity skills of a leader
iii. To assess the work enhancement/personal life enhancement and creativity skills of a leader.

2.0 Review of Related Literature

2.1 The Concept of Work-Life Balance

The term work-life balance gives rise to certain intricacies and ambiguities. First of all, work-life balance can be considered a highly subjective concept. There is no "one size fits all" method regarding the best work-life balance for a leader, as each leader has a different opinion on what represents the 'best' work-life balance for him or her. Greenhaus, Collins, and Shaw (2003) describe work-life balance as "the absence of unacceptable levels of conflict between work and non-work demands" indicating that when demands from the work and non-work domains are opposing, conflict may occur. Whereas the meaning of work may be somewhat narrowed down to "an activity involving mental or physical effort done to achieve a result" (Oxford dictionaries, 2012).

For instance, to earn a living, the term non-work demands in Greenhaus, et al. (2003)'s definition is quite broad and can mean anything except work. Due to these deficiencies, some authors are in agreement using the following terms interchangeably; work-home life balance or work-family life balance, or negative job-to-home spillover to limit the term 'life' (e.g. Guest, 2002; Hill, Hawkins, Ferris & Weitzman, 2001; Maume & Houston, 2001). Greenhaus, et al. (2003) in defining work-life balance, suggests three categories of balance: Time Balance – where time is divided equally between the different roles of a leader. Involvement Balance – where a leader has an equal psychological connection with both roles. Satisfaction Balance – where a leader derives equal satisfaction from both roles. But unlike the Greenhaus, et al. (2003) definition, Irfan's (2015) definition dispels the notion that an equal amount of time and gain concept by focusing on the idea that balance at work and in life can occur without spending the same amount of time in both roles. Irfan (2015) argues that an individual experiences balance when an individual experiences low levels of inter-role conflict in combination with high levels of inter-role facilitation. This research adopted the definition of Clark (2000) who sees work-life balance as the satisfaction and good functioning of a leader at work and home with a minimum of role conflict.

2.2 Dimensions of Work-Life Balance

Various researchers (Frone, 2002; Irfan, 2015; Liu, Gong, Zhou & Huang, 2016) have studied the

influences of different counteracting factors on work-family issues and proposed certain common dimensions for the work-life balance concept. According to them, the work-family imbalance could arise due to reasons originating either from work or family domains. The situation may be either work interferes with the resources allocated to the personal life (family domain) (WIPL) or personal life (family) interferes with the resources allocated to the work domain (PLIW). The origin of the third dimension of work-life balance namely work/personal life enhancement (WE/PE) may be traced back to Payton-Miyazaki and Brayfield (1976). They considered work as a socializing force whereby workers learn skills, values, expectations, social philosophies, and so forth; and the workers carry over these qualities to the family.

Later, Fisher (2001) also referred to WE/PE as the extent to which one's personal life is enhanced by work and *vice versa*. While studying work-family conflict, Greenhaus and Powel (2016) proposed that during situations of PLIW, greater demands from the family domain could utilise resources from the work domain leading to reduced performance in the work domain and the reverse effect occurs in the case of WIPL. In such situations, reallocation of resources across domains is the only probable way to combat the resource drains. Shaffer, Harrison, Gilley& Luk (2001) have further highlighted this concept by stating that in some situations, this might be accomplished by taking the time or energy one might have spent on recreational or community activities and pouring it into work. These types of issues are the basis for the arguments in favour of implementing work-life balance practices for leaders. On the other hand, Greenhaus and Powel (2016) have considered work and family as allies under certain situations and found that they enrich each other.

In such cases, experiences in one role may enhance the performance in or induce positive impacts in the other role, which was referred to as work / personal (family) life enrichment or enhancement (WE/PE) by Fisher (2001). Although work-life balance is a multifaceted construct (Fisher, 2001), its various facets are WIPL, PLIW, and WE/PE; WIPL and PLIW are closer in terms of work-family conflict. But, WE/PE improves work, personnel, and social satisfaction (Friedman & Westring, 2015). It may be concluded that work and family are interdependent domains and therefore, problems occurring in the work domain can affect the family domain and *vice versa*. Similarly, enhancement in one domain may enrich the other also.

2.3 The Concept of Leader Creativity

In today's highly competitive marketplace, one of the key factors of an organization's survival is its leaders' ability to generate new ideas or better ways of doing things (Mumford, Scott, Gaddis & Strange, 2002). Leaders' creativity and innovation have been recognized as important performance outcomes as they enable organizations to adjust to shifting environmental conditions and take advantage of opportunities (Shalley, Zhou, & Oldham, 2004). Successful organizations usually have a culture that encourages creativity and innovation at all levels of the organization and in all functions. Without creativity, the firm may become predictable. The predictable firm may be at a competitive disadvantage (Mishra & Singh, 2010). It is impossible to escape the reality that corporations must be creative to survive. Hence, to gain this competitive advantage, increased effort is placed on human resources department of organizations to establish policies and practices that will improve the creative abilities within organizations (Gilson & Shalley, 2014).

There are different answers to the meaning of creativity. According to Shalley, Gilson & Blum (2000), creativity is the construction, conceptualization, or development of novel and useful ideas, procedures, or processes. Creativity has also been defined as the ability to discern new relationships, observe subjects from a new point of view, and form new concepts from existing information (Pirola-merlo and Mann, 2004). Although the concept of creativity has been defined differently, nevertheless, many authors agree with Sternberg (2006) who maintains that there are five commonalities in the research of creativity around the world. First, leader creativity involves thinking that produces ideas that are comparatively novel and that are, in some respect, persuasive. Second, creativity has some specific and general elements that are related to a domain. That is to say, it needs some precise knowledge, but there are certain essentials of creativity that cut across different domains. Third, creativity can be measured to some extent.

Fourth, it can be developed and promoted; finally, leader creativity is not greatly compensated in practice, as much as it is in theory.

Additionally, creativity is viewed from two perspectives: creativity that is eminent and creativity that is seen in everyday life (Beghetto & Kaufman, 2015). Eminent creativity is the creativity exhibited by people with unusual talents, which can be creative without any education and help. The latter view refers to everyday creativity, meaning the ability of a leader to adapt to new situations. This study is centered on creativity that is seen in everyday life. This is because there is a certain agreement that everybody can be creative to some extent.

2.4 The measures of Leader Creativity

What are the ways to measure creative behaviours? What are the conditions for creative growth? It is well recognized by researchers that the most difficult part of evaluating creativity is to define how it would be operationalized. Creativity can be understood as a product, press or process, and person (Amabile, 2004; Runco, 2007) or as the interface among "ability, process, and environment" (Plucker, Beghetto, and Dow, 2004). Product includes the ideas expressed in the form of language or craft; process describes the mental processes that are working in creating ideas, which include preparation, incubation, illumination, and verification; press includes the relationship between a leader and his or her environment; person includes cognitive abilities, personality (Rhodes, 1961).

2.4.1 Creative skills

Creative skills include a mental process favorable to taking a new point of view on problems, an application of techniques (or "heuristics") for the exploration of a new cognitive path, and a working style conducive to the constant, energetic pursuit of one's work (Amabile, 2004). A leader's creative thinking depends on individual characteristics related to self-discipline, independence, tolerance for ambiguity, orientation toward risk-taking, firmness in the face of disappointment, and a relative lack of concern for social endorsement (Zhou & Shalley, 2003). However, creativity skills can be increased by the education and practice of methods to improve cognitive flexibility and intellectual independence (Amabile, 2004). These mental processes include the ability to use wide, flexible categories for synthesizing information and the capacity to crack out of perceptual and performance "scripts".

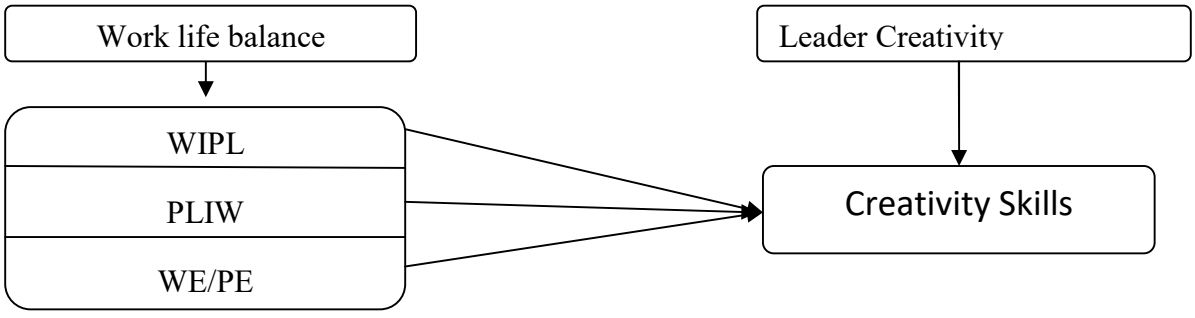
Based on the literature review, the following hypotheses were derived to realize the objectives of the study:

H_{01}: There is no significant relationship between work-life interference with personal life (WIPL) and the creative skills of a leader.

H_{02}: There is no significant relationship between personal life interference with work-life (PLIW) and the creative skillsof a leader.

H_{03}: There is no significant relationship between Work enhancement/personal life enhancement (WE/PE) and the creative skills of a leader.

2.5 The Conceptual Model



Fi*G. 1*.1 Source: Mathew& Panchanatham (2010)

Note. WIPL = Work-life interference with personal life; PLIW = Personal life interference with work-life; WE=Work life enhancement PE= Personal life enhancement.

2.6 Theoretical Review

Work-Life Balance Theories

While researching work-life balance, one comes across several theories that try to explain the notion of the work-life relationship. Parakandi and Behery (2016) advocate that there are five main models on the individual level which aid in understanding the issue of the work-life relationship. As a hypothetical model, the segmentation approach theorizes that work and non-work are fairly distinct domains, which do not have anything in common. However, no empirical support was found for this model, as it solely represents a theoretical possibility. By far, the most influential and researched theory represents the spillover approach. As the name already suggests, it proposes that work and non-work/home domains are interconnected in a sense that both domains can have a positive or negative (emotional or behavioral) influence on the other, despite the physical and temporal present boundaries. For instance, with regard to emotional spillover, happiness, or sadness at work lead to happiness or sadness at home. Complementary to the spillover approach is the compensation approach of work-life balance, which postulates that one environment has to rectify what happens in the opponent domain. For example, leaders who have an unsatisfying work life will try to engage in activities in their private life that enrich their satisfaction.

The instrumental theory posits that the two environments overlap in such a way that, actions in one environment help to render success in the other. The final theory, the conflict model is based on the assumption that when in both environments demands are high, decisions have to be made that can lead to conflicts and overloads. In response to the conflict perspective, Greenhaus and Powell (2016) developed yet another theory, which emphasizes and recognizes the positive effects of work to family role spillover. Particularly, in their 'Work-Family Enrichment' (WFE) theory, Greenhaus and Powell (2016) define work-family enrichment as the extent to which one's experiences in one role improves the quality of life in the other roles whereby quality of life can be captured by high performance and positive affect. They suggest that resources (i.e. skills and perspectives, psychological and physical resources, social capital resources, flexibility, and material resources) built up in either role (work role or home role) promote positive affect and high performance in the other role. This takes place by means of two mechanisms: Firstly, through the so-called instrumental path, resources generated in one role are directly transmitted to the other role thereby fostering high performance in the other role. Secondly, via the affective path (i.e. emotions and moods), a resource built up in one role can also generate positive affect within the same role, which in turn, leads to positive affect and high performance in the other role. As WFE can be considered as an extension of the spillover theory, particularly stressing positive spillover, WFE will be of particular importance in this study.

3.0 Methodology

This study adopted a cross-sectional survey design. The target population of the study consists of banks' staff in the selected banks in Ogbomoso. However, the accessible population of the study is made up of 105 staff of 5 selected banks operating in Ogbomoso. They include Bank A,Bank B,Bank C, Bank D, and Bank E. The sample size used in this study was mathematically determined by using the Yamane (1967) formula, given as $n = N / [1 + N(e)^2]$. To this end, the stratified random sampling procedure was used in selecting 91 staff inclusive of a 10% increase to take care of unreturned copies of the questionnaire.

Thus, the sample size for the study is 91. Primary data were collected from the research population through the administration of copies of a well-structured questionnaire. A total number of 91 copies of the questionnaire were administered by the researcher to the relevant bank staff. 87 copies of the questionnaire were found to be valid for analysis which gave a response rate of 96% useable copies of the questionnaire. The data set was analyzed using Spearman's rank correlation analysis technique with the aid of SPSS version 20. The employees of these banks were asked to rate their leaders on the study's variables. To operationalize the variables, this study relied on previously-validated scales. The specific measures are described below, along with the results of the calculation of Cronbach alpha coefficients for the various measures.

Work-life balance

For work-life balance, the study used Brett and Stroh's (2003) scale developed to survey work-life balance that operationalizes the construct from a

situationalist perspective, which measures work-life balance according to the respondents' point of view and overall satisfaction with variables related to work-life balance. It has an acceptable level of reliability (coefficient alpha .79). The variables were measured by the participants' responses to questions on a five-point Likert-type scale ranging from "strongly disagree" to "strongly agree."

Leader creativity was measured with a 13-item creativity scale developed by Zhou and George (2001). Cronbach's alpha coefficient in this study was 0.91.This study used tables and frequencies for descriptive analysis, while the Pearson correlation coefficient was applied for inferential analysis. This tool is considered appropriate because the study involved a test of linear relationship where data measured at an interval scale.

4.0 Data Presentation and Result

After sorting the data collected from respondents, 87 copies of the questionnaire were found to be valid for analysis.

4.1 Demographic characteristics

The demographic characteristics of the respondents are detailed in Tables 4.1 and 4.2.

Table 4.1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	32	36.78	36.78	36.78
	Male	55	63.22	63.22	100.0
Total		87	100.0	100.0	

Source: Authors computation (2020) using SPSS 20.

From the above table, 36.78% of respondents were male while 63.22% were female. The male members of staff are dominant in the sample.

Table 4.2: Length of stay in the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 3 years	11	12.64	12.64	12.64
	3-6 years	27	31.03	31.03	43.67
	7-10 years	39	44.83	44.83	88.5
	11-14 years	2	2.3	2.3	90.8
	15 years and above	8	9.2	9.2	100
Total		87	100.0	100.0	

Source: Authors computation (2020) using SPSS 20.

Table 4.2 revealed that all the respondents have stayed in the organization at one point in time. 12.24% of the respondents have stayed in the organization below 3 years. 31.03% of the respondents have stayed in the organization between 3-6 years. 44.83% of the respondents have stayed in the organization between 7-10 years. 2.3% of the respondents have stayed in the organization between 11-14 years while 9.2% of the respondents have stayed in the organization for 15 years and above.

4.2 Hypothesis Testing: As mentioned earlier, correlation analysis is going to be applied for testing the hypothesis.

H_{01}: There is no significant relationship between work-life interference with personal life (WIPL) and creativity skills.

Table 4.3: Correlations

			creativity skills	WIPL
Spearman's rho	creativity skills	Correlation Coefficient	1.000	-0.639**
		Sig. (2-tailed)	.	.001
		N	87	87
	WIPL	Correlation Coefficient	-0.639**	1.000
		Sig. (2-tailed)	.001	.
		N	87	87

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

Source: Authors computation (2020) using SPSS 20.

A Spearman's rank correlation was run to determine the relationship between work-life interference with personal life (WIPL) and creativity skills. The result shows a negative relationship (coefficient) between work-life interference with personal life (WIPL) and creativity skills, i.e. r=-0.64, which was statistically significant at P=0.01. Since the level of significance is less than 0.01, there is a statistically significant correlation between the two variables.

H_{02}: There is no significant relationship between personal life interference with work-life (PLIW) and creativity skills.

Table 4.4: Correlations

			creativity skills	PLIW
Spearman's rho	creativity skills	Correlation Coefficient	1.000	-.591**
		Sig. (2-tailed)	.	.001
		N	87	87
	PLIW	Correlation Coefficient	-.591**	1.000
		Sig. (2-tailed)	.001	.
		N	87	87

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

Source: Authors computation (2020) using SPSS 20.

The correlation between personal life interference with work-life (PLIW) and creativity skills is r = -.59. Hence, the second null hypothesis is rejected. The coefficient shows that there is a negative relationship between the leader's life interference with work-life (PLIW) and creativity skills. And since the level of significance is less than 0.01, there is a statistically significant correlation between the two variables as shown in table 4.4.

H_{03}: There is no significant relationship between work enhancement/personal life enhancement (WE/PE) and creativity skills.

Table 4.5: Correlations

			creativity skills	WE/PE
Spearman's rho	creativity skills	Correlation Coefficient	1.000	.9129**
		Sig. (2-tailed)	.	.000
		N	87	87
	WE/PE	Correlation Coefficient	.9129	1.000
		Sig. (2-tailed)	.000	.
		N	87	87

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

Source: Authors computation (2020) using SPSS 20.

From table 4.5 above, there is a positive correlation between work enhancement/personal life enhancement (WE/PE) and creativity skills, i.e. r = 0.91, with a p-value of .000 and therefore, statistically significant at 1 percent level. Since the level of significance is less than 0.01, there is a statistically significant relationship between the two variables.

5.0 Conclusion and Recommendation

The three hypotheses sought to examine the effect of work-life balance on leader creativity. The hypotheses were all tested using Spearman's rank correlation analysis technique. From the analysis on the tables above, all three hypotheses have shown a positive relationship between work-life balance and leader creativity. These findings may be explained by the fact that when leaders work life does not interfere with personal life, their creativity skills would be enhanced.These findings are consistent with the findings of Yadav & Dabhade (2013); Amabile et al (2004); and George & Zhou (2013). George & Zhou (2013) research concluded that "creative people are more autonomous, introverted, open to new experiences, self-confident, self-accepting, driven, ambitious, dominant, hostile, and impulsive and have a sense of well-being. All these factors are achieved through work-life balance".

Based on the result of the findings and conclusions, this study proposes the following recommendations:

1. Organizations should put in place work-life balance policies and programmes for their leaders to enhance their creative personality traits. This will in turn be beneficial to the organization and the individual.
2. There is a need for leaders of banks to systematically devise means to enhance their work-life balance to achieve better creativity in the work environment.

Suggestion for Further Research

This study was conducted in the banking sector; future researchers should consider the model developed for this research across other sectors. Additionally, the effect of the moderating variables could be investigated. More theoretical and empirical studies should be reviewed.

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EFFECT OF TRADERMONI ON MICRO ENTERPRISES' SURVIVAL

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Abstract

The purpose of TraderMoni, a microcredit scheme, has created the need to investigate its effect on its beneficiaries. This study examined the effect of TraderMoni on the entrepreneurial development of market women. The study employed a descriptive survey design. The population of the study was 3, 197,299 market women. A sample size of 300 employees was purposively chosen. The data were analyzed using ordinal regression. The results revealed that TraderMoni has a significant effect (β= 0.152, t= 2.041 and p= 0.0041) on inventory and a significant effect (β= 0.152, t= 2.6301 and p= 0.007) on business expansion of market women. The study also revealed that the effect of TraderMoni was more visible on business expansion. The study, therefore, recommends that the federal government should ensure that an initiative like this is enshrined in our constitution because this is one of the programmes by this government that has actually empowered and touched the poor masses financially or otherwise without knowing or having a connection with someone in government.

Keywords: Business expansion, Entrepreneurial development, Market women, TraderMoni

Introduction

Micro-enterprises have been identified as playing a significant role in fostering accelerated economic growth and stability within the Nigerian economy from the 1960s to date. However, considering the huge potentials of the SME sector and its immense contribution to sustainable economic development, it is still under-achieving in many developing economies (Ogundele, 2007). This can be attributed to hindrances in the sector influenced by various factors. These factors include unfavourable and very harsh economic conditions resulting from unstable government policies; gross undercapitalization, strained by the difficulty in accessing credits from banks and other financial institutions; lack of infrastructures; increased operating costs; corruption; and inadequate support for the SMEs sector by the system (Diyoke, 2014).

According to Durowoju (2014), studies have not fully investigated the role played by finance to develop entrepreneurial capacity. He maintained that entrepreneurial confidence is improved when he/she has an adequate fund for business diversification. Onuoha (2014) observed that inadequate capital, incompetent management, lack of technological and infrastructural facilities are the common problems among others that hinder entrepreneurial development in which market women partake in these challenges. Identifying and promoting women's entrepreneurship development demands more attention to be focused upon issues that restrict women entrepreneurs. Creating gender-based policies will enhance the implementation of programmes for assessing the challenges faced by women and supportive practices to best meet their needs (Idam & Egwu, 2014). The challenges of securing soft loans are overwhelming in Nigeria and any policy to address such issues would go a long way in enhancing entrepreneurial activities. It has even been suggested that SMEs in Nigeria are the catalysts of economic growth and development, as well as the backbone of the nation (Sendi, 2013). Tende (2014) believes that the support of the government in terms of grants, loans, and other forms of credit facilities will go a long way in enhancing the performance of SMEs in Nigeria and help them to meet their operational needs.

It appears that successive government policy has not targeted exclusively traders without collateral, which has been a major bottleneck in accessing loans in Nigeria to increase its performance which is in line with the Federal Government of Nigeria's goal of self-sufficiency. Government intervention for micro-enterprises in form of *TraderMoni* was targeted at women. The open nature of *TraderMoni* suggested that the loan process must be easy, collateral-free, and accessible because

most market women are not educated and much paperwork would have discouraged the exercise. Access to loans encourages entrepreneurs to effectively utilize them for economic benefits which consequently leads to economic growth and development. The kernel of this study, therefore, is to establish the effect of TraderMoni on the entrepreneurial development of market women in Lagos State.

The aim of the study is to examine the effect of *TraderMoni* on entrepreneurial development in market women in Lagos State. The specific objectives are to:

i. ascertain the effect of *Trader Moni* on the inventory of micro-enterprises owned by women, and
ii. examine the effect of *TraderMoni* on business expansion in micro-enterprises owned by women.

Research Hypotheses

In order to achieve the stated objectives of the study, the following null hypotheses were tested.

$H_0$1: *TraderMoni* has no significant effect on the inventory of micro-enterprises owned by women

$H_0$2: *TraderMoni* does not have a significant effect on the business expansion of micro-enterprises owned by women

Literature Review

Microcredit Scheme

Microcredit has to do with soft loans granted to small and medium scale entrepreneurs, farmers and artisans/craftsmen, and other menial enterprises to enable them to improve, produce, and procure their productivity and also increase efficiency. Okeke and Eme (2017) opine that accessibility to microcredit will facilitate the establishment of piggery, fish ponds, livestock farming, and cottage industries. Accessing microcredit could promote success in agriculture as well as exportation of the farm produce. The international year of microcredit was acknowledged on 18th November 2004 because of its importance. The Charter that established microcredit provides that the day should be observed by all United Nations members yearly with such a day characterized by events and national programmes aimed at promoting awareness on the importance of microcredit (Ogundele, 2007). There is no gainsaying that such yearly activities could enhance member nations to formulate programmes and policies which will foster access to funds. It also provides the opportunity to charter a new course of action for the accessibility of microcredit. Oseremen (2019) emphasizes the financial sector and strengthening the powerful but often untapped entrepreneurs' spirit existing in communities around the world. It is aimed at empowering the poor and the low-income earners by engaging them in profitable economic activities to live better lives and contribute to nation-building.

***Trader Moni* Initiative**

Microcredit model schemes have evolved over the years and this has not effectively reached the poor (target population) while mitigating the barriers to capital accessibility by the poor. The *TraderMoni* is a social investment programme introduced by the Buhari administration which is aimed at providing succour to businesses. *TraderMoni* is a programme in which wealth is invested in form of micro credits to lift majority of Nigerian small businesses out of poverty (Akpomujere, 2017).

TraderMoni as one of the social investment programmes focuses more on petty businesses that require very little capital to start up. Credit for *TraderMoni* is interest-free and collateral-free loans administered by the Bank of Industry on behalf of the Federal Government. According to Nwezi et al. (2019), the scheme aims at expanding the credit facility to 2 million Nigerians before the end of 2018. Under the scheme, beneficiaries can access N10, 000 interest and a collateral-free loan with a payback period of six months which will also qualify beneficiaries for the next phase of N15, 000 loan. Beneficiaries can get a maximum of N50, 000 on meeting the criteria which is majorly the ability to pay back previous loans within six months. By January 2019, the scheme had been inaugurated in 32 states and the FCT with 30,000 beneficiaries from each state (tradermoni.ng). The initiative intends to ameliorate the plights of 23 million Nigeria in petty trade businesses that are in dire need of capital to grow their businesses. These people rarely have bank accounts and this is usually not profitable to traditional lenders. They cannot access loans because of their lean finances and lack of collateral. Hence, they are prone to remain in the cycle of poverty.

Entrepreneur and Entrepreneurial Survival

Duru (2006) defined entrepreneurship as the process of identifying an opportunity related to needs satisfaction and converting it to a thing (product or service) of value. An entrepreneur is a person who carries out new combinations, causing discontinuity. The carrying out of new combinations can include new goods or quality of goods, a new method of production, opening of a new market, conquest of a new source of materials, or the reorganization of any industry (Schumpeter,1934). Hoselitz (1960) described an entrepreneur as one who buys at a price that is certain and sells at a price that is uncertain. Moreover, Leibenstein (1968) described an entrepreneur as one who Marshalls all resources necessary to produce and market a product that answers a market deficiency. Kirzner (1985) also described an entrepreneur as one who perceives profit opportunity and initiates an action to fill currently unsatisfied needs. Also, Bygrave and Hofer (1991) described an entrepreneur as one who perceives an opportunity and creates an organization to pursue it. Seeing an opportunity in an area motivates an entrepreneur to create a new venture in order to meet or close the gap in order to create goods and services.

According to Suleiman (2006), an entrepreneur is one who brings resources, labour, material, and other assets into a combination to make their value greater than before and also one who introduces changes, innovations, and new orders. According to Aruwa (2004), it is the ability that some people have to accept risks and combine factors of production to produce goods and services. It can also be seen as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identified opportunities. It can also be conceptualized to mean the process and activities undertaken by entrepreneurs directed at capturing value associated with business opportunities. It can be seen as a process driven by the desire to innovate, that is producing new things (goods and services; processes or approaches) or improving on existing ones and profiting from it. Suleiman (2006) defined entrepreneurship as the willingness and ability of an individual to seek investment opportunities to establish and run enterprises successfully. In addition, Ogundele (2007) defines an entrepreneur as an innovating individual, who initiates and nurtures to growth a new and ongoing business organization, where none existed before. Ubom (2003) defined an entrepreneur as an originator of profitable business ideas. Brush (2009) defines an entrepreneur as an individual who recognizes opportunities where others see chaos and confusion. An entrepreneur is a catalyst for economic change, which uses purposeful searching, careful planning, and sound judgment when carrying out the entrepreneurial process. Uniquely optimistic and committed, the entrepreneur works creatively to establish new resources or endow old ones with a new capacity, all for the purpose of creating wealth (Oseremen, 2019). Carland (1984) defines an entrepreneur as an individual who establishes and manages a business for the principal purposes of profit and growth.

An entrepreneur is one who organizes and manages a business undertaking, assuming the risk for the sake of profit. The entrepreneur evaluates perceived opportunities and strives to make decisions that will enable the firm to realize sustained growth (Pickle & Abrahamson, 1990). According to Diyoke (2014), the entrepreneur dreams invents, creates, and figures out how to convert an idea or dream into a profitable reality. The entrepreneur is an agent of change and societal hope for tomorrow. This is a person who demonstrates the capability to see and evaluate business opportunities, gather the necessary resources to take advantage of them, and initiates appropriate actions to ensure success. Market women are entrepreneurs simply because they participate in total entrepreneurial activities; they take the risks involved in obtaining financial resources in a unique way to take advantage of the opportunity identified in their immediate environment through the selling of goods. In the sense of entrepreneurship survival, the idea of the business is hinged on two ideas: first, the founders retain their entrepreneurial drive, preferring to continue at a particular point in time their effortful and active participation in their business ventures; second, amid challenging situations, impediments, counte rforces or enticing alternatives, they do so (Holland & Shepherd, 2013). Given the complexities of the idea, we considered two variables to measure entrepreneurship survival. These are inventory and business expansions. According to Ogundele

(2007), these variables reveal the extent to which the business can meet the needs of the customers and consistently respond to the dynamic environment.

Theoretical Framework

This study is hinged on Hengen's theory. According to Hengen's theory, economic growth is associated with the social and political changes and withdrawal of status respect. Tradermoni was a loan given to the people which the present government perceived as being low in status in the society. As a result of their status, financial institutions neglect this group in issuing out loans as a result of the collateral and informal sector in which market women operate. According to Ogundele (2007), finance is a major problem for entrepreneurs in Nigeria and the procedures for obtaining the needed funds are difficult for small and medium scale enterprises (SME). Diyoke and Ikechukwu (2014) added that government policies for entrepreneurship development have not been able to address the core problems hindering its development in Nigeria. They argue that until funds are made available to entrepreneurs at grassroots, the effect will not manifest in the entire nation.

Empirical Evidence

Robalo (2015) investigated microcredit and economic development: Entrepreneurship or self-employment in developed economies in Europe, using survey research design and regression analysis. The study concluded that although the microcredit and microfinance industry is young in Europe and there is still a long path to cover. The research conducted showed that microcredit is a promising sector that is growing and evolving rapidly. In previous years, microcredit and microfinance projects were mostly strict to promote self-employment through traditional activities. Nowadays, this reality is changing and the type of business created is increasingly adopting value-added features. According to Junejo (2009), the study investigates the successful strategies for the growth of SMEs business in Pakistan. The study highlights that SMEs play an important role in the business as well as the economy of the country. The study was conducted with 100 SMEs units by using a structured questionnaire as a tool for the measurement. The study revealed that different stages of SMEs required strategic planning and it was observed that most of the SME units are sick units in Pakistan because of lack of planning strategies. The study did not consider that the strategy might not work in a real-life situation.

Iliya and Achie (2016) studied to ascertain the role of the National Directorate of Employment (NDE) in entrepreneurship development in Nigeria with specific consideration of the Kaduna State office of the NDE and some entrepreneurs. Data for the study were sourced from both primary and secondary sources. Some findings were arrived at through a far-reaching recommendation made by the researcher. This research exposed some traits of entrepreneurs and also the efforts of the government to encourage young entrepreneurs to make good use of their training opportunities into securing jobs or loans to achieve productive self-employment. The study was able to identify the traits of an entrepreneur that will aid in achieving success but it did not emphasize other traits that will reduce the performance of an entrepreneur.

Moreover, Oni and Daniya (2012) studied how small and medium scale enterprises constitute essential ingredients in the lubrication and development of any economy, and how government policies aimed at developing Small and Medium Scale Enterprises policies actually failed due to poor implementation. They identified efforts made in the past to identify the role of Small and Medium Scale Enterprises in the development of Nigeria's economy, its problems and prospects which created a vacuum on the role of government and other financial institutions in the development of small and medium scale enterprises. They recommend, among others, a further establishment of microfinance institutions to serve the grassroot financial needs, sensitization of the general public on how to access funds for SMEs development; public-private partnership should also be encouraged: the financial muscle of the financial institutions must be geared up to meet the financial need of SMEs in their respective locality.

Methodology

This study adopted a descriptive survey approach to examine the effect of *TraderMoni* on the entrepreneurial performance of market women in Nigeria. In line with the study of Sofoluwe, Shokunbi, Raimi & Ajewole (2013), this design is appropriate in testing the relationship between the different components and variables of *TraderMoni*

and market women entrepreneurial Performance in Lagos State. The population of this study includes all microenterprises in Lagos state. This is because *TraderMoni* was disbursed directly to market women in the country and the need for evaluating its performance arises. The choice of Lagos was influenced by the fact that it is the commercial hub of Nigeria and the credit was distributed in five markets in Lagos state compared to other states (*TraderMoni*, 2019). According to SMEDAN (2019), there are 3, 197,299 market businesses. The purposive sampling technique was employed in this study. 300 market women who took *TraderMoni* loans for entrepreneurial activities were purposively selected. The sample size was divided equally among the five markets, namely Agege, Ikotun, Mushin, Ketu, and Abule Egba. The performance scale used in this study is encouraged by the findings of Sendi (2013) and assumes that market women can perform better if the fund is readily available to them.

A well-structured questionnaire on a five-point Likert-scale was used to access the entrepreneurial performance of market women. The questionnaire was self-administered. The Cronbach's Alpha theory was employed to test the reliability of the instruments of the study as recommended by Nunnally (1978), that an alpha coefficient higher than 0.7 shows the acceptable reliability of research instruments. But George and Mallery (2003) suggest a continuum for assessing reliability based on Cronbach's Alpha (α): (i)α greater than 0.9 Excellent (for High-Stakes testing); (ii) α 0.8 to less than 0.9 Good (for Low-Stakes testing); (iii) α 0.7 to less than 0.8 Acceptable (for Surveys); (iv) α 0.6 to less than 0.7 Questionable, (v) 0.5 to less 0.6 Poor, (vi) α less than 0.5 Unacceptable. The results of the first and second pilot study were correlated. To determine the validity, the Cronbach alpha's pre-test would also be run on the instruments before their final administration, a **s**tructured questionnaire was used to collect the data; the 300 questionnaires were self-administered. The researcher sampled the various markets in order to get the maximum number of sample size. The reason is that the total sample size is not located in one market. A total of 300 questionnaires were distributed and out of that, 265 questionnaires were returned and analyzed. This gave a percentage respondent rate of 88.3%. This percentage was rated as very good. According to Mugenda & Mugenda (2003), a response rate of 50% is adequate, 60% is good and 70% and above very good. Based on the above, the response rate was very good.The collected data were analysed using simple regression. The choice for this analytical tool is hinged on the study of Sendi (2013). The result was compared with those of previous studies carried out in this area to evaluate the consistency of findings.

Model Formulation

ENTERACT = f(TRmoni+ U)

Where:

ENTERACT= Entrepreneurial Activities

Trmoni= TraderMoni

U = Error term

β_0 is the constant term

β1 is the coefficient estimator

Based on the study of Agwu and Eneti (2014), it is expected that there will be a positive relationship between *TraderMoni* and women's entrepreneurial development.

Results

Hypotheses Testing

Table 1: *TraderMoni* has no significant effect on market women's inventory.

	Inventory				
Variable	B	SE	β	t-stat	P
Trader Moni	0.171	0.075	0.152	2.041	0.041
R^2		0.0231			
F		6.815** (p=0.024)			
Collinearity Statistics		1.109			

Source: Author's Computation (2020)

The result shows that there is a relationship between *TraderMoni* and the inventory of micro-enterprises owned by women. The unstandardized Beta shows that for every 1 unit increase in the disbursement of *TraderMoni,* women entrepreneurship development increases by 0.171. The standardized Beta (β) shows that there is an upward movement relationship between *TraderMoni* and the inventory of micro-enterprises owned by women. It shows the direction of the relationship to be strong at 0.152. The result indicates that there is a variation of 2.3% in inventory availability is caused by the *TraderMoni* disbursement (R^2 = 0.231, p=0.000). 97.7% variation in inventory is determined by other factors. The t-statistics value (t= 2.041, p=0.041) reveals that *TraderMoni* is a statistically significant predictor in determining inventory availability. The F-statistics result shows the value F=6.815**, p=0.000.This establishes that *TraderMoni* has *a* significant effect on the inventory of micro-enterprises owned by women. Therefore, the null hypothesis is rejected.

Ho2: TraderMoni does not have a significant effect on market women business expansion

Table

Business Expansion					
Variable	B	SE	β	t-stat	P
Trader Moni	0.095	0.073	0.192	2.6301	0.007
R^2		0.037			
F		11.315** (p=0.000)			
Collinearity Statistics		1.119			

Source: Author's Computation (2020)

The result shows that there is a relationship between *TraderMoni* and business micro enterprises owned by women. The unstandardized Beta shows that for every 1 unit increase in the disbursement of *TraderMoni*, women entrepreneurship development increases by 0.095 increase in business expansion. The standardized Beta (β) shows that there is an upward movement relationship between *TraderMoni* and the business expansion of micro-enterprises owned by women. It shows the direction of the relationship to be strong at 0.192. The result indicates that there is a 3.7% in business expansion which is caused by the *TraderMoni* disbursement (R^2 = 0.536 p=0.000). 96.3% variation in business expansion is determined by other factors. The t-statistics value (t= 2.6301, p=0.007) reveals that *TraderMoni* is a statistically significant predictor in determining business expansion. The F-statistics result shows the value F=11.315**, p=0.000.

This establishes that *TraderMoni* significantly affects business expansion of micro-enterprises owned by women. Therefore, the null hypothesis is rejected

Discussion

The study examined the effect of *TraderMoni* on the entrepreneurial development of market women in Lagos State. The first objective was aimed at establishing the effect of the *TraderMoni* on inventory in micro-enterprises owned by women. The result reveals that *TraderMoni* significantly (t= 2.041, p=0.041)) influences inventory availability in micro-enterprises. This is consistent with the findings of Adebayo (2015), who established a micro-credit scheme capacity to influence entrepreneurial activities. The result also established that 42.2% variation in inventory is influenced by *TraderMoni*. The second objective was to determine the effect of *TraderMoni* on the business expansion of micro-enterprises owned by women. The result indicates that there is a variation of 53.6% in business expansion owned by caused by *TraderMoni*(R^2 = 0.536, p=0.000). 46.4% variation in business expansion of micro-enterprises owned by women is caused by other factors. The t-statistics value (t= 2.6301, p=0.007) reveals that *TraderMoni* is a statistically significant predictor in determining business expansion of micro-enterprises owned by women. The F-statistics result reveals the value F=11.315**, p=0.000. Therefore, the null hypothesis was rejected. The findings of the study corroborate the study of Oluremi & Gbenga (2011). It can be inferred that, in performing entrepreneurial activities, women should appreciate micro-credit schemes such as

TraderMoni which will enhance their business expansion.

The study reveals that through *TraderMoni*, market women who operate micro-enterprises are enabled to fulfill their basic needs, hence vulnerability has been reduced. Furthermore, *TraderMoni* can enhance the expansion of business of the market women and enable them to stock wide varieties of goods. Therefore, the provision of sufficient funds could advance the creation of a new class of small entrepreneurs leading to the expansion of the middle class and a wider distribution of income is possible if the *TraderMoni* scheme is expanded.

It has been noted that through *TraderMoni* the productivity capacity of micro-enterprises owned by women has improved as a result of the ability to acquire equipment, quality inputs, and easier access to infrastructure. It is worth noting that *TraderMoni* provides better access to credit than traditional banks. There is a need for the Nigerian government not to use the *TraderMoni* scheme as a vote-buying initiative for the elections but rather doing what they felt is needed to be done in empowering the petty traders and artisans looking for a means to access loans to upgrade their businesses. The federal government should ensure that an initiative like this is enshrined in our constitution because this is one of the programs by this government that has actually empowered and touched the poor masses financially or otherwise without knowing or having a connection with someone in government. The federal government as a matter of urgency should ensure that the scope of *TraderMoni* scheme is increased to encompass other locations not recognized presently where petty traders are found in each of the states.

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MACROECONOMIC FACTORS ANDMANUFACTURING SECTORS' GROWTH IN NIGERIA

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Abstract

This paper acknowledged the significance of the economic situation on the growth of manufacturing companies in Nigeria. The paper evaluated the relationship between trade balance, interest rate, the exchange rate (independent variables), and manufacturing sector's (dependent variable) growth in Nigeria, and assessed the effect of the independent variables on the dependent variable. In order to achieve these objectives, secondary data on Nigeria's trade balance, interest rate and exchange rate and manufacturing sector's' contribution to Gross Domestic Product from 1999 to 2019 were purposively extracted from the Central Bank of Nigeria's (CBN)'s Statistical Bulletin–2016, 2017, 2018, 2019, and United Nations Conference on Trade and Development's World Investment Report - 2018. Trend analysis, Regression analysis, and Pearson Product-Moment Correlation Coefficient were utilized for data analysis, while Analysis of Variance (ANOVA) was used to test hypotheses. The results revealed that there was a very weak and negative correlation between the manufacturing companies' growth and trade balance and interest rate, with the value of R = -.104 and -.057 respectively. The result, however, disclosed that there was a strong and positive correlation between manufacturing companies' output and exchange rate, with a correlation value of .897. The level of significance of 0.000was attained which was less than 0.05. Therefore, the study concluded that trade balance, interest rate, and the exchange rate had a significant effect on the manufacturing company's growth in Nigeria from 1999 to 2019. The study recommends that some intensive policies and efforts be made to enhance Nigeria's trade balance, interest rate, and exchange rate, with the purpose of propelling the manufacturing sectors' growth and development, which can trigger the development of the whole country.

Keywords: Companies, Economy, Exchange Rate, Gross Domestic Product, Interest Rate, Macroeconomic, Manufacturing Sectors, Trade Balance

Introduction

There is no doubt that the state of a country's economy has an effect on the performance of its firm. A business environment has a lot of factors or a combination of numerous factors (tangible and intangible) that make available the lifeblood for the company's' success via the provision of a market for its products and services, and serving as a source of resource to others (Owolabi, 2017). These factors influence, affect, or determine the performance or operations of a business. Hence, a business environment can determine what a business firm is likely to accomplish. When the economy of a nation is good, majority of shareholders and investors expect that firms would perform well, and therefore, shareholder's wealth would be maximized (Owolabi, 2017). Every business environment comprises macroeconomic factors (exchange rate, interest rate, trade balance, among others) that affect businesses and are used to measure a nation's economy. The exchange rate, for example, plays a key role in economic transactions internationally because no country can remain in autarky as a result of fluctuating factor endowment (Enekwe, Ordu & Nwoha, 2013). Thus, the goal of all economies is to have a stable exchange rate with their trading partners.

One of the factors within the business environments that affect the business is the exchange rate. Akinmulegun and Oluwole (2014) stated that the capital intensiveness of the manufacturing sector which leads to the use of advanced technology (purchase and use of capital equipment) has made the manufacturing sector in Nigeria to be tied to foreign exchange earnings. Meaning that, when the exchange rate of Nigeria's currency (Naira) is weak against the currency of the industrialized countries where these materials and equipment for production are imported from, the cost of purchase becomes so exorbitant that it goes beyond the affordability of the local industries except the very large industries. This

results in a huge cost of production, inability to meet up with local demands, and cost of purchase of the production output. The fluctuation in oil price resulted in the rise of the exchange rate, which in turn affected the production industry (Ayadi, 2005).

Economy is the relationship between the supply of money and production made in a specific country or region (Oxford Advanced Learner's Dictionary). Macroeconomic factors are factors within the economy whose changes can pose positive or negative effects on the economy. Exchange rate is the price of one country's currency expressed in terms of another country's currency (Black, 2003). It may be expressed as a real exchange rate or nominal exchange rate. The nominal exchange rate is a monetary concept that measures the relative price of two money, for example, Naira in relation to dollar, the real exchange rate is an actual concept that measures the value of diverse countries' products (Black, 2003). An exchange rate system can be allowed to fluctuate with no central bank or government action to keep it stable or fixed - the exchange rate of a country remains constant or stays within some small margin of fluctuation around a constant par value. Naiguta (2015) referred to exchange rate fluctuation as a situation in which a nation's real exchange rate diverges from an unobservable balance with regards to another currency. He further stated that an exchange rate is said to be undervalued when it depreciates more than its equilibrium and overestimated when it appreciates more than its equilibrium. Exchange rate fluctuation takes place when there are changes in the value of one currency against another currency as a result of several economic factors. Keynes (1936) stated that a nominal interest rate is a monetary phenomenon, which can be determined by the interaction between money demanded and supply. Thus, relating to the standard Keynesian analysis, the interest rate is determined by the interaction of the supply of money and demand for money. Meanwhile, trade balance refers to the value of exported goods minus the value of imported goods (Statista, 2018). Trade balance surplus refers to a positive trade balance when exports are greater than imports, and the trade deficit arises when exports are less than imports (Bonga, 2018). The business dictionary defined manufacturing as the process of converting raw materials, components, or parts into finished goods that meet a customer's expectations or specifications. Ekpo (2018) referred to the manufacturing sector as the guaranteed and direct path to lasting economic development in a country, particularly for developing countries because the manufacturing sector has the key to unlock a nation and change it from a static and subsistent economy to a dynamic and self-reliance one. Schumpeter (1936) defined growth as a gradual and steady change in the long run which comes about by a gradual increase in the rate of savings and population.

Several studies have been carried out on the effect of exchange rate on economic growth, the interest rate on economic growth, exchange rate fluctuations on economic activity, foreign exchange rate fluctuations on export earnings, exchange rate influences on country's import and export, exchange rates, international trade and trade policies, the exchange rate on the balance of payment, trade deficit on the economy. A few studies have been carried out on the effect of the exchange rate, interest rate, and trade balance on the manufacturing sector in Nigeria. Most of these studies used only one microeconomic factor (foreign direct investment, inflation, among others) to represent the economy. Very few of the studies used more than one economic factors like inflation, imports, Foreign Direct Investment (FDI)on manufacturing companies, among others. This study apart from using a combination of three macroeconomic factors (exchange rate, interest rate, and trade balance) to represent the economy, used the manufacturing companies' contribution to GDP rather than using the foreign direct investment on the manufacturing companies to represent the manufacturing companies' growth. The reason is that the manufacturing companies' contribution to GDP over time, reveals the extent of growth of the companies rather than the money invested in the company. This study, therefore, focused on assessing the relationship between trade balance, interest rate, exchange rate (independent variables) and manufacturing sector's (dependent variable) growth in Nigeria, and the effect of the independent variables on the dependent variable. The theory underpinning this study is system theory. Cited in Ikelegbe (1996) and Makinde (2003), the system's theory is founded on David Easton's systems framework for analyzing a political system. The theory states that political

activity encompasses the environment, the political system, and output. The environment consists of dispassionate conditions, and forces that produce inputs in form of demand into output. The feedback could be positive or negative. This theory is related to this study because manufacturing companies do not operate in isolation. They operate within the entire economy which is made up of several political, technological, and economic factors (foreign direct investment, trade balance, inflation, interest rate, exchange rate, gross domestic product) among others, which affect the manufacturing companies and which in turn is affected by the manufacturing companies.

2. Literature Review

2.1 Effect of Exchange rate, Interest Rate, and Trade Balance on the economy

The fluctuations in exchange rate may have a negative effect on exporters and trend economic growth by discouraging companies from taking part in innovation, trade, and investment. It may also deter firms from entering the export market. Thus, a high exchange rate decreases the earnings received by exporters while a low exchange rate level increases the earnings received by exporters and improves export earnings. This could eternally move resources to non-tradable sectors if companies are shelved from export markets by a high and fluctuating foreign exchange rate (Kiptui, 2007). The instability of exchange rate still remains in Nigeria and this instability can be traced to the structural adjustment programme (SAP) of 1986 (Opaluwa, Umeh & Ameh, 2010), and in spite of several steps taken by the Nigerian government to maintain a stable exchange rate over the years, the exchange rate keeps fluctuating (Enekwe, Ordu, & Nwoha, 2013). Rodrik (2008) stated that economists have pointed out a long time ago that, if exchange rate is poorly managed, it can be damaging for economic growth (Akpan & Atan, 2010), and opined that, generally, fluctuations in exchange rate may probably determine the performance of economic consumption. When there is fluctuation in the prices of exports, like the fluctuation in oil price, this would result in the rise and fall in exchange rate which in turn would affect the production industry. A rise in oil price would mean an increase in the inflow of currency into the exporting country (like Nigeria) and this would increase the value of Naira and reduce the exchange rate between Naira and Dollar and vice versa. This fluctuation in exchange rate affects the prices of materials used by manufacturing firms and the activities of the manufacturing firms in general. On this note, Ayadi (2005) opined that the fluctuation in the oil price resulted in the rise of exchange rate, which in turn affected the production industry. When there is a deficit in balance of trade in a country, just like the situation in Nigeria, the exchange rate of that country's currency against those with surplus will be high (to the disadvantage of the country with deficit balance of trade).

Interest rate relative to marginal efficiency of capital affects the demand for investment. Keynes (1936) stated that interest rate may be determined by the relationship between money supply and money demand, while interest rate on its own can influence money demand, via the influence on investment demand. Moreover, Modebe and Ezeaku's (2016) study disclosed that interest rate has a negative and non-significant effect on the manufacturing sector's growth in Nigeria. When interest rate is high, it is difficult for investors to borrow money from the banks. People will have no adequate capital to invest in the manufacturing sector and low investment would reduce the activities in this sector and reduce the growth and development in the sector.

Abbas (2013) explained that trade deficit takes place when the value of the imports in a country is higher than the value of its exports, while trade surplus is the opposite of trade deficit. This means that trade balance occurs when the value of a country's imports is equal to its exports. He, however, stated that the government finds it difficult to manage the balance of trade payment and affirmed that if a country experiences trade deficit, its home currency against its foreign currency is weak and this makes the imports of services and goods to be more expensive as compared to exports and may result in the devaluation of the home currency.

2.2 Importance of the Manufacturing Sector to the Economy

The manufacturing sector is the main determinant of the characteristics of industrialization, economic growth, development, and real growth of any economy (Adejugbe, 1995; Naude and Szirmai, 2014). This sector in any economy helps to reduce unemployment rate, poverty, upturns standard of

living, makes quality jobs available, and aids in attaining structural transformation of a traditional economy that is dominated by primary activities into a modern economy with high productive activities. The manufacturing sector serves as import-substituting industry, increases government revenue through tax, assist in infrastructural growth, creates foreign exchange earning capacity, makes available ready market for intermediate goods, improves manpower development, and raises Gross National Products (GNP) (Aderibigbe, 2004; Ademola, 2012; Naude and Szirmai, 2014; Rasaq, Adijat and Abubakar; 2017).

An improvement in the manufacturing sector can change a nation's economic structure, increase government's revenue, and increase the contribution of the sector to the Gross Domestic Product (GDP) and foreign exchange earnings (Ekpo, 2018). In addition, it aids in the development of local industrial technology; increasing local sourcing of raw materials; creating jobs and reducing unemployment rate and poverty, therefore, leading to a higher real per capita income. Thus, every other sector of the economy revolves around the manufacturing sector by either providing inputs for production or making use of the manufactured products. This means that the manufacturing sector has forward and backward linkages with the other sectors of the economy, therefore, the sector has a high multiplier effect on every other economic sector in a nation (Ademola, 2012; Naude and Szirmai, 2014; Rasaq*et al*., 2017).

2.3 Factors that contribute to the low performance of the manufacturing sectors in Nigeria

Onayemi (2003) and Ku, Mustapha, and Goh (2010) stated that the factors impeding the growth and development of the manufacturing sector in Nigeria is over-dependence on oil for income. While Ku*et al.* (2010) added weak infrastructure, lack of adequate financial resources, lack of proper management and planning, and shortage of skilled labour. The manufacturing sector in Nigeria still uses old technology, there is a need for them to adopt more advanced energy-efficient technological devices and techniques (Adenikinju and Alaba, 2000). Alli (2009)studied the more current performance of the Nigerian manufacturing sector by surveying the results of a study conducted in 2007 by the Manufacturers Association of Nigeria (MAN). The survey revealed that only a little percentage of manufacturing companies (10%) are operating at a sustainable level, and as much as 60% will shut down or have already shut down after facing numerous sequences of financial and other kinds of crises. Malik, Teal and Baptist (2004) revealed that, in a survey directed by UNIDO's Centre for Study of the African Economy, technology usage levels and skills are not very satisfying in the Nigerian manufacturing sector. The sector is not opened to welcoming adoption and usage of new technologies and skills due to inadequate investment in the sector (unwillingness of investors to invest money in the manufacturing companies), therefore, this has resulted to stagnation and negative effect on their efficiency. The firms remain on a lower scale because they are not able to compete on a larger scale.

A study conducted by Havrylyshyn (1990) enumerated some of the other foremost factors that pose as hindrances to performance and high-quality growth of the manufacturing sector in Nigerian. These factors include government's unwillingness to support and promote the growth of the manufacturing sector, and investors in the manufacturing sector are faced with an unfriendly business environment occasioned by past imprudent trade-related government policies that resulted in negative impact on investment-related operations and whose damage cannot be easily repaired.

Mazumdar and Mazumdar (2003) stated that the effects of the trade restrictions resulting from the oil price crisis were clearly observed in the form of a 25% decline in the real output of the manufacturing sector from 1982 to 1986. Although the annual growth rate of the Nigerian manufacturing sector was 15% between 1977 and 1981, the government trade restriction measures resulted in the succeeding sharp decline in the growth rate of the sector (Mazumdar & Mazumdar, 2003). The share of the manufacturing sector in the total GDP of the country also clearly declined during this era. In 1977, there was a 4% increase recorded in the manufacturing sector share in GDP and this reached the level of 13% in 1981, but after that, it declined to less than 10% in just a few years. Mazumdar and Mazumdar (2003) and Adenikinju and Chete (2002)

concluded that insufficiency and unavailability of spare parts and raw material required to operate manufacturing companies in Nigeria were among the main factors that led to the decline in the growth rate of the sector, particularly after 1981. Likewise, Adenikinju and Chete (2002) revealed that the increased Nigerian government's interference in various issues related to the manufacturing industry limited the role of the private sector in the industry. Hence, private manufacturers' participation in the sector is very low with regards to manufacturing output.

Alos (2000) concluded that the performance of the manufacturing sector has been very unreliable, and close to being chaotic for many years. The researcher listed low rate of capital utilization as one of the hindrances to the development of the sector. He further stated that, in the manufacturing sector, there is a high degree of underutilization of resources and only 30% to 40% of the capital is being utilized by the sector due to "frequent power outage, lack of funds to procure inputs, fall in demand for manufactured goods, and frequent strikes and lockouts". He observed that, although developing countries are speedily adopting new technologies so that they can obtain higher productivity and revolutionize their manufacturing industry, the manufacturing companies in Nigeria are still not engaged enough in the acquisition of modern machinery. Therefore, they are still depending on the same old methods and use of outdated types of machinery that were introduced to them as far back as in the 1960s and 1970s. Hence, this stubborn and stagnant mindset highly limits the future growth of the sector. Nishimizu and Robinson (1999) on the other hand stated that the Nigerian manufacturing sector has been in need of reform for several years as the sector has not been able to support the economy of the country as a result of lack of private sector's friendly policies so that the manufacturing process cannot be aided by the private sectors which can make better the capacity utilization in the sector. The researchers, therefore, advised that there is a great need for several reforms in the related sectors in manufacturing, as the power sector. They explained that if the power sector starts to progress effectively (if there is constant power supply), the manufacturing sector will also perform well with its support. Likewise, they stated that other infrastructural facilities (the railways, roads, and other communication systems, among others) are also required to effect the improvement of the manufacturing sector.

Talabi (2003) provided some reasons for the low performance of the manufacturing sectors. These reasons according to him include the by-products of policies and strategies that have been in practice for many years. He, therefore, advised that the government needs to focus on the formulation of an equipment-leasing law that will work to improve the weak infrastructure of the country. This would give the manufacturers the will and stimuli to manufacture high-quality products. He further pointed out that there must be good management of funds by the management of the sector, and donations in a suitable manner to help manufacturing activities of the sector. He opined that several of the financial facilities and funds made available by the international and regional financial and trading institutions like the World Bank and the African Development Bank (ADB) are grossly mismanaged at the national level, in consequence, the fruits of the funds do not reach the manufacturing sector.

Anyanwu (2000) related the decline in the performance level of the manufacturing sector to the collapse in the world oil market in the early 1980s and the elongated economic recession that resulted from this decline. He stated that this decline reduced the foreign exchange earnings of Nigeria and led to a decline in the growth of the manufacturing sector. He further stated that the introduction of the Structural Adjustment Programme (SAP) in 1986 was anticipated to bring an improvement to the situation. However, no noteworthy improvement was observed. Instead, the Structural Adjustment Programme (SAP) worsened the economic situation in Nigeria. The programme "turned out in Nigeria to be a remedy not for economic revival but decline and attainment of equilibrium at a lower level" (Ishola, 2004). Ijaiya (1998) maintained that since the global economic crisis of 1980s and the initiation of SAP in 1986, Nigeria has been tormented with numerous economic problems that have raised the hardship and level of poverty of the people. SAP caused the cost of domestic production to go very high. The much-expected surge in foreign investment was not realized and the economy became severely battered. From a middle-income nation in the 1970s and early 1980s, Nigeria is

today among the poorest nations in the world (Ademola, 2012).

2.4 Empirical Review

Mlambo (2020) carried out a study on exchange rate and manufacturing sector's performance in SACU states. The Southern African Customs Union (SACU) encompasses four small members including Botswana, Lesotho, Namibia, Swaziland (BLNS), and South Africa. Panel data for the period of 1995 to 2016 was used in the study*. The result of the study revealed that* manufacturing in SACU countries is hindered by structural limitations like exchange rate and some other factors, and imports, Foreign Direct Investment (FDI) and exchange rate had a negative relationship with manufacturing performance, while inflation and exports had a positive relationship with manufacturing performance.

Falaye, Eseyin, Otekunrin, and Asamu's (2019) study on the impact of exchange rate on the manufacturing sector in Nigeria used panel data that spanned over a period of 25 years (1990-2014). Capacity utilization rate, imports, inflation rates, exchange rates, were used as independent variables, while the manufacturing sector's foreign direct investments were used as dependent variables. Error Correction Model, Granger causality test, Johansen co-integration test, and Unit Root test were used to test for stationarity, short and long-run equilibrium relationship, causal relationship, and long-run relationship, respectively. The result of the study revealed that the manufacturing foreign direct investment (MFDI), exchange rate, and Naira devaluation imports (IMP) had a negative effect on the Nigerian manufacturing sector's performance, while inflation rates (INF) and capacity utilization rates (CUR) had a positive and significant relationship with the performance of the sector.

Bonga (2018) investigated trade balance analysis in Zimbabwe: Import and export examination using vector Auto-Regression Model. The study used the trade balance data from 1980 to 2017 The study revealed a general rise in both imports and exports, ADF unit root tests were applied to time series data, and variables were found to be integrated of order one. Imports have been found to Granger cause exports while exports Granger cause imports as well. Johansen cointegration test revealed that imports and exports are cointegrated, nevertheless using the VAR model, the error correction term was insignificant, discarding the existence of a long-run relationship. Exports levels were also affected by its past values and past values of imports significantly. Imports were affected by historical exports significantly.

Moyo & Le Roux (2018) carried out research on interest rate reforms and economic growth: The savings and investment channel in SADC from the period 1990-2015. Three hypotheses were formulated in the study. The first one examined the effect of interest rate reforms on savings, the second one analysed the influence of savings on investments, whereas the third one determined if investments have a positive effect on economic growth. The Pooled Mean Group (PMG) estimation technique and ARDL bounds tests were used to analyse data in individual countries in order to test for cointegration. The results revealed that cointegration was noticed in most countries for every one of the three specifications. In addition, interest rate reforms had a positive effect on economic growth via investments and savings.

Hambur and La Cava's (2018) study on whether interest rates affect business investment or not, with evidence from Australian Company-level, assessed the dispersal of rates of borrowing paid by companies and the relationship between fixed capital investment and corporate borrowing rates. A unique hand-collected dataset was used to collect data. The findings revealed a high degree of heterogeneity in companies' cost of debt. In addition, since the world-wide financial crisis, the spread between the rates paid by companies at the bottom and top of the dispersal has broadened. Also, the rate of borrowing for a huge portion of companies including smaller and riskier ones has been presently high in recent years, notwithstanding falls in aggregate indicators of interest rates. This heterogeneousness in the rates of borrowing aided in finding a significant converse relationship between the cost of debt and corporate investment, which is commonly not evident in aggregate data. However, this relationship may be as a result of credit supply effects, as a relaxation of lending standards which results in lower spreads of credit and inspires more investment.

El-Seoud (2014) carried out research on the effect of interest rate, inflation rate, and GDP on national savings rate in the kingdom of Bahrain over the last twenty years. The study used the

cointegration test Augmented and Dickey-Fuller unit root test to assess the long-run relationship between the variables under study. The study disclosed that the Real GDP growth rate had a positive effect on national saving in the short run and significant at a 5% level in the long run. Also, the nominal interest rate had a positive and significant effect on national saving rate at a 1% level on the short run; nevertheless, its effect, in the long run, seemed to be positive but insignificant, whereas the inflation rate (as a measure of uncertainty of macroeconomics) has a positive and significant impact on the national saving rate in both the short run and the long run. Chukwuedo and Ifere (2017) examined manufacturing Subsector and Economic Growth in Nigeria, and assessed the relationship between manufacturing output and economic growth by using time series data from 1981 to 2013. In order to quantify the relationship between manufacturing output and economic growth, the authors employed an eclectic model consisting of both Kaldor's first law of growth and the endogenous growth model. The findings revealed that the manufacturing output, capital, and technology were the major determinants of economic growth.

Akpan and Atan's (2010) study on the effects of exchange rate movements on economic growth used data from 1986 to 2010. The result revealed that there is no evidence of a strong direct relationship between changes in exchange rate and output growth, rather Nigeria's economic growth has been directly affected by monetary variables.

Okorontah's (2016) study on the effects of exchange rate fluctuations on the economic growth of Nigeria, used data from the period 1986 to 2012. Ordinary least square (OLS) technique, Johansson co-integration test, and the error correction mechanism (ECM) were used to assess the relationship between exchange rate and economic growth. The result showed that there is no strong relationship between exchange rate and economic growth in Nigeria.

Naiguta's (2015) study on the effect of foreign exchange rate fluctuations on export earnings with evidence from the flower industry in Kenya, used quarterly secondary data collected for a period of ten years (2005 – 2014). Descriptive statistics and regression analysis were used for the study. The results revealed that the disparities in export earnings in the flower industry in Kenya are explained by fluctuations in foreign exchange rates, inflation rates, and interest rate, and there was a strong positive relationship between the study variables: inflation rate, foreign exchange rate, and interest rate. Also, there was a positive relationship between independent variables (foreign exchange rate, inflation rate, interest rate), and dependent variables (log of total export earnings of the flower industry).

Enekwe, Ordu & Nwoha's (2013) study on the effect of exchange rate fluctuations on manufacturing sector in Nigeria, over a period of 25 years (1985 – 2010), utilized four (4) variables: GDP, exchange rate (ER),Manufacturing, manufacturing employment rate (MER), and manufacturing foreign private investment (MFPI) as variables. Also, the ex-post-facto research design was utilized. Descriptive statistics and multiple regression were used for analysis. The results of the analysis revealed that all the independent variables have a significant and positive relationship with the dependent variables. It also revealed that Exchange rate (ER) and manufacturing foreign private investment (MFPI) have a positive effect on manufacturing gross domestic product (MGDP).

Alvarez (2003) carried out research on the productivity of the manufacturing industry in Chile, using panel data from more than 7000 firms in the manufacturing industry from 1990 to 1996. The result revealed that FDI had not much significant effect on the manufacturing industry due to the low number of foreign firms operating in the industry. He observed that FDI inflows have been directed towards the mining and services industries. He, therefore, proposed that a larger number of foreign firms may be needed to bring about a significant impact of FDI on local firms.

Mazumdar and Mazumdar's (2003) study also revealed that the effect of the trade restrictions resulting from the oil price crisis from 1982 to 1986, resulted in a 25% decline in the real manufacturing sector's output in Nigeria. They further stated that, although the annual growth rate of the Nigerian manufacturing sector was 15% between 1977 and 1981, the government's trade restriction measures led to a subsequent sharp decline in the growth rate of the sector. In 1977, a 4% increase was recorded in the

manufacturing sector share in GDP and this reached the level of 13% in 1981. After that, it declined to less than 10% in a few years.

3. Methodology

3.1. Study Area

The study area of this research is Nigeria. The country is the most populous in Africa. The country's population is estimated to be 131,859,731 inhabitants (Aregheore, 2009; West African Examinations Council (WAEC), 2009). The country is bounded in the East by Cameroon Republic, south by the Atlantic Ocean, north by the Niger Republic and Chad, and west by the Republic of Benin (Federal Ministry of Environment of Nigeria (FMEN), 2001). The land area of Nigeria is about 923 769 km^2 (Federal Office of Statistics (FOS), 1989; Aregheore, 2005; West African Examinations Council (WAEC) (2009). Nigeria is made up of six geographical regions (South-west, North-central, North-east, South-south, South-east and North-west). Nigeria comprises of 36 states and the Federal Capital Territory, Abuja, and has 744 Local Government Areas. The country lies between Latitudes 4 ° to 14° North and between Longitudes 2°2′ and 14 ° 30′ East, and located in the West African region. The country's name was derived from river Niger, which is one of the rivers that separated the country into three. Nigeria's surface area is 91.07 million hectares (Federal Ministry of Environment of Nigeria (FMEN), 2001).

3.2 Method

In this study, secondary data on Nigeria's trade balance, interest rate, exchange rate, and manufacturing sector's contribution to GDP from 1999 to 2019 were extracted from the Central Bank of Nigeria's (CBN) Statistical Bulletin (2016, 2017, 2018, 2019) and United Nations Conference on Trade and Development's (UNCTAD) (2018) and used for the study. Descriptive (Trend analysis) and inferential (Pearson Product-Moment Correlation Coefficient (PPMCC)) and Regression analysis were used to analyse data, while hypotheses were tested with Analysis of Variance (ANOVA) at 5% level of significance. The population for the study comprised of all manufacturing sectors that contributed to Nigeria's GDP from 1999 to 2019, and all reported macroeconomic values on trade balance, exchange rate and interest rate by the Nigerian CBN Statistical Bulletin (2016, 2017, 2018, 2019) and UNCTAD, (2018). The information gathered was edited and coded, and the variables were given sequential numbers for easy identification using computer programmes. The Statistical Package for the Social Sciences (SPSS) version 21 was used to carry out the analysis of this study.

4. Results and Discussion

4.1 Trend analysis of Trade Balance, Interest Rate, Exchange Rate, and Manufacturing Company from 1999 to 2016.

Figure 1 and Table 1 in appendix I reveals that Nigeria's trade balance fluctuated from ₦326.5 billion in 1999 to ₦960.7 billion in 2000 and ₦231.5 billion in 2002. It then increased from ₦1,007.7 billion in 2003 to ₦4,794.5 billion in 2008 and went down to ₦3,125.7 billion in 2009 and ₦3,847.5 billion in 2010. In 2011, the trade balance increased to ₦4,240.8 billion, kept increasing till 2013 to ₦5,822.6 billion. It however reduced from ₦2,421.7 billion in 2014, ₦ -2,230.9 billion in 2015, ₦ -644.8 billion in 2016, increased to ₦3,183.30 billion in 2017, further increased to ₦5,262.73 billion in 2818 and decreased again to ₦ -539.17 billion in 2019. Also, the interest rate has been high. It oscillated from 18% in 1999 to 14% in the year 2000 and 2001 respectively. It then went up to 19% in 2002 and kept reducing from 16% in 2003 to 9% in 2007. It went up a bit to 10% in 2008, reduced to 7% and 6% in 2009 and 2010, went up to 9% in 2011, 12% in 2012, and kept increasing till 2014 by 13%. It however reduced to 11.00% in 2015, increased to 14% in 2016, remained stable at 14% from 2016 to 2018, and decreased to 13.50% in 2019. The official exchange rate in Nigeria (USD/Naira) was kept increasing from 98.20 in 1999, 110.05 in the year 2000 to 128.27 in 2006. It reduced to 117.97 in 2007, increased to 132.56 in 2008, and kept increasing until 2016 when it was 305.00. It further increased to 305.55, 306.50 and 306.50 in 2017, 2018, and 2019 respectively. On the other hand, the manufacturing company's contribution to GDP kept increasing from ₦713.82 billion in 1999, to ₦989.11 billion in 2001and ₦1,127.23billion in 2002. It further increased to ₦1,304.07 billion in 2003, ₦2,761.55 billion in 2008, ₦3,170.82 billion in 2009, ₦4,527.45 billion in 2011,

₦5,588.82 billion in 2012, ₦7,233.32 billion in 2013, ₦8,685.43 billion in 2014, ₦8,973.77 billion in 2015, ₦8,903.24 billion in 2016, ₦10,044.48 billion in 2017, ₦12,455.53 billion in 2018 and ₦16,781.06 billion in 2019.

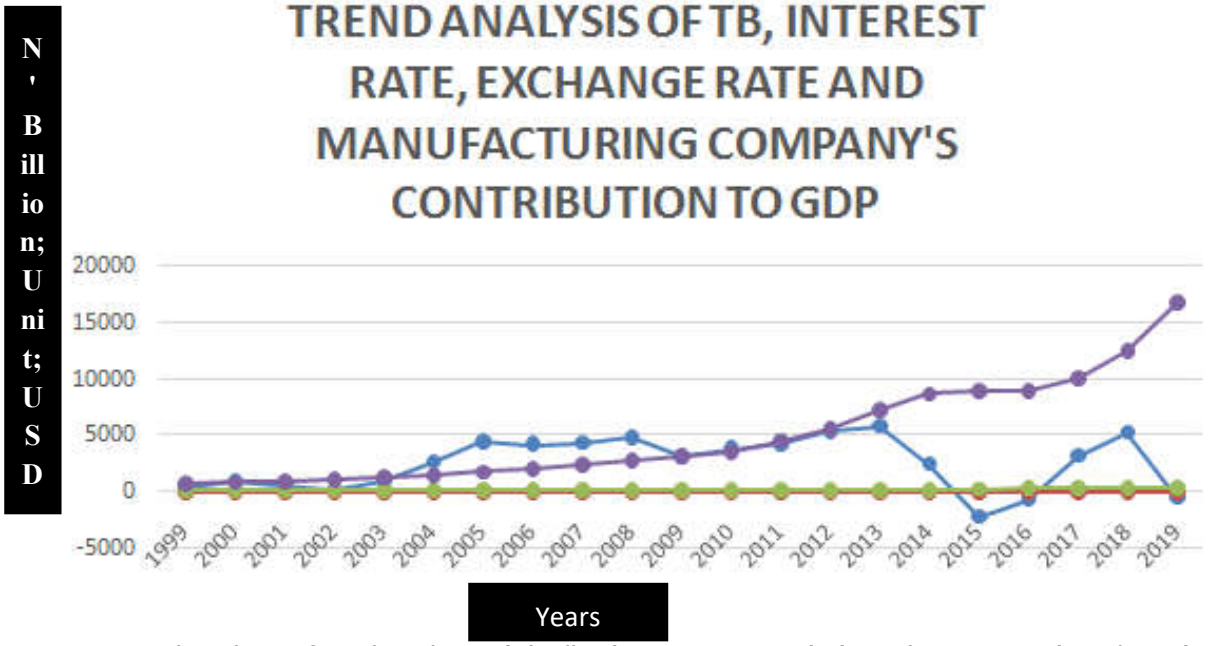


Figure 1: Trend analysis of Trade Balance (N' Billion), Interest Rate (%), Exchange Rate (USD/Naira) and Manufacturing Company's Contribution to Gross Domestic Product (N' Billion) from 1999 to 2019.

4.2 Regression Analysis on the Effect of Trade Balance, Interest Rate and Exchange Rate on Manufacturing Company's growth from 1999 to 2019.

Table 2: Regression Analysis' on the Effect of Trade Balance, Interest Rate and Exchange Rate on Manufacturing Company's growth from 1999 to 2019.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.902[a]	.814	.782	2086.66442	.814	24.854	3

a. Dependent Variable: Manufacturing Companies' growth
b. Predictors: (Constant), TB, INT rate and EXC rate.
Source: Analysis from Field Data, 2020

Table 2, shows the result of the regression using the regression model analysis between trade balance, interest rate and exchange rate and Manufacturing Company's growth, R^2 = 81.4% which is significant.

Table 3: Descriptive analysis of the regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-2668.492	2690.750		-.992	.335			
	Trade Balance (N' Billion)	-.048	.226	-.025	-.211	.835	-.104	-.051	-.022
	Interest Rate (%)	-151.201	160.536	-.110	-.942	.359	-.057	-.223	-.098
	Official Exchange Rate in (USD/Naira)	56.856	6.683	.898	8.507	.000	.897	.900	.889

a. Dependent Variable: Manufacturing Company's Contribution to GDP (N' Billion)
b. Predictors: (Constant), TB, INT rate, and EXC. rate.
Source: Analysis from Field Data, 2020

Table 3 is a descriptive analysis of the regression showing the prediction or future values of manufacturing output that appear in the data analyzed as well as the using the variable of Trade balance, interest rate and exchange rate following the linear regression format. The prediction model is as follows:

$Y = f(X)$

Where Y = Manufacturing Companies' growth (Y)

X_1 = Trade Balance (TB)

X_2 = Interest Rate (INT)

X_3 = Exchange Rate (EXC)

Therefore

$Y = \alpha_0 + \chi_1\beta_1 + \chi_2\beta_2 + \chi_3\beta_3 + \epsilon_i$

α_0 = Constant

ϵ_i = Error Term

Manufacturing Companies' growth (Y) = β_1TB+ β_2 INT+ β_3 EXC

Manufacturing Output = -2668.492+TB-.048+INTI-151.201+EXC56.856

4.3 Correlation Analysis of the relationship between Trade balance, interest rate, exchange rate, and Manufacturing Company's Contribution to Gross Domestic Product from 1999 to 2019.

Table 4: Correlation Analysis' on Trade balance, interest rate, exchange rate, and Manufacturing Company's Contribution to Gross Domestic Product from 1999 to 2019.

Correlations

		Manufacturing Company's Contribution to GDP (N' Billion)	Trade Balance (N' Billion)	Interest Rate (%)	Official Exchange Rate in (USD/Naira)
Pearson Correlation	Manufacturing Company's Contribution to GDP (N' Billion)	1.000	-.104	-.057	.897
	Trade Balance (N' Billion)	-.104	1.000	-.440	-.142
	Interest Rate (%)	-.057	-.440	1.000	.047
	Official Exchange Rate in (USD/Naira)	.897	-.142	.047	1.000
Sig. (1-tailed)	Manufacturing Company's Contribution to GDP (N' Billion)	.	.327	.404	.000
	Trade Balance (N' Billion)	.327	.	.023	.269
	Interest Rate (%)	.404	.023	.	.420
	Official Exchange Rate in (USD/Naira)	.000	.269	.420	.
N	Manufacturing Company's Contribution to GDP (N' Billion)	21	21	21	21
	Trade Balance (N' Billion)	21	21	21	21
	Interest Rate (%)	21	21	21	21
	Official Exchange Rate in (USD/Naira)	21	21	21	21

a. Dependent Variable: Manufacturing Companies growth
b. Predictors: (Constant), GDP, FDI, and Inflation.
Source: Analysis from Field Data, 2020

Tables 4 disclosed the correlation between the independent variables as associated with the dependent variable manufacturing companies' growth. The hypothesis and result of the correlation can be stated as follows:

H_{01}: There is no significant relationship between trade balance, interest rate, exchange rate, and Manufacturing Company's Contribution to Gross Domestic Product from 1999 to 2019

Test Statistic = Pearson Correlation
Level of significance (α) = 0.05 (5%)
Level of confidence = 0.95 (95%)

Decision = The result from the Pearson Product-Moment Correlation Coefficient (R) analysis in table 4 shows that there is a very weak and negative correlation between the manufacturing companies' growth and trade balance and interest rate, with the value of R =-.104 and -.057 respectively. The result, however, disclosed that there was a strong and positive correlation between manufacturing companies' output and exchange rate, with a correlation value of .897.

Based on this result, the null hypothesis: $H0_1$ which states that there is no significant relationship between manufacturing company's growth and trade balance, exchange rate, and interest rate in Nigeria from 1999 to 2019, is rejected while the alternate hypothesis is retained. Therefore, it can be concluded that there is a significant relationship between the manufacturing company's growth and trade balance, interest rate, and exchange rate in Nigeria from 1999 to 2019.

Table 5: Level of Significance between trade balance, interest rate, exchange rate and Manufacturing Company's Growth using ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	324656972.545	3	108218990.848	24.854	.000[b]
	Residual	74020863.063	17	4354168.415		
	Total	398677835.607	20			

a. Dependent Variable: Manufacturing Companies growth
b. Predictors: (Constant), TB, INT, and EXC.
Source: Analysis from Field Data, 2020

H_{02}: Trade balance, interest rate, and exchange rate had no significant effect on the manufacturing company's growth in Nigeria from 1999 to 2019.

The ANOVA result revealed in table 5 indicates that the regression model significantly predicts the dependent variable. The regression result shows a value of 0.000. Since this figure is lower than the table value of 0.05, the null hypothesis HO_2 which states that trade balance, interest rate, and exchange rate had no significant effect on manufacturing company's growth in Nigeria from 1999 to 2019 is rejected while the alternate hypothesis is retained. Therefore, it can be concluded that trade balance, interest rate, and exchange rate had a significant effect on manufacturing companies' growth in Nigeria from 1999 to 2019.

The result of this study is similar to that of Akinmulegun and Oluwole's (2014) study on the assessment of the Nigerian manufacturing sector in the era of globalization study which revealed that the capital intensiveness of the manufacturing sector, requires the use of advanced technology (purchase and use of capital equipment) and this has made the manufacturing sector in Nigeria to be tied to foreign exchange earnings. Thus, when the exchange rate of Nigeria's currency (Naira) is weak against the currency of the industrialized countries, the cost of purchase becomes so exorbitant that it goes beyond the affordability of the local industries except the very large industries. This affects the cost and selling prices of products, and in consequence, the profitability of the companies. Enekwe, Ordu, and Nwoha's (2013) study on the impact of exchange rate fluctuations on manufacturing sector in Nigeria, over a period of 25 years (1985 – 2010), which revealed that all the independent variables have a significant and positive relationship with a dependent variable. It also revealed that Exchange rate (ER) and manufacturing foreign private investment (MFPI) have a positive effect on manufacturing gross domestic product (MGDP).

On the other hand, the study is not in tandem with Mlambo's (2020) study which concluded that imports, Foreign Direct Investment (FDI), and exchange rate had a negative relationship with manufacturing performance. Also, in disagreement with this study is the study of Falaye *et al.* (2019)'s study which disclosed that, that the manufacturing foreign direct investment (MFDI), exchange rate, and Naira devaluation imports (IMP) had a negative effect on the Nigerian manufacturing sector's performance, and Modebe and Ezeaku's (2016) study which revealed that interest rate has a negative and non-significant effect on the manufacturing sector's growth in Nigeria. When the interest rate is high, it is difficult for investors to borrow money from the banks. People will have no adequate capital to invest in the manufacturing sector and low investment would reduce the activities in this sector and reduce the growth and development in the sector. Also, Abbas (2013) explained that trade deficit makes a country's home currency against its foreign currency to be weak and this makes the imports of services and goods to be more expensive as compared to exports and may result in the devaluation of the home currency which can negatively affect the purchases, production, and sales of companies' goods and services.

5. Conclusion and Recommendation

This revealed that economic situation has an effect on the growth of manufacturing companies in Nigeria. The results of the study disclosed that there was a very weak and negative correlation

between the manufacturing companies' growth and trade balance and interest rate, with the value of R = -.104 and -.057 respectively. There was, however, a strong and positive correlation between manufacturing companies' output and exchange rate, with a correlation value of .897. The level of significance of 0.000 was attained. The study concluded that trade balance, interest rate, and exchange rate had a significant effect on manufacturing company's growth in Nigeria from 1999 to 2019. Therefore, an improvement in trade balance, interest rate, and exchange would lead to a similar increase in the manufacturing companies' output and growth in Nigeria. The study recommends that some intensive policies and efforts be made to enhance Nigeria's trade balance, interest rate, and exchange rate, with the purpose of propelling the manufacturing sectors' growth and development, which can trigger the development of the whole country, Nigeria. The study also suggests that more studies be carried out on the effect of Nigeria's economy on companies' growth, using a combination of some other macroeconomic factors.

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Appendix I

Macroeconomic Data on Nigeria's Trade Balance, Interest Rate, Exchange Rate and Manufacturing Company's Contribution to Gross Domestic Product from 1999 - 2016

Year	Trade Balance (N' Billion)	Interest Rate (%)	Official Exchange Rate in (USD/Naira)	Manufacturing Company's Contribution to GDP (N' Billion)
1999	326.5	18.00	98.20	713.82
2000	960.7	14.00	110.05	826.03
2001	509.8	14.00	113.45	989.11
2002	231.5	19.00	126.90	1,127.23
2003	1,007.7	16.00	137.00	1,304.07
2004	2,615.7	15.00	132.85	1,516.05
2005	4,445.7	13.00	130.29	1,778.73
2006	4,216.2	12.00	128.27	2,082.49
2007	4,397.8	9.00	117.97	2,401.19
2008	4,794.5	10.00	132.56	2,761.55
2009	3,125.7	7.00	149.58	3,170.82
2010	3,847.5	6.00	150.66	3,578.64
2011	4,240.8	9.00	158.27	4,527.45
2012	5,372.8	12.00	157.33	5,588.82
2013	5,822.6	12.00	157.26	7,233.32
2014	2,421.7	13.00	169.68	8,685.43
2015	-2,230.9	11.00	197.00	8,973.77
2016	-644.8	14.00	305.00	8,903.24
2017	3,183.30	14.00	305.55	10,044.48
2018	5,262.73	14.00	306.50	12,455.53
2019	-539.17	13.50	306.50	16,781.06

Sources: Central Bank of Nigeria (CBN) Statistical Bulletin (2016, 2017 2018, 2019). United Nations Conference on Trade and Development (UNCTAD)'s World Investment Report (2018).

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SUSTAINING VOCATIONAL EDUCATION IN SECONDARY SCHOOL: A TOOL FOR SELF RELIANCE IN THE POST COVID-19 ERA

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Abstract

Self-reliance via vocational education is an important instrument in reducing the rate of joblessness in Nigeria as it can help to create both long and short-term jobs. Sustaining vocational education in secondary school will help to inculcate essential skills thereby making them self-dependent. This study looked at the concept of vocational education, its importance as well as how vocational education can help to reduce unemployment rate in Nigeria. The concept of self-reliance, indices of self-reliance, COVID-19, and implication on the unemployment rate and how vocational education can increase self-reliance in Nigeria were examined. It could be concluded from the study that sustaining vocational education in secondary school will help to reduce if not solve the problem of unemployment in Nigeria. The result obtained reveals that introducing vocational education at a tender age will widen their knowledge and this will definitely be of help to them in the future by being job creators as an alternative to be job seekers. The study recommends that secondary school students in addition to their regular academic programme must be allowed to offer adequate vocational training and education so as to stand as a support to them even before getting admission into tertiary institutions or secure white-collar job. Also, the federal government and non-governmental organizations should support training the students as this will help them contribute meaningfully both to their families and society at large.

Keywords: self-reliance, sustaining, vocational education, secondary school, and unemployment

Introduction

COVID-19 is an uncommon catastrophe that has caused many to be unemployed due to job loss and the pandemic has caused distress which contributed to instability in the Nigerian economy (Okoro *et al*., 2020). Vocational education, if introduced early, will go a long way in reducing, if not solve the problem of unemployment in Nigeria, thereby, making more people self-reliant. Vocational education is the learning that trains people to work as a technician or to obtain service in a skilled craft or operate as a tradesperson or artisan (Osuala, 2004). Vocational education is defined by various authors in diverse ways. Masaruf (2015) defined vocational education as the totality of the experiences whereby a person become skilled to perform successfully some professions that are practical oriented. Thompson (2002) viewed vocational education as an understanding, expertise, and skills of an individual's capability to proficiently carry out the vocational quest of his desire. Winer (2000) contributed that vocational education is planned to build up talents, capability, appreciative manners, occupation practice, and admiration surrounding information required by people to make advancement in a positive as well as industrious manner.

Sustenance of vocational education subjects in the secondary school curriculum has a major role to play in the technological progress of any country. It is recognized that the training, acquisition as well as utilization of relevant abilities by the people are indispensable for economic growth and national development (Abiodun, 2011). Vocational education in secondary school should be prepared to meet the challenges of labour market, as a result, vocational education should be a necessity (Egunjobi *et al.* 2009). From the foregoing in the assessment of the overall performance of senior secondary students in vocational subjects, the utilization of recent implements, machineries, serene teaching and learning environment, counselling, and choice pattern played a crucial role (Strong, 2004).

Ologunro and Richards (2005) viewed vocational education as a way toward industrialization in Nigeria. They stated further that vocational education is concerned mainly with people playing

their part in the need of the society which is to prepare people for occupation, thereby improving the work prospective of the labour strength. To become relevant in society in the nearest future, it requires an indispensable understanding of vocational education as the world drifts to science and technology. Vocational education can be a tool for acquiring jobs and sustainable development in Nigeria (Pushkar and subha, 2013). Olatunji (2009) stated that the young secondary school leavers are at a critical phase of their development. An unemployed engineer or lawyer can hardly take to violent crimes to make a living but an unemployed senior secondary school leaver can easily become a drug addict or an armed robber.

The problem of youth unemployment is one that generates a lot of concern. Over the years, Nigerians have watched almost helplessly the yearly increase of unemployed school leavers with equivalent increase in various crimes. The problem was diagnosed as lack of the appropriate vocational skills that could make school leavers employable. There is a shortage of human basic needs, hunger, and insufficient shelter which is a result of poverty and unemployment. The poverty level of Nigerians is on the high side as the people have very low-income level as a result of gross instability in employment. Many people are uneducated and live in unhealthy conditions having little or no assets. The poor are not self-reliant, poor in health, illiterate, and have a short life-span. They are handicapped or not well equipped to help themselves out of these limitations so the need for skill acquisition for self-reliance is necessary. This paper, therefore, helps to solve the problem of unemployment in Nigeria and how vocational education can help to minimize the level of unemployment thereby encouraging self-reliance.

Literature Review

Concept of Vocational Education

Generally, education makes people relevant and engages them. It is important for everyone to either go through liberal, general, or vocational education (Osuala, 2004).

Vocational education provides training and develops a person's expertise relative to the work they do or intend to do. This teaching will guide them toward self-reliance and sustainable development. Students become inquisitive and innovative through vocational education. Not everyone needs a university education due to the increasing rate of unemployment in the nation. Raimi and Towobola (2011) stated that vocational education is significant communication between learners and teachers in a way that stimulates the ability of learners to recognize, assess and produce ideas thereby solving business problems in a meaningful manner.

UNESCO (2008) viewed vocational education as teaching and learning which allows students to use their creativity to take risks. It is about increasing a student's ability to foresee and adjust to societal modification. To Lee and Wong (2008), vocational education is a channel for economic expansion and job formation in society. This is because it provides students with the right skills, motivation, and knowledge that support vocational accomplishment (Okafor, 2014).

Importance of Vocational Education to a Nation

Vocational education is targeted to provide training and give essential skills to people who shall be self-dependent. Education is made to be the common benefit for everyone and it is the only way a society can become better. If the purpose is effectively achieved, it would lead to sustainable development of the nation (National Policy on Education, 2004).

Vocational Education in Secondary Schools in Nigeria

Vocational education is considered an important part of the studying process. Vocational education in Nigerian secondary schools is not an ordinary course, it is a way to develop the financial capability of the youth and reduce the level of joblessness. Specialized skills play a necessary role in personal and state development. Empowering youths with practical skills is very important because of the consequences of joblessness (Francis and Akanganngang, 2012).

Practical abilities and skills in education come to the fore. If the student gets real work experience in the profession, this greatly increases his or her chance to find a job. Vocational education is important since there is a decrease in the number of specialists in various technical fields (John and Jacqui, 2008).

Vocational Education and Employment Rate in Nigeria

Vocational education increases the proficiency of learners for successful survival in the economy. Well-trained graduates of vocational education will be employers of labour and not job seekers. Nwanoruo and Opurum (2008), Mfon (2007), and Omotosho (2000) have affirmed that vocational education is an opportunity for real growth and development in Nigeria as a nation. Sokyes and zakka (2009) posited that vocational education is skilled-based and can be aggravated to be of help in this stage of information and communication technology thereby minimizing unemployment rate in our society. To alleviate the age-long challenges of graduates with no job, vocational education plays a vital role in training the Nigerian youths in the specific skills that prepare them for labour market. Individuals would then obtain the relevant skills in the jobs that exist in the society can be self-employed and also an employer of labour. Nigeria as a nation has to improve from where graduates will be employers of labour and not being employees alone in the job market. If vocational education is more focused on it will produce people who are self-employed and can manufacture goods and services that are of export quality and as such increase our foreign earnings. Vocational education will create jobs for our teeming youths and lead to a decrease in social vices such as robbery, stealing, prostitution, rapping, and drug addiction provided our youths are given adequate training in vocational education (Ovbiagele, 2015).

Concepts of Self-Reliance

The concept of self-reliance is similar to the philosophy of self-help and mutual help. It is a way of being independent and relying on yourself. When people are self-reliant, they become self-governing and independent thereby taking good care of themselves. Some of us develop been self-reliant as children when we started taking the bus without help or prepare food for ourselves, or in other ways exert our independence which is seen as an important quality of been autonomous (Jamieson & Chisakala, 2016).

The self-help principle is directly linked to self-relianceas defined by Ghari (1980) that when a person is self-reliant, the person is likely to solve or meet a particular need of the society thereby enhancing the development of the society or world and as well may take care of his self need. Self-help allows people to develop and put into use resources that would otherwise lie dormant, thereby, reducing the level of ignorance and poverty. The practice of self-help is a prerequisite for survival in this present world (Anyanwu, 1992). Self-help makes people look inward thereby rallying resources and efforts to their advantage.

Indices of Self-Reliance

Self-reliance is the term used in the humanitarian field to refer to the social and economic ability of an individual, a household, or a community to meet its necessary desires in a sustainable approach. It also means creating opportunities for people to earn a living, use their talents, take care of themselves and their families thereby increasing their physical and financial stability. In developing self-reliance, you need to accept yourself and be your own best friend. Build inner confidence, make your own decision, recognize and manage dependence, accept yourself for who you are, have your values, not relying on things to feel happiness, and decide who you want to be and how you want to get there.

Self-Reliance covers these twelve areas: housing, food, healthcare, health status, education, employment, income, savings, debt, security, social capital, and initiative (Theresa *et al*. 2015).

COVID-19 and Implication on Unemployment Rate in Nigeria

The Coronavirus Disease 2019 (COVID-19) pandemic had a significant effect on unemployment in many countries and particularly in Nigeria (Congressional Research Service, 2020). About twenty-seven (27%) of Nigerian's labour strength (more than 21 million Nigerians) are not employed. Many Nigerians lost their job during the COVID-19 pandemic, and there is a reduction in the number of exports such as oil, there is also little sign of a quick turnaround in Nigerian's economic despair as the World Bank predicts Africa's most populous country is set for its worst downturn in four decades. The effect of coronavirus pandemic on Africa's largest economy is starting to show in data. Before the COVID-19 pandemic, Nigeria's unemployment rate was already high at 23.1% while underemployment stood at 16%, according to the National Bureau of Statistics (NBS). In May 2019, Minister of Labour

and Employment predicted an unemployment rate of 33.5% by 2020 (Olurounbi, 2020).

How Vocational Education can Increase Self-Reliance in Nigeria

Nigerians are blessed with many vocations which could make them be independent and resilient. Individuals with relevant skills will be totally occupied in Nigerian society where there are many opportunities without waiting for only the graduates to get such opportunities. Vocational education will not only offer them the essential necessity of life but will also provide employment for people (Ogbuanya*et al.* 2018). Acquisition of vocational education is concerned with societal development by offering jobs, expand industrial capacity which in turn will guarantee monetary autonomy thereby enhancing their living standard. The youths will also build up encouraging thoughts towards occupation and work.

Nwanaka and Amaehule (2011) stated that acquiring skills is essential in avoiding youths from joining social misfit groups because it will help them to acquire skills and become gainfully employed through vocational teaching. Acquisition of skills will expand people who are economically problem solvers and creative, those who would not wait for a white-collar job to survive but will generate jobs for others by enabling the nation to rise above the challenges of unemployment and have the spirit of adventure, exploration, and discovery.

Theoretical Review

Human Capital Theory (HCT): Vocational education is viewed as the training responsible for innovation, implying that education is the drive for generating new skills, better methods, new information, and innovative ideas (Schumpeter, 1934). The correlation between the altitude of education and new ideas development was established by Van-Den-Berg (2001). The human capital theory considered learning as a means for improving human capital thereby motivating labour performance and increasing the height of knowledge around the world (Robert, 1991).

Need for Achievement Theory (NAT): This enlightens that there would be a relatively better level of vocational education in the world, where the need for achievement is relatively high (McClelland, 1965). The importance of the theory is that when students are motivated adequately to be productive through vocational education, there is a superior tendency that after graduation they will set up their own businesses.

Risk Taking Theory (RTT): Another theory is the risk-taking theory of Richard Cantillon and John Stuart Mill. The theory recognizes vocational education as rational teaching that inspires people to take the intended risk (Alam and Hossan, 2003). The summary of the theory is that vocational education improves the abilities, affluence, and potential of individuals to embrace risk that ensures financial payback.

Methodology

This paper builds a strong argument on how vocational education can help equip people to be self-reliant rather than being job seekers thereby making them relevant in society.

Conclusion

Self-reliance is defined as the capability to take decisions as to what should be done. It is self-willpower and the ability to think and act without the support or authority of others. In time past, anyone who went to school and acquired some form of education was sure to get one form of paid employment or the other immediately after graduation. The present state of the economy and the resultant measure of joblessness has resulted in the need for every Nigerian to become self-reliant through self-employment. A self-reliant person must be critical in his thinking.

In Nigeria, where untold hardship has become a major concern for both government and its citizenry, the acquisition of vocational skills would be the right direction for secondary school students as it will help them to be capable in a major vocation as well as being independent. At the end, self-reliance will help individuals to be more responsible, restricted, and secure.

Recommendation

The following recommendations were made:

1. The Federal government, Non-governmental organizations, and supporting Nigerians should help young people obtain appropriate skills and undertake training which will not only take them off the streets but will also make them contribute meaningfully both to their families and society at large.
2. Secondary school students in addition to their regular academic programme must be allowed to offer adequate vocational training and education so as to stand as support to them

even before getting admission into tertiary institutions or secure white-collar jobs.

3. The federal Ministry of Education should create a department of training and development in all secondary schools. This department will be responsible for recognizing andgiving training needed to students, thereby creating and executing teaching and development programmes which would guarantee lofty performance level for secondary school leavers.
4. School programmes must be relevant and practical. Vocational guidance and counseling service should be made compulsory for all secondary school students.
5. The use of local languages as a medium of instruction to enable indigent vocational education students to understand clearly and select their career path.

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REVITALISING RURAL INFRASTRUCTURES AS A CATALYST FOR SMALL AND MEDIUM ENTERPRISES DEVELOPMENT: THE UROMI EXPERIENCE

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Abstract

The objective of this study is to know the effects of revitalising rural infrastructures on the development, growth, and sustainability of Small and Medium Enterprises in Uromi. Two research questions and a hypothesis were raised and the research adopted the survey research design using a modified questionnaire, which requires respondents to respond to questions that give on the development, successful operations, sustainability, and growth of their businesses. The structured questionnaires were distributed to 50 respondents and interviews were held with them. Thus, the sample for this study was fifty owners of small and medium scale businesses in Uromi who were purposively selected in line with identified SMEs characteristics from the literature reviewed. Data collected were analysed using simple descriptive statistics and multiple regression was conducted to test the sole hypothesis of the study to ascertain the level of effects of infrastructure on development, growth, and sustainability of SMEs. The result obtained in this study revealed that SMEs in Uromi have a low business success rate because of lack of infrastructures. The study concluded that the infrastructural state in the study area is very poor and unable to sustain business development and growth. The poor state of infrastructure has strong negative effects on business development, growth, and sustainability of SMEs and electricity, education and water have the highest effects on business development, growth and sustainability of SMEs while Health care had the lowest effect. The study recommended that government should step up the quality of infrastructure particularly electricity, education, roads, and water in Uromi to create an enabling environment for SMEs to thrive and entrepreneurs should be educated on strategies to develop sustainable businesses even with limited infrastructural facilities.

Keywords: SMEs, Development, Growth, Infrastructures, Sustainability

Introduction

Rural businesses must not only excel in their growth but also persevere over a long-term (Radauna, Jegak, Haslinda and Alimin, 2009; Maclean, Jagannathan and Sarvi, 2013; Agbenyegah, 2013). Achieving such sustainable growth and competitive advantage status is not possible without proper infrastructures. SMEs are flexible, simple and creative, considering the size and business structure. However, there is the potential to improve the overall performance of SMEs and their competitiveness including those in rural areas with specific reference to Uromi to enable them compete locally and globally and be sustainably successful. Economic development dynamics has shifted from financing and development of public sectors to private businesses. Government worldwide, particularly in developing countries like Nigeria is shifting attention from government own businesses to entrepreneurial development which encourages individual businesses and private sector-dominated economy to thrive, reduce unemployment, and enhances standard of living. Thus, the focus on economic development has shifted to supporting Small and Medium Scale Enterprises (SMEs). According to Organisation for Economic Cooperation and Development (OECD) (2017), Small and Medium Scale Enterprises (SMEs) encompass not only micro-enterprises with just a few employees but also successful enterprises with a large number of employees.

The European Commission defines SMEs as firms that have less than 250 employees or that generate up to 50 million euros approximately ₦2.3 billion (in annual turnover (EC 2017a). The Central Bank of Nigeria defines SMEs broadly as businesses with a turnover of less than N100 million per annum and/or less than 300 employees (CBN, 2005). This paper however sees SMEs as any business that employs 1-500 workers to which the majority of the businesses in Nigeria fall within.

Infrastructure is a critical factor in business growth and economic development, it interacts and with business development and growth. According to Oyelaran-Oyeyinkan (2020), SMEs are a very important part of the Nigerian economy. Taking a look at recent events in the Nigerian macroeconomic environment, SMEs have unarguable growth potential and like other emerging economies are likely to constitute a significant portion of GDP in the near future. Oyelaran-Oyeyinkan (2020) further noted that in countries at the same levels of development as Nigeria, SMEs contribute a much higher proportion to GDP than currently observed in Nigeria. In the opinion of Oyelaran-Oyeyinkan (2020), compared to other emerging markets, Nigeria has historically shown lack of commitment to building a strong SME sector; economies were SMEs made huge contributions to GDP have shown a consistent commitment to the development of SMEs by implementing access to finance and financial incentives, basic and technological infrastructure, adequate legal and regulatory framework, a commitment to building domestic expertise and knowledge as well as enhance the quality of infrastructure available for production. This, of course, culminated in high performance of SMEs' levels of output, income, profits, and employment creation in the economy (Adenikinju 2005; Kessides 1993; Obokoh & Goldman, 2016). Oseni & Pollitt (2013) opined that despite the crucial relationship between the availability and quality of infrastructure such as electricity, potable water, and good road network, adequate and quality health care, and good market structures amongst others to economic development, the availability of this infrastructure in most developing countries especially in the sub-Saharan African region leaves much to be desired (World Bank 2013, 2014). The gap in the availability of infrastructure in Nigeria especially in rural settings has greatly affected the potential of SME sector, especially the ability of SMEs to compete in the global market.

Infrastructures, as defined by social-economists, are instruments considered as factors of production, increasing aggregate output, and driving economic growth (Akinyosoye (2013a). Considered as a factor of development and economic growth good infrastructure enhance quality of life, improve living standards, and foster business growth. Akinyosoye (2013a) further posited that the demand for infrastructure is driven largely by economic dynamics such as population growth. Adding to these are rural development, job creation, economic development, and good government policies. For several decades, rural development has been a common denominator in achieving sustainability in Nigeria, which has been at the forefront of political campaigns and attracting different stakeholders in the achievements of the desired goals and strategies for proper implementations. The development of extensive and effective programs and processes for rural growth, sustainable development, and economic expansion has been seen as a factor that drives and fosters economic development among rural dwellers. This is further driven by the provision and availability of technical and critical infrastructures on which the Small and Medium Manufacturer Enterprises (SMMEs) thrived positively. Infrastructure is critical to industrial development of SMEs in developing countries of Africa (Bubou et al.,2013).

Statement of Problem

Despite the incentives, policies, programmes, and supports aimed at revamping the SMEs, they have performed rather below expectation in Nigeria. Different people, organizations, and operators have advanced various reasons as to why SMEs have not been able to live up to their billing(Otegbulu, 2011;Nwangugu, 2012; Nwoji & Oluwalaiye, 2012). While an average operator would always hinge his failure on lack of access to finance, some others think otherwise arguing that inappropriate management skills, difficulty in accessing global market, lack of entrepreneurial skills and know-how, poor infrastructure amongst others are largely responsible. Infrastructures are basic essential services that should be put in place to foster development. Social and economic activities thrive if these basic infrastructures are in place and adequate. Economic activities hinged on

these basic facilities function successfully. The required basic things needed by rural areas to romance sustainable business environment are clean energy, good transportation facilities, good water systems, ICT, and education. Allover the world, availability of water, stable electricity, poverty, adequate quality healthcare, availability of good roads, fertilizers and education, and good toilet facilities are the major problems constraining the productivity of the rural household of Nigeria. In line with the foregoing, many studies have been carried out on the effects of rural infrastructure on SMEs in many parts of Nigeria (Goldman and Obokoh1, 2018; Akinleye, et al., (2014) but none is known to the author on Uromi. Hence the need to study the impact revitalising rural infrastructure would have on SMEs development in Uromi.

Objective of the Study

To know the effects of revitalising rural infrastructures on the growth and sustainability of Small and Medium Scale businesses in Uromi

Research Questions

i. Does good rural infrastructure promote business development in Uromi?
ii. What are the rural infrastructures needed to make Small and Medium Enterprises thrive in Uromi?

Research Hypothesis

There is no significant relationship between the development, growth, and sustainability of SMEs in Uromi

Literature Review

Concept of Infrastructural Development

Today, infrastructure development has become a much-debated topic since scholars from various countries have utilised the aspect of infrastructure development as a parameter and index to measure the ability of each country to complete globally. This is mainly because, access to basic, adequate facilities is viewed as strongly related to the wellbeing of the population in any country. Infrastructure is the organized basic structures needed for the smooth and effective operation of a society, or the services and facilities necessary for an economy to operate optimally. It is generally viewed as the set of interconnected or related structural elements that provide a framework of support on which economic development rest. It is an important term for judging a country or region's development. The term typically includes structures that support a society, such as roads, bridges, water supply, sewers, electrical grids, telecommunications, educational institutions, health care facilities amongst others. and can be defined as "the physical components of interrelated systems providing commodities (Adelakan, 2005; Abosedra et al., 2009; Mandel, 2008; Achimugu et al, 2010).

Major infrastructures can be classified into the following categories: (i) Energy/Power Infrastructure such as electricity, gas and petroleum pipelines (ii) Transportation Infrastructure such as surface roads, rail system, ports, and aviation (iii) Water Infrastructure such as Piped water and irrigation (iv) Communication Infrastructure such as mass media, internet, phones and postal services (v) Health Infrastructure which include primary, secondary and tertiary health care services (vi) Education Infrastructure which include all categories of schools and higher institutions

Infrastructural reforms in Nigeria dates back to the 1980s when the Nigerian government adopted the Structural Adjusted Programme (SAP). SAP prompted a series of economic reforms in Nigeria that resulted in the liberalisation of the Nigerian economy by the Nigerian government. The policy was adopted as a result of the economic upheavals and meltdowns that characterized the 1980s (Ikhide & Yinusa 1998; Obiechina 2010).

The policy resulted in the government ceding control of resource allocation in the economy to market forces (Desire-Adom, Mahbub Morshed & Sharma 2012; Ogunleye 2012). The policy aimed at creating an enabling business environment for fair competition among SMEs. However, scholars (Akinlo & Odusola 2003; Jones 2010; Neu et al. 2010; Akinyele, 2016) opined that such policies have not necessarily been successful in sub-Saharan Africa including Nigeria because of a lack of appropriate infrastructure and technology, immobility of production, dearth of skilled labour and inappropriate regulatory and high-risk environments (Mambula & Sawyer 2004; Meagher 2006; Ojiako et al. 2013; Rankin, Söderbom & Teal 2006).

The SMEs are the worst hit by this debacle (Oseni & Pollitt 2013). Infrastructure serves as an incentive to increasing economic efficiency and productivity (Egbetokun, 2009). Thus, investments

in infrastructure will contribute to increased productivity and economic growth in developing countries like Nigeria, particularly in remote and rural areas where infrastructure is still insufficient (Kim, 2006). Equally, such infrastructural amenities enhance the quality of life (Akinyosoye, 2013b) and business development, thereby resulting in a viral economic growth of the SMEs sector (Oyedele, 2012).

The concept of Small and Medium Enterprises (SMEs)

A small-to-mid-size enterprise (SME) is a business with revenues, assets, or numbers of employees that fall below a certain level. The criteria for determining SMEs vary between countries and sometimes between industries. Nevertheless, there is no generally set definition of SME that applies globally. Each country gets to set its definition, and they may also decide to set specific limits for specific industries. For example, in the European Union (EU), a business with fewer than 250 employees is considered an SME, while in the United States, an SME may have up to 1,200 employees (Small Business Administration, SBA, 2020, European Commission, 2020)). However, there is a shared goal of defining an SME in that it seeks to differentiate small businesses and medium-sized businesses from large corporations.

As the IFC (2010) noted, defining SMEs depends on the local banking context and economy size so while international organizations like the World Bank including the IFC tend to set high sales, assets, and staff employment thresholds for SMEs in developed countries definitions vary by country according to the size of the economies and structure of the corporate sector.

On the other hand, thresholds set by local institutions (banks and government agencies) in developing economies like Nigeria tend to be lower. The Central Bank of Nigeria (CBN) has through its various circulars and intervention fund programmes generally defined Small and Medium Enterprises (SMEs) as entities with an asset base of N5 million and not more than N500 million excluding land and buildings with employees between 11 and 200. However, the Central Bank of Nigeria has not formally stipulated this definition of SMEs for reporting purposes so commercial banks mostly use account debit turnover to determine categories but even such turnover parameter varies widely from bank to bank.

The Nigerian commercial banks' survey in Berg et al (2012) describes such SME definition variations in Nigerian banks which mostly use the account turnover criteria noting that "for small enterprises, the median maximum turnover is N60 million, the 1st quartile is N38 million and the 3rd quartile is N322 million, over five times the median." For medium enterprises the median turnover is N480million, the 1st quartile threshold is N200million while the 3rd quartile threshold is N2,500 million. The 3rd quartile thresholds for both small and medium enterprises lean more towards the World Bank's SME definition (Highnet Resources, 2017).

This definition seems to have recognized the impact of inflation and exigencies. Bamidele (2005) defines small scale industries as those industries whose fixed asset and cost of new investment does not exceed N10 million. In the new industrial policy in Nigeria, Small scale enterprises are defined as those enterprises with a total investment of between N100, 000 and N2 million excluding the cost of capital and including working capital. Going by all literature reviewed, the definition of small-scale industries yields meaning vary from institution to institution and from country to country, depending on the level of employment, ownership structure, method of production, etc. Recently, in Nigeria, businesses that were originally regarded as small scale enterprises have been extended to include Small, Medium, and Micro enterprises (SMMEs) (Eboh, 2005; Carpenter, 2006; Etebefia & Akinkumi, 2013).

Small and Medium Enterprises (SMEs) occupy a place of pride in virtually every country or state. Because of their (SMEs) significant roles in the development and growth of various economies, they (SMEs) have aptly been referred to as "the engine of growth" and "catalysts for socio-economic transformation of any country." SMEs represent a veritable vehicle for the achievement of national economic objectives of employment generation and poverty reduction at low investment cost as well as the development of entrepreneurial capabilities including indigenous technology (Nnaji, 2008; Otegbulu, 2011; Nwangugu, 2012; Nwoji & Oluwalaiye, 2012). Other intrinsic benefits of vibrant SMEs include

access to the infrastructural facilities occasioned by the existence of such SMEs in their surroundings, the stimulation of economic activities such as suppliers of various items and distributive trades for items produced and or needed by the SMEs, stemming from rural-urban migration, enhancement of standard of living of the employees of the SMEs and their dependents as well as those who are directly or indirectly associated with them.

Challenges Facing SMEs in Nigeria

According to Oyelaran-Oyeyinka (2020), SMEs are broadly defined as businesses with a turnover of less than N100 million per annum and/ or less than 300 employees. Studies by the IFC show that approximately 96% of Nigerian businesses are SMEs compared to 53% in the US and 65% in Europe. SMEs represent about 90% of the manufacturing/ industrial sector in terms of the number of enterprises they contribute approximately. 1% of GDP compared to 40% in Asian countries and 50% in the US or Europe. He further noted that in Nigeria, SMEs are distributed by clusters within regions and that they have significant untapped growth potential. strong export and employment Potentials. regional potential operational and cost synergies across all sectors by their ubiquitous distribution. However, Oyelaran-Oyeyinka (2020) also mentioned the challenges facing SMEs to include huge gaps in infrastructure, poor financial support and credit environment, high levels of unskilled workforce, and low investment commitment to bring pilot plants to commercial scale.

Infrastructure is vital to businesses and their owners all over the world and over various sectors of the economy (Adeola, 2005; Agba *et al*, Adenipekun, 2013). Despite all visible contributions of SMEs to the economy and the unmined potentials, SMEs sectors especially in rural economic development and employment generation that can stem urban-rural migration, the government has still not given the needed attention to rural infrastructures as a catalyst for SMEs development. Therefore, many start-up businesses particularly in rural areas have collapsed completely due to the lack of basic infrastructures. Many businesses have left Nigeria for other countries due to the continued drop in electricity supply. (Akinwale, 2010; Doe & Asamoah, 2014). The poor quality of electricity supplies in the country is perceived by SMEs to impact their operations negatively and to make matters worst, fuel prices have sky-rocketed. Voltage fluctuations and power outages can halt production, damage equipment, and affect product quality. Therefore, it is generally believed that poor power/electricity infrastructure is a serious constraint on SME performance.

Study Area

Uromi is located in Edo Central and North East of the entire Esan Land. According to Wikipedia (2020), Uromi is the largest and most populated area in Esanland; it is made up of several villages divided into three groups recognized as Okhiode, Obiruan, and Obiyon. A large percentage of the economy of Uromi is derived from local farming and trading, with some contribution from the government's budget. Uromi's productive farm output is mainly the result of its situation in a rain forest zone, its loamy soil type, and its topography. Uromi also has a good number of markets that provide opportunities for local farmers to trade their farm products. The Uromi Main Market has good, portable lock-up stores. Although the market day is held at four days interval, the Uromi Main Market operates daily from morning to late evening. Across Uromi, there may be up to three markets in each village, with some village markets functioning at four-day intervals, while others trade every day. Apart from farming and trading, other business transactions take place on a daily basis. In Eguare, there are many business offices both in the government-owned business sector and in the privately owned business sectors. Some examples of financial businesses include the Union Bank, United Bank for Africa (UBA), First Bank of Nigeria, Unity Bank, Zenith Bank, EcoBank, Fidelity Bank, Uromi Community Bank, and other monetary firms like the Uromi Microfinance Bank, etc. Uromi has an Institute of Technology located in Amedokhian and the popular Uromi Technical College in Onewa Village

Research Methodology

The research adopted the survey research design using a modified self-assessment and adaptive cost method, which requires respondents to fill out a questionnaire that gives the estimated cost effect on their operating cost and profit level on self-provision of power and maintenance cost incurred on self-provision of infrastructure

resulting from the absence of infrastructure needed for their operations. The research partly adopted Ekpenyong's (2002), Akinlo's (1996), and Obokoh & Goldman's(2016) questionnaire structure used to ascertain the impact of the Structural Adjustment Programme on manufacturing firms and the effects of deficiency of infrastructure on SMEs in Nigeria. This is because the results of these studies captured, to a large extent, the realities of the economic situation and the state of SMEs in Nigeria following the government's low budgetary provision for infrastructure maintenance. The structured questionnaires were distributed to 50 respondents and interviews were held with them. Thus, the sample for this study was fifty owners of small and medium scale businesses in Uromi who were purposively selected in line with identified SMEs characteristics from the literature reviewed. Data collected were analysed using simple descriptive statistics and multiple regression was conducted to test the sole hypothesis of the study to ascertain the level of effects of infrastructure on development, growth, and sustainability of SMEs.

Results and Discussion

Table 1 below showed the state and effect of infrastructure on successful operation and sustainability of sampled SMEs in Uromi. Table 1 in relation to the category of SMEs showed that out of the fifty (50) sampled Small and Medium Scale businesses, 70% (35) were rated as small businesses because they have less than five employees and were majorly run by their owners while 30% (15) were considered medium because they have above five employees and were run by employed managers.

On sustainability, 18 (36%) of the total SMEs sampled have been running since first start-up, 40% (20) has closed and restarted severally in two or more businesses while 24% (12) classified as others have always drifted from one form of business to the other or done a combination of businesses looking for where the sky has a silver lining. This implies that the SMEs have a low business success rate as majority of the SMEs have diverted from more than one form of business to another.

On long they have been in business, 7 (14%) out of the 50 sampled SMEs have operated for less than 5 years, while majority 35 (70%) has operated for upto 10 years while 8 (16%) has operated for above 10 years.

On the state of infrastructure, 1 (2%) reported that infrastructural facilities are very good in his business location, 2 (4%) agreed that the infrastructure was good in their location. However,37 (74%) reported very poor infrastructure while 10 (20%) concur that infrastructural facilities in their area were poor.

On the effects of operating cost in relation to infrastructure, 39 (78%) has their operating cost increased due to deficiency of infrastructure, 2 (4%) reported a decrease in the cost of operation while 9 (18%) reported that the state of infrastructures has no effect on their business.

Regarding the effects the state of infrastructure has on the profit of the sampled SMEs, 43 (86%) reported a decrease, 4 (8%) reported an increase while 3 (6%) reported no effects on their profitability.

On sources of power for their business, 28(56%) of the sampled SMEs rely on electricity generating set to power their business, 18 (36%) totally depends on electricity while 4 (8%) alternate their power sources depending on availability.

Table 1: State and effect of infrastructure on successful operating of sampled SMEs

Items under consideration	**No. of firms**	**Percentage**
Nature of Business		
Medium	15	30
Small	35	70
Business Success Rate		
First Time Business since start-up	18	36
Start-up several times in several businesses	20	40
Others	12	24
Years of Operation		
Less than 5 years	7	14
5 years to 10 years	35	70
Above 10 years	8	16
State of infrastructure		
Very good	1	2
good	2	4
Poor	10	20
Very poor	37	74
Total	**50**	**100**
Effect on operating cost		
Increase	39	78
Decrease	2	4
No effects	9	18
Total	**50**	**100**
Effect on profits		
Increase	4	8
Decrease	43	86
No effects	3	6
Total	**50**	**100**
SMEs that generate own power		
Yes	28	56
No	18	36
Others	4	8
Total	**50**	**100**

Source: Field Survey, 2020

Table 2 showed the extent of the effect of different Infrastructures on SMEs. Electricity has the highest effect with a mean of 2.76, followed by education with a mean of 2.74. This was followed by water, banks and others; road with mean scores of 2.64, 2.28, 2.24, and 2.2 respectively. Health care had the lowest mean score of 1.3.

Table 2: The Extent of the Effect of different Infrastructure on SMEs

Infrastructure	Extent of Effect				
	Very Serious	**Serious**	**Not Serious**	**F**	**Mean**
Electricity	40	8	2	138	2.76
Roads	23	12	17	110	2.2
Water	38	3	9	132	2.64
Health care	4	7	39	65	1.3
Education	38	11	1	137	2.74
Banks	24	16	10	114	2.28
others	26	3	21	112	2.24

Source: Field Survey, 2020

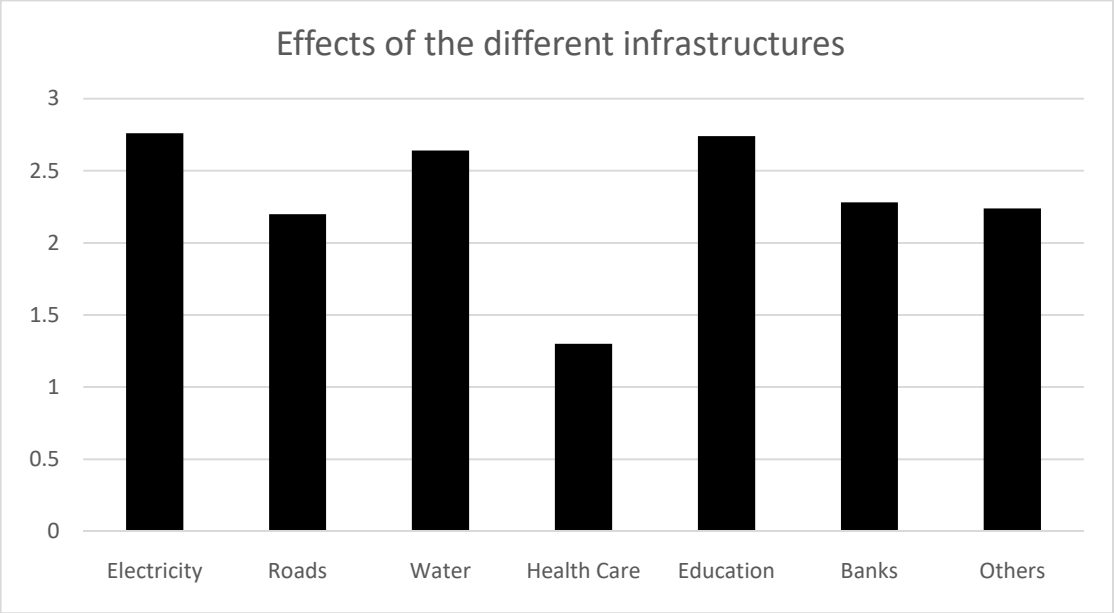


Figure 1: Effects of different Infrastructure on SMEs

Multiple regression was carried out to ascertain the extent of the effects of the state of infrastructure on the development, growth, and sustainability of SMEs in the study area. The result from the model summary table (Table 3a) showed that the extent to which Infrastructure affected is 0.720 i.e. (R square = 0.720). The ANOVA table (Table 3b) shows the Fcal 37.901 at above 0.05 significance level and 0.95% confidence level. The significance level above 0.05 implies statistical confidence of below 95%. This implies that infrastructures have a positive significant relationship with the development and sustainability of SMEs and showed 72% effects on the development, growth, and sustainability of SMEs in the study area. Therefore, the null hypothesis (Ho) which states that there is no significant relationship between the development, growth, and sustainability of SMEs in Uromi is rejected and the alternate hypothesis (Ho), i.e. there is a significant relationship between the development, growth, and sustainability of SMEs in Uromi, is accepted.

Table 3a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.404[a]	.720	.693	1.63821	1.307

a. Predictors: (Constant), Infrastructure
b. Dependent Variable: SMEs Development, Growth and Sustainability

Table 3b ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	**Regression**	124.174	1	124.174	37.901	.000[a]
	Residual	676.780	196	3.453		
Total		800.955	197			

a. Predictors: (Constant), Infrastructure
b. Dependent SMEs Development, Growth, and Sustainability

Conclusion

Based on the findings of this study, the following conclusions were drawn:

a. SMEs in Uromi have a low business success rate due to the effect of infrastructure.
b. Infrastructural state is adjudged very poor by SMEs for a sustainable business environment
c. The poor state of infrastructures has strong negative effects on business development, growth, and sustainability
d. Electricity, education, and water have the highest effects on business development, growth and sustainability in the study area while health care had the lowest effect. This may be due to the availability of many private health facilities in the study area.

Recommendations

Based on the findings of this study, the following recommendations were made

1. Government should step up the quality of infrastructure particularly electricity, education, roads, and water in Uromi to create an enabling environment for SMEs to thrive.
2. Entrepreneurs should be educated on strategies to develop a sustainable business even with limited infrastructural facilities.

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COVID-19: AN ASSESSMENT OF MSMEs SURVIVAL STRATEGIES IN NIGERIA AND PERU

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Abstract

The study evaluates MSMEs survival strategies in Nigeria and Peru during the Covid-19 pandemic era. The study employed survey research design, through the administration of structured questionnaire on top executives of MSMEs in Nigeria and Peru. The population of this study comprises 59, 647, 954 employees of MSMEs in Nigeria and 8,400,000 employees of MSMEs in Peru. Lagos, Kano and Anambra States in Nigeria were selected for the study, because the three states account for the largest concentration of MSMEs across the three largest ethnic groups in Nigeria. Three regions in Peru (Lima, Piura and La Libertad) were selected, because the three regions are the most populated regions in Peru. The sample size of the study was determined using Taro Yamane sample size determination formula, at 95% confidence level and 5% margin of error, which gave a sample size of 400. A non-response (attrition) rate of 50% was assumed, which increased the sample size to 600. Frequency tables and simple percentage were used to analyse the data. The findings revealed that most MSMEs employed the following strategies towards enhancing their survival during the Covid-19 pandemic: Reduction of wage bill by laying-off some employees, enhanced debt recovery strategy, improved negotiation with creditors, taking advantage of government and other entities MSMEs support packages as well as employing digital channel. It can therefore be concluded that reduction of wage bill by laying-off some employees, enhanced debt recovery strategy, improved negotiation with creditors, taking advantage of government and other entities MSMEs support packages as well as employing digital channel are the major MSMEs survival strategies in Nigeria and Peru during the Covid-19 pandemic. It is recommended that MSMEs should continue to utilize these strategies towards mitigating the challenges occasioned by Covid-19 pandemic.

Keywords: Covid-19, MSMEs, Pandemic, Survival Strategies

1. Introduction

The corona virus disease (COVID-19) pandemic has negatively impacted the global economy, causing high human capital costs and reducing the revenue of most enterprises across the globe. The protection measures employed by nations to mitigate the rise of Covid-19 are adversely affecting the economic activity of nations (Baker, Bloom, Davis & Terry, 2020). The International Monetary Fund [IMF] (2020) has projected that the world economy will contract sharply by 3% in 2020, much worse than during the 2008–09 financial crisis. A contracts of 3.4% is projected for the Nigerian economy in the year 2020, higher than the projected global average. On the other hand the Peruvian economy is projected to contract by 4.5% in the year 2020, which is equally higher than the projected global average.

The Covid-19 pandemic has brought about enormous fear and disruptions for enterprises as a whole. The micro, small and medium enterprises (MSMEs) sector tends to be the greatest hit, considering their small size and highly limited resources. The MSMEs tend to be negatively affected by the pandemic, since they lack the ability to absorb shocks. The pandemic is perceived as a threat to the survival of MSMEs in Nigeria and Peru as well as the whole globe. While the health impact of the crisis is substantial, the economic effects are no less devastating especially for small businesses (Sipahi, 2020).

The pandemic has generated critical challenges for the Nigerian and Peruvian Micro, Small and Medium-Scale Enterprises (MSMEs), thereby propelling most MSMEs to focus on crisis management and alternative business response

efforts rather than focusing on routine operations. MSMEs play significant role in the socio-economic development of nations, as it has great prospect for employment generation, contributes significantly to the gross domestic product (GDP), aid the diversification of the economy and enhances indigenous technological development, among others (Eze, Oladimeji & Fayose, 2019).

In Nigeria, MSMEs account for about eighty-five percent (85%) of the total industrial employment (National Bureau of Statistics [NBS], 2019). In Peru, MSMEs represent approximately 19% of the country's Gross Domestic Product and provide employment to around 8.4 million people, representing 46.8% of the Economically Active Population (EAP) (Official Gazette El Peruano, 2019).

Scholars have not been able to examine MSMEs survival strategies during the Covid-19 pandemic from the perspective of two developing nations in two distinct continents, which are Nigeria and Peru. In addressing this research gap, this study sought to examines the top executives of MSMEs perspective on the strategies than can be employed to survive during and after the pandemic in Nigeria and Peru.

2. Literature Review

COVID-19 is spreading around the globe at present, and it does not appear that it will stop anytime soon. Nigeria and Peru are recording an increase case on daily basis. The origin of Corona virus disease was traced to Hunan seafood market in Wuhan city in the Hubei Province of China as announced by the Chinese Health Authority and the CDC (Gralinski & Menachery, 2020; CPERE, 2019). The World Health Organization (WHO) declared SARS-COV-2 also known as Coronavirus disease as a Public Health Emergency of International Concern (PHEIC) on January 30th, 2020 (WHO, 2020, CPERE, 2019; Han & Yang, 2020). On February 11th, 2020 the global health body officially renamed it as COVID-19 (WHO, 2020a; Nassiri2020).

As at the time of writing this paper (8th May, 2020), the world statistics for the virus stands at 3,767,744 confirmed cases of Covid-19 and 259,593 confirmed deaths have been recorded across the globe. Nigeria has recorded 3,526 confirmed cases of Covid-19 and confirmed 107 deaths, while Peru has recorded 54,817 confirmed cases of Covid-19 and confirmed 1,533 deaths (WHO, 2020b).

The Concept of Micro, Small and Medium Enterprises (MSMEs) in Nigerian and Peruvian Contexts

MSMEs constitute an important determining factor of Nigeria's socio-economic growth and development, as it contributes significantly to Nigerian economy. According to NBS (2019), MSMEs accounts for 59, 647, 954 jobs in Nigeria, which is about 86.3% of the Nation's Workforce. In Peru, the role played by MSMEs is highly important, because 92.7% of Peruvian companies are micro and small companies, of which 50% are dedicated to providing various services, 32% to commerce, 14% to production. 90.8% are located in urban areas and 32.1% in the capital of the Peru republic, which is the city of Metropolitan Lima.

The concept of MSMEs has been defined differently by various countries and agencies, using various metrics. It has been defined by several countries from the perspective of asset, revenue and number of employees, among others. In the federal republic of Nigeria, Small and Medium Enterprises Development Agency of Nigeria [SMEDAN] (2015) definition is majorly used by various entities in the country. According to SMEDAN (2015), micro enterprises are businesses that employ a minimum of an employee and a maximum of nine employees with assets (less landed property) below ten million naira; small enterprises are businesses that employ a minimum of ten employees and a maximum of forty nine employees, with assets (less landed property) between ten million naira and less than one hundred million naira; while medium enterprises are businesses that employ a minimum of fifty employees and a maximum of one hundred and ninety nine employees, with assets (less landed property) of one hundred million naira, but less than one billion naira.

Table 2.1: SMEDAN's MSMEs Classification

	SIZE CATEGORY	EMPLOYMENT	ASSETS (N million) (excluding land and buildings)
1	Micro enterprises	1-9	Less than 10
2	Small enterprises	10-49	10 to less than 100
3	Medium enterprises	50-199	100 to less than 1,000

Source: *SMEDAN (2015)*

In Peru, according to Law 28015, the Law for the Promotion and Formalisation of Micro and Small Enterprises (promulgated on July 3, 2003). Micro and Small Business is defined as "The economic unit made up of a natural or legal person, under any form of business organization or management contemplated in current legislation, which aims to carry out activities of extraction, transformation, production, marketing of goods or provision of services. When this Law mentions the acronym MYPE, it is referring to Micro and Small Businesses, which despite having their own sizes and characteristics, have the same treatment in this law, with the exception of the labor regime that is applicable to Micro-companies".

Article 5 of Law 30056 "Law that modifies various laws to facilitate investment, promote productive development and business growth" directed as its name indicates to modify other regulations to encourage the development and growth of MSMEs, provides us with the characteristics of micro, small and medium-sized companies, which must be located in one of the following business categories, established according to their annual sales levels:

Table 2.2: MSMEs Classification

	Ley MYPE D.S. Nº 007-2008-TR		Ley Nº 30056	
	Ventas Anuales	Trabajadores	Ventas Anuales	Trabajadores
Microempresa	Hasta 150 UIT	1 a 10	Hasta 150 UIT	No hay límites
Pequeña Empresa	Hasta 1,700 UIT	1 a 100	Más de 150 UIT y hasta 1,700 UIT	No hay límites
Mediana Empresa			Más de 1700 UIT y hasta 2,300 UIT	No hay límites

Source: Law 30056, article 5

- Microenterprise: annual sales up to the maximum amount of 150 Tax Units (ITU).
- Small business: annual sales of more than 150 UIT and up to the maximum amount of 1,700 Tax Units (UIT).
- Medium company: annual sales of more than 1700 UIT and up to the maximum amount of 2300 UIT.

The increase in the maximum amount of annual sales indicated for the micro, small and medium enterprises may be determined by supreme decree endorsed by the Minister of Economy and Finance and the Minister of Production every two (2) years. Public and private entities will promote the uniformity of the measurement criteria in order to build a homogeneous database that allows coherence in the design and application of public policies for the promotion and formalization of the sector.

In 2017 NBS and SMEDAN carried out a joint survey, which revealed that as at December 2017, Nigeria had a total of 41,543,028 micro small and medium enterprises (MSMEs), which comprised of 41, 469,947 micro enterprise that represents 99.8% and 73,081 small and medium enterprises that represents 0.2%. Lagos State accounts for the highest number of MSMEs (NBS, 2019).

According to NBS (2019), the **five major economic sectors** are: Accommodation and Food Services (6%), Manufacturing (9%), Agriculture (21%), Wholesale/Retail trade (42%), and Other Services (13%).

The MSMEs sector accounts for 59,647,954 jobs; this figure includes owner-managers, which represent 86.3% of the entire workforce of Nigeria as at December 2017. The micro enterprises segment contributes an enormous 95.1%. However, the job creation capacities of micro

enterprises are relatively weak at 1.37 workers per enterprise, in comparison with 39.5 workers per small and medium enterprises (NBS, 2019).

In Peru, MSMEs contribute significantly to the economic development of the country. Small businesses constitute the greatest wealth for the region. 96.5% of Peruvian companies are MSMEs. The atomization of the business sector is one of the characteristics of the Peruvian economy. MSMEs in Peru has been growing as a result of the boom in electronic commerce, credit possibilities, and aid from the Public Administration.

Peru is witnessing an economic acceleration due to the activities of MSMEs. Small businesses are creating jobs and growing at a good pace. Peru's economic acceleration comes from the entrepreneurial spirit of MSMEs. The companies represent 96.5% of the Peruvian companies. Business atomization is one of the most notable characteristics in the business sector in Peru. Small companies are committed to their autonomy in the various industrial and commercial sectors. The increase of MSMEs in Peru clears doubts about the country's economic acceleration. The business world remains mature due to individual initiatives. Young entrepreneurs have good support from public administrations and financing facilities.

3. Methodology

This part of the research covers the methodology used in carrying out the study. As such, it focuses on the methodology used to examine the survival strategies used by MSMEs to mitigate the challenges posed by the Covid-19 Pandemic in Nigeria and Peru. The research employed survey research design. This is because survey research design aids the understanding of the phenomenon under investigation.

The population of this study comprises 59, 647, 954 employees of MSMEs in Nigeria (NBS, 2019), and 8,400,000 employees of MSMEs in Peru (Official Gazette El Peruano, 2019). Lagos, Kano and Anambra States in Nigeria were selected for the study, because the three states account for the largest concentration of MSMEs across the three largest ethnic groups in Nigeria. Three regions in Peru were selected, because the three regions are the most populated regions in Peru. The sample size of the study was determined using Taro Yamane sample size determination formula, at 95% confidence level and 5% margin of error, which gave a sample size of 400. A non-response (attrition) rate of 50% was assumed, which increased the sample size to 600. (400+200). The study employed stratified and simple random sampling technique. The population was stratified into 6 strata based on the three states, representing the three largest ethnic groups in Nigeria and 3 regions in Peru representing the most populated regions in Peru. Furthermore, a simple random sampling was carried out in each stratum (state).

S/N	States	Number of Respondents
1	Lagos (Nigeria)	100
2	Kano (Nigeria)	100
3	Anambra (Nigeria)	100
4	Lima (Peru)	100
5	Piura (Peru)	100
6	La Libertad (Peru)	100
	TOTAL	**600**

The research employed a dichotomous scale, rated as follows: (1) A: Agree, (0) D: Disagree. The questionnaire consisted of two sections. Section A was employed to capture demographic data, while Section B addressed the research objectives. The content validity of the instrument was tested using content validity index (CVI), by using six independent assessors, who are academic staff of Hallmark University, Nigeria and Universidad Andina Del Cusco-Sicuani S Subsidiary, Peru. Each of the independent assessors rated the questionnaire items on a two-point rating scale of relevant (R) and not relevant (NR). The content validity index was obtained by employing the CVI formula:

CVI = n/N

Where;

N= Total number of items in the instrument, while n= numbers of items rated as relevant.

The CVI gave a value of 0.8842, which is adjudged valid.

To test the reliability of the instrument (questionnaire), the test-retest method was employed through a pilot study; the instrument was administered on sixty MSMEs in Nigeria and Peru. This was done twice within an interval of two weeks. Thereafter, the outcomes of the first and second pilot study were correlated and a composite value of 0.7855 was obtained. This suggests that the instrument is reliable.

4 Results and Discussions

600 copies of questionnaires were administered on the top executives of MSMEs in Nigeria and Peru. However, only 413 copies were properly completed and found useable. This represents 68.8% response rate.

Table 4.1: Respondents Age

Age Bracket	Frequency	Percentage
18-30	213	52%
31-49	121	29%
50 and above	79	19%
Total	413	100

The table above indicates that 52% of the respondents are within the age range of 18-30 years, while 29% of the respondents are within the age range of 31-49 years. Finally, 19% of the respondents are above 49 years.

Table 4.2: Respondents Educational Qualification

Level of Education	Frequency	Percentage
Secondary School	156	38%
NCE/OND/ DIPLOMA	102	25%
BSC/BA/LLB/HND	144	35%
PG	11	2%
Total	413	100

The table above indicates that 38% of the respondents are Secondary School certificates holders, 25% are NCE/OND/ DIPLOMA certificates holders, 35% of the respondents are BSC/BA/LLB/HND certificates holders, while 2% are postgraduate certificate holders.

Table 4.3: The Location of the Respondents

Country	Frequency	Percentage
Nigeria	246	60%
Peru	167	40%
Total	413	100

The table above indicates that 60% of the respondents are from Nigeria, while 40% of the respondents are from Peru.

Table 4.4: Our Business Have to Lay-off Some Staff to Survive During Covid-19 Pandemic

Responses	Frequency	Percentage
Agree	301	73%
Disagree	112	27%
Total	413	100

73% of the respondents agreed that they have to lay-off some staff to survive during Covid-19 pandemic, while 27% disagreed.

Table 4.5: We Have Enhanced our Debt Recovery Strategy to Survive During Covid-19 Pandemic

Responses	Frequency	Percentage
Agree	333	81%
Disagree	80	19%
Total	413	100

81% of the respondents agreed that they have enhanced their debt recovery strategy to survive during Covid-19 pandemic, while 19% disagreed.

Table 4.6: We Have Improved our Negotiation with our Creditors to Survive During Covid-19 Pandemic

Responses	Frequency	Percentage
Agree	351	85%
Disagree	62	15%
Total	413	100

85% of the respondents agreed that they have improved their negotiation with their creditors to survive during Covid-19 pandemic, while 15% disagreed.

Table 4.7: We Intend to Take Advantage of Government and Other Entities MSMEs Support Package to Survive During Covid-19 Pandemic

Responses	Frequency	Percentage
Agree	402	97%
Disagree	11	3%
Total	413	100

97% of the respondents agreed that they have intention to take advantage of government and other entities MSMEs support packages to survive during Covid-19 pandemic, while 3% disagreed.

Table 4.8: We Have Employed Digital Channels to Survive During Covid-19 Pandemic

Responses	**Frequency**	**Percentage**
Agree	249	60%
Disagree	164	40%
Total	413	100

60% of the respondents agreed that they employ digital channels to survive during Covid-19 pandemic, while 40% disagreed.

5 Conclusion and Recommendations

The study evaluates MSMEs survival strategies in Nigeria and Peru during the Covid-19 pandemic era. The findings revealed that most MSMEs in Nigeria and Peru employed the following strategies towards enhancing their survival during the Covid-19 pandemic: Reduction of wage bill by laying-off some employees, enhanced debt recovery strategy, improved negotiation with creditors, taking advantage of government and other entities MSMEs support packages as well as employing digital channel.

It can therefore be concluded that reduction of wage bill by laying-off some employees, enhanced debt recovery strategy, improved negotiation with creditors, taking advantage of government and other entities MSMEs support packages as well as employing digital channel are the major MSMEs survival strategies in Nigeria and Peru during the Covid-19 pandemic. It is recommended that MSMEs should continue to utilize the strategies (reduction of wage bill by laying-off some employees, enhanced debt recovery strategy, improved negotiation with creditors, taking advantage of government and other entities MSMEs support packages as well as employing digital channel) towards mitigating the challenges occasioned by Covid-19 pandemic.

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ENTREPRENEURIAL TRAINING STRATEGY AND INTENTION OF SERVING YOUTH CORP MEMBERS IN KWARA STATE, NIGERIA

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Abstract

Massive unemployment of graduates in the country can be traced to the problem of disequilibrium between labour market requirements and lack of employable skills by graduates. To stem the tide in the unemployment menace and in view of the enormous positive socio-economic benefits of entrepreneurship training, the National Youth Service Corp introduced the Skill Acquisition and Entrepreneurial Development Programme to advance entrepreneurial thinking and behaviour to develop serving corp members' awareness of the relevance of entrepreneurship training. This study examined the effect of entrepreneurial training on entrepreneurial intention of serving youth corp members in Kwara State, Nigeria. Data for the study were obtained from primary sources with the aid of a structured questionnaire. The study in its descriptive nature adopted a survey design. Regression analysis was used to test the hypothesis at 5% level of significance. The findings from the data analysis revealed that Entrepreneurial Training (measured by NYSC skill acquisition and entrepreneurial development programs) had significant impact on entrepreneurial intention). Based on the findings, the study concluded that entrepreneurship training significantly affect entrepreneurial intention among serving youth corp members. The study recommended that immense energy should further be gathered for improvement in the field of entrepreneurship training so as to encourage serving youth corp members involvement and thereby creating and producing graduates who are job creator and self reliant. Also, the current tempo of entrepreneurial training should not only be maintained and sustained but improved upon in line with the complexities of the environment.

Keyword: Education, Entrepreneurial Intention, Entrepreneurial Training, Strategy, Youth.

1.0 Introduction

The issue of mismatch between labor market requirements and the absence of employable skills by graduates has led to high rate of unemployment. Many countries have addressed the problem of unemployment in recent years through efforts that is geared towards building new business opportunities for their people. Countries have been pressured by unemployment to find ways to encourage their people to become self-employed. Under these conditions, the principles of entrepreneurship and entrepreneurship education are now emerging in educational curriculums in many countries. It is thus seen as a base for the growth of social and economic well-being. (European Commission, 2006; European Commission, 2010).

Entrepreneurship has been increasingly recognised for its role in creating jobs and economic growth, and it has been acknowledged as useful for increasing the competitiveness of a region, state, or country (European Commission, 2003; Zahra, 1991). According to Kuratko (2009), entrepreneurship can also be understood as a career opportunity, with new business startups simultaneously increasing job opportunities within society (European Commission, 2003). Entrepreneurship works as a catalyst for national welfare (Martinez, Levie, Kelly, Sæmundsson & Schøtt, 2010); and global interest in entrepreneurship training is increasing as a consequence (Kuratko, 2009).

Entrepreneurship development in both developed and developing countries is critical to sustainable economic development (Schumpeter, 1934). Arogundade (2000) concurs by stating that an entrepreneur plays a critical role in the success of an economy by carrying out entrepreneurial activities: creating market opportunities, gaining command of resources, and marketing of products, management of human resources, financial production management and dealing with the public. The success of the growth and management of entrepreneurs in every organization depends on its ability to build human capital through preparation, the ability to start a company, the creation of jobs, goods and services that can compete in the global market. Without the essential skills to launch, thrive and expand their businesses, entrepreneurs venture into business. In each stage of the new venture, an entrepreneur needs a good support and advisory system (Hisrich & Peters, 2002).

In 2007, given the government's concern about the high rise in graduate unemployment in Nigeria, the Federal Ministry of Education, through the National Universities Commission (NUC), the National Board of Technical Education (NBTE) and the National Commission for Colleges of Education in Nigeria (NCCE), directed all Higher Education Institutions (HEI) in the country to have commence teaching of courses on entrepreneurial education. This strategy was set up to improve the capacity and attitudes of students to set up their own companies instead of searching for jobs. The purpose of the policies was to reform the HEI curriculum (NUC, 2007). The process involves providing students in their senior years with the curriculum and familiarizing key stakeholders with the need and value of entrepreneurship (NUC, 2004).

Similarly, the National Youth Service Corp **(NYSC),** by virtue of her mandate is unarguably the most critical influencer in the development of the Nigerian Youth and recognizing that it must play a major part in supporting the government's resolve to tackle the unemployment challenge also created the Skill Acquisition & Entrepreneurship development (SAED) department in the NYSC in 2012 to champion a Skill acquisition & entrepreneurship development program (NYSC, 2013). A critical review of previous studies shows that most studies on entrepreneurial education and training are done in developed and industrialized countries of the world like United State of America, United Kingdom, France, and Germany, India while signalling a significant improvement in Africa, Sub Sahara Africa and Nigeria in particular.

Empirical studies on entrepreneurial training in developing countries are still fragmented and evolving. While it is acknowledged that many important steps in the study of entrepreneurial education and training have been made, there appears to be dearth and paucity of researches that encapsulates entrepreneurial training variables entrepreneurial development, entrepreneurial skill acquisition and entrepreneurial intention. Similarly, previous studies investigated entrepreneurial training within uni-dimensional frameworks which means only one issue was examined at a time. Against this backdrop, the objective of this study is to examine the effect of entrepreneurial training strategy on intention of serving youth corp members in Kwara State, Nigeria.

2.0 Literature Review

A. Conceptual Clarifications

Entrepreneurial Training

Entrepreneurial training according to Alberti, Sciascia and Poli (2004) can be described as the organized systematic transmission of entrepreneurial competencies, which in turn refers to the principles, skills and mental awareness used by individuals during the start-up and start-up process. There is increasing recognition that it is possible to teach and practice certain elements of entrepreneurship. Entrepreneurship is a significant innovation in education that provides the catalyst

for learning about learning, according to Azim and Al-kahtani (2014).

Entrepreneurship training is synonymous with entrepreneurship education. This is why some authors use both terms interchangeably, while some others combine both concepts. Taken together, Entrepreneurship Education and Training (EET) typically represent both the practice of communicating unique entrepreneurial mindsets and skills, as well as educational and training programs that aim to produce different entrepreneurial outcomes. EET reflects academic education or structured training interventions that provides people with entrepreneurial mindsets and skills to encourage engagement and success in a variety of entrepreneurial activities.

Afolabi (2011) described entrepreneurship education and training as the inculcation of entrepreneurship, abilities, knowledge, attitudes, skills and competencies in individuals that would make them live happily and successfully in society and contribute significantly to its growth. Education and preparation for entrepreneurship encompasses a broad spectrum of audiences, priorities, content and pedagogical methods (Fayolle & Gailly, 2008). In previous research, the most commonly cited goals of entrepreneurship education are: acquiring knowledge of entrepreneurship, acquiring expertise in the use of techniques, assessing business situations and synthesizing action plans, recognizing and stimulating entrepreneurial motivation, talent and skills, undoing the risk-adverse bias of many analytical techniques.

Entrepreneurship education and training can be divided into three categories: raising awareness, teaching strategies, instruments and how to cope with circumstances and helping project bearers (Fayolle, 2007). Therefore, as education and training programs integrate innovative and entrepreneurial skills into teaching methodologies, the behaviors and skills that are more closely related to the' practice' of entrepreneurship are transmissible (World Bank, 2010).

Entrepreneurship education and training is intended to transform the recipient's orientation and mindset, and the process will provide them with the skills and expertise to establish and manage a company. It aims to develop the required entrepreneurial abilities, attitudes, skills and disposition that will predispose the person to be a driving force in the management of a company (Agu, 2006). Education and training in entrepreneurship focuses on improving understanding and the ability to pursue entrepreneurial practices, skills and attitudes in widely varying contexts. This method of education is open to all and not just the realm of some self-acclaimed business gurus. This is more so true in the sense that these behaviours can be practiced, formed and learned therefore it is important to expose all students to entrepreneurship education (Akpomi, 2009).

Entrepreneurial Intention

Entrepreneurial intentions are commonly characterized as one's desire to own or start a business (Crant, 1996) Entrepreneurial intention is interpreted in several ways, such as entrepreneurship. It is an individual's self-recognized belief that they expect to set up a new business venture and actively plan to do so at some stage in the future (Thompson, 2009). While other researchers describe EI as a state of mind that requires personal attention and skills in order to build new projects (Souitaris, Zerbinati, & Al-Laham, 2007). Others see it as a way of finding resources and knowledge to start a company which is a cognitive representation and personal engagement (Krueger & Reily, 2000) of planned acts to conduct entrepreneurial activity. Entrepreneurial intentions can also be viewed as the incentive of a person to try to act on a deliberate idea or decision (Conner & Armitage, 1998)

Intentions are applicable specifically for entrepreneurship training programs as intentions have proved to be the best predictor of planned behaviour (Krueger et al., 1993), particularly when such behaviour is unusual, difficult to observe, or involves unpredictable time lags (Souitaris et al., 2007). Entrepreneurial intentions is significantly more than just a proxy for entrepreneurship; it is in its own right a valid and valuable concept that can be used not just as a dependent, but as an independent and control variable (Thompson, 2009). Intentions are the central element of the social cognitive theory (SCT) introduced and developed by Bandura (1986) to understand human behaviors (Tubbs & Ekeberg, 1991)

The Global Entrepreneurship Monitor (GEM) found that a very significant predictor of entrepreneurship in a society is entrepreneurial

intent (Kelly, 2012). This is because people with high entrepreneurial intentions are more likely than those with low entrepreneurial intentions to start a company of their choosing (Matlay, 2008). In terms of looking for information and other resources to start up, Katz and Gartner (1988) identified entrepreneurial intent. Bird (1988; 1992) described the aim as a state of mind that emphasizes personal attention and experience in order to create new projects. The development of entrepreneurial intentions and the transformation of these intentions into new projects rely on a supportive environment that has a positive influence on the context of entrepreneurial intent (Ajzen, 2005; Malebana, 2015).

Previous research has shown that a socially supportive atmosphere is important to stimulating entrepreneurial purpose and behaviour (Zanakis, Renko & Bullough, 2012). More precisely, access to and awareness of entrepreneurial support increases the probability of new projects being generated (Zanakis, et al., 2012) and has a positive effect on entrepreneurial intentions (Malebana, 2017). The goal of entrepreneurship is a cognitive representation of behaviour by applying entrepreneurial learning to maximize a business opportunity (knowledge and skills). It is therefore necessary to foster entrepreneurship by fostering entrepreneurial attitudes and intentions through entrepreneurship training. Entrepreneurial intentions is described by a person as a self-recognized conviction that they intend to set up a new business venture and plan to do so consciously at some point in in the future (Thompson, 2009).

NYSC Skill Acquisition and Entrepreneurship Development (SAED) programme

The National Youth Service Corps (NYSC) Skill Acquisition and Entrepreneurship Creation (SAED) program was inaugurated to counter unemployment in the country by teaching corp members the skills that they would need to be self-employed in today's harsh economy (NYSC, 2013). Under its mandate, the NYSC is unquestionably the most important influencer in the growth of the Nigerian Youth (NYSC, 2020). NYSC recognize that it must play a significant role in promoting the government's commitment to tackle the unemployment problem. This realization led to the establishment of the NYSC department of Skill Acquisition & Entrepreneurship Development (SAED) in March 2012 to champion a Skill Acquisition & Entrepreneurship Development Program (NYSC, 2017).

The SAED scheme is a program aimed at helping corp members to develop the requisite skills that will in turn enable them to seek entrepreneurial careers and make them job creators instead of job seekers. The NYSC has collaborated with a variety of businesses and educational organizations around the nation to deliver courses and training programs that will equip corp members with the skills pertaining to sustainable management of businesses (NYSC, 2019).

Furthermore, the SAED program is one of the few in the country that gives youths, which are corp members opportunities to develop their skills for self reliance The SAED entails Skills Acquisition program Entrepreneurship and Empowerment Development program. The corp members are exposed to several skills in areas such Agro-allied. Automobile, Cosmetology, Bead making, Make-up, Food processing, Cosmetology, Paint making, Plumbing, Garment making, Shoe and bag making. To ensure optimum actualization of objectives behind the NYSC SAED program, a department was created to facilitate the achievement of the vision and mission of the program (NYSC, 2020).

B. Theoretical Review

Human Capital Theory (HCT)

Human capital is made up of skills and expertise gained by individuals through investments in education, on-the-job training, and other forms of experience. The theory of human capital promotes education as a means to enhance human capital, raise labor efficiency and increase technology levels across the globe (Robert, 1991). Human resources are the most valuable resource or asset that an organization or a nation can boast of in the workplace of the 21st century as organisations are managed and directed by individuals and goals are set and accomplished by individuals.

Ajibade (2013) concluded that human capital is regarded as the most important human capital in development studies. The capacity of nations to move from underdeveloped to developed economies has been directly related to it. Indeed, the efficiency of the human resources of a nation is central to the promotion and preservation of

innovation and the implementation of suitable technologies for accelerated sustainable growth.
It is a fact that human capital has been primarily responsible for the transformation of resource-poor nations such as South Korea, Taiwan and Singapore, while resource-rich nations such as Nigeria, Venezuela and Angola are still at the bottom of the development ladder. In fact, this point reiterates the case for an accelerated development of human capital, especially in developing countries, if the world is to resolve the global socio-economic and ecological crisis that that have the potential to endanger our individual and collective existence as well as rob future generations of their well-being. In order to optimize efficiency by fostering technological development and promoting cultural environments conducive to social and economic change, entrepreneurial training is an instrument for training human capital (Ajibade, 2013). The bottom line here is to instill the spirit of entrepreneurship through education and training.

The adoption of this theory stems from the pivotal role that entrepreneurial education and education plays in addressing the unemployment menace and ensuring the development of the nations economy. Inclusive growth and sustainable development in Nigeria can be accomplished through rigorous and massive entrepreneurial education, training and development that will make graduate job creator. The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2003, Chandler & Hanks, 1998, Gartner et al, 2005, Shane & Venkataraman, 2000).

C. Empirical Review

A study was conducted by Karanja (2016) that evaluated the effect of entrepreneurial training on the performance of youth companies in Nyeri County. The goal of this study was to examine the effect of financial management skills, innovation, access to credit facilities and market access on the performance of youth enterprises owned by young people trained by Techno within the context of the STRYDE project. Descriptive survey design was used in the study. To gather data, questionnaires were used. From the three beneficiary constituencies of the district, the population of 812 was purposively sampled, stratified into male and female, then further selected using simple random sampling. The information collected was evaluated and presented in tables using the method of descriptive analysis. Pearson Moment Correlation Coefficient showed that there was a weak negative relationship (-0.142) between youth enterprise innovation and success. The results of the study show that, in comparison to innovation, the majority of young people start their own companies due to the lack of formal job opportunities. Pearson correlation showed that there was a weak positive relationship (0.215) between access to credit and youth enterprise results. The results showed that most young people experience difficulties when accessing financial services from financial institutions that impede success. Pearson Correlation on financial management skills also revealed that there was weak positive relationship (0.231) between training of financial management skills and performance of youth enterprises

Uranta (2017) carried out an analysis in Rivers and Bayelsa States, Nigeria, on the understanding of the skills development program of SPDC and NDDC. Out of thirty-five (35) skill centers in both states, twenty-two (22) were intentionally picked. To select the skill acquisition centers in the areas, cluster sampling was used and a standardized questionnaire was administered to 271 respondents in the study area. The results showed that, with a mean score of 3.76, NDDC graduates strongly accepted that rural community growth could not be accomplished by the program. They disagreed (mean= 1.84) that most of the facilities and materials for learning are out-of-date. The findings also showed that SPDC graduates with an average score of 2.54 accepted that the program helps their graduates find employment while disagreeing (mean = 1.77) that the program is more roadside training and lacks the potential to educate young people. The mean perception score of graduates of the NDDC and SPDC programmes was 2.49 and 2.30 respectively.

A research on school-based activities for the acquisition of entrepreneurship skills in secondary schools in the Delta State of Nigeria was carried out by Onajite and Aina (2017). This study identified school-based activities that are necessary for acquiring entrepreneurship skills in Delta State secondary schools. Descriptive survey

research design was used in conducting the study. The research population consisted of 448 principals and 3258 teachers of entrepreneurship subjects from 448 Delta State public secondary schools. A sample size of 224 principals and 652 entrepreneurship subject teachers from 224 public secondary schools in Delta State was selected using a purposeful sampling technique. Data were equally analyzed using mean score at 2.50 rating, frequencies and simple percentages. Consequently, it was found from the results of the study that there was a need to implement school-based practices in Delta State secondary schools; both principals and entrepreneurship subject teachers were highly aware and highly knowledgeable of the types of school-based practices for the acquisition of entrepreneurship skills in Delta State secondary schools and a large percentage of principals and entrepreneurship subject teachers accepted the incorporation of school-based practices as part of their academic programme for entrepreneurship skills acquisition in secondary schools in Delta State

Igbongidi (2017) carried out a study on assessing entrepreneurship education for skill acquisition and job generation by business education students in Bayelsa State, Nigeria. The major purpose of this study was to examine the assessment of entrepreneurship education for skill acquisition and job generation by business education students in Bayelsa State, Nigeria. The study adopted a survey design. In the Department of Vocational and Technology Education in Bayelsa State, the population of this study consists of all three and four hundred level students of business education. The research sample size was one hundred and twenty-five (125) students, accounting for 45% of the population. In drawing the sample for the entire population, the proportionate stratified random sampling technique was used and is known to be representative of the entire population. The findings revealed a positive relationship between entrepreneurship education for skill acquisition and job generation by business education students

Usman, Waziri, Abdullahi and Babayo (2018) conducted a study on the participation of students in entrepreneurship skills acquisition programs in Adamawa state Polytechnic Yola, Nigeria. The research evaluated the involvement of students in the program for the acquisition of entrepreneurship skills in Adamawa State Polytechnic Yola, Nigeria. Primary data were collected using the questionnaire administered to randomly selected 80 respondents. Percentages, average, frequency distribution and regression analysis were used to analyze the data obtained. The findings of the regression analysis showed that age, marital status and household size variables are significantly linked to the number of skills acquired. The coefficient of multiple determinations (R2) was estimated at 0.8796 indicating that 87.96% of the variation in skills acquired is explained by the variables included in the model.

Mothibi (2019) conducted a study in Mamelodi, South Africa on the determinants of the entrepreneurial intentions of secondary school students The purpose of the study was to analyze the determinants of the entrepreneurial intention of secondary school students in Mamelodi, South Africa. Using a sample of 349 students from 11 secondary schools in Mamelodi, a cross-sectional survey was carried out. A structured self-administered questionnaire was used for data collection. Findings showed that secondary school learners' entrepreneurial intentions were predicted by perceived behavioral influence, entrepreneurship attitude and subjective standards. There was a significant positive relationship between the media and the status of entrepreneurship with entrepreneurial motive, subjective norms, attitude towards entrepreneurship and perceived behavioral influence. Knowledge of entrepreneurial support did not have a significant effect on entrepreneurial intention and the antecedents of entrepreneurial intention.

A research on the relationship between entrepreneurship education and entrepreneurial intentions was conducted by Takawira (2020). The aim of this study was to test whether the predictive relationship between the perceived effects of entrepreneurship education and entrepreneurial intentions was mediated by selected psychological traits (need for accomplishment, risk-taking tendency, internal locus of control). For this reason, a cross-sectional survey was used on a sample of 308 vocational education students in Zimbabwe. The results show that the influence of the variable on

entrepreneurship education had a positive and statistically significant relationship with the need for accomplishment, the willingness to take risks, the internal locus of control and the intentions of the entrepreneurial intentions. In addition, a statistically significant amount of variation in entrepreneurial intentions was accounted for by the need for success, risk-taking tendency and internal locus of control. Of the three psychological characteristics, the relationship between the effects of entrepreneurship education and entrepreneurial target intentions was partly mediated only by the need for achievement.

3.0 Methodology

Descriptive survey research design was adopted and considered suitable for this study because it will allow the researcher to discover relative population incidence and distribution. In Kwara Central Senatorial District, the study population consists of serving youth corp members with a total number of 832. As a case study, Kwara Central Senatorial District was intentionally chosen because it holds the largest number of corp members in the state. The research focuses on the participants of the Serving Batch-C Corp in the study area who have gone through the programmed SAED during the camp exercise and the community service exercise. To approximate the sample size of two hundred and seventy (270) respondents, the Yaro Yamane formular was used. Data was collected using primary data sources and the questionnaire was used as a data collection analysis tool. Data collected were coded and analyzed with descriptive statistics frequency table, simple percentage while inferential statistics of Regression analysis was used to test the formulated hypothesis at 5% level of significance. Test of reliability was carried out using Cronbach's Alpha with a coefficient value ranging from 0 to 1 (Saunders, Lewis, & Thornhill, 2012). A Cronbach's Alpha (α) with a coefficient value of 0.809 was found to be higher than the 0.70 minimum threshold of internal consistency.

4.0 Results and Discussion of Findings

Test of Hypothesis One

H_{o1}:- NYSC Skill acquisition program does not have significant impact on entrepreneurial intention

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	.004	.003	.84764

a. Predictors: (Constant), NYSC Skill acquisition program

The result of regression as contained in table 1 above Model Summary shows that the R gave a large value of 0.630. This means that the model explained about 63% of the variance in NYSC Skill acquisition. This by implication means that a unit increase in the independent variable (.630) will lead to a significant effect on the dependent variable amounting to 63%.

Table 2: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.404	1	.404	.562	.001[b]
	Residual	100.589	85	.718		
	Total	100.993	86			

a. Dependent Variable: Entrepreneurial Intention

b. Predictors: (Constant), NYSC Skill acquisition program

The table 2 summarizes the results of an analysis of variation in the dependent variable with large value of regression sum of squares (100.993) in comparison to the residual sum of squares with value of 100.589 (this value indicated that the model does not fail to explain the variation in the dependent variable. However, the F-value (.562) as given in the table above with significance value of 0.001; which is less than p-value of 0.05 ($p<0.05$), implies that the regression model formulated is useful for making predictions.

Table 3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.254	.355		26.034	.000
	NYSC Skill acquisition program	.022	.030	.063	2.750	.001

a. Dependent Variable: Entrepreneurial Intention

The dependent variable as shown in the table above reads Entrepreneurial Intention. This was used as a yardstick to examine the relationship between the two variables (i.e. NYSC Skill acquisition and Entrepreneurial Intention). The predictor is NYSC Skill acquisition program, as depicted in the above table and it is obvious that there is a direct relationship between NYSC Skill acquisition program and Entrepreneurial Intention). According to the result in the table above NYSC Skill acquisition t-test coefficient is 2.750 and the overall P-value of the variables is between 0.000 and 0.001 which is less than 0.05 (i.e. $P<0.05$). This means that the predictor has a significant effect on the dependent variable at 5% significance level.

Decision Rule: As a result of the outcome, the Null Hypothesis (H_o) was rejected on the basis that the p-value is less 0.05. Hence the alternative hypothesis (H_1) was accepted which states that NYSC Skill acquisition program has significant impact on and Entrepreneurial Intention. The result from the test of hypothesis one as stated above aligns with the findings of Karanja (2016), Uranta (2017), Igbongidi (2017), Usman, Waziri, Abdullahi and Babayo (2018), Mothibi (2019) and Takawira (2020) who discovered in their findings that Entrepreneurship skill acquisition programs have significant impact on entrepreneurial intention.

Test of Hypothesis Two

H_{o2}:- NYSC Entrepreneurship development program does not have significant impact on entrepreneurial intention

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.323[a]	.104	.098	.80384

a. Predictors: (Constant), NYSC Entrepreneurship development program

The result of regression as contained in table 4 above Model Summary shows that the R gave a value of 0.323. This means that the model explained about 32% of the variance in performance. This by implication means that a unit increase in the independent variable (.323) will lead to a significant effect on the dependent variable amounting to 32%.

Table 5: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.530	1	10.530	16.297	.000[b]
	Residual	90.463	85	.646		
	Total	100.993	86			

a. Dependent Variable: Entrepreneurial Intention

b. Predictors: (Constant), NYSC Entrepreneurship development program

The table above summarizes the results of an analysis of variation in the dependent variable with large value of regression sum of squares (100.993) in comparison to the residual sum of squares with value of 90.463 (this value indicated that the model does not fail to explain a the variation in the dependent variable. However, the F-value (0.000) as given in the table above with significance value of 0.001; which is less than p-value of 0.05 ($p<0.05$), implies that the regression model formulated is useful for making predictions.

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.467	.384		19.441	.000
	NYSC Entrepreneurship development program	.129	.032	.323	4.037	.000

a. Dependent Variable: Entrepreneurial Intention

The dependent variable as shown in the table above reads Entrepreneurial Intention. This was used as a yardstick to examine the relationship between the two variables (i.e. NYSC Entrepreneurship development program and Entrepreneurial Intention). The predictor is product differentiation, as depicted in the above table and it is obvious that there is a direct relationship between product differentiation and Entrepreneurial Intention. According to the result in the table above NYSC Entrepreneurship development program t-test coefficient is 4.037 and the overall P-value of the variables is between 0.000 and 0.000 which is less than 0.05 (i.e. $P<0.05$). This means that these variables are statistically significant at 5% significant level.

Decision Rule: As a result of the outcome, the Null Hypothesis (Ho) was rejected on the basis that the p-value is less 0.05. Hence the alternative hypothesis was accepted which states that NYSC Entrepreneurship development program has significant impact on Entrepreneurial Intention. The result from the test of hypothesis one as stated above aligns with the findings of Karanja (2016), Uranta (2017), Igbongidi (2017), Usman, Waziri, Abdullahi and Babayo (2018), Mothibi (2019) and Takawira (2020) who discovered in their findings that Entrepreneurship development programs have significant impact on entrepreneurial intention.

5.0 Conclusion and Recommendations

The rate of graduate unemployment in Nigeria has steadily been on an exponential increase in spite of the enormous endowments of the country in human and natural resources, this has necessitated the need for drastic government policies in the areas of encouraging and providing enabling environment for the teeming unemployed educated youths to be self-reliant and be challenged to translate their theoretical training and skills into workable practical venture creation rather than being only certificated graduates. The National Youth Service Corp in its bid to find obvious answer to this challenge introduced the SAED program. This research aimed to examine the impact of entrepreneurship training on entrepreneurial intention of serving corp members Based on the findings of this study, the study concludes that NYSC Skill acquisition program had significant impact on entrepreneurial intention of serving corp members. Also, NYSC Entrepreneurship programs have significant impact on entrepreneurial intention of serving corp members.

Arising from the above conclusion, study recommends that training programmes should offer the requisite skills for the pre-start, start-up and growth stages of businesses. The stages of the entrepreneurial process for start-up and growth require sets of skills or competencies with which entrepreneurs should be equipped as they evolve through the stages. Hence, the training models should continually emphasize on critical skills such as business, entrepreneurship and technical skills, as well as facilitation and programme methodology, as essential for entrepreneurship training programmes. The current tempo of revolution in the NYSC SAED programme should not only be maintained and sustained but improved upon.

The study also recommends a need for a paradigm shift in the pedagogical approaches adopted by NYSC from being largely theoretical to experiential and practical approaches. Do it Yourself (DIY) approaches are highly recommended for both theoretical, and practical sessions of an entrepreneurship program. These approaches can influence corp members' understanding of the process of entrepreneurship and also motivate identification of business opportunities because experiential learning models engage real life context and practical activities. This is important because a business idea can translate into a business enterprise, only if a target market (opportunity) is identified and

exploited. NYSC should come up with the establishment of a center and support system that would be characterised by initiatives such as technology patenting and commercialization, seed funding, business mentoring and business incubators to motivate knowledge sharing among corp members'

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EVALUATION OF YOUTH EMPLOYMENT AND SOCIAL SUPPORT OPERATION PROGRAMME ON UNEMPLOYMENT REDUCTION IN ILORIN METROPOLIS

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Abstract

The need for vocational and entrepreneurship training schemes is one of the pivot measures of reducing the rapid increase in the rate of unemployment. To stem the tide in this menace and in view of the enormous positive socio-economic benefits of entrepreneurship training, the federal government of Nigeria in collaboration with the World Bank introduced Youth Employment and Social Support Operation Programme to advance entrepreneurial thinking and behavior among youths. This study examined the impact of Skill for Job component of Youth Employment and Social Support Operation Programme on Unemployment reduction in Ilorin metropolis of Kwara State, Nigeria. Data for the study were obtained from primary sources with the aid of a structured questionnaire. The study in its descriptive nature adopted a survey design. Pearson Product Moment Correlation Coefficient was used to test the hypothesis at 5% level of significance. The findings revealed that there is significant relationship between YESSO Skills for Jobs program and employment generation, economic well being of beneficiaries and skill – job enhancement. The correlation coefficients were all found to be higher than 0.70 hence signifying a strong positive relationship between YESSO and employment generation. Based on the findings, the study concluded that Youth Employment and Social Support Operation Programme significantly impacted on Unemployment Reduction in Ilorin Metropolis. The study recommended a continuous and holistic review of the YESSO scheme in terms of the implementation template, structure and funding strategies to guarantee sustainable employment generation. Also, the social protection policy design and development should start from the needs, realities and priorities of the groups which are intended to benefit while emphasis should be placed on sustainable learning of specific skills that can facilitate economic well being of beneficiaries.

Keywords: Entrepreneurship, Job, Unemployment, Vocation, Youth.

Introduction

Nigeria is confronted with a high rate of youth unemployment as a result of inadequacy in entrepreneurship skills acquisition (Fems, Poazi, & Opigo, 2017). With over 150 institutions of higher learning across the country, over 500,000 Nigerian graduates emerge every year from different disciplines in addition to those who study outside of Nigeria and come back to Nigeria to search for jobs (Fems et al., 2017). Poverty and unemployment rate continue to climb vertically, translating in to social problems of more monumental proportions. Every government since 1999 has had their signature of poverty reduction

or alleviation programs. Tackling graduate unemployment and low labour productivity in Nigeria has remained twin problems facing the country for some decades now.

The need to avert the negative effects of unemployment and improve labour productivity through effective policies has made tackling of unemployment problems to feature prominently in the developmental objectives of the Nigerian government (Asoluka & Okezie, 2011). Development of strategies to address unemployment reduction has remained the central focus of macroeconomic goals in Nigeria. The federal government through have constantly evolves policies that can promote higher level of employment, production and purchasing power (Essien & Atan, 2006). One of such policies birthed the Youth Employment and Social Support Operation (YESSO). The government in its bid to stem the continuous rise in the rate of unemployment, established Youth Employment and Social Support Operation (YESSO) The development objective of the Youth Employment and Social Support Operation Project for Nigeria is to increase access of the poor to youth employment opportunities, social services, and strengthened safety net systems in participating states (Koleva, 2016).

This study reviewed handful of scholarly articles in the field of entrepreneurship that emphasised on youth employment, vocational training and skill acquisition as variables. A critical review of previous studies shows that most studies on youth employment, vocational training and skill acquisition are done in developed and industrialized countries of the world like United State of America, United Kingdom, France, and Germany, India while signalling a significant improvement in Africa; sub Sahara Africa and Nigeria in particular. While it is acknowledged that many researched have been made in the area of youth employment, vocational training and skill acquisition, there appears to be dearth and paucity of researches that evaluated the YESSO program particularly in on Kwara state. Against this backdrop, this research examines the impact of YESSO programme on unemployment reduction in Ilorin metropolis. Emphasis is placed on the Skill for Job program of the YESSO Scheme because of its relationship with entrepreneurial training and intention.

Literature Review

Conceptual Clarification

a. Youth unemployment

Youth unemployment has become a key issue in the developed and developing countries' political agenda, but empirical evidence suggests that in these two classes of countries with more skilled people unemployed in less developed countries, the essence of the problem is very different. It is estimated that the world population comprises approximately 1.2 million young people (aged 15 to 24), 87% of whom live in developing countries (United Nations, 2017). Between 2017 and 2018, the proportion of young people who are working dropped from 49.2 to 44.5 percent (ILO, 2015), while the youth unemployment rate is seen as one of the key indicators of the Millennium Development Goals (MDGs) and accounts for around half of global unemployment (World Bank, 2020).

In most countries, the ratio of youth to adult unemployment rate equals three (ILO, 2015) which clearly shows the difficulties young people face in accessing employment opportunities in the labour market. In Sub-Saharan Africa, 3 in 5 of the total unemployed are youth (ILO, 2015), and an average of 72% of its youth population lives below poverty line (World Bank, 2015). Unemployment is one among many issues that youth face in the labor market (ILO, 2015).In both developing and industrialized countries, youth are more susceptible to issues such as long working hours, work with short-term and/or informal contracts, low pay and little or no social protection (ILO, 2015)

Youth Employment and Social Support (YESSO)

The Youth Employment and Social Support (YESSO) Youth Jobs and Social Help (YESSO) was launched on August 7, 2013 and is intended to reduce the level of poverty in Nigeria. The World Bank supports the initiative. The World Bank has provided financial assistance to the Federal Government of Nigeria (FGN) to facilitate the introduction of YESSO (World Bank, 2019). The support activity has been planned in close cooperation between the FGN and Nigeria's 20 States. However, in the first round, only the following eight states were qualified to participate: Bauchi, Cross River, Ekiti, Kogi, Kwara, Niger, Osun, and Oyo. The YESSO Unit in the Federal

Ministry of Finance (FMF) is the coordinating unit for YESSO at its inception, with other participating Federal Ministries, Departments and Agencies (MDAs) playing important roles in the FOCU, such as the MDG Office, NDE, and NPC.

YESSO is a flagship operation aimed at improving net social security structures at the state level and reducing the insecurity of disadvantaged youth and women by increasing access to job opportunities and supporting the production of human resources. YESSO efforts are a net support for social security that encourages synergy and uniformity, as well as a paradigm change from how previous initiatives have performed (World Bank, 2018). YESSO supports existing structures and systems to help strengthen their capacities for poverty alleviation, this is achieved through its coordinating units at the federal level called Federal Operation Coordinating Unit (FOCU) and at state level called State Operation Coordinating Unit (SOCU) using a partnership between the private sector, local government (LGAs) and communities (Koleva, 2016).

The project has four components. Reinforcing the social safety net framework is the first step of the initiative. The operation through this component will help the government to define and consolidate the institutional responsibilities and implementation arrangements to ensure effective coordination among all units of the federal and state governments and all stakeholders involved in the implementation of social safety nets in Nigeria. The project's second component is public workfare program. The goal of this portion is to help the participating state governments to provide unskilled young people from poor households with immediate labor-intensive job opportunities. Skills for job programs which is thrust and focal point of this research is the third aspect of the project. This aspect will pilot a new approach to skills training that would enhance the effectiveness of government efforts, particularly among young people, to tackle unemployment. The Conditional Cash Transfer (CCT) program is the fourth aspect of the project (Koleva, 2016).

Youth Empowerment Scheme-Kwara State (YESSO)

Kwara state, as one of the pioneer eight States of YESSO embraced YESSO activities in the year 2013. The state keyed into YESSO programme because of the existing similar window already on (green and clean) programme which was operational in the state. It commenced CBT/SR activities with just 6 local government areas which are Asa, Ifelodun, Ilorin West, Isin, Kaiama & Moro registering 3,600 households with 19,769 individuals. 9,716 males, 10,053 females in 180 communities. YESSO has recorded huge success in Kwara state. The state is foremost in the conduct of Community Based Targeting /Single Rregister CBT/SR having completed 10th rounds covering 105,946 households comprising 486,444 individuals of which 234,716 are males and 251,728 are females. Kwara YESSO has covered all the 16 local government areas in the State and is currently implementing three intervention components namely Public Workfare PWF, Skills for Job S4J and Special Grant Transfer SGT.

Theoretical Framework- Theory of Planned Behaviour

Icek Ajzen (1988) is one of the proponents of this theory which is an hypothesis that predicts deliberate behavior that is probable. The Theory of Expected Actions is the descendant of Ajzen and Fishbein's Reasoned Action (1980). Intentions, however, were recognized as a predictor of expected entrepreneurial behavior by Shapero (1982); Krueger (1993). Theory of Planned Behaviour (TPB) has emerged as one of the most dominant and common philosophical frameworks for the study of human action (Ajzen, 2001) and, in particular, the intentions of the person to participate in different activities (Ajzen, 1991). TPB is part of the broad family of entrepreneurial intention models and has been consistently used in the field of entrepreneurship to provide validated research results (Krueger et al., 2000; Fayolle et al., 2006). The core structure of the TPB is the person's intention to perform a given behavior (Ajzen, 1991).

Human action is said to be motivated by three kinds of considerations, according to the theory of planned actions. The first is behavioural which depends on the second and third factors; subjective norms and attitudes respectively. The stronger the positive attitudes toward behaviour, the stronger the social norms toward a behaviour and consequently the stronger the behavioural intention is. Hence. individuals are likely to perform the stated actions if the purpose is intention in them. Training in entrepreneurship, vocational and skill acquisition is made up of all

kinds of interactions that give students the ability and vision of how to access and transform business formation and sustenance opportunities of various kinds.

The theory of expected actions postulates the three predictors of intention following. The first is the attitude towards behavior that responds to the degree to which an individual has a favorable or unfavorable assessment or assessment of the behavior in question. The second is a subjective rule that relates to the perceived social obligation to perform the action or not to perform it. Krueger et al. (2000) propose that it is appropriate to empirically define the most significant social factors such as parents, important people, and colleagues, like role model. The third is the perceived behavioral regulation that relates to the perceived ease or complexity of conducting the action and is supposed to represent past experience as well as expected impediments and barriers.

Empirical Review

A study that explored the influence of the Osun State Youth Empowerment Scheme (OYES) on job development and youth empowerment in the state was conducted by Badejo, Agunyai and Adeyemi (2015) and assessed its effect on youth capacity building. In its implementation in the state, it also defined challenges. These were aimed at defining the difference between its projected performance and its accomplishments. Data for this research was created by primary and secondary data collection sources A formal questionnaire and interview conducted among unemployed beneficiaries and OYES coordinators/inspectors is the primary source of data. Using univariate and bivariate analysis (chi-square test), quantitative data was analyzed, while content analysis was used for qualitative data. The findings showed that 84% of the respondents claimed that OYES was just a palliative measure that helped create few jobs and inspired young people in the state. 57% of the respondents also suggested that youth capacity building was not enhanced because the OYES scheme was more focused on unqualified menial employment. In addition, 85% of the respondents were of the opinion that the introduction of OYES was incompatible with challenges.

A research on Skills Development and Unemployment Reduction in Nigeria: A Case Study of the National Directorate of Employment (NDE) in Akwa Ibom State was conducted by Ekong and Ekong (2016). The study examined how the National Directorate of Employment (NDE) in Akwa Ibom State, Nigeria, tackles the problem of unemployment through Skills Acquisition. The government has introduced numerous steps to tackle the problem with very little result. Using data collected for the period 1987-2012 from both primary and secondary sources, we found that there is a positive correlation between the acquisition of skills by the NDE and the reduction of unemployment in Akwa Ibom State, albeit not without daunting challenges.

A research studying the efficacy and implementation of the Osun Youth Empowerment Scheme (OYES) on Youth Unemployment and Poverty Reduction in the Osun State was conducted by Shiyanbade, Odunlade, Rotimi, and Ganiyu (2017). The theoretical paradigm adopted and chosen for the purpose of this research is behavioral and normative models. Therefore, the normative approach offers a viable alternative to the behavioral paradigm and is especially important and favored because it is forward-looking and aimed at solving social issues.

A research on Pathways to Entrepreneurship Training Towards Addressing Youth Unemployment in Nigeria was conducted by Agbai (2018). The goal of this exploratory multiple case studies was to gain a solid popular understanding of how undergraduates from 21-25 years of age can acquire the entrepreneurial knowledge needed for self-employment in Nigeria, driven by the theory of planned actions. Data collection involved semistructured interviews, field notes, and archived training documents, with a purposeful sample of 15 undergraduate degree holders over 21 years old, who had been self-employed, in different industries and possessed entrepreneurial knowledge and experiences. Using Yin's 5 step data analysis process, member checking, and triangulation resulted in the emergence of codes, themes, and categories. The key themes were knowledge of business management, identification of business opportunities, information from workshop and seminars, information from social media and customer service, information on innovation, and mentor and mentee relationship. The findings from this study provide the empirical evidence

needed to support entrepreneurship education as well as insight on tertiary institutions' commitment to entrepreneurship education that may lead to the creation of employment and empowers entrepreneurs towards national growth and development. The implications for positive social change include reshaping the way undergraduates prepare for self-employment, leading to a reduction of unemployment among youths in Nigeria.

A research that explored the effect of N-Power programs on poverty alleviation in Nigeria was carried out by Akujuru & Enyioko (2020): A Rivers State study. In this research, survey design has been used to generate data. A sample of 400 youths who replied was examined. For the data analysis, 381 copies (i.e. 95.25 percent answer rate) were considered useful after running through them. For the analysis of data in this research, descriptive and inferential statistics were used. To test the hypotheses, Pearson's Product Moment Correlation Co-efficient (r) was used. The study found that in Rivers State, the key N-Power programs used to alleviate poverty included: N-Power Teach, N-Power Create, N-Power Innovative, N-Power Agro, N-Power Tech Software, N-Power Tax, N-Power Health and N-Power Tech Hardware. The research showed that the beneficiaries of the N-Power Programmes were overwhelmingly university and polytechnic graduates. The study found that the key factors affecting the implementation of N-Power programs included: inadequate data, non-payment of scholarship to participants as at due date, incompetence and corruption, incorrect bank verification number (BVN), overbearing hands of program politicians, etc. There is significant relationship between N-Power programmes and poverty alleviation in Rivers State and there is significant relationship between N-Power programmes and empowerment of the youths in Rivers State.

A research was conducted by Bisong (2020) on the Impact Assessment of the N-power Scheme: A Cross River State Southern Senatorial District Study. The objective of the study was to analyze the effect of the N power scheme on the generation of jobs, the economic well-being of beneficiaries and the development of beneficiaries' work skills in the South Senatorial District of Cross River. For this study, the research design adopted was survey. In the collection of samples from the study population, the researchers followed the purposeful sampling methodology. For testing, a sample size of two hundred and fifty respondents was chosen. The investigator used the questionnaire to obtain quantitative data for the study. Using Pearson product moment correlation, the hypotheses that were suggested for analysis were tested. The results of the study indicated that there is a positive significant relationship between the N power scheme and the following variables, economic wellbeing, job skill enhancement and employment generation.

Methodology

Descriptive survey research design was adopted for this study, this method was considered appropriate for this study because it will help the researcher to discover relative incidence and distribution on the population. Population of the study comprises 147 (One hundred and forty seven) beneficiaries of the skills or job program of the YESSO project. A sample size of 97 (Ninety seven) respondents was arrived at using Guilford and Flusher (1973) formulae. Data was gathered using primary sources of data. Structured questionnaire was used as research instrument for data collection Quantitative method of data analysis was utilized by the researcher. Data collected were coded and analyzed with descriptive statistics frequency table, simple percentage while inferential statistics of Pearson Product Moment Correlation Coefficient was used to test the formulated hypothesis at 5% level of significance.

4.4. Hypotheses Testing

4.4.1 Test of Hypothesis One

H_{o1}: There is no significant relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis

Table 1: Showing Pearson Correlation between YESSO Skills for Jobs program and employment generation

		YESSO Skills for Jobs program	**Employment generation**
YESSO Skills for Jobs program	Pearson Correlation	1.000	.960*
	Sig. (2-tailed)	.	.000
	N	100	100
Employment generation	Pearson Correlation	.801*	1.000
	Sig. (2-tailed)	.000	.
	N	**100**	**100**

Correlation is significant at the 0.05 level (1-tailed).

Table 1 indicates that there is a very strong positive relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis at r= 0.801 and at 5% level of significance. The null hypothesis is therefore rejected and the alternative hypothesis is accepted. Hence, there is significant relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis. This findings is consistently with the findings of Anyanwu (2014), Badejo, Agunyai and Adeyemi (2015), Ekong and Ekong (2016), Shiyanbade, Odunlade, Rotimi, and Ganiyu (2017), Agbai (2018), Akujuru & Enyioko (2020) and Bisong (2020)

4.4.2 Test of Hypothesis Two

H_{o2}: There is no significant relationship between YESSO Skills for Jobs program and economic well being of beneficiaries in Ilorin metropolis

Table 2: Showing Pearson Correlation between YESSO Skills for Jobs program and Economic well being

		YESSO Skills for Jobs program	**Economic well being**
YESSO Skills for Jobs program	Pearson Correlation	1.000	.960*
	Sig. (2-tailed)	.	.000
	N	100	100
Economic well being	Pearson Correlation	.912*	1.000
	Sig. (2-tailed)	.000	.
	N	**100**	**100**

Correlation is significant at the 0.05 level (1-tailed).

Table 2 indicates that there is a very strong positive relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis at r= 0.912 and at 5% level of significance. The null hypothesis is therefore rejected and the alternative hypothesis is accepted. Hence, there is significant relationship between YESSO Skills for Jobs program and economic well being of beneficiaries in Ilorin metropolis. This findings is agreement with the findings of Anyanwu (2014), Badejo, Agunyai and Adeyemi (2015), Ekong and Ekong (2016), Shiyanbade, Odunlade, Rotimi, and Ganiyu (2017), Agbai (2018) and Akujuru & Enyioko (2020).

4.4.3 Test of Hypothesis Three

H_{o3}: There is no significant relationship between YESSO Skills for Jobs program and job enhancement in Ilorin metropolis

Table 3: Showing Pearson Correlation between YESSO Skills for Jobs program and job enhancement

		YESSO Skills for Jobs program	job enhancement
YESSO Skills for Jobs program	Pearson Correlation	1.000	.960*
	Sig. (2-tailed)	.	.000
	N	100	100
skill – job enhancement	Pearson Correlation	.860*	1.000
	Sig. (2-tailed)	.000	.
	N	**100**	**100**

Correlation is significant at the 0.05 level (1-tailed).

Table 3 indicates that there is a very strong positive relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis at r= 0.860 and at 5% level of significance. The null hypothesis is therefore rejected and the alternative hypothesis is accepted. Hence, there is significant relationship between YESSO Skills for Jobs program and job enhancement in Ilorin metropolis. This findings is supported with the findings of Anyanwu (2014), Badejo, Agunyai and Adeyemi (2015), Ekong and Ekong (2016), Shiyanbade, Odunlade, Rotimi, and Ganiyu (2017), Agbai (2018), Akujuru & Enyioko (2020) and Bisong (2020).

Discussion of Findings

The main objective of the study was to examine the impact of YESSO programme on unemployment reduction in Ilorin metropolis of Kwara State. The specific objectives were to examine the relationship between YESSO Skills for Jobs program and employment generation in Ilorin metropolis, investigate the relationship between YESSO Skills for Jobs program and economic well being of beneficiaries in Ilorin metropolis and evaluate the relationship between YESSO Skills for Jobs program and skill – job enhancement in Ilorin metropolis. Pearson Product Moment Correlation Coefficient was used to analyze with data and test hypothesis. The findings of the result from the correlation coefficient in hypothesis one revealed a strong positive relationship between YESSO Skills for Jobs program and employment with an R value of 0.801. Also, findings in the result from the correlation coefficient in hypothesis two revealed a strong positive relationship between YESSO Skills for Jobs program and economic wellbeing with an R value of 0.912. In the same vein, the findings in the result from the correlation coefficient in hypothesis three revealed a strong positive relationship between YESSO Skills for Jobs program and employment with an R value of 0. 860. The Analysis of data showed that the P value in all the three hypotheses were less than 0.05. This findings is consistently in line with the findings of Anyanwu (2014), Badejo, Agunyai and Adeyemi (2015), Ekong and Ekong (2016), Shiyanbade, Odunlade, Rotimi, and Ganiyu (2017), Agbai (2018), Akujuru & Enyioko (2020) and Bisong (2020)

Conclusion and Recommendations

The study investigated the impact of Youth Employment and Social Support Operation Programme on Unemployment reduction in Ilorin metropolis. Based on the findings of the study, the study concludes that there is significant relationship between YESSO Skills for Jobs program and employment generation. Also, there is significant relationship between YESSO Skills for Jobs program and economic well being of beneficiaries. In the same vein, there is significant relationship between YESSO Skills for Jobs program and skill – job enhancement.

The study recommends that the YESSO scheme be holistically reviewed in terms of the implementation template, structure and funding strategies to guarantee sustainable employment generation. The programme has huge potentials of reducing the problem of unemployment if components such as entrepreneurship training, technical skills training, internship, career guidance and therapy, business management skills and behavioral skills are integrated into the scheme to make participants suitably prepared for the labor market. The study further recommends a paradigm shift in policy that is crucial to effective entrepreneurship development. In order to provide a fair representation of the unemployment situation in the country, any comprehensive program to arrest unemployment in Nigeria should also catch those who are highly underutilized, grossly underpaid.

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CAUSES AND ORIGIN OF OFFA- ERIN-ILE COMMUNAL CONFLICTS: A CRHONIC THREAT TO NATIONALDEVELOPMENT

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Abstract

Communal crisis in Nigeria has becomes explosive phenomenon and difficult to manage due to lack of professionalism and sincerity on the part of the state. Offa and Erin-Ile are neighboring communities that have live peacefully together until 1961 when wanton boundary disputes, occurred as a result of needs for growth and deployment. However, there is no conflict devoid of political and economics undertone because conflicts arise from the struggle for the control of the polity in communities around the world. Therefore, Communal conflicts feature regularly as a result of inter-group relations and religious manipulations mostly by the political elites for parochial interests. This study employs historical method with the application of system theory. The paper discovers that the politicians are being corrupt and always undermine the efforts and achievements in managing the crisis due to the politician's shady acts. The paper also reveals that the crisis resulted to loss of lives. In conclusion, this study recommends, for the creation of more local governments and the perpetrators of injustice should be adequately brought to book and made to face the wrath of the law.

Keywords: Boundary Disputes, Communal Conflict, Conflict Resolution, Developments

Introduction

The fact is that tribalism or ethnicity in Nigeria was created and promoted by the colonial and post-colonial order. As this happens, members of an ethnic group tend to look more and more towards their group for support. The consequent intra-group cohesion acts to further separate it from the other ethnic groups. Members begin to develop common experiences in relation to others and, therefore, a common history, tradition and interest. Under these circumstances, further conflicts of interest increase their social distance in economic and security considerations as well as in ideology. As ethnic consciousness thus increases in scope and intensity, the socio-economic and political atmosphere becomes charged with tension. Under these circumstances, the ethnic factor assumes a self-fulfilling and self-sustaining dynamic of its own. Ethnic hostility, loyalty, and identification are passed on to successive generations through the process of socialization (Nnoli, 1980). With these ideologies inbuilt in the indigenes of different communities, conflicts erupt at the slightest allocation of resources considered biased to their tribe which if overlooked amounts to degradation. These include political positions, land, amenities, and the likes.

This is in tandem with Albert's (2012) view that violent conflicts, whether social, political, or environmental has contributed significantly to the crisis situation in terms of loss of human and material capital as well as the diversion of leaders' efforts away from primary issues in sustainable human development. Series of conflict according to Otite and Albert (2004) have taken place in Nigeria, ranging from the Mangu-Bokkos conflict on the Jos Plateau State, to the Zango-Kataf crisis in Kaduna State, the Tiv-Jukun conflict in Taraba to the Igbo-Ora crisis in Oyo State, theUgep-Idomi war in Cross River to the Tafawa-Balewa crisis in Bauchi, the Offa-Erinle crisis in Kwara and the re-occurring crisis in Kano to mention but few. Each of these crises has claimed lives and properties

including the Ife-Modakeke conflict and the resolution of these crises have been partial, considering personalities of the communities involved**.**

The causes and origin of communal conflicts in the context of Nigeria have not been fully explored. In addressing this research gap, this study evaluates the causes and origin of communal conflicts, with particular focus on Offa-Erin-Ile communal conflicts.

Literature Review

Chronology of Offa-Erinle Conflict

Historically, Offa and Erin-lle are two neighbouring Yoruba communities that lived peacefully with each other until 1961 when boundary issues which arises out of the of the growth and development of the two towns created clashes between these two neighbours. Offa was founded by Olalomi known as Olofa-gangan a crown prince from Oyo kingdom, and a direct descendant of king Oranmiyan in Ile-lfe around1395AD. Olalomi, the founder of Offa was a renowned hunter for his dexterity in using the traditional arrow and while the town was a satellite town of the old Oyo kingdom which paid tribute and royalty to Oyo. Offa fell out through a defeat from llorin in the Yoruba-Fulani war. Oral testimonies corroborated the fact that Nupe wars drove inhabitants of Offa to a place known as Ido-Osun (Ofatedo) during the reign of Oba OlumorinAnilelerin. The persistence of the Nupe raids on Offa which lasted for about fifty years forced the people of Offa to intermittently change settlements during that period.

The founding of Erin-lle is attached to the episodic return of Oranmiyan from the country of Edo after his military encounter with the Igbos harassing that part of Oduduwa's kingdom. Erin-lle which happens to be one of the oldest town in the old Oyun local government area, including Offa, was founded about the same time as lpee and the boundary between these two towns was said to be before the advent of Offa town. Erin-lle founded around 1225 AD by the royal prince of lfe called Odumosa. Odumosa, the grandson of king Obalufon of lfe was a great hunter, a marksman a devoted religionist as well as a leader of substance. Oral history has it that obalufon was on the throne when his nephew prince Oranmiyan led series of military expedition and invasion of Benin. Whenever Oranmiyan visited lle-lfe, panic gripped everyone for fear of what would and could be the reaction of such a ferocious military hero to his life ambition being so dashed by his conscious ascension to the throne which he (Oranmiyan) had always in such an unsettled and uncertainly situation. Odumosa who was the direct son of king Akiyamore (Obalufon) considered leaving lle-lfe in order to escape Oranmiyan's hostility and wrath because evidence have shown that whoever provoked Oranmiyan invited fiery war. On leaving lle-lfe, he carried with him enough supplies of basic needs and precious treasures from the palace which included beaded crown, regal attires, royal scepter with his large contingent of followers.

In his bid to move away from a possible chase by Oranmiyan, he commanded his people E RIN RIN, E RIN, meaning walk fast. The name was later suffixed with the word "ILE" hence "ERIN-ILE". After a long spell of roaming and rambling before they reach their destination, they halted and rested in a number of places like: ERINMO or ERINTADOGUN meaning a junction place where they rested. Odumosa left some of his followers in ERINMO and they settled there permanently. Other places of sojourn include ERIN-OKE, and ERIN-IJESHA all of which are today notable towns in Osun-State (Akinnusi, Alao & Mavalla, 2019).

According to Angaye in Alao, Mavalla and Akinnusi (2019), conflicts in most African societies are caused by the combination of poverty and weak states institutions. Consequently, the contest for control of resources like land, mineral resources and water among others has become responsible for confrontation that leads to death, displacement, and refugee issues. Equally, boundary issues have contributed more to both intra and interstate conflicts in Nigeria than any other factors. In the same vein, frequent change of territorial boundaries without much consultation contributed a great deal to territorial disputes. The aforementioned facts corroborated the Offa/Erin-lle conflicts. The relationship between Erin-lle and Offa turned sour after both communities were separated during the 1954/1956 Local Government administrative reforms and Erin-lle/Offa was made the headquarter of Odo-Ogun district. After the fall of Offa to llorin in the North West wars, this made many Offa indigenes fled and went to create places like Ofatedo, llofa, Oke-Offa in Ibadan among others. However, evidences

show that the Erin people got to their present town even before the Hausa/Fulani war of 1887 that disrupted the first Offa settlement (Akinnusi, Alao & Mavalla, 2019).

Community/Communal Conflicts

Community conflict as asserted by Laderach and Kraybill in Lewu (2010) is a conflict constituted by individuals living within a geographical environment. Hence, both the people and the physical geographical area could be defined as a community, which is, village, town, clan, etc. Furthermore, they noted that a place is recognized as a community when the people share a common vision for corporate existence in a given geographical location. Communal conflict as classified by Edward Azar in Best, Idyorough and Shehu (2004) is a local social conflict. This is because the conflict was characterized by large scale human suffering and atrocity, prolonged threats to human rights, and to stability especially when people perceive threat to needs or interest as the case of Offa and Erin-Ile communal crisis.

The conflict also had structural, economic, political and resource dimensions. Communal conflict is a conflict that is ethnic based. Ethnicity refers to a social identity formation that rests upon culturally specific practices and a unique set of symbols and cosmology. A belief in common origins and broadly agreed common history provide an inheritance of symbols, heroes, events, values and hierarchies and conform social identities of both insiders and outsiders (Saheed and Egwaikhide, 2012). Communal conflict is the conflict that involved the whole community. Such conflict is normally on issues that affects the entire population of the community.

As the case may be, conflicts that involved communities in Nigeria has to do with struggle over boundary locations, resource control, claiming rightful owner of newly created Local Government headquarters, upgrading and degrading of traditional rulers and the likes. Community conflicts often take the form of host-stranger face-offs where a section of the community sees itself as the host (Owners of the community), "sons of the soil" in local parlance) and some other groups as strangers (migrants who joined the "sons of the soil" later) (Albert, 2001). Social movement theory and research have shown that ethnic groups/community is capable and willing to undertake collective action in defense of their interests and way of life. Ethnic groups tend to have a viable communal organization with dense interpersonal networking and cultural, social, and religious associations embedded in the ethnic community. Political mobilization of ethnic groups does not start from scratch. Ethnic activists redirect a pre-existing robust ethnic infrastructure of associations and networks to political pursuits, adapting ethnic symbols and loyalties to political goals (Oberschall, 2007).

Theoretical Justification

The theory is accredited to David Easton and was propounded in 1953. It is a system of interactions in any society through which authoritative decisions are made and implemented. However theory in its operational part in social sciences is said to have been developed first in anthropology adopted in sociology, and still later in political science. Thomas Hobbes in Leviathan also adopted the notion of system to explain human relationship (Varma, 1982).

The system theory focuses on the arrangement and relations between the parts which connect them into whole. David Easton in Olaniyi (2001) defined political system as the system of interactions in any society through which authoritative allocation of values are made. Values" here include all things sought after in society such as wealth, respect, prestige, position, security, and power.

Systems theory likened the social system to the biological system that both consisted of different parts that complement the whole. For example, the human biological system consisted of the heart, the lungs, the kidney, the large intestine, and the likes. The malfunctioning of any of these components automatically affects the whole and can lead to complete breakdown of the entire body system. In the same manner, the social system that comprises of the political institution, economic institution, educational institution, medical institution etc., malfunctioning of any of these institutions affects the entire social system. More importantly, both systems have nucleus which co-ordinates the whole, the heart is the nucleus of the biological system while the political institution serve as the nucleus of the social system. The level of sanity and honesty of the political institution determines deliverance of good governance as well as the control of the polity.

The extent to which this pervades the society manifests the sincerity of the government of the day.

Normally, the breakdown of the sovereignty of a particular society impliedly affects the hegemony of other sovereign societies. The inability of the two communities to promote peace revealed their weaknesses which affects the other institutions of the society and eventually breakdown. The state serves as the driver of development and it has the power to control and co-ordinate all factors for it desires. The pillars of governances are participation; consensus; accountability, transparency; responsiveness; effectiveness and efficiency; equity and inclusiveness as well as the rule of law most of which Offa-Erinle community leaders lack. Hence, the security of state cannot be compromised if growth and development is desired by a society.

The lack of these qualities equally promotes weak states since the leaders intention is the promotion of their own course. However, the affected community leaders have successfully established fragilities in their societies due to egocentrism. The fragile states,' as noted by Albert (2011) is a fundamental failure of the state to perform functions necessary to meet citizen's basic needs and expectations. Such states are incapable of assuring basic security, maintaining the rule of law and justice, or providing basic services and economic opportunities for their citizens.

Remote Causes of the Communal Crisis

The Commission discovered four reasons that led to the crisis of 2006 in Offa and Erin Ile.

(i) The age long land/boundary dispute dates back to 1907.

(ii) That mutual animosity and suspicion between the two communities over the years has been so intense and bottled up that at slightest inclination, there could be chaos and crisis, which led to wanton destruction and loss of live.

(iii) Lack of consensus on the boundary line between the two communities. While Erin Ile holds on to Adaramola's decision on the boundary line, which put the boundary between the communities before the location of the present Offa Federal Polytechnic. The Offa Community holds on to the boundary as per Peace Accord, which puts the boundary at KereIpinle, and equi-distance point between the two communities.

(iv) That, the lukewarm attitude of successive administrations in Kwara State dating back to the time of the land dispute particularly after the acquisition of the disputed area in not making its presence felt at the Buffer Zone has been a part of the causes of the recent crisis. Because nothing has been done by the successive government and administrations to secure the Buffer Zone and to ward off encroachment into the Buffer Zone by tress passers either of the communal in conflict (Offa/Erin Ile) (KSNG, 2008).

Origin and causes of Offa-Erin-Ile Communal Conflicts

The evolution of Offa-Erin-Ile communal crisis dates back to 1907 before the amalgamation of the Northern and southern protectorates, i.e. the conflict is older than Nigeria as a nation.In fact, no conflict is devoid of political undertone because conflict arises from the struggle for the control of the polity and available resources in an attempt to cause injury or neutralize the opponents.

The Offa and Erinle according to Fatile (2011) are neighboring communities in the North Central geo-political zone and the same local government known as Oyun local government area in Kwara State before splitting it into two separate local government areas that is Offa local government area with its headquarters in Offa and Oyun local government area with its headquarters in Ilemona. The siting of the headquarters of Oyun local government area in Ilemona, a relatively small and remote town compared to Erin-Ile did not go down well with the Erin-Ile indigenes and was considered derogatory and degrading in comparison with Offa, which was given a complete status.

Psychologically, Erinle feel degraded and humiliated. The individual and ethnic competition over access and control of the scarce political and economic resources is a major factor in this. Creation of states and local government translates into more political and administrative positions which are limited.

The third factor according to Otite (2004) is the disputed jurisdiction of certain traditional rulers and chiefs or the grading of a neighboring King as a first class while the King of the nearby or

contesting community left in the lower status. This is mostly influenced by the fact that the Governor being an indigene of the first class graded King as in the case of Tsare-Tsaragi, hence conflict Creation of local government councils and the sitting of their headquarters is another factor generating conflicts.

This event signified the commencement of great enmity and antagonism between the two communities. The first conflict between the two communities over land occurs in 1961. The conflict ensue when Offa decided to expand her Owode Market towards Erin-Ile land which the Erins considered to be transgression and resulted in violence which extended to neighboring communities like Ijagbo and Ipe (Akinyemi, 2006). After the creation of the new local government which elevated the status of Offa and reduced that of Erin-Ile, at a point in time, Offa used the advantage it had over Erin-Ile by imposing Jurisdiction and authority on the Erins. In reaction to that, the Erins made sure those farmers from Offa who came to farm on Erin-Ile's land paid higher tribute for using their land.

In 1962, a renowned family, the Ojomu clan of Erin-Ile declared ownership of the land on which the then Electric Corporation of Nigeria (ECN), later changed to National Electric power Authority (NEPA), and presently Power Holding Company of Nigeria (PHCN) built their office. This attracted a counter claim of ownership by Offa community and led to another phase of the conflict. This eventually led to the setting up of the Adaramola boundary settlement commission by the state. Another phase of the conflict came up in 1982/83 and this time, the Erin-Ile people were supported by Erin-Osun with whom they have affinity. In this episode, more casualties were recorded on both side of the conflict, which eventually led to court case (Fatile, 2007).

The economic base of the Offa-Erinle conflict cannot equally be disproved. According to Imobigbe (1993), boundary question involves the management of resources of land, minerals, water and forests as well as the whole pattern of economic and socio-cultural relationship between communities along these boundaries. Thus one can argue that economic and socio-cultural issues are the cores of most boundary disputes. In the Supreme Court judgment delivered on 10th day of December, 1973. On the second ground of appeal, that having regard to grounds 4,5,6 and 7 of the application for certiorari herein, the learned chief justice erred in law and in fact in failing to hold that there was an error on the face of the records as respects the orders made by the boundary commissioner concerning the removal of crops, compensation payable, etc. as the learned boundary commissioner exceeded his jurisdiction in making such orders.

In support of this contention, learned counsel referred to section II of the commissioner's findings headed. The complaints of the appellant's on this ground of appeal would appear to be exaggerated because, from the records all, the commissioner said was that "It shall be open" to the farmer to dismantle and remove his hut, or to the owner of a permanent building to dismantle and remove it within 30 days. Failing which such building would stand Forfeited to the owner; and that "food crops farm shall remain in the owner's possession until all the existing food crops have been harvested" (Opinion Nigeria, 2013).

Several other incidences have equally taken place until the most recent one which took place on 4th October, 2017 where properties worth millions were destroyed (Tribune, 2018). Augsburger (2002) and Omotayo (2005) both cited in Olayiwola and Okorie (2010) concluded that conflict has become its own raison deter: Its own self-empowered and self-fulfilling as it had since detached from its original cause. The conflict has grown and matured to the extent that it is no longer a confrontation but the psychological bitterness has reached the extent that both communities are in cold war.

Sources of Community/Communal Conflicts

Four sources of community conflicts were postulated by Albert (2001). Those conflict sources were predicated on cultural heritage as forming significant background as well as playing decisive role in playing causal factors in community conflict as noted by Malam (1997). The sources are discussed below:

1. Competition for inadequate (real or imagined) resources. The resources may be in any form, which include social amenity, higher or other institutions of the government, political positions and the likes. The allocation to any of the community after keen competition may be adjudged bias, thereby resulting in conflict leading to loss of lives and properties. The

conflict between farmers and herdsmen that pervades the nook and cranny of Nigeria is a good example of this. The inadequacy of land to be cultivated by communities as well as enough land that can serve as Rural Grazing Area (RUGA) for the herdsmen is the basis of the farmer's herdsmen conflict. In recent times, this conflict have assumed different dimension. The Oke-Ogun version of this conflict needs more explanation as crop damage by herdsmen is not sufficient explanation for the conflicts in the Oke-Ogun area between 1994 and 2001. Another aspect of the jigsaw which is hardly acknowledged in ordinary discussions of the problem is the politics of the June 12 election in Nigeria and the mismanagement of the problem by different groups in the country (Albert, 2010).

2. Contradicting value systems in terms of religious beliefs, ideological position, and general worldview of those concerned. The religious issue normally takes the form of indigenes that have embraced contemporary beliefs such as Islam, Christianity and trying to abrogate the traditional religious institutions in the name of infidelity. This mostly irate people who still believe in the traditional religious system, thereby referring to the other people as hypocrites.
3. Psychological needs of groups and individuals in terms of personal and group self-actualization. This is evidenced in the continuous deprivation of a community at the expense of the other by according one of the communities more values while the other was often deprived.
4. Manipulation of information which may be used to build peace or incite people for conflict. For example, the federal Polytechnic in Offa was situated on the land belonging to Erinle, if the federal government decided to site another federal institution in Erinle and the minister in charge is a citizen of Offa, the publicity of such information will promote peace and concealing such information may erupt further conflict.

Conclusion

Social violence and communal conflicts is widespread and possibly represents an equally significant threat to socio-economic and political development. Communal and ethno-religious conflicts and crises pose a major challenge to Nigeria's nascent democracy. Conflict threatens to undo much of what has been accomplished in Nigeria within the past years. These past years witnessed some tragic examples of how communal conflict can impact on fragile democracy. The conflict has grown and matured to the extent that it is no longer a confrontation but the psychological bitterness has reached the extent that both communities are in cold war.

Recommendations

As long as human beings remain as political animal in any human society, so shall conflict remains as one of the salient features of human existences. However, peace and security cannot be compromised for any societies that have desire for growth and development because any little things usually spark violence between the two affected communities.

i. Since meaningful development cannot be realized where lives and property are not secured, there is a need for a purposeful consultation in order to pave way for lasting solutions which in turn may lead to the acceleration of socio-political and economic development of both Offa and Erin-Ile communities.
ii. Then, diversification of economy should be encouraged in order to address the problems of poverty and unemployment which usually encourages engagement of devil workshop among the youths and this can also serve as powerful backbones for good governance in Nigeria.
iii. Honestly, justice delayed is justice denied, communal conflicts in Nigeria could be checked should their perpetrators are adequately brought to book and made to face the wrath of the law because failure to ensure the principles of rule of law will eventually leads to a covenant without sword polity. In addition, sustainable and national development could not take place where justice and other moral virtues are ignored to reign.
iv. Where communal conflicts are as a result of land disputes, land banks could be created and used for community services to be shared by the warring communities. This would be a means of reconciling the conflict communities;
v. There is need for the institution of a community security system with emphasis on

training of people to effectively participate in the act of preventing, resolving and managing conflict at the communal level and strengthen peaceful resolution where they exist.

vi. Since Nigeria is a heterogeneous and federal state, more states and local government should be created in order to ensure that one side is not humiliated or degraded and this will promote equality and also ameliorate the grievances of minority peoples.

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ONLINE MARKETING AS A TOOL FOR INCREASED PROFITABILITY: A STUDY OF KONGA AND JUMIA

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Abstract

The study examined online marketing as a tool for increase in profitability in Konga and Jumia. The objective of the study is to determine the relationship between online marketing and profitability. Descriptive survey was adopted and the sample size was 140 while 125 questionnaires completed and returned were used for the analysis. Frequency counts and percentages were used to analyze the data while correlation analysis was used to test the hypothesis to determine the relationship between the dependent and independent variables. The result of the study shows that, there is significant positive relationship between online marketing and profitability of a company. It was concluded that online marketing is a tool for increased profitability. The study recommended that companies which engage in online businesses should build the image of the company to meet customers' expectation.

Keywords: *Online Marketing, Profitability, Relationship*

1.0 Introduction

With the recent emergence of Nigeria as the largest economy in Africa, the need for customer convenient marketing, profitability and service delivery has become more imperative. Internet is changing the rules by which marketing is conducted and new consumer market structures emerge (Ayuba & Aliyu, 2015). It is believed the Internet would ultimately become "the medium by which we keep in constant contact with our families, watch television, dash off a note to a friend, check the traffic, read the newspaper, prepare a report for work, make a phone call, buy a book". The volume and tendency of the online transactions reflect a more and more important role the Internet is playing.

Online marketing known as e-marketing is the conduct of marketing transaction via internet which relates to activities of information searching, information sharing, purchasing or exchanging products and services. It also refers to maintaining customer relationship without face to face meeting unlike transaction done in traditional way. Often, e-marketing is wrongfully perceived as a way of doing business between web retailers and web end customers but rather e-commerce encompasses an entire range on conducting online business whither it is the interaction between business to business, business to customer, and business to Government (Juradilok, Malisuwan, Madan & Sivaraks, 2014).

E-Marketing or electronic marketing refers to the application of marketing principles and techniques vía electronic media and more specifically the Internet (Alex-Onyeocha & Iwuagwu, 2015). The terms e-Marketing, Internet marketing and online marketing, are frequently interchanged, and can often be considered synonymous. E-Marketing is the process of marketing a brand using the Internet. It includes both direct response marketing and indirect marketing elements and uses a range of technologies to help connect businesses to their customers.

1.1 Statement of the problem

Nezamabad (2011), Ayuba & Aliyu (2015) among others examined the interaction and relationship between online marketing and organizational performance of online shops. The findings of these studies have however been inconclusive.

The application of online marketing products or services to business operations has become a subject of fundamental importance and concern especially to online shop marketers such as Konga and Jumia (Ikechukwu, 2000: Adubakar, & Rasmaini, 2012). Despite the usefulness of electronic marketing to organization and individuals, it has several challenges which cause inconveniences to these groups. These include customers being disappointed sometimes by ATMs- the machine is either faulty, network problem, that is, cyber breakdown or short of money for the transaction. Computers in the

banking institutions do get faulty, corrupt, or unable to operate because of networks leading to customers queue for long hours. Also, security-individuals can access other people's accounts either when they lose their ATM cards or not. The online marketers seem to be carefree about what is happening to customers and should be more serious about clients' information.

1.2 Objective of the study

Appraise the relationship between online marketing tool and increased profitability

1.3 Research question

Is there any significant relationship between online marketing and increased profitability?

1.4 Hypothesis

H_o: There is no significant relationship between online marketing and increased profitability

H_1: There is significant relationship between online marketing and increased profitability

2.0 Literature Review

2.1 Conceptual framework

Nezamabad (2011)few things have dramatically and immediately impacted our lives and the way many businesses operate more than the development of the Internet. The ways that some marketing activities are performed have changed as businesses have turned to e-commerce. The Internet provides opportunities for an organization to enhance its business in a cost-effective and practical manner. That is, the Internet can be used to conduct marketing research, reach new markets, serve customers better, distribute products faster, solve customer problems, and communicate more efficiently with business partners. The benefit of Internet marketing includes the improved flow of information, new products and customer services, improved availability, improved market transparency.

Ming & Yazdanifard (2014)in this fast-paced society, the social network has become one of the major channels for a company to engage with its customers. Social networking provides the platform for organizations to engage and find like-minded consumers. Therefore, social marketing is extremely important for an organization to influence their consumers' behaviour in order to increase its profitability. This marketing approach is often applied especially for online companies. Besides, the perspective of consumer to the company becomes the major reason to keep them loyal to a particular company. In this research paper, I will analyze how social media marketing can influence the profitability of an online company from a consumer point of view.

Bostanshirin (2014) Online marketing, which is also called internet marketing, involves use of interactive, virtual spaces for the sake of promoting and selling goods and services. In fact, new synchronous, internet-based communication technologies had contributed to the restructuration of major economic sectors including marketing. Being cost-effective, flexible, and fast and enjoying an on unprecedented global reach, internet marketing has brought about different businesses incredible gains.

2.2 Theoretical Review

The Resource-Based View Theory (RBV): Online-marketing is an unfolding phenomenon because of technological advancement (Salwani et al, 2009). From a research perspective, an increase in online marketing usage, especially the advancement in the use of Internet features in all sectors of the economy, has led to the development of various theories and models related to the diffusion and use of information technology. However, from the literature, there is no integrated theoretical framework which has led to a fractured research stream with many suggestions and modifications of the existing models (Salwani et al, 2009). Matikiti, Afolabi & Smith (2012) also indicate that since a lack of established criteria for measuring the extent and success of Internet use exists, researchers need to develop concepts and standards which provide a mechanism for measuring investment opportunities and business success on the Internet. In line with the deliberations of this investigation, one of the more popular theories such as the RBV theory and the corresponding E-value model receives brief attention.

The RBV of a firm has emerged as an important theoretical perspective to understand the linkage between information technology and firm value. The theory maintains that resources that are valuable, rare and imitable can lead to sustainable competitive advantage (Bharadwaj, 2000). The RBV is a theory that emphasizes the internal capabilities of the organization in formulating a certain strategy to achieve a sustainable

competitive advantage in its markets and industries (Caldeira & Ward, 2003).

2.3 Empirical Review

Nuseir & Aljumah (2020)conducted a study on the role of digital marketing in business performance with the moderating effect of environment factors among SMEs of UAE. The primary objective of the study was to investigate the empirical relationship between digital marketing and business performance among SMEs of UAE. The study made it known that technological advancements, such as the utilization of digital applications, enable firms to communicate with customers, while being responsive towards competitors with minimal resources. Data were collected through the use of a structured questionnaire which was distributed to marketing managers and IT Managers of SMEs in UAE. The collected data was analysed on SMART-PLS through measurement and structural equation modelling and was based on the results of a study investigating how digital marketing influences business performance. Based on result from data anaysed, the study found that digital marketing applications have positive significant effect to business performance among SMEs of United Arab Emirates.

Ighomereho & Iriobe (2019) in their study titled "E-Marketing in Nigeria: Benefits, Challenges and Strategies" made it known that, e-marketing is a marketing philosophy that has transformed the practice of marketing from traditional means to online platforms. An empirical research design was adopted for the study as journals articles and works of others were the primary source of data for the study. Content analysis was applied in reviewing literature on e-marketing. Based on the result from the analysis carried out, the study found out that the benefits of electronic marketing out-way the challenges experience in electronic marketing of a business. The study however, concluded that Nigeria needs to improve her information and communications technology especially accessibility to internet infrastructure and security so that businesses and customers can avail themselves of the benefits of e-marketing.

Shirazi (2017) examined the effect of electronic marketing on business performance through the mediating role of market-orientation in the central branch of Mellat Bank. The study was focus on the employees of Mellat bank who constituted the population of the study. Purposive sampling technique was used to select a sample size of 226 respondents from the population of the study, while a well-structured questionnaire was used to collect data from the sampled population. Data collected were analyzed using structural equation modelling. Based on the result from the analysis, the study suggests that the electronic marketing components (responsiveness, security, and technology) have a significant effect on business performance.

Onyango (2016) In his study titled; Influence of digital marketing strategies on performance of cutflowers exporting firms in Kenya made it known that; digital marketing is one of the strategies used by firms for marketing communication and products promotion. Digital marketing contributes to the marketing mix by connecting with clients and creating leads to new business opportunities. Data were collected using semi-structured questionnaires which were analyzed using linear regression and analysis of variance (ANOVA). Findings from the result analysed suggested that; for cutflower firms to remain competitive and maintain their position in the market, they should use digital marketing strategies. From the study it's revealed that there is a strong correlation between digital marketing and performance of flower firms. Since technology has become vital part of businesses.

Schwarzl & Grabowska (2015) Conducted a study on Online marketing strategies . The study made it known that traditional (offline) marketing strategies are already widely used by the companies around the world and there are almost no new options for fostering competition. And here comes online marketing with almost unlimited possibilities and options. The study focused on the growing importance of online marketing, including research of the state of the art through analysis of the data provided by numerous surveys. The study concluded that it is much easier for customers to find substitutes from competitors on the internet; hence online marketing offers an enormous amount of possibilities for companies.

3.0 Methodology

The research design adopted for this study is the survey method. The choice of the survey method is informed by its applicability for collecting standardized data that allows the researcher to create information for precisely answering the

how, who, what, where, and when questions concerning the subject matter of the research. Besides, the data structures created, survey methods can increase the ability to make generalized inferences about the defined target population (Kothari, 2004).

The target population comprises of all customers of both Konga and Jumia. The population was arrived at based on the judgment of the researcher. A well-structured questionnaire was administered to the respondents. A pilot study was carried out to ensure the reliability of the primary data instrument. The items were validated through content validity by strategy experts Random sampling technique was used to select 140 respondents from the population. Randomization gives room for representativeness of the population. However, 125 questionnaires completed and returned were used for the analysis.

Data collected were analysed using frequency counts and percentage in order to ease the stress of analysis and ensure accuracy. Pearson's Product Moment Correlation and Paired Sample T-test was used to show the relationship of the variables.

4.0 Data Presentation and Analysis

This section presents the data collected from copies of the questionnaire and the analysis. The analysis consists of frequency tables and percentages. A total of 130 copies of questionnaire were distributed but 125 copies were retrieved. The tables were analysed according to the research questions.

4.1 Data Presentation and Analysis

4.1.1 Respondents' Bio Data

Table 4.1: Respondents' Biodata

Variables		Frequency	Percent
1. Gender	Male	104	83
	Female	21	17
	Total	125	100
2. Age	18-25	7	5.6
	26-30	32	26
	31-35	84	67
	36-40	2	1.6
	41 and above	-	-
	Total	125	100
3. Marital Status	Single	43	34.4
	Married	82	65.6
	Divorced	8	6.4
	Total	125	100
4. Qualification	WAEC/NECO/GCE	3	2.4
	OND/NCE	24	19.2
	HND/B.Sc.	84	67.2
	MBA/M.Sc.	9	7.2
	Others	5	4.0
	Total	125	100
5. Frequency of Access	1-5times per week.56.8	71	56.8
	6-10 times per week30.4	38	30.4
	10 times and above20.8	16	20.8
	not regularly	0	100
	Total	125	
6. Income Level (in thousand naira) monthly	10-30	35	28
	31-50	47	37.6
	51-70	33	26
	71- 90	10	8
	91 and above	125	100.0
7. Most Preferred Online Company	Konga	69	55.2
	Jumia	56	44.8
	Total	125	100.0

Source: Field Survey, 2020

Results from table 4.1 above review that 83% of staff are male while 73% are female, this shows that there are more male than female in that branch.

The table above shows that 67% representing majority of the respondents were between 26-30 years of age followed 26% which were between 21-25 years. This implies that majority of the respondents were young people of 26-30 years.

Findings show that 65.6% representing a larger number of the respondents were married while 28% were single. This implies that majority of the respondents were married.

Result in the table above shows that 67.2% of the respondents were degree holders, followed by 19.2% with NCE/OND, only 7.2% were Masters degree holders while other were WAEC 2.4 and professionals and others were 4%. This implies that majority of the respondents were educated.

On the frequency of access, result showed that 56.8% of the respondents had access 1-5times per week, 30.4%, 6-10 times per week, 20.8% had access 10 times and above. This implies that majority of the respondents had access 1-5 time a week. However, majority of the respondents representing 37.6% earned between 31-50 thousand naira per month.

Concerning the most preferred online company, 55.2 as against 44.8% preferred konga to jumia products, the difference in preference were insignificant though. This signifies that both online marketing companies were considerably patronized by online marketing customers.

4.1.2 Analysis of responses according to research questions

Research Question: Is there any significant relationship between online marketing and profitability?

Research Question was answered using Questionnaire items 8 to 12 restated in Table 4.2

Table 4.2: Relationship between Online Marketing and Increased Profitability

	ITEMS		SA	A	D	SD	U	Total
8	There is positive relationship between online marketing and Return on Equity	f	70	49	3	1	2	125
		%	56	39.2	2.4	0.8	1.6	100
9	There is positive relationship between online marketing Operational Cost	f	21	87	14	3	0	125
		%	16.8	69.6	11.2	2.4	0	100
10	There is positive relationship between online marketing and Sales volume	f	18	57	30	18	2	125
		%	14.4	45.6	24	14.4	1.6	100
11	There is positive relationship between online marketing and Gross Profit	f	58	56	10	1	0	125
		%	46.4	44.8	8	0.8	0	100
12	I use online shopping for buying products which are otherwise not easily available in the nearby market or are unique (new)	%	40.8	45.6	11.2	2.4	0	100
		f	51	69	4	1	0	125

Source: field survey, 2020

From table 4.2 above, result shows that there is positive relationship between online marketing and Return on Equity. This was the view of 86% of the respondents. Also, there is positive relationship between online marketing operational cost as agreed by 92% of the staff. Fifty four percent (54%) of the respondents agreed that there is positive relationship between online marketing and Sales volume and this means that 36% of the employees disagreed to that assertion. It was also agreed that there is positive relationship between online marketing and gross profit and a total of 86.2% of the respondents agreed that they used online shopping for buying products which were otherwise not easily available in the nearby market or are unique (new). This implies thatrelationship between online marketing and profitability.

4.2 Testing of Hypotheses

H_o: There is no significant relationship between online marketing and increased profitability

H_1: There is significant relationship between online marketing and increased profitability

Table 4.5: Pearson Product Moment Correlation Test of relationship between online marketing and increased profitability

Correlations		online marketing	increased profitability
online marketing	Pearson Correlation	1	.849**
	Sig. (2-tailed)		.000
	N	125	125
Increased profitability	Pearson Correlation	.849**	1
	Sig. (2-tailed)	.000	
	N	125	125

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

The correlation test above shows that sig or P-value (0.001<0.05) is lesser than 0.05 and the correlation is also significant at 0.01

Decision Rule: If p-value is less than 5% (0.05) significance level, the null hypothesis is rejected.

However, if p-value is greater than 5% (0.05) significance level, the null hypothesis is accepted.

From the table above, p-value (0.001) is lesser than the significance level of 0.05, therefore, the null hypothesis is rejected and the alternate accepted. This implies that online marketing increases productivity which could be seen as having a positive relationship between online marketing and increased profitability.

4.3 Discussion of Findings

Result of the works shows that the there is significant positive relationship between online marketing and return on equity, online marketing operational cost; and between online marketing and sales volume, online marketing and gross profit; customer use online shopping for buying products which are otherwise not easily available in the nearby market or are unique. This finding is in consonance with the previous works on the importance of online marketing to the survival cum profitability of an organisation when one considers Sajuyigbe (2012) whom asserted that *online after sales services* if provided efficiently can draw the attention of non-internet buyers to begin to patronize electronic commercial services but where these services are not available, people may not be willing to buy goods online.

5.0 Conclusions

Based on the findings, the study concluded as follows; there is significant positive relationship between online marketing and return on equity, online marketing operational cost; and between online marketing and sales volume, online marketing and gross profit; customer use online shopping for buying products which are otherwise not easily available in the nearby market or are unique.

There is relationship between organisational factors and profitability since there existed a relationship between organisational factors of online marketing and increased profitability; Firm size influences online marketing spending as well as the sales of a firm; If top managers are committed to or support the use of online marketing, it will allow other subordinates to follow suit. Technological competence in terms of training helps in the implementation of Internet marketing in order to make business operations successful; Perceived benefits of using online marketing technology increases sales volume and return on equity.

There is a relationship between environmental or external factors of online marketing and increased profitability; Existence of alliances such as personal contact networks, social networks, business networks and marketing networks technology increases sales performance and gross profit; competitive pressures and customer pressure make up external drivers that influence the adoption of online marketing; Environmental competition involving discussion of competitors' strength and weakness on Internet marketing have significant relationship with profitability; Responding to competitors' actions and the value placed on tracking competitors' activities have relationship with increased profitability. There is relationship between environmental factors and increased profitability. Hence the study affirms online marketing as a tool for increased profitability.

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ROLE OF EFFECTIVE COMMUNICATION AS A MARKETING STRATEGY FOR SUCCESSFUL TERTIARY INSTITUTIONS' ADMINISTRATIVE AND MANAGERIAL PERFORMANCE

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Abstract

This study examined the role of effective communication as a marketing strategy for achieving successful performance in higher institutions of learning in Nigeria . Most of what usually leads to conflicts in in Nigerian citadel of learning include factors related to rumour mongering, rivalry insinuations, assumptions, wrong perceptions, misunderstanding, quarrels and others. Some of which are often lead to crises such as incessant strikes, disruptions in academic programmes, poor staff and management relationship, poor academic products and a host of others. The resultant affects on organizations most times appear negative as investigated by this study. This study, however, discovered gap in effective communication among organizations' personnel. It is on this premise, that this study investigated the role of effective communication as weapon for marketing strategy and successful managerial performance. The population for the study is made up of all members of staff of KolaDaisi University, both academic and non-academic staff members totaling ninety five (95). The study employed survey design, interview and other secondary methods of gathering data such as library materials, Journal, textbooks, Newspapers, Magazines and other desk study. A well-structured questionnaire and interview guide were used as instruments for data collection from the respondents and interviewees. Both descriptive and inferential statistical tools were used to analyze the data collected using simple percentages to analyze the demographic data of the respondents while Chi – square (X^2) was utilized to analyze the data from the three hypotheses that were formulated. The findings revealed that effective communication is a good marketing strategy that helps to improve staff performance, allow for good staff/management relationships, helps to achieve success in their operations and can also help to reduce substantially organizational conflicts. The study recommended that organizations should imbibe this strategy of effective communication for successful managerial advancement. It will not only enhance staff members' performance, but will also help organizations to achieve their target goals and objectives.

***Key Words**: Effective Communication, Higher Institutions, marketing strategies, Productivity, Successful performance*

1. Introduction

Generally, an organization can be seen as a utility established to meet a stated satisfaction. It can be big enterprises, religious group, health institutions, educational institutions and others. Organizations do have pre-determine objective to be achieved both as an individual and as a corporate body (entity). Arowomole (2003), sees organization as a group of people or individual efforts working together in pursuit of certain common purposes called organizational goals. Communication is paramount and unique to any organizations. In fact the success of any organization depends on effective communication

(Carey, 1989). Relationships that will exist between the stakeholders depend on effective communication system. For instance, in educational establishment such as KolaDaisi University (KDU), Ibadan, the main stakeholders within the institution includes basically the management, (Vice Chancellor, Bursar, Registrar, Deans, HODs, Coordinators),the staff both teaching and non-teaching and the students. Stakeholders outside the school include the, University Council, National University Commission (NUC), professional bodies, media and parents. There is the need for constant interactions between the school and the stakeholders if performances will be enhanced and successes achieved. Olasehinde (2008), observes that organizational goals can only be achieved, sustained and attained through effective communication system. Each members of the organization must be well informed so that in togetherness, goals of the firm can be achieved. William (2007), contends that smart managers understand that effective communication between managers and employees is essential for achieving target goals. School administration is a team work; therefore communication is crucial to team performance; for communication to any organization is like blood flow in the human body. (Mckinney, Barker, Smith & Davis, 2004).

Because of the advancement in technology, KolaDaisi University, Ibadan has imbibed the use of sophisticated technology as a means of communication within and outside her environment. E- Learning, e-training, virtual learning, Zoom learning are new technology employed to communicate to staff, students and other stakeholders. The use of these internet facilities has helped effective communication. In this University, this is more used during this COVID-19 breakout that necessitated compulsory stay at home of staff and students out of all the management functions (planning, organizing, controlling among others. Communication seems to be more significant because it drives home the intention of others. Planning, organizing, motivation, leadership, directing and control not well communicated to the employees is a waste of time. The strongest method of persuading, educating, advising and instructing in the University is the use of good channel of communication. We communicate to deliver lectures, to pass messages, information and instruction to employees and other stakeholders. Communication is the driving force behind organizational management findings (Gray & Starke, 1980).

Fink (1980), define communication in an organization as "process by which managers develop and send information to large members within the organization to its relevant individual and institution outside. In business, it is the major marketing tools used to inform, educate, persuade and sanitize customers about a particular product/service whether new, renovated or new innovation (Ishola, 2009). In simple term, it is a process of transmitting information from one person to another Banihasemi (2011), avers that communication as a medium is a means to performance and or as the end in itself. It is therefore a critical factors in directing, mobilizing the workforce toward the accomplishment of the organization goals or objective (Stephen, 2011)

Factors that hinder effective communication must promptly be addressed by the management, because communication breakdown always lead to organizational poor performance, disharmony, rumors, strike and unnecessary rancor between the management and the staff. Effective communication is, therefore, a good proactive method any organization must make use of to be performance driven and to achieve success. Despite the enormous value placed on communication as a good strategy to enhance performance and achieve organizational success (Chudi-Oji, 2013)., many organizations pay lip-service to its use. It is no longer news that most organizations dispute that usually lead to strikes, misunderstanding between management and employees is due to communication breakdown. It is either by not using the correct channel, poor content or by not communicating at the right time, thus leading to rumors, misconceptions about issues and grape-vine. Okoye (2014), stresses that, in communication, emotions, environment, psychological and technical characteristics of the medium of communication is of great relevant. He said further that it helps to have understanding feedback. Performance and success will be enhanced where relevant information are passed to the relevant person, units or group at the right time. This is often lacking in many organizations and do lead to poor performance of the employee. The use of internet

service should be made easier to be accessed and used by staff and students to reduce reliance on paper work which is always given as an excuse. Ability to use some modern gadgets to communicate will enhanced performance such as smart board, overhead projector, computer, Hi – phones among others. Conflicts of personality, selective attention, distortion and recall definitely do slow down decision making. It is based on this challenges that this research try to examine the role of effective communication as a marketing strategy for achieving managerial and organizational goals. In order to achieve the purpose of this study, the following objectives are raised:

1. To examine the effect of communication- gap as it affect achieving management objectives of the selected institution
2. To ascertain how effective communication has helped the managerial success of the selected institution.
3. To know whether the use of effective communication enhances staff members' performance of the selected institution.
4. To determine the basic communication barriers confronting the selected university's administration and management.

1. Hypotheses

H_{o1}: There is no significant relationship between communication gap and the managerial success of the selected institution

H_{o2}: Effective communication has not contributed in any way to the selected institution success

H_{o3}: There is no significant relationship between effective communication and staff performance in the selected University

2. Literature Review

Conceptual Framework

Communication is the process of passing information in an understanding form from one person to another. It is the process of transmitting and sharing ideas, opinion, facts, values from one person to another or one organization to another.–*http//www.quora.com.* Communication is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols and semiotic rules. (Wikipedia) The basic component of communication are the sender, the message, channel and receiver. Every communication aims at educating and informing employees at all levels and help to motivate them to support organization strategy.(Barret,2002)and Haiemann (2011), simply define communication as the imparting of ideas and making oneself understood by others. Communication takes place at different level in an organization, it could be at individual level that is, intra or interpersonal and relational level.(Keith, 2014). Peter, 2015 said, communication is effective when the sender of the message receive feedback from the receiver in the intended way. If the receiver understand the message, it will be easier to give appropriate feedback because it is through feedback that information achieves its desired results.

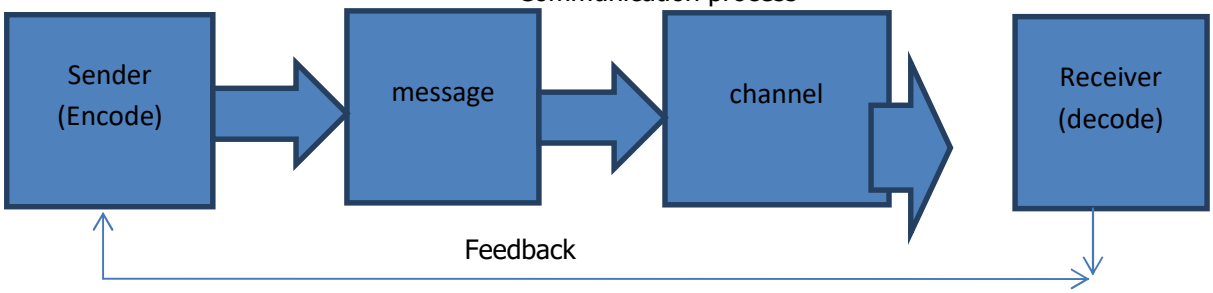
Barrela (2010), argues that different organizations communicate using any method appropriate that will make them achieve their intention of sending the message. It could be written form(memo, letter etc.) oral or talking (speech, address), and could be through body language- the audience will determine the channel to use. In higher institutions most commonly use method includes both written and oral. Deans, Head of Units need memo to remind staff of meetings, to give information about the department, faculty, students, and to communicate policy changes etc. In a research by Elving and Hansma (2008)on management and employees during organization change, it was concluded that to achieve success in dissemination and adaptation of organizational change, it significantly depended on the manager's communication and informational skills. Most employees always resist changes, ability to convince the employees to see change as a constant thing in organizations is highly necessary knowing well that the environment is constantly dynamic. Therefore a more robust and convincing communication method is needed. Allam (2011) summaries that effective communication is a transaction of ideas , directory command or guide into oral or written words or actions on the path of the communicator in such a way that the receiver gets the same message and reacts in manner envisaged by the communicator.

Communication process

Some notable scholars developed communication process which organizations can adopt; among such models developed are Aristotle model, Sharron and Weaver model, Schrams Model, Barlund Model and Stanton model to mention a few. All of them pointed to the fact that good

performance of staff and success of any organization depends largely on effective communication system. However, for the purpose of this write-up and for the fact that we are looking at a school system, Stanton(1961)Sharon and Weaver, (1949)and Barrelas, (2010) of communication process are adopted. The models are adopted base on its simplicity, and that can easily be understood, a major factor in choosing any communication channel. Also, the model seems to satisfy those characteristics Black and Stanton agreed to be ingredient needed to have effective communication that will lead to organization success. These characteristics are credibility, content, context, clarity, consistency, continuity and capability of audience, usually referred to as seven (7)pillars of effective communication in an organization.

Communication process

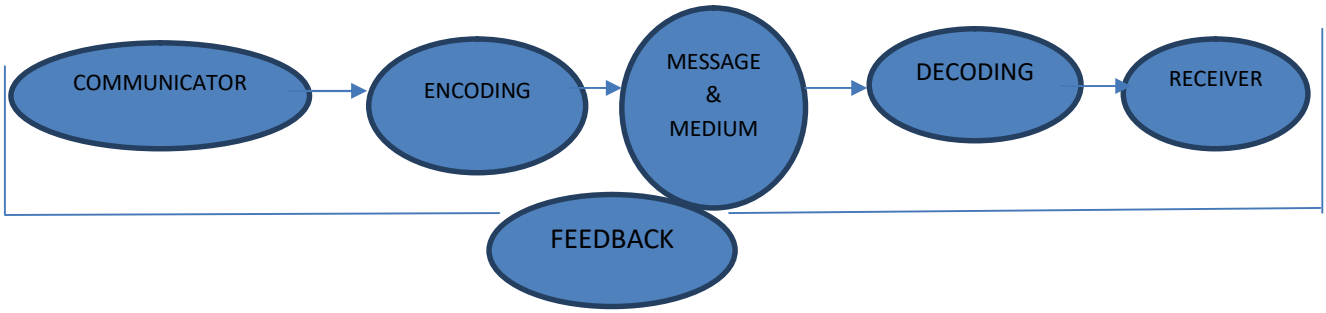


Source: Willian.J. Stanton (1981)

The six variables that compose of this communication process are:

1. Sender. Any message must have a source. The source generates ideas packaged in a presentable manner to be understood. He chooses symbols, language that can easily be understood so as to have desired response. The sender encodes the message.
2. Message. Information on ideas to be passed across to the receiver. The content must be simple, clear and precise to allow for easy understanding by the receiver who will decode it and give necessary feedback.
3. Channel. It is the medium through which the coded information is being transmitted to the receiver. Mostly, staffs make use of internal channel such as letters, memos, circulars, email and internet services etc. It allows for easy touch with the staff and quick responses when necessary.
4. Receiver. The receiver receives the sent message, decode it, and respond appropriately.

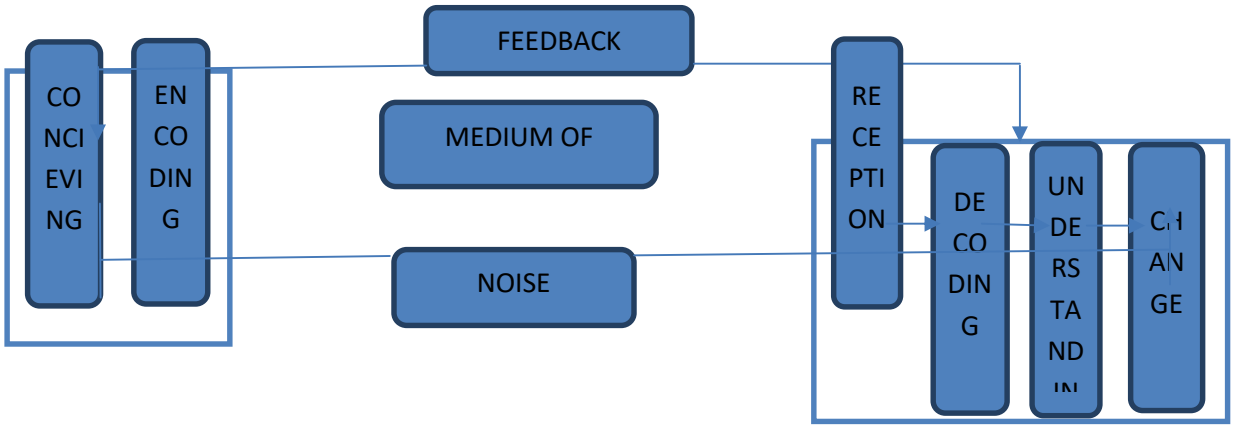
Communication process



Source: Shannon and Weaver Communication Model, 1949

Shannon and Weaver Communication Model identified seven steps which include, communicator that encodes, message and medium employed, receiver that decode the message, and feedback.

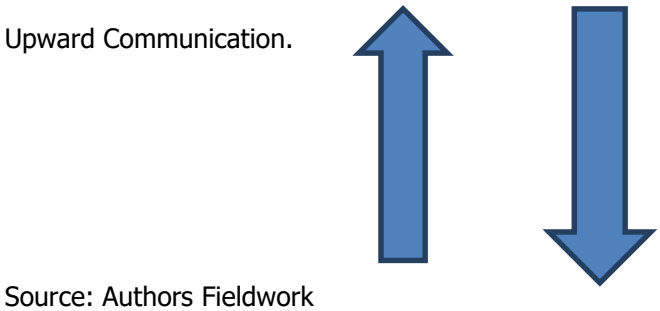
Barrelas (2010)Communication Model simplified further each of the variables into a more understanding area. He added noise which represents barriers to effective communication



Organization structure creates relationship between the staff members and the organization. Communication takes place between each staff in the structure either "downward" that is, communication from higher level to lower levels e.g. from VC, registrar etc. to the general office-usually called superior-subordinate communication. It could be "upward" that is communication from subordinate to the superior.

Downward communication most often give directives on performance of an activity, information on performance of task, information about organization policies and procedures, on staff performance etc. (Katz and Kahn,1966). In case of upward communication, it usually contain things like stating staff grievances, dissatisfaction about policies, answers to queries, request and at times observation and suggestions.

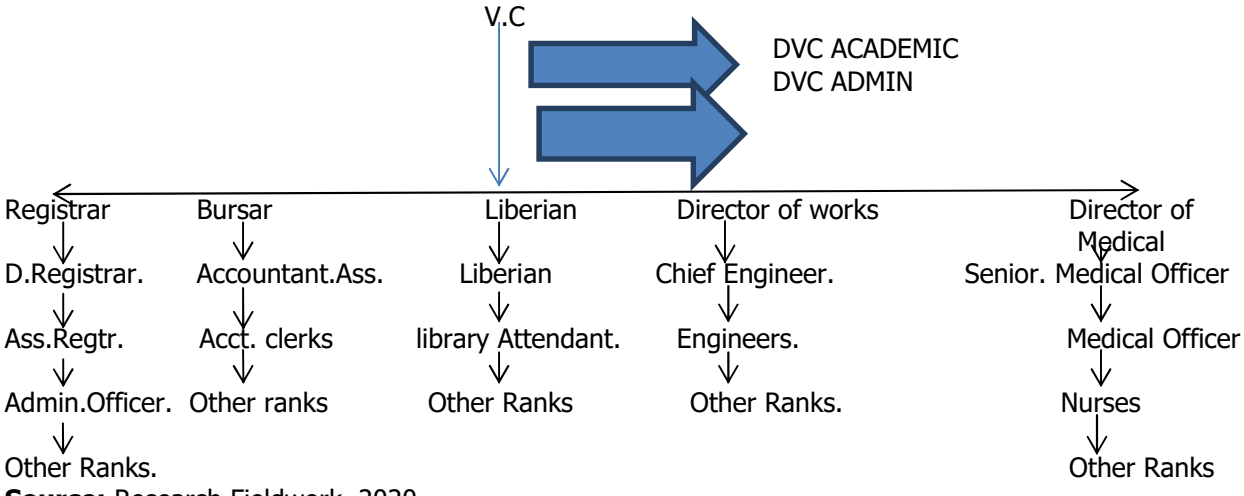
Communication in an organization



Source: Authors Fieldwork

Hypothetical OrganizationalStructureof a Typical University

The figure below depictsa hypothetical organizational structure of a typical University in Nigeria



Source: Research Fieldwork, 2020

It should be noted that an organogram of any higher institution depends mostly on the size of the institution.

Roles of communication in higher institutions

1. It is a management tools that makes other management function to work.
2. It helps management to identify administrative lapses such as easy identification of problems among employees or deviations from the organization policies, thus it gives room for immediate corrective actions.
3. It encourages open communication environment where staff are free to share feedback, ideas and even criticize policies positively (Kibe , 2014).
4. It is an effective tool for staff participation in the decision making, this enhances staff performance by creating sense of belongings, staff motivation and creativity.
5. Communication helps to develop mutual understanding and pleasant rapports between management and staff, thus minimizing area of conflicts and pave way for amicable settling.
6. It is a means used to maintain staff discipline and tool for directing or coordinating the subordinates.
7. Communication is a forum and strategies employed to create good public image for the organization. It is a method of informing the external stakeholders about activities going on in the organization. The use of internet, website and other media is necessary to achieve this objective.
8. Assignment face communication in an organization through the use of email and phone played greater role for effective communication of organization intentions, instructions and ideas to the staff. This Weimann, Hinz, Scott and Pollock (2010) attest to the fact that effective communication culture will help in bettering performance especially using these new technologies.
9. Sound Customer relationship management among stakeholders is also paramount to organizational success. Good communication with the stakeholders such as parents, guardians, Staff members, students internal and others will engender positive relationship with the organization (Ahmed, Abbas, and Hussain,2015).
10. Academic environment is where knowledge and ideas development is sancrosant through research. Effective communication of these ideas, knowledge will go a long way to affect organizational success.
11. Communication is used to evaluate employee's performance, appraise their commitments, identify areas of improvement, facilitate promotion or demotion, decide if need arises for transfer to other departments to mention but few. The use of Appraisal Performance Evaluation Report (APER) form is relevant here.

Barriers to effective communication in an organization

Whatever will handicap the receiver to encode a sent message is referred to as barriers. Fiske and Harthy (1980), identify three cogent factors that are barriers to effective communication in an organization. They are:

Selective Attention: This is a situation where the attention of the receiver is not arrested. That is, the content of the message does not contain necessary ingredients that will catch receiver's attention for him to be interested to read the message.

Selective Distortion: This is a situation when the receivers already have a specific expectation about the incoming information. He may have gotten pre knowledge of the message. He may decide to twist the message to fit his own purpose by distorting and amplifying the message.

Selective Recall: This is a situation where the receiver failed to read and digest the whole message but retain fractions of the message in his memory.

Other notable factors that can lead to ineffective communication include:

Noise: This can manifest in the way we dress, talk, gesticulate and others

Wrong use of channel: It is believed that the channel is the message and the choice of the right channel makes the message successful and receive the immediate attention of the receiver.

Inappropriate timing: A good message may lose its intention when it is sent at a wrong time. A good communicator must study when he can catch the attention of the receiver.

Communication overload: This is when too much information are coming from different sources on the same subject matter, it can lead to confusion and lack of understanding of the message.

Geographical distance: This can delay receiving vital information which could assist organizations to urgently act on important messages, it is, however, for organizations to always choose appropriate channel of communication.

Social-Cultural differences, cultural background, religion, values, psychological disposition of both communicators can affect effective communication.

Inappropriate feedback: This pose a problem of whether the receiver understand that message or not. It can cause delay in decision making.

Steps to Developing Effective Communication in an Organisation

Afolayan (2002) quoting from Philip Kotla (1986), highlights steps managers of any organization must take to have effective communication. This includes:

Identify the target audience: That is, have clear target audience which could be an individual, groups, special publics, general public, parents, students, staffs etc. it takes into consideration what to say, how to say, when to communicate, where and who to communicate and whom to communicate with.

Determine objective of communication: What the management intends to achieve by communicating to the target audience. This prompt the response expected. Communication must achieve its purpose.

Choose and design a message: That is, an ideal message to be communicated should be able to get attention, hold interest, arouse desire or obtain action, the message content and structure format must be well addressed before sending the message.

Choose a media: A media that will read it and easily pass the desired information to the targeted audience must be chosen. It may be personal i.e. face to face, use of cell phones, mail and could be non-personal, for instance, use of major media such as electronic and print media such as radio, television, billboards, signboards, postal, websites, exhibitions etc.

Select message source attribute: That is, personal credibility, expertise, trustworthiness of the communicator is very important to receive prompt attention.

Collecting the feedback: Communicator must find out there impart on the target audience. This can be achieved through timing of feedback carrying out of the instructions in the message

To achieve the purpose of setting goals, objectives and procedure in an organization, effective performance of tasks must be pursued. In essence, good performance of task determine productivity and success for a purely business sector to maximize profit and breakeven; performance of such business is always linked with ability to succeed in financially, marketing and shareholder value gain. This may differ a little, in the public sector in which its success is measured by satisfactory service delivery, public satisfaction and its positive effect on the general economy. For a school setting, especially privately owned institutions, it a times combine the two intentions. Through purely service oriented, financial prudency, competitive marketing ability and struggle to meet the need of the stakeholders are considered to determine performance. Organizations must provide the needful working tools and favorable environment for the employees to enhance their performance through necessary motivations and rewards for their efforts, improve working environment, good communication system and recognition.

Berrut (2003), defines performance as being about doing the work as well as being about the result achieved. Apple and Ellis (2015)define performance as an act or process of carrying out actions and activities to accomplish an intended outcome. Performance by an employee is his capabilities to carry out specific assignment or task or obligation within a giving period. This is a way performance can be measured (O'Boyle and Hassan, 2014). Some other scholars like Bayle and Robinson believed that to measure performance, it depends on the level of personnel professionalism, participatory organization structure and ability to adopt partnership approach of the stakeholders. For a higher institution like KDU, personnel professionalism, organization structure and Management by objective (MBO) strategies is always employed to have the desired performance. For example, almost all lecturers are Ph.D. holders with some experienced professors, and everybody specializing in the area of their discipline. The same thing goes for the non-academic staff. Nebo Nwankwo and Okonkwo 2015 conclude that, performance level is a

function of the efficiency and effectiveness of enterprise operations so, measuring organization performances is the process of quantifying the efficiency and effectiveness of an organization.

3. Theoretical Framework

The study relies solely on the Shannon and weaver, 1949, SMCR (Berlo's)Model developed in 1960 and De Fleu's Communication Models. The three theories emphases that communication is a process, and that each variable in the process play a major role for an organization to be successful. In their communication strategy, they said, this process can be applied to both public and private sector no matter how complex the organization is. They emphasized seriously on the role of timely feedback which acts as the only major way to determine the success of the message communicated. The models revealed the adequacy of each variables or steps in communication process, also how communication technique, media technique employed lead to good performance.

The relevant of the models to the study is that KolaDaisi University, Ibadan borrowed these ideas of having good communication process with three Faculties and fourteen Departments. The management made sure that information are communicated following appropriate channels. Communication usually flows from HODs to the Dean of the faculty, then to the management. The University has been using both formal and informal way to communicate. This method is seen as the best way to allow for contact and interaction between the staff members and management. The system is more productive and enhances better performance. Being a school setting, students are constantly communicated through face to face interaction, use of memos and circulars while parents are usually communicated through social media platform, phone, WhatsApp and occasionally using face- to-face meetings through parents/Staff Forum created by the university management. However, since higher institutions of learning represent strong source of new ideas and informative messages, need for the use of appropriate channel as the case demand for adequate feedbacks from receivers. This will help to facilitate easy administrative and managerial development via viable policy making. The selected University also borrow leaf from Berlo's theory or model of communication which emphases on taking into consideration the receiver's class status before the selection of an appropriate communication channel.

4. Methodology

The population of the study comprises of all the academic and non-academic staff of KolaDaisi University, Ibadan (KDU-I) totaling ninety five (95). The whole staff members were used as the sample size. The data was collected using both primary and secondary sources. The study adopted survey research design, through the use of structured questionnaire and in-depth interview as instruments for data collection. A well-structured questionnaire was administered on the staff members of the selected University. We have 48 academic staff and 47non-academic staff. All questionnaires from academic staff and 47 non-academic staff were filled and returned successfully. Data collected from the interviewees were transcribed and analyze qualitatively. Purposive sampling technique was employed for the study since the study was basically targeted at a particular academic institution. Simple percentage statistical tools were used to analyze the respondents demographic variables while a chi-square statistical tool was used to test the hypotheses generated. A 5 –point Likert scale was used to rate the questionnaire responses as - strongly agreed 5 (SA), agree 4 (A), disagree 3 (D), strongly disagree 2 (SD) and neutral 1 (N).

QUESTIONAIRE DISTRIBUTION	**Frequency**	**Percentage%**
1. Top level management (HODs and above)	23	24.21%
2. Senior staff category(lecturers and others from non- academic with level and 07 above)	32	33.68%
3. Lower level staff (mostly non- academic)	40	42.11%
Total	95	100%

SOURCE: Research Fieldwork, 2020

The table revealed 24.21% in the topmost management position that is, from HODs and Coordinators, Deans, VC, Registrar and Bursar while 33.68% constitute senior staff category such

as lecturers and non-academic staff above level 07. The junior or lower level category have 42.11%. Junior staff is having higher percentage because of the nature of their work, such as receptionist, secretary, drivers, technologists among others. However, most senior staff members are in departments and faculties who are mainly lecturers, majority of them having PHD qualification. This is a plus for the University in terms of quality teaching and professionalism and hope for better research. It portray a good image for a growing University like Kola Daisi University. Maintaining this kind of structure is good for future growth and development of the University.

DEMOGRAHIC CHARACTERTISTICS OF THE RESPONDENTS

		Frequency	%
1.	Gender:		
	Male	65	68.43
	Female	30	31.57
	Total	95	100
2.	Age		
	25 – 30yrs	20	21.05
	31 – 40yrs	40	42.10
	41 – 50yrs	15	15.78
	51 – 60yrs	10	10.52
	61 and above	10	10.52
	Total	95	100
3.	Educational qualification		
	ND	2	2.10
	HND/B.SC	48	50.52
	PGD/Masters	5	5.26
	Ph.D.	40	42.10
	Total	95	100
4.	Working Experience		
	Less than 5yrs.	3	3.16
	Less than 10yrs	10	10.52
	Less than 15yrs	40	42.10
	Less than 20yrs	22	23.16
	20yrs and above	20	21.05
	Total	95	100
5.	Marital Status		
	Single	12	12.63
	Married	83	87.37
	Total	95	100

Source: Research Fieldwork, 2020

Demographic table reveals more males than females. More able bodied staff falls within age 25-50 with percentage of 75 out of 95 representing 78.95%. It is an advantage to a school of this nature that required energetic workers since they are in the growth stage of their life's. The table also reveal that majority of the staff have good qualification from first degree to Ph.D. level which totaled 93, representing 90%. These will enhance quality of teaching and administrative performance. It is also an added advantage to the university having more experienced staff. 82 out of 95 representing 86.31% have not less than 10yrs working experience; this will also enhance performance and better productivity. All the faculties and department have relevant and qualify staff who arespecialist intheir various area of discipline, including non-academic staff.

6. TEST OF HYPOTHESES

Hypothesis One.

H_0 Communication gap has no significant effect on the selected institution's objective and performance.

Variable Factors	Observed Responses	Percentages
Strongly agreed	10	10.53
Agreed	5	5.26
Disagree	30	31.57
Stongly disagreed	50	52.65
Neutral	7	7.36
Total	95	100

Sources: Research Fieldwork, 2020

Chi-Square formula.$X^2 = (O - E)^2$ E = expected frequency

X^2 = chi-square DF = degree of freedom

O = observed frequency K – 1 = 5 – 1 = 4. (0.05 or5% significance)

Respondent Responses	**Q_1**	**E_1**	**$Q_1 - E_1$**	**$(Q_1 - E_1)^2$**	**$\frac{(Q_1 - E_1)^2}{E_1}$**
Strongly agreed	10	19	-9	81	4.26
Agreed	5	19	-14	196	10.31
Disagreed	30	19	11	121	6.36
Strongly disagreed	50	19	31	961	50.57
Neutral	7	19	-12	144	7.57
				Cal X^2	87.86

X^2 Table Value = 9.487

X^2 Calculated Value = 79.078

Decision rule is – if X^2Cal is > than X^2Tab, then reject null hypothesis H_0; if X^2cal is < then X^2tab, reject alternative hypothesis H_1. From the table calculated value of 79.078 is greater than the table value of 9.487; therefore, alternative hypothesis is accepted while null hypothesis is rejected. This implies that communication gap has significant effects on KDU objectives and performance

Hypothesis Two: Effective communication has no significant effects on the KDU success

Variable Factors	observed responses	percentages
Strongly agreed	6	6.31
Agreed	7	7.36
Disagree	20	21.05
Strongly disagreed	60	63.15
Neutral	2	2.11
Total	95	100

Sources: Authors Fieldwork, 2020

Respondent Responses	Q_1	E_1	$Q_1 - E_1$	$(Q_1 - E_1)^2$	$\frac{(Q_1 - E_1)^2}{E_1}$
Strongly agreed	6	19	-13	169	8.89
Agreed	7	19	-12	144	7.57
Disagreed	20	19	11	1	.052
Strongly disagreed	60	19	31	1681	88.47
Neutral	2	19	-12	289	15.21
				Calculated X^2	120.192

From the above table, since x^2 calculated (120.192) is greater than x^2 table value of (9.48) (x^2cal > x^2tab), we reject H_0 (null hypothesis). The implication is that effective communication has significant effect on KDU success so, alternative hypothesis H_1 should be accepted.

Hypothesis three

H_0 There is no significant relationship between effective communication and staff performance

H_1, There is significant relationship between effective communication and staff performance.

Variable Factors	observed responses	percentages
Strongly agreed	5	5.26
Agreed	5	5.26
Disagree	30	31.57
Strongly disagreed	50	52.63
Neutral	5	5.26
Total	95	100

Sources: Authors Fieldwork, 2020

Respondent Responses	Q_1	E_1	$Q_1 - E_1$	$(Q_1 - E_1)^2$	$\frac{(Q_1 - E_1)^2}{E_1}$
Strongly agreed	5	19	-14	169	10.31
Agreed	5	19	-14	169	10.31
Disagreed	30	19	11	121	6.36
Strongly disagreed	50	19	31	961	50.57
Neutral	5	19	-14	196	10.31
			Calculated X^2		87.86

Source: Research Fieldwork, 2020

Decision Rule: since x^2calculated (87.86) is > x^2tabulated (9.88), we reject null hypothesis H_0 and accept alternative hypothesis H_1. The implication is that, there is significant relationship between effective communication and staff performance in KDU.

7. Discussion of Findings

From the information received from each responses on various questions they were asked as shown in the table I, II and III, it is clear that greater percentage agreed to the fact that effective communication played a vital role in the staff/Management performance and success of KolaDaisi University, Ibadan. The tested hypotheses signify the importance of effective communication in the selected institution. Also It is observed that Heads of Department and Deans of faculties have ample opportunity to communicate with the staff members through circulars, memo, letters and face to face contact; also the use of new communication technology has enhance efficiency, better performance and yielded desired productivity. One of the hypothesis also proved that communication- gap can hinder performance and organizational success. It can lead to unnecessary rumor, disaffection, strike and riot that could have naturally been avoided in higher institutions.

The use of internet, phone, text messages, WhatsApp messages reduces the rate at which dissemination of feedback of messages are delayed because they save many lecturers time taken to check their information boxes and excuses of not getting written document in time. Many academic staff members delayed in submission of their marking scripts, continuous assessment grades, project assessment, claiming they are not informed early, therefore, communication gap can have negative effect on staff performance as seen in hypothesis I where we reject null hypothesis and accept alternative hypothesis becauseX^2 cal^l = 79.078 which is greater (>) than table value of 9.88.

8. Conclusion and Recommendations

Findings revealed from the research that effective communication is the building block behind any organization's performance and success (both private and public). Communication enhance staff performance, it motivates and encourage them to attend to issues promptly. Every organization that communicates regularly using all necessary channels will definitely get relevant information to plan and take good and timely decisions especially as it affects organizational objectives and policies. Communication has been seen as life blood in organizations, the absence of which they cannot function. Effective communication will make staff part of decision making, so they will be fully prepared to support any organizational policies since they participated in the formulation of such policies. Staff are not only encouraged to use innovative communication techniques but it serves as a challenge to be technologically compliant so that they can employ the right channel of communication to avoid "NOISE" that is, communication breakdown that may have negative effect on organizational performance. From the above discussions, it has been proved that effective use of communication is a good

marketing strategy to enhance organization performance and achieve success in their objectives and goals.

In line with the above findings of this study, the following recommendations are made:

1. Every organization, when formulating their objectives and policies should emphasized the need for effective communication strategy to employees and other stakeholders
2. Management of tertiary institutions and educational organizations should endearvour to make use of effective communication as marketing strategy in enhancing performance and improved productivity.
3. All staff should be motivated to key into the use of global technology means of communication to make them efficient in information dissemination. This can be achieved through constant seminars, workshops, training to update their knowledge
4. Management should create enabling environment for easy communication that allows for free suggestions, ideas and feedback to the management without any bias, insinuations and prejudice
5. Timely information should be communicated in a language that staff members and students could easily understand especially information that concerns them. This will help to reduce conflicts and misunderstanding among staff members, students and management.
6. Organization Management should study the peculiarity of their organizational culture before choosing any communication process and also avoid any thing that can constitute barrier to effective communication.

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THE ROLE OF PEACE EDUCATION IN CONFLICT RESOLUTION IN LAGOS, NIGERIA

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Abstract

The study investigated the role of peace education on conflict resolution in Lagos, with particular focus on some selected secondary schools in Lagos. The study employed survey research design through the administration of structured questionnaire on some selected secondary school teachers and students. The elements of observation are the JSS3 students and social studies teachers of Iganmu High School, Sari Iganmu Secondary School, and Araromi Secondary School. The sample included 38 teacher and 297 students of the selected government secondary school. Questionnaires were used as a research instrument for the collection of data. The collected data were tabulated, analyzed, and interpreted by descriptive analysis such as tables and graphs, while relationships and effects were tested using regression analysis. The results reveal that social conflicts are a natural part of life, and everyone experiences them; social conflicts arise with incompatibilities of needs, a misunderstanding leads to social conflicts, social conflicts resolution is the comprehensive social process, social conflict resolution is critical to peace building, and that education provides long term solution and strategies for social conflicts prevention and peace building. The result also establishes that a significant relationship exist between peace education and conflict management. The findings of the study suggest that the nature of conventional schooling in a post-conflict context presents practical and contextual challenges for programme effectiveness. Conventional schooling encourages curricular alignment to tested subjects, teacher-centred methods of teaching that enhance cognitive knowledge acquisition and less interactive and inclusive modes of assessment.

Keywords: Conflict, Conflict Resolution, Peace Education

1.1 Introduction

Peace has been explained by various schools of thought from different perspectives. To a sociologist, peace is simply a condition of social harmony in which there are no social antagonisms. In other words, peace is a condition in which there are no social conflicts and individuals and groups are able to meet their needs and expectations (Akubue, 2011). A structured functionalist is of the opinion that peace is achieved when structures (institutions) perform their functions according to their mandates. For the Marxist, peace is attained when everybody has equal access to community or country resources, thereby extinguishing class distinctions that result to exploitations and the domination of one class by the other which will give rise to antagonisms between the rich and the poor. Conflict can be described as a phenomenon that is important for human existence. The purpose of conflict resolution is to provide an environment in which each individual can feel physically and psychologically free from threats and danger and can guide opportunities to work and learn with others for mutual achievement of all citizens (Lang, 2019).

Peace studies as an academic discipline was developed in Europe in the late 1940s, with a strong root in the Scandinavian countries. It is concerned with the understanding of the causes of violence and conditions for a peaceful world. Initially, peace research focused on direct personal violence which means violence directed by one person to another as in the case of assaults, torture and terrorism, emphasising more of conflict than peace. In the 1960s and 1970s, researchers shifted their attention from direct to indirect violence i.e. structural violence which points out that people may suffer as a result of social, cultural, political and economic systems.

Structural violence includes Poverty, hunger, discrimination, apartheid and many others. Structural violence is a major obstacle to peace (Cromwell, 2019). Peace education is concerned with the transformation of the culture of war to a culture of peace and it emerged as a critique of a realist interpretation of war and conflict and also as an alternative academic study of politics and international relations (Setiadi, 2020). Francis (2006) pointed out that, the study of peace became institutionalised as polemology, that is, the science of peace concerned with the cause and resolution of conflict.

Evaluating the effectiveness of peace education programmes is one of the contested and complex areas of peace research. While peace educators argue for a universal need for peace education, they do not advocate for the universalisation and standardisation of approach and content due to the experiential and contextualised nature of peace education. Moreover, to advocate for a universalisation would be against the aims and pedagogy of peace education which are varied according to the social and political context. As a corollary, peace education programmes tend to have several broad and context-specific goals, yet to assess effectiveness, specific criteria and indicators need to be identified. Because there is no one-size-fits-all curriculum model for peace education, evaluation of peace education programmes is primarily based on measures and observations of its operations and outcomes in light of what was intended by the programme designers (Gittins, 2020).

Peace education programme effectiveness can therefore be understood in terms of the congruence between the programme's context, rationale, theory of change, implementation process (in terms of faithfulness of implementation to design) and impact (CDA, 2009; Sinclair et al., 2008; Harris; 2008).

1.2 Statement of the problem

Evaluations of the effectiveness of school-based peace education are limited, yet thousands of children in conflict-affected countries are being reached by educators using innovative peacebuilding curricula (Gittins, 2020; UNESCO, 2011; McGlynn et al., 2009). Moreover, short or long-term evaluation is notoriously difficult for contested areas such as peace education. Little systematic evaluation has been carried out to assess the relevance and effectiveness of these experiences and the impact of their methodological approaches (Setiadi, 2020). this lack of empirical validation of peace education programmes raises questions as to how we know whether the programme was successful? By which criteria should the programme be judged? And what made the programme thrive or fall short of its intended goals. In the same line of argument, Ashton (2007: 41) asserts that "although significant work has been done to define and describe the elements that constitute peace education, less work has been done on evaluating its effectiveness". There also exists a research-practice gap and a shortage of evaluative research that reflects upon the effectiveness and suitability of initiatives taken in conflict and post-conflict situations (Paulson and Rappleye, 2007; Tomlinson and Benefield, 2005). It appears, therefore, that educational and conflict workers are not speaking to each other. Investigating the impact and effectiveness of peace education in schools in conflict resolution, is therefore a worthwhile agenda. Moreover, the work of various stakeholders implementing peace education programmes in Nigeria is fragmented and uncoordinated (GoU, 2005) there is a lack of understanding of what is possible in terms of peace education in formal schooling in Nigeria. This research therefore seeks to investigate the effectiveness of peace education in conflict resolution in Nigeria.

1.3 Research Questions

In line with the identified gaps the following research questions were raised:

i. What are the objectives of Peace Education?

ii. To what extent do Peace Education content, educational materials and methods match its aims?
iii. To what extent do teachers integrate and use Peace Education content, educational materials and
methods to achieve these aims?
iv. What is the effect of peace education on conflict resolution?
v. What is the relationship between peace education and conflict management?

1.4 Research Objectives

The broad objective of the study is to ascertain the effect of peace education on conflict resolution, while the specific objectives are:
i. To examine the objectives of the Peace Education.
ii. To investigate whether Peace Education content, educational materials and methods match its aims.
iii. To investigate how teachers integrate and use Peace Education content, educational materials and methods to achieve REPLICA-PEP aims.
iv. To examine the effect of peace education on conflict resolution
v. To examine the relationship between peace education and conflict management

1.5 Research Hypotheses

The following null hypotheses were tested:

- Peace education does not significantly affect conflict resolution
- There is no significant relationship between peace education and conflict management

1.6 Significance of the Study

The possible significance of this study springs from its attempts to make contributions to theory, methodology and policy. In contribution to theory, the study will attempt to reveal how Nigeria's peace education system has improved or enhance conflict resolution, since Bourdieu and Passeron's (1977) theory of symbolic violence by testing it on a peace education programme in schools where it has not been tested before. Methodologically, the study will highlight the complexities that are involved in a case study such as this one, especially in terms of establishment of boundaries. At a policy level, the study will provide evidence on what is possible in developing peace-related knowledge, attitudes, skills and behaviour among learners in conventional schooling in Nigeria.

1.7 Scope of the Study

This study is limited to investigating the effectiveness of peace study education towards conflict resolution, by analysing peace study education content, educational materials, methods, assessment strategies and perceived effect and the influence of peace study education on conflict resolution in some selected secondary schools in Apapa Local Government of Lagos State, Nigeria. The elements of observation are the JSS3 students and teachers of Iganmu High School, Sari Iganmu Secondary School and Araromi Secondary School. The reason for choosing JSS3 students is because peace studies constitutes a significant part of social studies curriculum, and social studies is a junior secondary school course.

2. Literature Review

2.1 Concept of Peace

IPRA (2004), in association with United Nation Education Scientific and Culture Organization, reports that peace is the attitude and state of mind. A situation in which a person feels comfortable both in the relations that they have with others or in the opportunities that they have to transform those relations. Either they acknowledge the existence of relationships or common interests as an essential element of their definition of self-regard, or they may recognise their different interests, but make a decision to live with this fact and deal with it. Peace is also a way of conduct which manifests the common position of enlightened self-interest. It is based on the peaceful conduct of politeness which assumes common esteem amongst the individuals and receipt of involvement by all of them (IPRA, 1994). Reynaldo (2011), posits that peace is not simply the nonexistence of combat or fighting. Galtung (1996) demarcated peace to negative peace and positive peace. According to Galtung (1996) and Goldstein (2009) negative peace is there is no hot war in which physique is involved. On the other hand, the peace that settles down the root causes of warfare is called positive peace. Peace is not only a truce but also the improvement of relationships (Goldstein and Pevehouse, 2009). It includes the eradication and to the cutback of economic and political abuses and oppression (Reynaldo, 2011). Schilling (2012) stated that in general term peace is protection from fright, apprehension and covet and the absence of sadism. Peace has three stages of

developing. The first stage is a lasting peace which called positive peace. There are strong feeling coordination and consideration among the parties on the basis of collective aims and ambition. The second phase is unwavering peace which is the highest in the level of stress than the precedent and manifests in restricted cooperation and confidence irrespective of the country wide stability. The last phase is unstable peace, that is the result of the differences that yet to be resolved, leading to the escalation of tensions. The stress and scepticism got the high alert, and the perspective of the crisis is on peak point. Sometimes it is characterised at the intra-state level by infrequent acts of aggression and government suppression of the opponent. If such state of affairs carries on in this direction, the peace may be transmitted to the emergency, characterised by the direct clash among the conflicting parties (Schilling, 2012).

Peace is not the finishing point of aggression; it is a lasting strategy that needs to be thought of. Often it is said that peace with the approaching end of the war. But peace is something else: it does not result in social justice. Mostly it is said that when you block up using the weapons, peace prevails. So for as education is concerned peace as a lasting strategy, and its promotion my take more than a decade. It has blocked off the prejudices in society. Education is needed so to comprehend the nature and structure of the society and the nature of social synchronisation (Dupuy, 2008).

2.2 Peace Phenomenon

Peace is defined in different ways by different writers. However, to understand the phenomena of peace, the following source of peace is to be studied. In nature, there have three different types of peace and tranquillity, i.e. intrinsic peace, peace in society, and correspondence with nature, i.e. not to fight against the natural forces. These types can be looked into the following lines.

2.3 Peacebuilding

Peace-building is a lasting and cumbersome task which enrages all activities aimed at building and strengthening peace and to triumph over aggression and ferocity. The main purpose of the peacebuilding is stopping the eruption of aggressive activities and also to turn vehemence conflicts into peaceful coexistence sustainable way. Paffenholz (2005) said that peacebuilding is a term used to cover a number of activities that aim to put off, reduce, mitigate or settle the disputes. Usually, the aim of peacebuilding to tackle the root causes of conflict and to promote such a social, cultural and institutional configuration which promote sustainable peace (Goodhand and Hulme, 1997). Peace-building is a viable method to solve the conflict (Paris, 2004). We use methods such as dialogues and discussion, talks, negotiations to build peace. In the peacebuilding process facilitation, mediation, and other strategies are used to calm down the aggressive and antagonistic feelings in such a way to solve the problem (Reynaldo, 2011).Peace-building is a drawn-out and intricate procedure that needed the environment of open-mindedness and where reality and truth observed. It includes a wide range of programs of political, developmental and humanitarian aspects and such other agendas and procedures. Reintegration displaced people, removal of remnants of war, and emergency assistance in a disaster, and rehabilitation in infrastructure, economics and social sectors are the instances of such program (Schilling, 2012).

2.4 Concept of Conflicts

The history of humankind has significantly been moulded by two passions, i.e. love and conflict which regulate human experiences in a cycle of compassion and bitterness. These competing values are present in any human community, in our homes, our workplaces, in groups or associations where people come together and in the society as a whole. Even though human beings were created by an act of love by the Almighty God, conflicts and misunderstandings, unfortunately, hold sway in many human encounters where two or more persons engaged continually. Socio-economic pressures sometimes build up tensions within an individual, and everywhere we find people distressed, oppressed and challenged by the realities of misunderstanding, conflict and peacebuilding (Schilling, 2012). Conflict may be defined as a situation of falling-out, chaos and turmoil or antagonism. When two parties or individuals are engaged in a protracted fight, struggle or quarrels with each other. Obegi and Nyamboga (2008) stated that social conflict is the condition where two or more than two people individually or collectively exhibit opposing behaviour. He maintained that it is a struggle for drag and draw

and compromising attitude and also struggle for maintaining the balance of power. A conflict has usually been defined as a situation in which two or more than two parties, groups endeavour to acquire the same scant resources simultaneously (Wallensteen, 2002). The word conflict is its origin a Latin word confligere, which means to "strike together" (Barash & Webel, 2002). So conflict means to collide with each other. Bercovitch (1990) is of the opinion that conflict is a situation which creates incompatibility of goals or values among different parties. There is always opposing antagonistic and aggressive behaviour exhibited by the parties.

Ayoko, Hartel, & Callan (2002), state that when there is disagreements or differences of opinions, needs and desires between the individuals or group of individuals and are apparent and exhibit from their behaviour is called conflict. There are many views of conflict in our social life such as social divergence, conflicts of interests, bickering and spat between individuals, group of individuals, or associations without proper social planning, managing and stress and strain among the peoples may shoot out from these social conditions. Conflict is inexorable, with the passage of time changes occur in people and disruption or disorder occurs with these changes. Conflict arises due to differences and disagreements. Differing and conflicting views about interests, aspirations and goals may cause conflicts. At times differences in behaviours of the members of the parties also result in breeding conflicts (Mughal & Khan, 2013). In conflict, differences in opinions that exist between individuals. It can vary from a meek and gentle disagreement to a win-or-lose situation, jam-packed emotional confrontation. Davies (2004) defines conflict as the incompatibility of interests or goals in real, noticeable and perceptibly apparent. It cannot be believed that the strong desires of having peace can be availed by both the conflicting groups at the same time or at once. This struggling situation is only the outcome and results of having the superiority of cultures, status quos and other production units. It is also an intermediate stage of struggle that expedites and causes more devastation.

2.6 Education, Conflicts Resolution And Peace Building

Education is seen as fundamental to the process of peacebuilding. The education sector, with all its capabilities to provide knowledge and training, has an important role in the reconstruction process. Education is conceivably the most vital instrument for uplifting humanity and poverty purge. It is the means to develop the philosophy of life, ideologies, knowledge and provide skillfulness for every walk and spheres of life. Education is the guard that protects the human from disaster, and calamity occurs in their lives. The spirit of peace education is education that can generate safety for human existence. Education for peace is inducting peace in the man's thinking capacity can solve the conflicts found in human minds which are really hatred (UNESCO, 2005). Education is an important tool of civic growth and can help in those changing and happenings which take peace after the solution of conflict by changing the aggressive feelings and the police and the judicial system. Improved awareness of the political system, how it works and its consequence for the regional population; it promotes skill that assist economic rejuvenation and prosperous life. It assists in changing interaction among the groups or dealing with the remnants of conflict (UNCF, 2011).

The process designed to enhance the knowledge; techniques, and approach needed to bring adjustment in behaviour that permits the inhabitants of the community to put off conflict and aggressions. And solve the conflict calmly and to provide a favourable environment for peace development at various levels, both within the same person and, personal, and groups, national or international level (Fountain, 1999). According to PBEA (2012), Consolidated Report; the report presented to the Secretary-General by the General Assembly security counsel regarding peacemaking after the dispute (2009) stated that the role of education in peace is of great worth. Education creates a sense of confidence in the onslaught of conflicts. It can reduce the disparity or injustice among the local communities affected by the conflict, and that it can promote attitudes, enhance beliefs and create values that promote peace. Simultaneously it contributes to a great extent to dispute. Suppose it is implemented with no partiality in the resolution of the dispute. So education role in lasting peace has been

tremendously recognised (General Assembly Security Council, 2009). Education for peace arranges dialogue on life-threatening issues in society, in order to change the repressive setup of the trend towards a peaceful way of life. Only education can minimise the level of aggression both for teachers and students .i.e. student s and teachers can go for open discussion on this issue, and the peace can be established in the society. Education also makes them involved in the identification of the conflict and its resolution (Bouling, 1988; Hicks, 1994).

Describes Salomon (2002), peace education contains pieces of training in various spheres like Anti-ethnic, conflict transformation, and in different cultural setups, cultural diversity, and also imparting peaceful point of view in general. Lantieri and Patti (1996), writes that the goals of this education are to increase capabilities and abilities for social and emotional development for children by teaching such life competence as part of their formal education.

2.7 What and Why to Teach Peace Education

The key notion in conflict resolution education is to enhance the intellectual capacity to comprehend the conflict and help people to develop the non-aggressive attitude to conflict resolution (Raider, 1995). According to the Deutsch (2005), the main idea of education in conflict resolution is to inculcate behaviour, understandings, ability and competence that lead to an operative, collaborative problem solving and dissuade the usual attitudes and responses that lead to winning- lose result, in which on the win and other losses. Change the views of the students look at different types of conflicts of win and lose shared issues that can be solved just cooperatively is an essential element of the culture of peace. It is supposed that this point of view about the resolution of the conflict will be changed to a knotty conflict involving the community (Van Slyck, Stern, and Elbedour, 1999). Students will be in line with the need to settle the dispute gently through the negotiation process (Bar Tal & Rosen, 2009). Kester (2010) is of the opinion that education for peace compost of cultivation skills of peacebuilding such as mediation and technical accomplishments and discussion and dialogue. Peace educators teach different values and beliefs that is reverence, kindness, appreciation and peacefulness and promote skills to analyse international conflict, knowledge for the protection of the systems they use of teaching methods that are egalitarian and cooperative. The objective of peace education is harmonising elements between education and society. In peace education, why to teach is social principles and the subject matters, and how to teach, the methods of the educational process is favourable and contributing to the promotion of peace. Education for peace is the dialogue which is made from experience-based learning through participation, where learners collectively and cooperatively fighting current problems related to the indigenous and international levels (Kester, 2010). In 2002, through mutual discussion global peace educators, Reardon also included, the United Nations University for Peace began to develop a modal and plan to offer sixteen-year education syllabus for peace. Document reaching to the high point of mutual discussion and consultation Jenkins designed the sixteen-year education program on distinct rules.

2.8 Education and Conflict: The need for Conflict Sensitive Education

A growing number of studies highlight aspects of education that have implications for conflict (Buckland, 2006; Tawil and Harley, 2004; Smith and Vaux, 2003); including links between gender and violence (Kirk, 2004); education in emergencies (Nicolai, 2004; Sinclair,2002); refugee education (Bird, 2003; Crisp et al., 2001); the reconstruction of education systems (Sommers and Buckland, 2004; Obura, 2003) aspects of schooling linked to violence (Davies, 2005; Harber, 2004); and the importance of quality education for peacebuilding, reconciliation, and post-conflict reconstruction (Paulson, 2011). This presents a challenge as to how formal education can address the causes of conflict while education within itself has embedded conflict promoting aspects. While education is increasingly seen to have a role in mitigating and/or exacerbating conflict, it should provide a protective function for children in conflict or post-conflict situations(Nicolai and Tripehorn, 2003) in related ways to the role it plays for children in care (Fletcher-Campbell et al., 2003). The absence of institutional structures and processes to address the causes of conflicts through negotiations or other constitutional means has led conflicts to result in violence. Violence is taken as a 'short cut, irrational and harmful method' for the

resolution of conflicts. Similarly, a suppressed sense of deprivation or injustice vented through violence can in extreme cases lead to violent protracted conflicts and terrorism. Resolution of conflicts without resorting to violence is the essential condition for establishing peace in the societyand there are arguments and evidence that effective peace education programmes can play a positive role in this direction (UNESCO, 2011; Barakat et al., 2008).

2.9 Theoretical Review
Theories of Conflicts

For conflicts resolution it is important to understand theories to conflicts. Weissmann (2008), in his studies, mentioned about three theories; (a) Social conflict theory, (b) The conflict dynamic approach and (c) The rational calculation approach to the conflicts. They are briefly discussed here:

2.10 Social conflict theory

Fundamental needs, necessities and grievances are the focal points of the social conflict theory. According to this theory, lack and denial of the basic needs of the individuals are the basic sources of conflict. Problem-solving of the basic needs and grievances and the base from where these arise are the central point of the conflict resolution. Dialogues, diplomacy and other such procedures may be used for the resolution process. It may be the ethnic repression or containment (Gurr 1993), meagre or no observance of human rights (Donnelly 1989), and the lack-ness, scarcity and need refusal, and whishes can be ranged from disparity to a shortage of personal assets, survival and life (Shue 1996; Renner 1996; Harrison 1992; Booth 1995). According to Coser (1956, 1967) political system also plays a role in conflict development. It the same time he argued that it is also the solution to the conflicts.

3. Methodology

This study employs descriptive survey research and Kothari (2003) holds that the main objective of descriptive research is to describe or ascertain the existed or current status of events, situation or a thing as it exists. It can be said in crystal clear that resolution of conflicts and promoting of peace is the main issue of the day.

The elements of observation are the JSS3 students and social studies teachers of Iganmu High School, Sari Iganmu Secondary School and Araromi Secondary School. The reason for choosing JSS3 students is because peace studies constitute a significant part of the social studies curriculum, and social studies is a junior secondary school course.

School	Population of Students	Population of Teachers
Iganmu High School,	365	12
Sari Iganmu Secondary School	388	10
Araromi Secondary School	412	16
Total	1165	38

Using a multistage technique calculator, the Taro Yamme sample size calculator estimate is 297 for the student. Gay (2000) a sample size o> 0r = to 250 will be enough. However, the more the sample, the accurate will be the result procedure was used here. Simple proportionate sampling technique will be used in ensuring equal representation of students in the selected schools.

School	Population of Students	No of respondents
Iganmu High School,	365/1165*297	93
Sari Iganmu Secondary School	388	99
Araromi Secondary School	412	105
Total	1165	297

The researcher used the questionnaire for the data collection in this study. The sample included 38 teacher and 297 students of the selected government secondary/higher secondary. This research study was conducted to determine the role of education in the resolution and peace building of the social conflicts at the secondary level in Lagos State. Data collection through questionnaires was as under:

The data were collected by the researcher from the teachers and students on a two-point scale. Ary, Jacobs and Sorensen, (2010) stated that when data fall innominal or ordinal categories, parametric tests are used. The ordinal regression

is widely used when data is ordinal. It compares observed frequencies and expected frequencies. In this ordinary least square was used for the analysis of data and t-test for an independent sample was used for the comparison to find out the significant difference between the heads/ principals and teachers responses. For both of the tests, SPSS(Statistical Package for Social Sciences) version 25 was used.

4. Results and Discussions

This chapter presents the results from the analysis of data collected from the teachers (38) unions in the selected government schools in Lagos State in other to examine the role of peace education in conflict resolution in Lagos, Nigeria. The study made use of descriptive survey design, and questionnaires were administered to two hundred and ninety-seven (297) students of the selected government schools in Lagos State, out of two hundred, and ninety-seven questionnaire administered, only two hundred and sixty-two were duly completed and found usable for the study translating to 88.2% response rate which is adequate for the statistical analysis of this study.

The data were analysed using SPSS version 25. The results presentation and discussions were divided into two sections. The first section focused on the descriptive analysis of respondents showing their detailed response to the questionnaire. The second section shows the result and discussion of the hypotheses.

4.1 Demographics of Respondents

Table 4.1 reveals that most of the respondents are male (n= 138, 46%). While Majority of the respondents were female (n= 162, 54%).

Table 1: Demographics of Respondents of Both Students and Teacher

Demographics	**Frequency (n)**	**%**
Gender (300)		
Male	138	46
Female	162	54

4.2 Hypotheses Testing

Hypothesis 1: Peace education does not significantly affect conflict resolution

	Conflict Resolution				
Variable	B	SE	B	t-stat	P
Peace Education	0.281	0.052	0.285	5.374	0.000
R^2		.078			
F		28.878** (p=0.000)			

The table 4.2 shows the result of the effect of peace education on conflict resolution. The result reveals that 7.8% (R^2=.078) variation in conflict resolution is explained by peace education, while other factors determine 92.2% variation. The unstandardized beta (B) reveals that for every unit increase in peace education, conflict resolution increases by 0.281 units. The standardized beta (β) reveals that there is a direct relationship between peace education and conflict resolution. The t-statistics value (t= 5.374 p=0.000) indicates that peace education is a statistically significant predictor in the model. 'The F-Stats (F-28.878) reveals that the model is a good fit. The result corroborates the findings of a previous study (Heintzman and Marson, 2012) that found a significant relationship between peace education and conflict resolution.

Therefore, the null hypothesis (H_0) is rejected, and the alternative accepted that peace education has a significant effect on conflict resolution.

Hypothesis 2: There is no significant relationship between peace education and conflict management

Conflict Management					
Variable	B	SE	B	t-stat	P
Peace Education	0.258	0.025	0.259	4. 846	0.000
R^2		.064			
F		23.479** (p=0.000)			

The table 4.2 shows the result of the effect of peace education on conflict management. The result reveals that 7.8% (R^2=.078) variation in conflict management is explained by peace education, while other factors determine 92.2% variation. The unstandardized beta (B) reveals that for every unit increase in peace education, management increases by 0.281 units. The standardized beta (β) reveals that there is a direct relationship between peace education and conflict management. The t-statistics value (t= 5.374 p=0.000) indicates that peace education is a statistically significant predictor in the model. 'The F-Stats (F-28.878) reveals that the model is a good fit. The result corroborates the findings of previous study (Heintzman and Marson, 2012) that found a significant relationship between peace education and conflict management.

Therefore, the null hypothesis (H0) is rejected, and the alternative accepted that peace education has a significant effect on conflict management.

5. Conclusions and Recommendations

The study highlights three different, interrelated types of curricular control and conflict between peace education and conventional schooling operating within the framework of school symbolic violence and schooling as violence itself: control and conflict in terms of content, control and conflict in terms of educational materials and methods and control and conflict in terms of assessment strategies. The findings from this study point to the conflict between principles and practice and conventional schooling by identifying contradictory features, processes, and practices. Conventional schooling challenges include educational system mandates and control in terms of syllabus coverage and national public examinations, which influence teachers to use more teacher-centered pedagogies than peace-related pedagogies. It is concluded that peace education positively influence conflict management.

Recommendations

The education system is incomplete without a number of constituents or elements that are identical to peace education. It may be in the shape of morals, beliefs, values, ideologies, cultural ingredients, civic values, and democratic or global education. Education for peace should be obligatory in each school. In light of the findings, the following recommendations were made:

1. It was found that education was a powerful changing behavioral agent in society. In the light of the findings, it was recommended that education should develop and enhance aptitudes, capacities, and faculties of individuals to recognize and spot out political, economic, cultural, psychological, and situational dynamics that are useful in conceptualizing and comprehending the social conflicts and their resolution. The government should expand the faculties of the educators to enhance essential communicative skills, mediation, and negotiation proficiency for social conflict resolution and peacebuilding.
2. The study revealed that Peace education did not exist formally in our education system. It was recommended that the textbooks and Syllabus for the secondary level needed to be rationalized and re-organized to manifest the concerns that peace education required.
3. It was recommended that education for peace should be a convincing component of any future educational appraisal and assessment or re-organization of policy documents. It should be attributed strongly in every discussion, debate/training program organized for educators.
4. In light of the findings, it was recommended that the educators should foster the knowledge, practical skills, and attitudes for the resolution and peace of the social conflicts. For this purpose, they should provide reading materials that are already available or should be arranged in such ways that promote values and skills of peace. Handbooks for social conflict resolution and peacebuilding should be prepared, which

encompass guiding principles for an integrated approach to education for peace. It should be made easier to be tagged on by every educator, textbooks designers and writers for the entire subjects, especially social sciences that are taught in schools and teacher training colleges and institutions.

5. The study found that the existed curriculum did not contain materials for social conflict resolution and peacebuilding. It was recommended to start conflict resolution and peace education as a separate subject in the secondary school curriculum, or if not possible due to the burden of subjects, then the main beliefs and doctrines of peace education should be included in other regular subjects of the formal school curricula.

6. It was found that aggressiveness, hostile attitudes, and abhorring feelings on the bases of race, culture, religion, ethnicity, sex, and other such social chauvinisms and injustices are the factors that led to the social conflicts. It was recommended that the government analyze and check out the existing curriculum and textbooks to detect any such contents in them, which caused antagonizing feelings.

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UNETHICAL RESEARCH PRACTICES: AN EMPIRICAL EVALUATION OF 'ABEG ADD MY NAME' MALADY IN NIGERIA

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Abstract

The controversies related to unethical research practices have engendered significant research interest across the globe. This unethical practice is becoming more pronounced among academics in Nigeria, this tends to affect the research abilities of academics as well as their research outputs. The malady of unethical authorship in Nigeria, particularly from the perspective of honorary authorship and ghost has not attracted sufficient research interest. This study evaluates unethical research practices in Nigeria, with special focus on honorary authorship, ghost authorship and 'abeg add my name'. The study employs survey research design through the administration of structured questionnaire on the targeted respondents. The total study population was 13,767 academic staff in 31 universities in South-West, Nigeria. These 31 universities are public and private, as well as, being in operation before the year 2010. The researchers applied confidence level of 95% and confidence interval of 6 on the population figure of 13767 using survey system sample size calculation software, a sample size of 262 was derived. 262 copies of questionnaires were administered on the targeted respondents. The findings reveal that some of the respondents' names have been added to research work, despite the

fact that they never took part in the study. Similarly, some respondents agreed that their names have been included in research work that they never took part, just to influence the editor's and reviewer's decision. Furthermore, some project supervisors took the lead authorship position, when publishing their students' projects. It was also found that some people's names were included, because they funded the cost of publication, without any research input. Most of the respondents were of the view that inclusion of a colleague, who has not made academic contribution to a research, has not improved their research report writing, knowledge in data collection, data analysis and interpretation. It can therefore be concluded that the malady of 'abeg add my name' has negatively impacted the research abilities of unethical authors in Nigeria. Furthermore, unethical authorship has led to shallow research outputs of some Nigerian academics, because of the non-input of unethical authors.

Keywords: Unethical Research, Unethical Authorship, Honorary Authorship, Ghost Authorship, Abeg Add My Name

Introduction

The publications of scientific papers constitute a significant performance metric within academia. This has led to increased pressure to publish, since the number of published works is an important promotional consideration in the assessment of academics across Colleges of Education, Monotechnics, Polytechnics and Universities in Nigeria and several other climes. The controversies related to unethical research practices have engendered significant research interest across the globe.

Aliukonis, Poskute and Gefenas (2020) posit that unethical research practices, particularly honorary authorship, harms the real authors by diluting their research contribution and aiding the undeserved or unethical authors through the facilitation of their access to research grants and promotion. This is because, the honorary author's scientific weight grows in line with their citation volume, thereby creating unfair competitive advantage, as quote-based bibliometrics givescitation credit to all authors listed on a research work irrespective of how many they are.

Several studies have shown that unethical research practice is a global challenge, that is bedeviling almost every nation (Wathita & Mnisi, 2019; Padayachee, 2019; Wislar, Flanagin, Fontanarosa & DeAngelis, 2011). Similarly, 'abeg add my name' which is a kind of unethical authorship can be liken to honorary authorship. It entails the inclusion of the name of an academic that did not contribute intellectually to a research work, for financial or other gains.

This unethical practice is becoming more pronounced among academics in Nigeria, which tends to affect the research abilities of academics as well as their research outputs. This is because; the essence of collaborative research is for researchers in the same discipline or across disciplines and institutions to take advantage of their unique expertise towards conducting a scientific research. In a case where the presumed collaborator did not contribute to the research work, it tends to affect the research output as their contribution would have added value to the study. Furthermore, since we tend to enhance our research skills by getting involved in research activities, a culture of 'abeg add my name' might affect the research abilities of unethical authors. It therefore, becomes necessary to evaluate the malady of 'abeg add my name', since it seems not to have attracted empirical research attention in Nigeria.

Additionally, there appears to be a dearth of studies as regards unethical authorship in Nigeria in particular and Sub-Saharan Africa in general. Furthermore, the limited studies on unethical authorship from Nigeria and Sub-Saharan African perspective focused majorly on conceptual studies. In addressing this research gap, this study examines the impact of unethical authorship on the quality of research outputs by Nigerian academics as well as their research abilities.

In line with the research objectives, the following research questions will be answered:

1. What are the major emerging themes in unethical research practices in Nigeria?
2. In what ways have the malady of 'abeg add my name' impacted the research abilities of unethical authors in Nigeria?
3. To what extent has unethical authorship impacted the research outputs of Nigerian academics?
4. What are the strategies that can be employed to ameliorate this malady?

This study is significant in three-fold: Firstly, it expands the frontiers of knowledge by extending previous studies on unethical research practices in general and unethical authorship in particular. Secondly, the findings and policy implications of this study will be relevant to the entire research community, particularly Colleges of Education, Monotechnics, Polytechnics and Universities. Finally, the study opens a new research viewpoint on the malady of 'abeg add my name'.

This paper is divided into five parts: the first part introduces the subject matter as well as provides the research problem, research objectives and research questions. The second part provides a review of related and relevant literature on the broad concept of unethical research practices as well as the concept of unethical authorship, honorary authorship, ghost authorship guest authorship and the construct of 'abeg add my name'. The third part presents the research methodology adopted for this study. The fourth part presents the results and discussions. Finally, the fifth part provides the conclusion and recommendations.

Literature Review

An Overview of Unethical Research Practices in Nigeria

The ever-dynamic challenges facing humans have necessitated the need for rigorous investigation and inquiry about every aspect of human endeavour. Challenges revolving around education, environment, security, health, socio-economic development to mention but a few is also endearing higher institutions to systematically investigate diverse phenomena through collection of data; documentation of critical information; and analysis and interpretation of that data in accordance with suitable methodologies set by specific professional fields and academic disciplines. Kana (2016) averred that Africa urgently needs research to promote development and introduction of incentives that reward the most productive researchers and institutions, at the institutional or country level is a necessity.

Research is a time-consuming and rigorous process which demands that researchers conform to the ethics at each stage and documenting its results based on the requirement of each field of specialisation. Writing a research paper is both painstaking and time-consuming. Conscious effort must be made by research authors to conform to the scientific ethics at each stage of performing the research and documenting its results. As enunciated by Adewunmi in Ikechi and Akanwa (2012), ethics connote what is acceptable in a given environment or not, what is expected or not of a person and the guidelines or rules of conduct by which we aim to live, work and socialize. Corroborating Ikechi and Akanwa, Ogunleye (2000) averred that ethical behaviour occurs when one acts with equity, fairness and impartiality and respects the rights of others, or simply put, when one does what is morally right while unethical behaviours occur when decisions enable an individual or organization to profit at the expense of the larger society.

As a means of ensuring that the institutes of higher education meet the societal demand for research-based solutions to teeming challenges, it has become a policy for academic staff to engage in academic research as they progress in their career as facilitators of knowledge. It is however sad to note that this policy, rather than being a source of motivation for commitment to academic research, appears to be gradually increasing the spate of unethical practices among academic staff. In a study to investigate the low/middle-income country (LMIC), health researchers' views about authorship, redundant publication, plagiarism and conflicts of interest and how common poor practice was in their institutions, Rohwer, Young, Wager and Garner (2017) found that seventy-seven per cent of respondents reported that guest authorship occurred at their institution with over 60% affirming that text recycling and plagiarism was a regular occurrence. In a similar vein, Salami as cited by Kana (2016) itemised fraud, plagiarism, honorary or gift authorship, fabricated peer reviews, article retractions and publishing in predatory journals as some of the adverse effects of "publish or perish"- the often-criticised system that reward researchers for maximising publication in top journals. As stated by Angell (1986) the pressure of 'publish or perish' has led to unethical practices including undertaking trivial studies because they yield rapid results, needlessly reporting the same study in installments, reporting a study more than once, and listing as authors people only marginally involved in the study.

In Nigeria, the construct of "abeg add my name" is an addition to the variants of unethical

authorship which appears to be gaining ground among academics. This research anomaly no doubt will water down the importance of research, just like others in its category. The concept "abeg add my name" as presented in this research paper is aimed at putting in the proper perspective the application in usage of a phrase among academics that is loosely used but entails unethical authorship.

Radda (2009) affirmed that universities in Nigeria are not spared of unethical practices and this appears to be a threat to the universities' mission and vision of providing quality education for individuals and the quest for national development. These unethical practices have affected the fortunes of the Nigerian educational system and her universities, once prided as citadel of learning and centre of academic excellence (Ikechi and Akanwa, 2012). Adeleye and Adebamowo (2012) in a study on the range of research wrong doings and the potential predictors in two states in Nigeria, it was reported that fabrication, falsification, and plagiarism were common practice and such actions were predicted by knowledge gaps in research ethics and pressure to publish enough papers for promotion.

Doctoral research is another major source of new knowledge leading to the publication of research reports and journal articles. This process however requires encouragement from supervisors (Kamler and Thomson, 2014). According to Kvale as cited by Wegener and Tanggaard (2013), research is a craft that can be learned through an apprenticeship relationship between the supervisor and the supervisee. It is however appalling to note as articulated by Azikwe (2015) that no one can assuredly say that there are nationally accepted criteria for supervising doctoral candidates in Nigeria and this might be one of the reasons for the prevalence of unethical practices between supervisors and their supervisees. Since the emphasis is on 'publish or perish', the tendency has been to devise alternative means of surviving that are usually criminal (Omotola, 2007).

The Concept of Unethical Authorship

Authorship according to Gureev, Lakizo and Mazov (2019) is considered a critical point in the academic sphere considering the fact that publication is a major determinant of academic resources. This dire need to meet the demands of the profession in order to attain the requirements for promotion has resulted in diverse forms of unethical research practices (Olesen, Amin & Mahadi, 2018). Prominent among these unethical research practices is unethical authorship, which is explained as a misrepresentation of the real authorship of a research publication which makes it quite problematic, evaluating the reliability of such study against any potential bias (Padayachee, 2019).

According to the Ethics Code Standard 8,12c, Publication Credit of the American Psychological Association [APA] (as cited in APA, 2010), authorship is a preserve of individuals who substantially contributed to a study and are also responsible for the published work. This point is further explained to mean that authorship is not only for the person who actually wrote the work but also includes those who made meaningful scientific and professional contributions to the work. Such contributions according to APA include the articulation of the research problem and hypothesis; organizing the research design; carrying out the data analysis, result interpretations or writing a substantial part of the work. On contributions that do not amount to authorship, APA lists support services such as constructing of devices, advice on data analysis methods, collection or inputting of data, enlisting research participants and computer programme configuration and suggests that such contributors could be acknowledged.

Similarly, the International Committee of Medical Journal Editors [ICMJE] (2019) developed clear standards on authorship to avoid misrepresentations. On this note, an author is expected to satisfy the following conditions:

1. Substantial contributions to the conceptions or design of the work; or the acquisition, analysis, or interpretation of data for the work; AND
2. Drafting the work or revising it critically for important intellectual content; AND
3. Final approval of the version to be published; AND
4. Agreement to be accountable for all aspects of the work in ensuring that questions related to the accuracy or integrity of any part of the work are appropriately investigated and resolved (p.2).

Going further on the issue, ICMJE identified a list of activities which alone do not place the contributor in the position of an author, but at most deserves to be acknowledged. They include sourcing for or obtaining funding for the research; overseeing the activities of the research group or offering administrative support to the group and providing other forms of support like writing, proofreading, editing or technical support.

In addition to this, Abioye (2016) clearly stated that it is deplorable for authorship to be credited to any person in a research work outside academic or significant intellectual contributions.
The contributions that qualify a person as an author according to the guideline are on the conceptions and organization of the research design, statistical analysis and data interpretation, drafting substantial aspects of the project or providing a critical review of the work in such a way as to make meaningful contributions to the interpretation. Any contribution outside these, merits only acknowledgement in the work.
Situating the discussion on unethical authorship to dissemination of research findings from a student's dissertation, Abioye (2016) noted the acceptability of student-supervisor co-authorship of journal articles originating from the research, but pointed out clearly that the student remains the first author, noting however, that the discretion of the supervisor and student cannot be ruled out in this instance.

Unethical authorship, therefore, can be perceived as misconduct in research and a direct violation of the ethics of research authorship which, though institutional-based, also have globally accepted practices and standards. On this note, Gopi Rethinaraj and Chakravarty (2017) conclude that the violation of the ethics of authorship in any form constitutes unethical authorship and they are indicated in diverse forms such as honorary (guest) authorship, gift authorship and ghost authorship. Strange (as cited in Gopi Rethinaraj and Chakravarty, 2017) provided other forms of unethical authorships to include duplication authorship, coercion authorship, guest authorship, ghost authorship, denial of authorship, mutual support authorship and gift authorship. Out of the whole lot of unethical authorships, Gopi Rethinaraj and Chakravarty identified guest and gift authorship practices as the commonest in different contexts and they are granted to persons in most cases for different reasons ranging from respect, obligation, dependence, honour and desire to enhance the publication status or credibility of the research work.

The Concept Honorary Authorship

Harvey (2018) defined honorary authorship also known as 'gift, guest or unjustified' authorship as persons who assume the position of authors simply because of their influential positions in the faculty or area of the research and who probably helped in securing funding for the research work. This form of authorship according to Harvey is best described as unscrupulous and a malpractice in scientific research. The conclusion that can be drawn from this is that the conferment of honorary authorship goes without any involvement or contribution of the person in the research study. This misconduct in research sometimes is done to curry favour from a senior member of the faculty or the area where the study is carried out and sometimes it is done to improve the credibility of the research work (Harvey, 2018; Gopi Rethinaraj and Chakravarty, 2017).

In a science editorial, Greenland and Fontanarosa (2012) maintain that honorary authorship infringes on the principle of true authorship and utterly condemned the practice which was reported to have been included in 25% of research reports, 15% of review articles and 11% of editorials (p.1019) which were published in six outstanding medical journals in 2008. Analyzing the forms in which this unethical authorship occurs, Greenland and Fontanarosa explained that in some cases, honorary authorship could be done by coercion, when a junior researcher is made to include the name of a senior researcher without any contribution of any kind to the study, and against his will. In some other cases it could take the form of a deliberate inclusion of prominent researchers in a particular field to promote the acceptability of the paper for publication. From whichever angle the situation is considered, Greenland and Fontanarosa believe that honorary authorship is a fraudulent practice in research because it is a violation of the principles that characterize an academic setting.

Furthering the thought on honorary authorship, Gopi Rethinaraj and Chakravarty (2017) stress the unacceptability of honorary authorship which is described as not being consistent with what true

authorship stands for, because it is not presented on merit. Granting authorship outside the grounds of intellectual contributions for whatever reason is a fraudulent practice in research. In a research study on the prevalence and perception of honorary co-authorship among a cohort of top medical academics, O'Brian, Baerlocher, Newton, Gautam and Noble (2009) described honorary authorship as the inclusion of the names of friends, colleagues and mentors in research studies as authors without any substantial contribution to the study. O'Brian, Baerlocher, Newton, Gautam and Noble acknowledged that even with all the ethical guidelines that have been published to curb the menace of unethical authorship, honorary authorship is still prevalent. The result of the study showed that 52% of the participants had been included in an honorary co-authorship at some points in the course of their career, and about 18% of the participants had at some point, been required to include as authors those who provided data through a business relationship, while majority of the participants accepted the existence of possible detrimental effects of honorary authorship for both the real authors and the coauthors.

The Concept of Ghost Authorship

Ghost authorship suggests that an author whose name is supposed to be included in the list of authorship has been omitted. According to Gotzche et al (2007), ghost authorship is the failure to name an individual, as an author, who has made substantial contributions to an article or a research work. This may mislead readers, and result in lack of accountability (Flanagin, Carey, Fontanarosa, Phillips & Pace 1998).

Schofferman (2015) informs that the use of ghost authors is unethical, and in science or education is not acceptable. Although Gotzsche et al (2009) argues that ghost authorship is a fraud and advises that editors should not recognize irrelevant acknowledgments. Barbour (2010) noted in the same vein that ghost authors dilute the credibility of the authors in question. The author suggests a complete disclosure of the role any individual plays in manuscript research design, data collection, analysis, writing or editing. This resonates with Schofferman (2015) anyone who makes substantial contributions in a paper should be listed as authors and no one should simply be listed to improve the work's reputation.

The Construct of 'Abeg Add My Name'

Different researchers have given definitions and descriptions of unethical authorship. According to Shamoo and Resink (2009), an author must have contributed substantially to the conception and development of the research, be able to interpret and defend the results and effectively participate in the review of the article. This suggests that for anybody to have their name on the authorship list of a research work, such must have actively participated in its making.

However, there have been instances and incidences of people that did not contribute anything to a research work but made the list of authorship. It is a popular saying in academics that you either publish or perish, as such, the quest to meet up with authorship is ever increasing. There are different authorships as captured by what has been well discussed in this literature but there is another that is native to Nigeria which is "abeg add my name".

It is commonplace to hear the phrase "abeg add my name" in an academic environment in Nigeria. The word "abeg" is a broken-English which is mostly used in West Africa and the meaning is "to plead" for something (Urban Dictionary, 2006). The phrase "abeg add my name" is a mixture of broken-English and English language. The phrase is mostly used loosely to suggest a friendly request of co-authorship without participating in the research work. This phrase "abeg add my name" simply means "please add my name to the research paper you are either working on or worked on". This request no doubt is unethical and it is multi-dimensional, as it could either be from a senior colleague, a junior or a person of the same status. This demeanour is somehow becoming rampant and becoming a source of concern to policymakers in higher education. The situation has led to the management of some institutions of higher learning in Nigeria proposing the introduction of certain checks to discourage the act. For example, a certain college of education in the Southwest added a caveat requesting a co-author to specify their role in a research paper when applying for promotion, although this proposal is not yet accepted. This attitude has attendant disadvantages. There had been instances where the "abeg add my name" attitude has landed holders of such request in a problem. For example, an author that plagiarised

another author's work is not the only one liable but all others whose names appear on the research paper, without them knowing about the plagiarism.

Research, teaching and community service are the three responsibilities expected of academic staff in a tertiary institution. This section is concerned about the interaction of "abeg add my name" with the role of a lecturer as a researcher. A lecturer that indulges in the "abeg add my name" malady cannot be said to be responsible as regards research role expected of such. This is likely to affect the lecturers' capabilities in other areas of responsibilities, which could affect productivity. Engaging in academic research is meant to search for the truth and the latest knowledge in related academic areas. This exposure is expected to equip the lecturer in a way that will contribute to the three areas of responsibilities in the institution. The corollary of "abeg add my name" is that the purpose of academic research would not be achieved by the lecturer involved, the institution and the society in general.

An Illustration of "abeg add my name": A certain lecturer Mr Sabi in a university was busy putting finishing touches to a research paper that had taken about three months to write. A colleague by name Mr Alagbari came into his office and a brief welcome greeting was followed by a gesture made by Mr Alagbari, I trust you are writing a paper, "hmmm, you brilliant people, don't forget people like us oooo, abeg add my name to it". This is a request and the choice to grant this request is left to Mr Sabi which depends on his understanding of such being unethical or not. For some other reasons, a consideration for accepting such request could be based on reciprocating once good favour or just for the sake of not wanting the colleague in question to be offended. Sometimes, the compromise could be for financial consideration of footing the bills associated with the publication of the paper. It could also be for the avoidance of hatred because of refusal.

Certain factors are presumed to be responsible for "abeg add my name" misdemeanour, they are as following:

Laziness: a lazy lecturer is likely to seek a short cut to academic research. Academic research entails due diligence which extends to extensive reading and literature search and a lazy person might see this as a challenge and as such resort to "abeg add my name" short cut.

Incessant changing of promotion rules: it appears sometimes that those that have attained the position of authority in tertiary institutions change the promotion criteria from time to time. This might set some struggling academics in the area of research to take the short cut route of "abeg add my name" so as to meet-up with the changing requirement.

The pressure to publish: it is true that without the required volume of publications an academic staff cannot be promoted, as such colleagues under the guise of pity encourage the "abeg add my name" thinking. This sometimes can be in the form of advice to do it or soliciting for the same on behalf of another lecturer. All they are concerned with is how to meet-up with the pressure of the volume of publication required for promotion and as such, they are ready to go the way of "abeg add my name".

Methodology

The survey research design was employed for this study. The researchers consider survey research design as most appropriate for the study because it allows the collection of both quantitative and qualitative data. The total study population was 13,767 academic staff in 31 universities (National Universities Commission, 2018) in South-West, Nigeria. These 31 universities are public and private, as well as, being in operation before the year 2010. The researchers applied confidence level of 95% and confidence interval of 6 on population figure of 13767 using survey system sample size calculation software, a sample size of 262 was derived. 262 copies of questionnaires were administered on the targeted respondents. However, only 199 copies were returned and found useable, which represents 76% response rate.

A research instrument namely questionnaire, was used to collect data from the participants. The questionnaire was divided into two sections Section A and B. Section A comprised participants' demographic characteristics, while Section B comprised 20 structured items on unethical research practices. The research instrument used for this study was subjected to both face and content validity in which three experts in Measurement and Evaluation were involved. Based on the validators' responses and

suggestions, the researcher reconstructed some of the items.

The reliability of the instruments was determined using the split-half technique. The research instrument was administered on 30 (25 academic staff and 5 Heads of Department) participants in three selected universities in Ekiti State, Nigeria. Spearman Rank Correlation was used to establish the internal consistency and the overall coefficient value obtained was 0.89. This implies that the instrument was found to be reliable.

The researchers administered the research instrument, using google form and descriptive statistics was employed in answering the research questions.

Result Presentation

Table 1: Demographic Characteristics of Participants

Educational Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Masters degree	48	24.1	24.1	24.1
Doctor of Philosophy	151	75.9	75.9	100.0
Total	**199**	**100.0**	**100.0**	
Cadre				
Assistant Lecturer	24	12.1	12.1	12.1
Lecturer II	36	18.1	18.1	30.2
Lecturer I	34	17.1	17.1	47.2
Senior Lecturer	44	22.1	22.1	69.3
Associate Professor	33	16.6	16.6	85.9
Professor	28	14.1	14.1	100.0
Total	**199**	**100.0**	**100.0**	

The above demographic characteristics of participants showed that 24.1% of the participants were master degree holders, while 75.9% hold Ph.D degrees. This implies that most of the participants are professionally qualified. The table also shows that 12% of the participants were in the cadre of assistant lecturers, 18.1% were Lecturer II, 17.1% were Lecturer I, 22.1% were Senior Lecturers, 16.6% were Associate Professors and 14.1% were Professors. This implies that all the cadre of university teachers participated in the study.

Result Analyses

Table 2: I do participate in collaborative research

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	2	1.0	1.0	1.0
	Yes	197	99.0	99.0	100.0
	Total	**199**	**100.0**	**100.0**	

The result on table 2 shows that 99% of the participants responded Yes to always participate in collaborative research, while 1% of the participants responded No.

Table 3: I have been granted a place in the author list without being involved inthe research project as a gift from the real authors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	.5	.5	.5
	Sometimes	56	28.1	28.1	28.6
	Never	142	71.4	71.4	100.0
	Total	199	100.0	100.0	

The result on table 3 shows that 0.5% and 28.1% of the participants responded Always and Sometimes respectively to have been granted a place in the author list without being involved in the research project as a gift from the real authors, while 71.4% of the participants responded Never.

Table 4: As the real author, I have granted a colleague place (who was not involved) as a gift in the author list of research projects.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	6	3.0	3.0	3.0
	Often	3	1.5	1.5	4.5
	Sometimes	87	43.7	43.7	48.2
	Never	103	51.8	51.8	100.0
	Total	199	100.0	100.0	

The result on table 4 shows that 3% and 1.5% of the participants responded Always and Often respectively to have granted a colleague place (who was not involved) as a gift in the author list of research projects, while 43.7% and 51.8% of the participants responded Sometimes and Never.

Table 5: I do publish research projects of my students with their consent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	26	13.1	13.1	13.1
	Often	13	6.5	6.5	19.6
	Sometimes	46	23.1	23.1	42.7
	Never	114	57.3	57.3	100.0
	Total	199	100.0	100.0	

The result on table 5 shows that 13.1% and 6.5% of the participants responded Always and Often respectively to have published research projects of students with their consents, while 23.1% and 57.3% of the participants responded Sometimes and Never.

Table 6: I am the lead author in the publication of students' research project.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	13	6.5	6.5	6.5
	Often	9	4.5	4.5	11.1
	Sometimes	53	26.6	26.6	37.7
	Never	124	62.3	62.3	100.0
	Total	199	100.0	100.0	

The result on table 6 shows that 6.5% and 4.5% of the participants responded Always and Often respectively to have been the lead author in the publication of students' research project, while 26.6% and 62.3% of the participants responded Sometimes and Never.

Table 7: I have been included in the author list in order to affect the decision of the reviewers/journal editors about the research quality.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	1.0	1.0	1.0
	Often	2	1.0	1.0	2.0
	Sometimes	31	15.6	15.6	17.6
	Never	164	82.4	82.4	100.0
	Total	199	100.0	100.0	

The result on table 7 shows that 1.0% and 1.0% of the participants responded Always and Often respectively to have been included in the author list in order to affect the decision of the reviewers/journal editors about the research quality, while 15.6% and 82.4% of the participants responded Sometimes and Never.

Table 8: I have included a senior colleague in the author list in order to benefit from his reputation to affect the decision of the journal editors about the research quality.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	2	1.0	1.0	1.0
	Often	6	3.0	3.0	4.0
	Sometimes	51	25.6	25.6	29.6
	Never	140	70.4	70.4	100.0
	Total	199	100.0	100.0	

The result on table 8 shows that 1.0% and 3.0% of the participants responded Always and Often respectively to have included a senior colleague in the author list in order to benefit from his reputation to affect the decision of the journal editors about the research quality, while 25.6% and 70.4% of the participants responded Sometimes and Never.

Table 9: I have used my position of authority to influence my inclusion as an author in a research project, regardless of not being involved.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	9	4.5	4.5	4.5
	Never	190	95.5	95.5	100.0
	Total	199	100.0	100.0	

The result on table 9 shows that 4.5% and 95.5% of the participants responded Sometimes and Never respectively to have used their positions of authority to influence their inclusion as an author in a research project, regardless of not being involved.

Table 10: A senior colleague has pressurized me to include his or her name in an author list of a research project I conducted.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	.5	.5	.5
	Often	1	.5	.5	1.0
	Sometimes	47	23.6	23.6	24.6
	Never	150	75.4	75.4	100.0
	Total	199	100.0	100.0	

The result on table 10 shows that 0.5% and 0.5% of the participants responded Always and Often respectively to the statement, a senior colleague has pressurized them to include his or her name in an author list of a research project they conducted while 25.6% and 75.4% of the participants responded Sometimes and Never.

Table 11: I have included colleague(s) name in the author list because he or she funded the publication without real input in the research project.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	1	.5	.5	.5
	Often	3	1.5	1.5	2.0
	Sometimes	56	28.1	28.1	30.2
	Never	139	69.8	69.8	100.0
	Total	199	100.0	100.0	

The result on table 11 shows that 0.5% and 1.5% of the participants responded Always and Often respectively to have included colleague(s) name in the author list because he or she funded the publication without real input in the research project while 28.1% and 69.8% of the participants responded Sometimes and Never.

Table 12: The inclusion of a colleague, who has not made academic contribution to a research can improved my research works' report writing.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	8	4.0	4.0	4.0
	Agree	10	5.0	5.0	9.0
	Disagree	58	29.1	29.1	38.2
	Strongly disagree	123	61.8	61.8	100.0
	Total	199	100.0	100.0	

The result on table 12 shows that 4% and 5% of the participants strongly agreed and agreed respectively to the inclusion of a colleague, who has not made academic contribution to a research can improved my research works' report writing while 29.1% and 61.8% of the participants disagreed and strongly disagreed.

Table 13: Inclusion of a colleague that did not participate in the academic aspect of the research has enhanced my knowledge in data collection.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11	5.5	5.5	5.5
	Agree	15	7.5	7.5	13.1
	Disagree	58	29.1	29.1	42.2
	Strongly disagree	115	57.8	57.8	100.0
	Total	199	100.0	100.0	

The result on table 13 shows that 5.5% and 7.5% of the participants strongly agreed and agreed respectively to inclusion of a colleague that did not participate in the academic aspect of the research has enhanced my knowledge in data collection, while 29.1% and 57.8% of the participants disagreed and strongly disagreed.

Table 14: Inclusion of a non-involved colleague has helped me to improve on analysis of data.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	5.0	5.0	5.0
	Agree	16	8.0	8.0	13.1
	Disagree	61	30.7	30.7	43.7
	Strongly disagree	112	56.3	56.3	100.0
	Total	199	100.0	100.0	

The result on table 14 shows that 5% and 8% of the participants strongly agreed and agreed respectively to inclusion of a non-involved colleague has helped me to improve on analysis of data, while 30.7% and 56.3% of the participants disagreed and strongly disagreed.

Table 15: Including a colleague at the completion of a research can has boosted my knowledge on interpretation of data.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	6	3.0	3.0	3.0
	Agree	30	15.1	15.1	18.1
	Disagree	56	28.1	28.1	46.2
	Strongly disagree	107	53.8	53.8	100.0
	Total	199	100.0	100.0	

The result on table 15 shows that 3% and 15.1% of the participants strongly agreed and agreed respectively to including a colleague at the completion of a research can has boosted their knowledge on interpretation of data, while 28.1% and 53.8% of the participants disagreed and strongly disagreed.

Table 16: Inclusion of passive author (s) has ameliorated my abilities on discussion of data.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	11	5.5	5.6	5.6
	Agree	14	7.0	7.1	12.6
	Disagree	71	35.7	35.9	48.5
	Strongly disagree	102	51.3	51.5	100.0
	Total	198	99.5	100.0	
Missing	System	1	.5		
Total		199	100.0		

The result on table 16 shows that 5.5% and 7% of the participants strongly agreed and agreed respectively to inclusion of passive author (s) has ameliorated my abilities on discussion of data, while 35.7% and 51.3% of the participants disagreed and strongly disagreed.

Table 17: What percentage of your publications are collaborative?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-25%	66	33.2	33.2	33.2
	26-50%	54	27.1	27.1	60.3
	51-75%	55	27.6	27.6	87.9
	76-100%	24	12.1	12.1	100.0
	Total	199	100.0	100.0	

The result on table 17 shows that 33.2% and 27.1% of the participants responded 1-25% and 26-50% of their research publications have been collaborative, while 27.6% and 12.1% of the participants responded 51-75%and 76%-100%.

Table 18: What proportion of your collaborative research, were you a lead author?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-25%	57	28.6	28.6	28.6
	26-50%	54	27.1	27.1	55.8
	51-75%	53	26.6	26.6	82.4
	76-100%	35	17.6	17.6	100.0
	Total	199	100.0	100.0	

The result on table 18 shows that 28.6% and 27.1% of the participants responded 1-25% and 26-50% of their research publications have been collaborative and they are lead author, while 26.6% and 17.6% of the participants responded 51-75%and 76%-100%.

Table 19: The publication from my students'/junior colleagues' research works has accounted for what proportion of my research output

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-25%	174	87.4	87.4	87.4
	26-50%	20	10.1	10.1	97.5
	51-75%	5	2.5	2.5	100.0
	Total	199	100.0	100.0	

The result on table 19 shows that 87.4% and 10.1% of the participants responded 1-25% and 26-50% to the publication from my students'/junior colleagues' research works has accounted for what proportion of my research output, while 2.5%.

Table 20: The research works of my mentees (in appreciation to my contribution to their academic growth) has accounted for what proportion of my research output

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-25%	175	87.9	87.9	87.9
	26-50%	15	7.5	7.5	95.5
	51-75%	8	4.0	4.0	99.5
	76-100%	1	.5	.5	100.0
	Total	199	100.0	100.0	

The result on table 20 shows that 87.9% and 7.5% of the participants responded 1-25% and 26-50% to research works of my mentees (in appreciation to my contribution to their academic growth) has accounted for what proportion of my research output, while 4% and 5% of the participants responded 51-75%and 76%-100%.

Conclusion and Recommendations

This study evaluates unethical research practices in Nigeria, with special focus on honorary authorship, ghost authorship and 'abeg add my name'. The findings reveal that some of the respondents' names have been added to research work, despite the fact that they never took part in the study. Similarly, some respondents agreed that their names have been included in research work that they never took part, just to influence the editors and reviewers decision. Furthermore, some project supervisors took the lead authorship position when publishing their students' projects. It was also found that some people's names were included because they funded the cost of publication without any research input. Most of the respondents were of the view that inclusion of a colleague, who has not made academic contribution to a research, has not improved their research report writing, knowledge in data collection, data analysis and interpretation.

It can therefore be concluded that the malady of 'abeg add my name' has negatively impacted the research abilities of unethical authors in Nigeria. Furthermore, unethical authorship has led to shallow research outputs of some Nigerian academics, because of the non-input of unethical authors.

The following strategies are recommended towards ameliorating this malady:

i. Massive awareness, sensitization and training on unethical research practices and collaborative work among students and lecturers
ii. Specifying the contribution of each contributor in journal publications
iii. Putting more value on single authored papers
iv. De-emphasizing 'publish or perish' syndrome in academia.
v. There should always be evidence of participation in the research from each members of the team

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IMPACTS OF JOB SATISFACTION ON EMPLOYEES' PERFORMANCE IN LAGOS STATE UNIVERSITY TEACHING HOSPITAL (LASUTH)

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Abstract

The study examines job satisfaction and its impacts on employee performance. The treatment given to an employee affects his/her input towards the goals and objectives of the organization. Survey design was used to explain the data for the study. Lagos State University Teaching Hospital employees was used as the study population. A sample size of 109 staff was selected using the simple random sampling technique. Closed ended questionnaire was used to generate the primary data for the study. Spearman's rank correlation was used to test the two hypotheses formulated for the study. The findings indicated that there is a relationship between job satisfaction and employees' performance. It was discovered that job satisfaction affects employees' commitment to work. Job satisfaction brings about motivation. Job satisfaction leads to employee service delivery. It is recommended that macro level leaders/managers should be educated on the importance of job satisfaction. The employment of trained staff in the collection of solid wastes in Lagos State. The need for organizations to revisit the reward system of the organization in order to retain their employees. The need for proper performance evaluation system for employees.

Keywords: Employees, Job, Job Satisfaction, Performance

Introduction

Employees' job satisfaction is considered as all-round module of an organization's human resource strategies. According to Lai Wan (2007), employee satisfaction is an essential target for any organization to realize or achieve either in short run or in long run. Low level of employee satisfaction generates high employee turnover and the turnover intention is the desire to leave an organization (Saghir, Asad & Ishtiaq, 2015). It also reflected in leaving a department of a company (Abouraia & Othman, 2017; Tett & Meyer, 1993). According to Allen & Grisaffe (2011), loyalty is a psychological state and it illustrate the association of an employee with the organization for which he/she works and that has influence on his decision to stay with the organization.

It is a general understanding that job satisfaction is an attitude towards a job. In other words job satisfaction is an affective or emotional response toward various facets of one's job. A person with a high level of job satisfaction holds positive attitudes towards his or her job, while a person who is dissatisfied with his or her job holds negative attitudes about the job. Job satisfaction is a result of employees' perception of how well their job provides those things which are viewed as important. Job satisfaction is also defined as reintegration of effects produced by individual's perception of fulfillment of his needs in relation to his work and the surrounding (Abouraia & Othman, 2017).

Job performance is the way employees execute their work. Employee's performance is critical to the success of the organization. Organisations should therefore endeavour to invest resources into programmes in order to increase job satisfaction and their employee's performance. Where there is employee job satisfaction, the tendency is to have low turnover, employee commitment and loyalty. The turnover intention is the degree to which the employees leave the organisation. Satisfied employees are sine qua non to the success of organizations. Public service organisations should be concerned with the constructs of job satisfaction and its impact on job performance (Laosebikan, Odepidan, Adetunji, & Aderinto, 2018).

Most studies on employees' performance focus majorly on the private sector, with less emphasis on the public sector. In addressing this gap, this study investigates the impacts of Job Satisfaction on Employee Performance in the Public Sectors,

with major focus on LASUTH, Lagos, Nigeria. The specific objectives of study include:

1. To examine the relationship between job satisfaction and employee performance.
2. To access the effect of job satisfaction on employee commitment in the public service.
3. To determine the influence of job satisfaction on employee service delivery in LASUTH.
4. To proffer solutions to identify challenges facing job dissatisfaction and employees' performance in LASUTH.

The study proposes to test the following hypotheses:

1. **H_0:** There is no relationship between job satisfaction and employee performance.
2. **H_0:** Job satisfaction does not have significant effect on employee commitment.
3. **H_0:** There is no relationship between job satisfaction and employee service delivery.

Literature Review

Concept of Job Satisfaction

Job satisfaction is considered not to have a generally decided meaning despite of its importance and wide utilization in the world of commercial mindset and business actions, which make it vital that before clear significance is given, there is the need to put into consideration benefit and characteristics actions of humans all over the world (Ahmad & Manzoor, 2017; Aziri, 2011). Job satisfaction is an individual's subjective viewpoint encompassing the way he/she feels about his/her job and the employing organization. Moreover, job satisfaction is the pleasurable emotional state that results from the achievement of job values (Courtney & Younkyoung, 2017).

Nmadu (2013) defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job. According to this approach although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction. Vroom (1943) in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Saucer, & York, 2013).

Cranny, Smith and Stone (2014) defined job satisfaction as employees' emotional state regarding the job, considering what they expected and what they actually got out of it. In fact, an employee with low expectations can be more satisfied with a certain job than someone who has high expectations. If one's expectations are met or exceeded by the job, then one is happy and satisfied with the job.

Concept of Employee Performance

According to Nmadu (2013), employees' performance is a degree of accomplishment of task(s) that make up an employee's job. This definition was in line with the Business Dictionary (2010), that employees performance is the accomplishment of a given task measured against pre-set standards of accuracy, completeness, cost and speed. Managers at workplace must ensure that employees' activities and output contribute to the organisation goals. This process requires knowledge of what activities and outputs are designed, observing whether they occur and providing feedback to help improve employees morale and to meet expectation (Nmadu, 2013).

However, employees' performance is associated with productivity which translates to quantity of output, quality of output, timeliness of output, presence or attendance on the job, morale at work, efficiency of the work completed and effectiveness of work completed. It is the standard to which someone does something such as a job or examination (Macmillan English Dictionary for Advanced Learners, 2007). Employees' performance if it is recognised by managers or superiors within the organisation is often rewarded by financial and other benefits.

Determinants of Job Satisfaction

Agyare et al. (2016) recommend that job fulfillment is driven by some look at the office which include financial offers like incomes, possibilities, progression, working circumstances, and workgroup, further the resulting effect of the determinant functions as measuring stick for job fulfillment of discontentment as well as what the results will be as stated by Aziri (2011) that when talking about issues regarding job fulfillment, job discontentment should be considered to ensure balance. Squires et al. (2015) suggested that though, disappointed employees may not stop their tasks, but such feeling of discontentment

could affect them, their co-workers as well as their quality of efficiency and the service they provide in the sense that such disappointed employees have propensities of showing anger on anybody else in the office.

Agyare et al. (2016) described that job fulfillment has five factors which involve freedom, expertise attention, support from excellent, chances to further knowledge and connection with co-workers. Statistic of employee's job fulfillment is one of the significant characteristics when it comes to skills and effectiveness of employees. In functionality, the first-hand decision-making design which types it as essential that employees should be maintained and well thought-out essentially as humans that have their own wishes, needs, and own wishes are a very good range for the popularity of job fulfillment in modern-day companies (Usman & Jamal, 2013). In the process examining job fulfillment, the sagacity that a pleased worker is a pleased worker and a pleased worker is a dynamic worker (Aziri, 2011).

Measures of Employee Performance

Ahmad and Shahzad (2011) argue that seeming performance of an employee expresses the entire conviction of an employee in regards to the actions and input to the attainment of the organisations goals and mission. They further mentioned that practices of compensation, evaluation of performance and practices concerning promotion of and employee are the benchmark for performance of a worker. So also, Anitha (2013) stated that performance of an employee is a gauge or pointer of monetary or other result of the employee that has undeviating relationship with organisation performance and accomplishment as well. Anitha, (2013) additionally disclose that atmosphere at which employee perform task and other schedules, relationship with bosses, co-employee relationship and that of team, compensation procedure, and engagement of an employee are determining factors for performance.

Conversely, Alagaraja and Shuck (2015) disclose that employee performance can be measured by means of regular training and improvement. In addition, Thomas and Feldman, (2010) take on measures of employee performance as core job performance, that includes in-role performance, security performance, and inventiveness, trailed by citizenship performance, branded into equally targets-specific and wide-ranging organisational citizenship. As far as this study is concerned however, dimensions for measuring employee performance provided in the study of Liao et-al (2012) were chosen. This is due to the fact that the dimensions in those studies employee performance was measured from the point of view of the organisation, the employee as well as, the job itself i.e. organisational objective, employee objective, performance development and employee satisfaction are used as measures of employee performance which makes it more wide-ranging.

Performance of an employee hence, gives room for innovativeness among employees and general firm's performance and innovativeness, in a manner that prosperous work of accomplished, inspired and zealous human resources yield ground breaking concepts for newer goods or services and also upsurge performance quality and satisfaction of the clients (Sadikoglu & Cemal, 2010).

Relationship between Job Satisfaction and Performance

The relationship between job satisfaction and performance has been critically assessed in a variety of organisational settings. Results of these studies have been mixed. Agyare et al. (2016) identified three major points of view concerning this relationship. Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction. All of these three views are supported by various studies. Mirvis and Lawer (1977) produced conclusive findings about the relationship between job satisfaction and performance. In attempting to measure the performance of bank tellers in terms of cash shortages, their proposed arguments are satisfied tellers were less likely to show shortages and less likely to leave their jobs.

Gangai & Agrawal (2015) have conducted more than thirty studies to identify the relationship between satisfaction and performance in industrial sector. Many of the studies have found that a positive relationship existed between job satisfaction and performance. Gangai & Agrawal (2015) demonstrated that job satisfaction was associated neither with turnover nor with quality of production. Gangai & Agrwal (2015) reviewed the literature and concluded that satisfaction is associated with performance as well as effort,

commitment and intention. In the western electric studies (1966) the evidence from the Relay Assembly test room showed a dramatic tendency for increased employee productivity to be associate of with an increase in job satisfaction.

Theoretical Framework

Expectancy Theory

This was propounded by Victor H. Vroom (1964). He argued that people will be motivated to do things they believe the goal is worth it. This theory focus on individual in the workplace and the processes involved your motivation to do something will be determined by the value you place on that thing. He enumerated the following:

i. **Effort:** What the person contributed to the job, including knowledge, skill, time and effort:
ii. **Expectancy:** the individual's expectations about whether the application of knowledge, skills, time and effort will affect measured performance.
iii. **Performance:** The way that the performance measurement system assesses what the individual has put into the organization. This can include factors that the individual controls and those that the individual does not control depending on the accuracy of the performance measurement system. Performance measurement is the domain of the organization's management accounting system.
iv. **Instrumentality:** The relationship between individuals measured performance and the outcomes provided by the organization such as pay for performance or recognition. This reflects the details of individual and the organization's compensation contract between the individual and the organization.
v. **Outcome:** The set of rewards that the person experiences or receives based on measured performance.
vi. **Valence:** the value assigned by the individual to the outcomes.
vii. **Satisfaction:** the value of the outcome to the individual.

This expectancy approach or model explains employee skill and knowledge the organization performance measurement and reward system, and the individual's personal values combine to determine individual motivation. A motivation system is a performance measurement and reward system that provides benefits or recognition to employees.

Of all the theories of motivation Maslow's Theory of Needs is chosen to underpin this research work because of its attachment to achievement which every individual or organization desires despite its criticisms.

Research Methodology

Survey design was adopted for the purpose of this study. This research design is useful as the study is interested in drawing conclusion upon testing, verifying and validating the Effect of Job Satisfaction on Employee Performance. A total number of one hundred and fifty respondents comprising of fifty (150) Academic Staff and one hundred (100) Non-Academic Staff were selected by simple random sampling technique to serve as the population of the study. This respondent comprises of staff working in the institution.

The sample size for this study is calculated as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size
N = Total population
e = Error margin

Therefore, $$n = \frac{150}{1 + 150\ (0.05)^2}$$

$$n = \frac{150}{1.375}$$

$$n = 109.09$$

Therefore, the sample for this study is one hundred and nine (109).

The questionnaire for this study was in two parts, section A and B. Section A collects demographic data about the respondents. It covers issues such as the age, gender, education qualification, years of work or working experience and department of the officials. While the section B examines in detail the major research questions. In line with the research questions and hypotheses, the Likert five-point rating scale is used; ***Strongly Agree, Agree, Undecided, Disagree and Strongly Disagree.*** The data collection instrument for this

study was distributed using the simple random sampling technique on the employees of Lagos State University Teaching Hospital (LASUTH). The researcher distributed and administered 109 questionnaires to the study population. Out of the 109 distributed questionnaires, the researcher was able to achieve questionnaire returns of 98 (90%) usable or valid responses, while 11 (10%) were not returned.

Data Analysis, Findings and Discussion

A total number of one hundred and nine (109) copies of questionnaire were administered to respondents during the study while ninety-eight (98) copies were properly filled and returned for the analysis. Spearman's Rank Correlation was used to test the hypotheses in order to establish a relationship between the dependents and independents variables in each hypothesis with the aid of the Statistical Package for Social Sciences (SPSS).Data analysis was undertaken at five percent (5%) level of significance. The results of the analysis are presented beginning with demographical characteristics of the respondents as shown in tables below.

4.2 Data Presentation and Analysis According to Research Questions

Here data is presented and analyzed according to their relevance to the research questions and hypotheses

Hypotheses One:

H_0: There is no relationship between job satisfaction and employee performance.

Table 1: Spearman's Rank Correlations

			ECOSCALE	Performance
Spearman's rho	ECOSCALE	Correlation Coefficient	1.000	. 558
		Sig. (2-tailed)	.	.000
		N	98	98
	Performance	Correlation Coefficient	. 558	1.000
		Sig. (2-tailed)	.000	.
		N	98	98

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

The analysis above indicates a strong positive correlation between the dependent and independent variable with (r= 0.558; P<0.05). The P value which represents the probability of accepting the null hypothesis (H_o) falls short of the decision rule. Based on this result, the null hypothesis (H_o) is rejected while the alternative hypothesis (H_i) is accepted. Hence, it is concluded that there is a relationship between job satisfaction and employee performance.

Hypothesis Two:

H_0: Job satisfaction does not have any significant impact on employee commitment.

Table 2: Spearman's Rank Correlations

			ECOSCALE	Commitment
Spearman's rho	ECOSCALE	Correlation Coefficient	1.000	.890
		Sig. (2-tailed)	.	.000
		N	98	98
	Commitment	Correlation Coefficient	.890	1.000
		Sig. (2-tailed)	.000	.
		N	98	98

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

The table above shows a strong positive correlation between the dependent and independent variable with (r= 0.890; P<0.05). The P value which represents the probability of accepting the null hypothesis (H_o) falls short of the decision rule. Based on this result, the null hypothesis (H_o) is rejected while the alternative hypothesis (H_i) is accepted. Therefore, it is concluded that job satisfaction has significant impact on employee commitment.

Hypothesis Three:

H_0: There is no relationship between job satisfaction and employee service delivery.

Table 3: Spearman's Rank Correlations

			ECOSCALE	Service Del.
Spearman's rho	ECOSCALE	Correlation Coefficient	1.000	.555
		Sig. (2-tailed)	.	.000
		N	98	98
	Service Del.	Correlation Coefficient	.555	1.000
		Sig. (2-tailed)	.000	.
		N	98	98

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

The table above shows a strong positive correlation between the dependent and independent variable with (r= 0.555; P<0.05). The P value which represents the probability of accepting the null hypothesis (H_o) falls short of the decision rule. Based on this result, the null hypothesis (H_o) is rejected while the alternative hypothesis (H_i) is accepted. Therefore, it is concluded that there is a relationship between job satisfaction and employee service delivery.

4.4 Discussion of Findings

The study focused on examining the effects of job satisfaction on employee performance. The highlights of the empirical result are as follow:

The result from the first test concluded that there is a relationship between job satisfaction and employee performance. This relationship influences organization performance in the long run. Similarly, the test of the second hypothesis showed that job satisfaction has significant impact on employee commitment. Employee that is satisfied with his/her job is committed to the job and organization in general. Finally, the third hypothesis showed that there is a relationship between job satisfaction and employee service delivery. Job satisfaction leads to increased service delivery in the organization.

Conclusion and Recommendations

The results in the study revealed that compensation/pay is the main factor that determines the job satisfaction of public sector workers. Employees are highly satisfied especially with the safety policies in place. Besides, their performance is positively affected by compensation/pay while the nature of work negatively affects their performance. However, inadequate training and development form their major challenge as far as job satisfaction is concerned.

Employee immediate supervisor factors, employee personal characteristics factors and employee pay package factors influenced employee job satisfaction. There were positive significant relationships between employee immediate supervisor factors, employee personal characteristics factors, employee pay package factors and employee job satisfaction. Also, employee job satisfaction had a significant positive relationship with employee performance.

There is a significant impact of job satisfaction on performance of employees. This implied that Employees who are in higher positions tends to derive more satisfaction from intrinsic rewards while, employees who are in lower positions tend to derive more satisfaction with extrinsic rewards. Employees working in highly competitive organizations are more satisfied with their jobs than employees who are working in less competitive ones.

Older employees are more satisfiers than the younger employees in private sector organizations. A high experienced employee tends to have more satisfaction as compared to a less experienced employee. Satisfied workers tend to have less absenteeism from the work as compared to low satisfied workers.

High satisfaction results in fewer turnovers of employees in an organization because financial benefits play an important role to satisfy, retain and attract employees in an organization. Satisfied employees are more committed towards their jobs than the unsatisfied employees.

Recommendations

In view of our findings, the researcher recommended the following:

Now it is a fact that satisfied employees have positive attitudes regarding their jobs. They tend to attend to work on time. They are more concerned about the given targets. Satisfied workers work speedily, work free of errors and omissions. Everyone knows of their loyalty and commitment to the job, less dependability. They always try to suggest new ideas, tend to improve knowledge, willing to accept more responsibility, obedience of rules and regulations, less absenteeism and effort to retain in the present job. And these positive attitudes will increase the quality and quantity of employees' performance.

Hence such a situation is very good for an organization. But, few organizations do not concern about satisfaction of employees. So it is important for all the organizations to be more concerned about the job satisfaction of employees, because the relationship between satisfaction and performance is positive and very important. This aspect should be given more consideration by the leaders/managers in the organization in order to improve job performance. For this, it is required that macro level leaders/managers should be educated about the importance of job satisfaction.

As most of the employees are satisfied with financial rewards, promotional opportunities, monetary benefits, so it becomes mandatory for the organizations that they should be more concerned about the financial benefits and revised the existing monetary rewards systems to retain and attract employees in the period of high competition.

Another major source of job satisfaction of most employees is related to job content factors. So when organizations do job enrichment and job redesign, employees should be given more autonomy, responsibility challenging and interesting work. Almost all the non-managers are not satisfied with their interpersonal relationships in the organization such as opportunity to get to know others, opportunity to help for others, and opportunity for close friendships. For this organizational culture can be created for providing above mentioned opportunities to increase interpersonal relationships in the organization. It will help in satisfying employees in lower level.

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COVID-19 PANDEMIC AND MSMEs' SURVIVAL: EVIDENCE FROM NORTH CENTRAL NIGERIA

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Abstract

The outbreak of the novel virus Covid-19 has a great impact on micro, small and medium enterprises (MSMEs), especially in Nigeria. Uneasiness over uncertainties that may exist after the crisis, income hurdles, retaining customers' loyalty and disruption in vital operation processes, among others must be dealt with by MSMEs in Nigeria. This study conducts exploratory descriptive research design to explore the financial and non-financial challenges in dealings with covid19 in the economy of North Central States in Nigeria. Three hundred fifty-seven entrepreneurs were selected for the study. The study found that the MSMEs' owners are by their nature optimistic. Despite the dire conditions and predictions for the sector, most entrepreneurs think their venture will still succeed during and after covid-19 pandemic. The study concludes that entrepreneurs should change their business models by managing their financial short-falls in dealing with a pandemic. They also planned their human resource, and/or re-size the supply chain, so they can adapt to the shocking waves of the pandemic. NGOs and African Management Institute should provide technical and non-financial assistance to business owners in a bid to build resiliency and adapt to new market challenges (and opportunities) in the short and medium term

Keywords: *Covid-19, Entrepreneurs, Financial, Non-Financial, MSMEs, Nigeria*

1.1 Introduction

The outbreak of the novel virus Covid-19 has a great impact on small businesses, especially in developing countries. This dreaded virus has caused a negative impact on the global economy, which has led to the crisis in businesses across the globe. The goal of nations of the world battling with the invisible enemy (COVID-19) disease it to flatten the curve. This invisible enemy has done more harm than good to the global economy. In Nigeria, the disease has crumbled the economy and inflated hardship on the citizens (Ozili&Arun, 2020). Aifuwa, Musa &Aifuwa. (2020) posit that coronavirus disease has negatively affected both the financial and non-finance performance of business in Nigeria. It is crystal clear that the government alone cannot win the fight against the invisible, hence businesses operating in Nigeria has a lot to contribute in achieving this goal. The country can propose a model on how businesses in Nigeria can cope and help flatten the curve of the dreaded coronavirus disease. The government should focused on Micro, Small and Medium Enterprises (MSMEs) in Nigeria. MSMEs was selected because 96% of businesses in Nigeria are MSMEs compared to 53% in the USA and 65% in Europe (Oyelaran-Oyeyinka, 2020). The Central Bank of Nigeria [CBN] (2020) defined MSMEs as businesses with a turnover of less than a hundred million (N100, 000,000) per annum and/ or less than three hundred (300) employees. MSMEs in Nigeria prior to the COVID-19 era are faced with the challenge of infrastructure, poor financial support and credit environment, top levels of the unskilled workforce and low investment opportunities (Oyelaran-Oyeyinka, 2020). In the COVID-19 era, they are the most vulnerable sector in the Nigerian economy, with little or no help from the federal government. However, in this present dispensation, the government's help is highly needed for their going concern status. The help could be in form of financial packages,

tax relief, guarantee and grants, relaxation in payments of utility bills, support in payments of salaries and easing conditions for loan repayments (Ganaie, Zafar & Seth, 2020). With half of these challenges sorted out by government, MSMEs in Nigeria would cope in this pandemic period.

MSMEs in Nigeria have had to deal with anxiety over uncertainties that might exist after the crisis, challenges with cash flow, customer retention, and disruption in essential operation processes. As the government and economy adapt to the impact of Covid-19, MSMEs must implement strategies to help secure firm footings and prepare for post-COVID economic conditions, the future of work, and long-term sustainability. Economic experts understand the needs of small businesses and the role they play in economic development (PWC, 2020). The priorities giving to small businesses have a greater chance to succeed even within a difficult environment in the pandemic period. beyond the conventional hurdles common to most small businesses – multiplicity of taxes, delayed customers' payment, cost optimization, poor record keeping, funding and low digital capability which impact operating costs and appears unaffordable with COVID-19, affect MSMEs grow in different areas of need.

1.2 Statement of the Problem

The impact of COVID-19 on Nigerian economies has been unprecedented. While evidence on this impact is only beginning to emerge, it is clear that the economic damage has been particularly severe for Small and medium enterprises (MSMEs) development in emerging markets. Given the importance of MSMEs to economic growth and job creation, supporting these business enterprises must be a critical part of the Nigerian economic recovery during and after pandemic. This study summarizes initial evidence from the first phase of the crisis in March and April 2020 regarding the impact of COVID-19 on MSMEs and the MSMEs support sector more broadly in emerging markets. It is on this note that the study summarizes current risks, impacts, and needs so that organizations and individuals who support MSMEs can better understand what is happening on the ground and most importantly, take action to design and implement more effective interventions on financial and non-financial supports. This study critically examines the:

i. flexible financing directed to MSMEs to help them survive post-covid19 economic crisis;
ii. non-financial support to MSMEs to help them adapt to a post-COVID-19 world
iii. the chance that MSMEs Owners will survive the financial and non-financial challenges dealings with post-covid 19 in the North Central Nigeria

2.1 Conceptual Clarifications

2.1.1Covid-19 Pandemic and Small Business Economic Crisis In 2020

Coronavirus pandemic has caused a major setback which has a negative effect on the small business economy since the Second World War. Thus, contributing grievously to the economy that has been struggling to recover from the pre 2008 crisis. Moreover its effect on human wellbeing (appeared by morbidity and mortality), COVID-19 is upsetting an interconnected world economy through global value chains, which represent almost 50% of the worldwide trade, sudden falls in commodity price, foreign financial flows, declining of tourism and hotels, fiscal revenues, travel restrictions, frozen labor market, foreign exchange receipts etc. all the world major economies are influenced by COVID-19, thus forecasting a major crisis in 2020. The European Union, the United States and Japan account for half of the world's GDP. These economies are based on trade, services and industries.

However, measures to halt the pandemic have forced them to close their borders and drastically reduce economic activities of small business owners; which lead to recession in some of these developed economies. The Chinese economy accounts for about 16% of global GDP and it is the largest trading partner of most African countries and the rest of the world.

The OECD forecasted that the major economies of the world will experience a decline in the growth rates. It includes China experiencing 4.9% against 5.7%, Europe 0.8% against 1.1% and other economies of the world 2.4% against 2.9% with the world Gross Domestic Product declining by 0.412 from the first quarter of 2020. On the 23rd of March, 2020, the International Monetary Funds publicized that investors had withdrawn US$ 83 billion from emerging markets since the commencement of the crisis. The World Economic Outlook of the IMF projected that global growth to be 2.5% in 2020, although a slight improvement

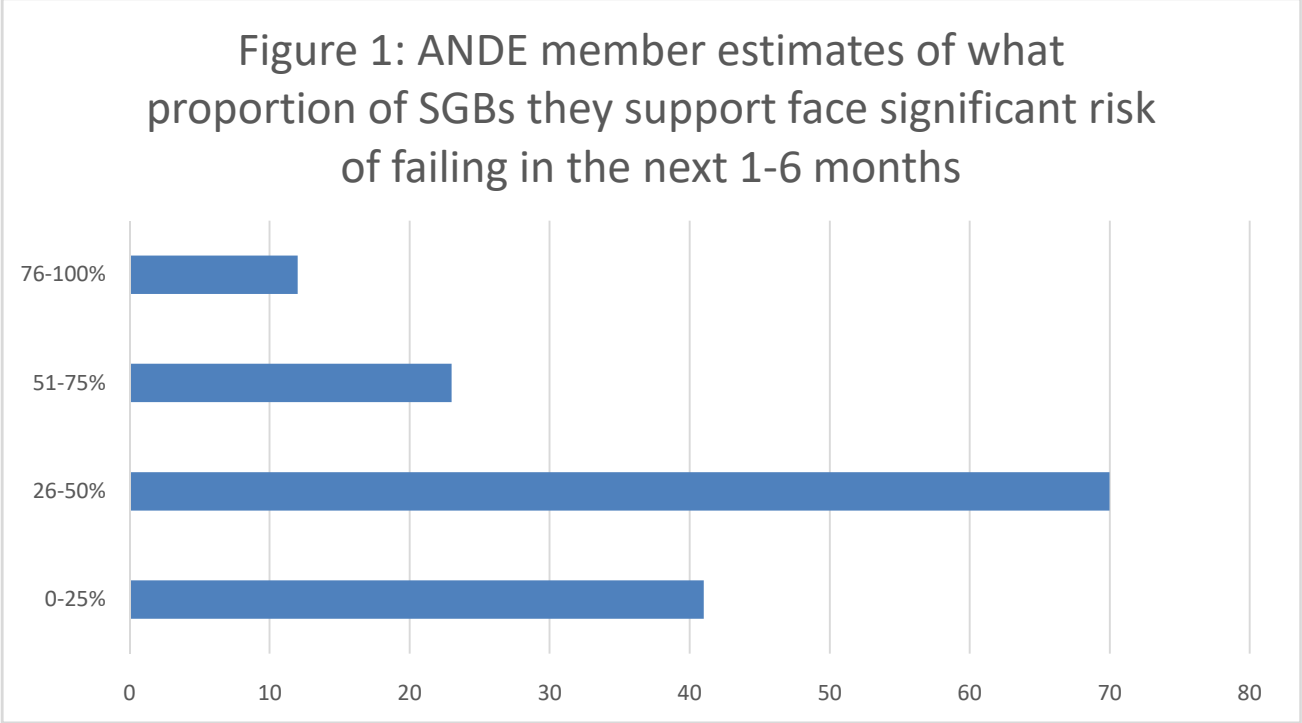
when compared to 2.4% in 2019. This is due to the gradual reopening of trade and investments. In advanced economies, a slowdown from 1.6% to 1.4% was anticipated, mainly due to the persistent weakness of the manufacturing sector.

2.2 Empirical Evidence On How Covid-19 Impacting MSMEs

There is dearth in empirical evidence on the impact of COVID-19 on performance of MSMEs in emerging markets. Though, COVID-19 is an existential threat to an enormous number of MSMEs around the world. Aspen Network of Development Entrepreneurs (ANDE) (2020) estimate that 42% of the Small and Growing Businesses (SGBs) globally are at risk of experiencing business failure in the next six months (Figure 1). The statistics coincides with information from emerging research of other organizations. Similarly, these risk estimates are also remarkably consistent across the globe.

ANDE (2020) estimate the highest failure rate in the Andean region at 50% and the lowest in East Africa at 40%. More alarming, however, is the fact that many SGBs have already failed due to COVID-19. Based on a recent GALI survey of early-stage ventures that have applied to accelerators, nearly 6% have shut down permanently. Findings from a USAID-sponsored ACDI/VOCA survey of 1,178 enterprises in Honduras paint a bleak picture indicating that 15% of enterprises there have closed permanently, 28% are expected to close within one month unless the situation changes, and 40% are expected to close within three months unless the situation changes.

These massive disruptions to SGBs flow from the impact of the crisis on SGB suppliers and customers. For example, GALI data show that 62% of SGBs are unable to deliver on existing orders or contracts due to logistical challenges and more than 40% have adjusted or missed a required financing payment due to the crisis (Figure 2). SGBs in emerging markets are taking an unprecedented set of actions to avoid permanent closures, markedly downsizing and/or temporarily suspending operations. According to GALI data, more than one third have reduced their number of employees and 47% have temporarily shut down business operations to preserve cash and/or maintain headcounts.



Source: ANDE Covid-19 Members Needs Survey (n=146), 2020

3.1 Methodology

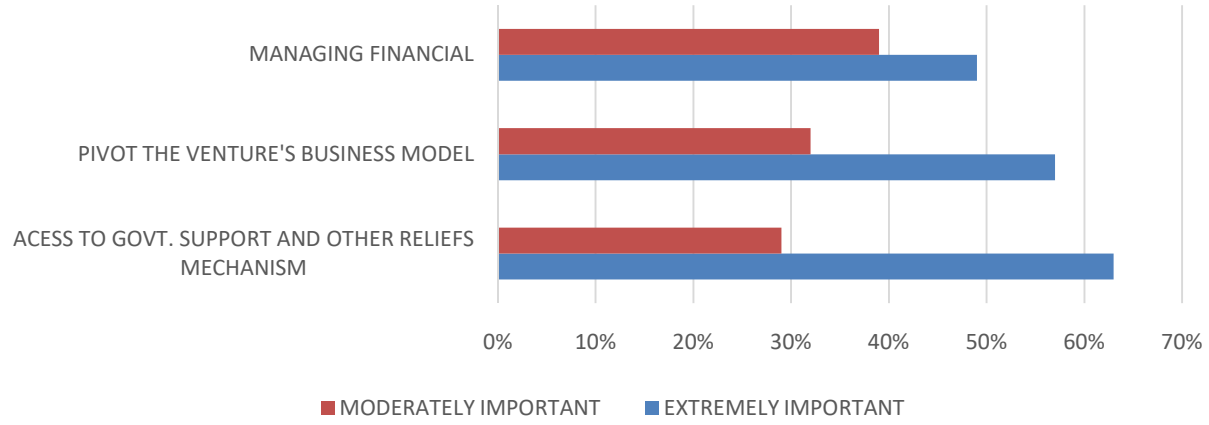
This paper presents the current economic situation of micro, small and Medium Enterprises (MSMEs) in Nigeria and analyses the potential impact of the global pandemic on the Nigerian economy with a special reference to North Central. Based on the description of specific key indicators of the Nigerian economy, two models are constructed. Afterwards, it assesses the impact of flexible financing and non-financial supports on the small business economy in the North Central States, and present some key measures and parameters used by the selected States in the economic recovery and revival process in dealings with the post-covid-19 world. The research is entirely descriptive survey design, which employed the use of three-points Likert scale for the measurements. 357 entrepreneurs were purposively selected for the study having been existence for over five years and registered with relevant agencies of the government. Descirptive statistics of mean and standard deviation were used to analyse the data.

4.1 Data Analysis and Discussion

MSMEs need flexible financial support, particularly to secure financing and pivot their business models in dealings with Covid-19 in North Central, Nigeria.

A survey shows evidence that MMSMEs in Nigeria urgently need flexible financing. A survey of 357MSMEs across seven states in North Central Nigeria. It includes Kwara, Kogi, Niger, Nassarawa, Plateau, Benue, and Abuja. It was found that most micro, small and medium-sized enterprises (MMSMEs) have only 4-6 weeks of cash reserves, ranging from a low of 4weeks in Kwara to a high of 6 weeks in the FCT, Abuja. Another recent study from CBN (2020), found that only 60% of startups based in emerging markets have more than three months of cash runway in the bank. Not surprisingly, more than eight in ten MMSMEs need emergency grants, likely due to significant uncertainty about their ability to predict future cash flows (Figure 2) during the pandemic period. But over half of the respondent's report that new equity and debt financing is also extremely urgent.

Figure 2: Urgency of funding for SMEs during the COVID-19 crisis in the North Central Nigeria



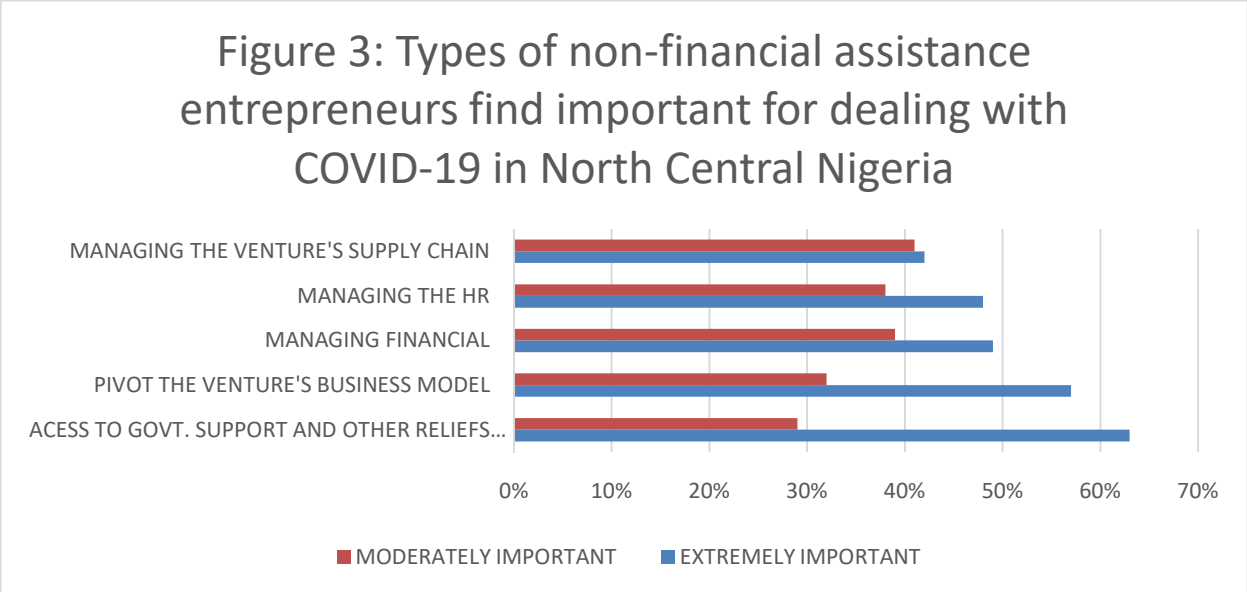
Source: North Central Nigerian Entrepreneur Survey (N=357), 2020

The need for cash appears particularly acute in emerging markets, likely due to unequal access to government support by MMSMEs in selected states of the North Central region (figure 2). According to the CBN data in the third-quarters, 68% of MSMEs in North Central Nigeria have already applied for government funding or other financing relief, compared to only 18% in emerging markets, although 47% still anticipate doing so, highlighting a key opportunity for MSMEs finance providers to have an impact. Research from the African Management Institute suggests that many of these MSMEs in emerging markets have relatively modest capital needs:

over half of MSMEs in their survey on COVID-19 need a loan of less than fifty thousand dollars to survive the crisis. This urgency for capital comes at a time when MMSMEs investment in emerging markets overall is slowing down because of the pandemic. While the impact investment community is mobilizing around the crisis, much of this movement is focused on developed markets. In a relief funding database of over 600 investment and funder sources identified by the Center for the Advancement of Social Entrepreneurship (CASE) at Duke University, for example, only 22 target Africa, 28 target Asia, and five targets Central or South America. In Nigeria most especially in the North Central states, 65% of members of the African Venture Capital Association anticipate needing at least an additional six months to deploy their capital due to COVID-19, with 16% anticipating a delay of a year or more. Nearly a third (29%) have either themselves already terminated a deal or seen a portfolio company have an agreement terminated. The accelerator Africa Arena projects that funding for African startups in 2020 could be the US $800 million lower than in 2019, a 40% decrease. These findings for emerging markets mirror the outlook among early-stage private investors in the United States. Of the 139 venture capital investors surveyed by 500 Startups, only about a quarter (26%) predict maintaining the same investment allocations as planned, with 30% expecting to reduce their allocations by more than 25%.15 Only 20% of investors anticipate the startup and early-stage investing community to be affected by COVID-19 for less than a year; the other 80% of investors anticipate effects to be felt for one to two years, indicating that investors are concerned about long term repercussions.

MSMEs need non-financial support, particularly to secure financing and pivot their business models in dealings with Covid-19 in the North Central Nigeria.

Emerging evidence also shows that MSMEs need more than just financial support; they also need technical assistance for a range of COVID-19-related challenges. These are terms non-financial supports. In the entrepreneurs' survey, over half of MSMEs rated technical assistance on accessing relief funds and pivoting their business model as "extremely" or "very" important (Figure 3). Findings from recent crises demonstrate that direct technical assistance can help MSMEs become more resilient and adapt to radically new market conditions in the North Central State of Nigeria. For example, Nigerian Ministries of Commerce and Industries estimated that 40-50% of MSMEs failed during the country's 2018-2019 social conflict but that 60% of the participants in the North Central region that provided business planning, mentorship, gender training, and training on access to capital–were able to stay in business. In a forthcoming academic study on the program, participants estimate they would have experienced an additional 26% decline in revenue if not for the program.



Source: North Central Nigerian Entrepreneur Survey (N=357), 2020

There is no chance that MSMEs Owners will survive the financial and non-financial challenges dealings with post-covid 19 in the North Central Nigeria

4.2 Mean Rankings of the Overall Perception of the MSMEs' owners on Post-covid19 Recovery Despite Financial and Non-financial Challenges

S/N	Constructs	Means	SD	Ranking
1.	I am extremely confident that this venture will recover to at least its pre-pandemic levels	3.81	0.37	1st
2.	I am fairly confident that this venture will recover to at least its pre-pandemic levels	3.24	0.63	2nd
3.	I have extremely low expectation the venture recover to at least its pre-pandemic levels	2.05	1.97	4th
4.	I expect that this venture will not survive	1.61	1.21	5nd
5.	There is not enough information to predict at this point in time	3.09	0.13	3rd

Decision Mean=2.50

The mean rankings in table 4.2 showed that for each level of the model construct, the mean value for the entrepreneurs confident that their ventures will recover from the shock of a pandemic level or not since it was a scale on agreed values (5) and disagreed (1) on a three-point Likert scale. With 5 signifying the maximum score of the confidant of entrepreneurs to the recovery process. The mean is equal to the proportion of respondents who agreed. The statistic column shows the values usually produced by frequencies, using the dataset produced by the bootstrapping algorithms. The parametric mean (= 3.81) was greater than the decision mean of 2.50 and the standard deviation (***SD***=0.37), suggested that the typical respondents agreed that they are extremely confident their business will survive to at least pandemic level. Also result equally revealed that quite a large number of entrepreneurs concede fairly to recover in with sample mean (= 3.24>2.50) and the standard deviation = 0.63>1.00 implies that the consistency in the statement is high simply because many can adjust or adapts their business models to at least pandemic level. The parametric mean score (= *2.05* < *2.50*) that I have extremely low expectation the venture will recover to at least pandemic level has the standard deviation is 1.97 means there is extremely low consistency in the statement and therefore it is far from being the truth. I expect that this venture will not survive has mean (=1.61<2.50) and the standard deviation is 1.21 implies a high level of disagreement while the mean score(= *3.09* > *2.50*) support the opinion that there is not enough information to predict whether the business can survive or not to at least pandemic at this point in time with standard deviation of 0.13. However, these mean scores are affected by outliers because some standard deviations spread out, meaning that the consistency is higher in the respondents' opinion that the MSMEs' owners are by their nature optimistic. Despite the dire conditions and predictions for the sector as a whole, most entrepreneurs think their own venture will still succeed during and aftermath covid-19 pandemics (table 4.2). Based on this result, the mean scores assessment of the five statements, suggesting that survey participants do anticipate the possibility of economic challenges during and aftermath covid-19 challenges in North Central Nigeria.

5.1 Summary

Finding shows that though there is a significant risk of widespread of MSMEs' failures in post-covid19 in the emerging market and so;

i. MSMEs urgently need flexible financing due to low cash balance and declining revenues. Many MSMEs have already downsized and/or temporarily shut down to prevent complete business failures

ii. MSMEs need technical/non-financial assistance, primarily to assess financial relief funds and pivot their business models so they can adapt to post covid-19 world
iii. It is optimistic that MSMEs Owners will survive the financial and non-financial challenges in dealings with post-covid 19 in North Central Nigeria

5.2 Conclusion

The COVID-19 pandemic has brought about many challenges to Nigeria's economic sector. Small and medium-sized enterprises are feeling the biggest brunt of the pandemic as they are struggling to survive in the current market conditions. The financial and non-financial supports have forced many business owners to either scale down operations or temporarily close down. While there is a consensus that the government needs to do more to protect MSMEs from the effects of the pandemic, business owners also need to play their part to ensure their survival. In particular, MSMEs should change their business models, and manage their financial short-falls in dealing with pandemic and also they should adequately plan the human resource and resized the supply chain to become more ecologically adapt to the shocking waves of the pandemic. Finally, the resilience of MSMEs is vital to the recovery of the Nigerian economy from the pandemic as they formed the country's economic backbone. Even if North Central Nigeria are relatively less affected compared to other regions, for now, the spillover effects from neighbouring states like Lagos and FCT or broken supply chains may still lead to faltering economic activity. Indeed, the high dependency of Nigeria vis-à-vis foreign economies predicts a negative economic spinoff for the country, evaluated at an average loss of 1.5 points on economic growth 2020. Besides, it is practically impossible for Nigeria to take economic advantage of the widespread of Covid-19 in other parts of the countries, due to its inability to transform its raw materials to respond to the potential high demand of goods and services of the domestic and international markets. They may act as an additional constraint on Nigerian MSMEs' transformation, by making trade-in value-added more difficult on technical and non-financial supports.

5.3 Recommendations

i. The government should take priority in economic and financial measures to support MSMEs and business owners as a response to temporary jobs cut to safeguard economic activities, such as guarantees to private sector debts and financing.
ii. NGOs and African Management Institute should provide technical and non-financial assistance to business owners in a bid to build resiliency and adapt to new market challenges (and opportunities) in the short and medium-term. They can do this by launching a suite of programs through their COVID-19 Business Survival Bootcamp, ranging from cash-flow forecasting to meditation sessions to promote mental well-being, and, soon, tools for leading in a financial short-falls.

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AN OVERVIEW OF SWOT ANALYSIS THEORY AS A STRATEGIC MANAGEMENT INSTRUMENT

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Abstract

This study assesses SWOT analysis theory as a strategic management instrument. The nature of the study necessitates qualitative and descriptive approach. The study examined SWOT analysis from historical and theoretical perspectives. The findings showed that effective situation analysis technique plays an important role in the fields of strategic management, and enhances realistic strategic awareness. It was also apparent that SWOT analysis is an analytical method used to evaluate the strengths, weaknesses, opportunities, and threats involved in the running of an organization. More so, as relating to any project, plan, workforce and commercial activity, SWOT has been reported as applicable. The study concludes that SWOT analysis theory is a strategic management instrument. It is recommended that strategic management leaders should be consistently familiar with the use of SWOT analysis and thereby strategically take lead in the market space for their products and services.

Keywords: Overview; SWOT Analysis; Theory; Strategic Management; Instrument

1.0 Introduction

According to Fuertes, Alfaro, Vargas, Gutierrez, Ternero, and Sabattin (2020), historical background of SWOT analysis is as old as the concept of strategic planning. Fuertes, et al. (2020) argue that, SWOT analysis has been identified with strategic planning and accepted as the primary element of the strategic planning process. They further contend that SWOT analysis initially emerged in the literature in the 1960's. The said starting point was analogous with the concept of strategy being used in specific fields of human endeavor, such as business and marketing management. Academic studies on SWOT Analysis show that the origin of the SWOT is uncertain (Fuertes, et al. 2020). According to Gürel, and Tat (2017) conceptual review of literature of variable is indispensable in that it fosters fortitude of strategic dimensions, crafting of strategies, managerial structures, strategy implementation, and strategic evaluation as a guide for the organizational management. More so, Gürel, and Tat (2017) argue that SWOT analysis produce different types of strategies on the performance of organizations, more importantly as relating to marketing management. Fuertes, Alfaro, Vargas, Gutierrez, Ternero, and Sabattin (2020) contend that, concepts that serve the strategists as a compass in the creation, formulation, implementation and evaluation of strategies are very paramount in SWOT analysis. Especially as relating to marketing management and strategic management. A number of scholars have confirmed suitability of SWOT analysis theory in strategic marketing management and strategic management. There is a sizable volume of academic study on SWOT analysis, but minute care has been offered to demystify the historical emergence of the method. The objective of this study is to demystify emergence of SWOT analysis and assess SWOT analysis theory as a strategic management instrument toward managers' breakthrough in realization of organizations' predetermined goals in business.

2.0 Literature Review

According to Hamzehpour, Ranjbarian, Fathi, and Ansari (2019), strategic planning and management constitute the foundation of strategic management. In connection with the foregoing, evaluation of the internal and external factors is essential to strategic planning and management since the management process in every industry is influenced by its interactions with the environment (Hamzehpour, et al. 2019). SWOT analysis is a logical model that systematically identifies factors associated with opportunities, weaknesses, strengths, and threats,

reflecting the strategies proportional to the current business organization (Hamzehpour, et al. 2019). SWOT analysis recognizes that there are environments, for instance, there is internal environment, and also there is external environment (Hidiroğlu, 2019). Internal environment is that environment on which organization managers do exercise discretion and control, for instance, organization structure, delegation, authority, remuneration, and division of labour are some of the basic areas over which managers could dispense control (Hamzehpour, et al. 2019). Strategic managers would prefer their organization to be in a position to exploit external trends and events based on internal factors, which constitute the pool of organizational strength (Hidiroğlu, 2019).

Strategic management managers use SWOT analysis grid, such as WO, ST, and WT strategies in order to be able to exploit opportunities (Hamzehpour, et al. 2019). SWOT analysis theory as a strategic management instrument could contribute to the realization of strategic manager's success; because, SWOT analysis theory provide knowledge that external environment comes with opportunity and threat respectively (Hidiroğlu, 2019). Hamzehpour, et al. (2019) report that SWOT analysis paves way for needful and appropriate awareness of what external holds; it equally stresses the fact that external environment is not subject to the control business managers. According to Hamzehpour, et al. (2019), SWOT analysis highlight the real and true situation on ground, so much that decision makers or managers as the case may be, could make best choice from available alternatives. However good a choice made is, the authors argue, it has to be implemented with consciousness bearing in mind that, business environment do change without prior notice or warning.

Elavarasan, Afridhis, Vijayaraghavan, Subramaniam and Nurunnabi (2020) argue that SWOT analysis theory constitutes parameter for all-inclusive, wide range evaluation and assessment of organization internal situation; in relation to external environment realities. The authors argue further that, through SWOT analysis business organizations could tap opportunities in various republics once the four parameters namely Strength, Weakness, Opportunities and Threats are clearly recognized. Elavarasan et al. (2020), posit that SWOT analysis could facilitate promising strategic management outcomes and thereby align the achievement of business organization with predetermined organizational goals and objectives of cost minimization and profit maximization.

Fuertes, Alfaro, Vargas, Gutierrez, Ternero and Sabattin (2020) contend that conceptual framework functions are obviously instrumental inSWOT analysis; the authors argue that SWOT analysis is a form of decision making instrument, especially, for business managers. Meaning of the word strategy was traced to the military institution, and the word strategy comes from the Greek word "strategos" which is interpreted to meanthe word "general" in English (Fuertes, Alfaro, Vargas, Gutierrez, Ternero & Sabattin 2020). One of the main problems being faced by business managers is the poor understanding of the competitive environment and the interpretation of the effects of environment on business organization (Fuertes, Alfaro, Vargas, Gutierrez, Ternero and Sabattin 2020). According to Fuertes, Alfaro, Vargas, Gutierrez, Ternero and Sabattin (2020), strategic management is meant to select the set of activities, in which a company stands out to establish a sustainable difference in the business.

Shtal, Buriak, Amirbekuly, Ukubassova, Kaskin, and Toiboldinova (2018) argue that methods of analysis of the external environment of business organizations need to be procedural. The relevance of business organization's external environment analysis, is due to the fact that external environment of enterprises is characterized by an extremely high degree of dynamism, complexity, and uncertainty (Shtal, et al. 2018). The ability of strategic manager to adapt business organization to changes taking place in the external environment is very essential (Shtal, et al. 2018). The authors argue that, it is reasonably important that business organizations must respond to new changes taking place in the external environment, both effectively and timely. The authors argued further that different methods of strategic analysis include SWOT analysis and PEST analysis.

3.0 Methodology

With respect to this conceptual research, the research design deemed fit was exploratory research design. Hence, exploratory research

design was adopted for the study. The study is a qualitative study, as such, secondary sources were explored to drive home the arguments of the study. The secondary sources from where data were drawn include electronic and print media reports, documented interview with the stakeholders by the media, archives, press conferences, media interactions, e-libraries, internet resources, and academic articles. The data were qualitatively analyzed.

4.0 Analysis

SWOT analysis has been in used for strategic decision making purposes for more than five decades, as such, it has gained popularity. As for strategic management process, a number of analytical techniques are being used to achieve long-term goals of an organization (Brock, & Von Wangenheim, 2019; Hamzehpour, et al. 2019). Over the years, SWOT analysis has been a widely used technique in the analysis of internal and external environments to support strategic decision situations (Brown, Fishenden, Thompson & Venters 2017; Hamzehpour, et al. 2019).

SWOT analysis has been established as relevant in the area of strategic analysis of business organizations' environment (Brown, Fishenden, Thompson &Venters 2017; Shtal, et al. 2018; Hamzehpour, et al. 2019). SWOT analysis involves determination and identification of the internal and external factors which might be favorable or otherwise (Brown, Fishenden, Thompson, & Venters, 2017; Hamzehpour, et al. 2019). Strategic management process involves the evaluation of business organization's internal analysis (Hamzehpour, et al. 2019).

Internal analysis of an organization is essential for identification of internal sources and capabilities for competitive advantage (Brown, Fishenden, Thompson & Venters 2017; Shtal, et al. 2018; Hamzehpour, et al. 2019). External analysis is useful for ascertaining environmental opportunities and threats; furthermore, by analyzing general environment, business organizations do rightly deploy organization strength to maximize utilization of opportunity (Balabanova, 2005; Bowen, & Bowen, 2016; Hamzehpour, et al. 2019). While the internal analysis shows the resources that need to be improved and sustained, the external analysis enables an organization to align its strategies in accordance with business environment. SWOT compares strengths, weaknesses, opportunities and threats (Ayoub, & Payne, 2016; Shtal, et al. 2018; Hamzehpour, et al. 2019). Strengths and weaknesses are usually examined by strategic managers, in the context of contemporary opportunities, future opportunities, and threats (Shtal, et al. 2018; Ali, G., Buruga, &Habibu, 2019; Hamzehpour, et al. 2019).

The more clearly the understanding of strengths and weaknesses, the more the possibility that organization will be positioned to match strength with available opportunities (Shtal, et al. 2018; Hamzehpour, et al. 2019). Also, deploying strength to optimally utilize opportunity can be effective for countering threats and weaknesses (Shtal, et al. 2018; Hamzehpour, et al. 2019). SWOT analysis exposes an organization's contemporary situation and makes it possible to develop future action plans to reinforce and realign organization's strength (Shtal, et al. 2018; Hamzehpour, et al. 2019). SWOT analysis is comprised of specific processes, which are: internal audit, and external audit (Shtal, et al. 2018; Åberg, Kazemargi & Bankewitz, 2017; Hamzehpour, et al. 2019; Apple SWOT Analysis, 2020).

5.0 Conclusion and Recommendation

This study concludes that SWOT analysis theory is a strategic management instrument. Cited authors in the body of this work attest to it that, there are two environment that organizations are faced with. One is internal environment, the other is external environment, and internal environment can be flexible and controllable by managers. But, external environment can no man control. SWOT is interpreted as Strength, Weakness, Opportunity and threat. Strength is required to utilize opportunity. Therefore this study recommends, that organization should build strength so as to be able to utilize opportunities optimally.

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DIVERSIFICATION STRATEGY AND SUSTAINABLE ORGANIZATION PERFORMANCE IN THE MANUFACTURING SECTOR

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Abstract

Diversification has been universally acknowledged as a veritable tool for expanding the corporate portfolio, yet most empirical findings produced a mixed and contradictory results. Therefore, this study examines the effect of diversification strategy on organizations performance in the manufacturing sector in Nigeria. Quasi-experimental study, ex-post facto research design was used for the study. The population consist of thirty-one organizations listed in Nigerian Stock Exchange (NSE) for a period of 20 years (1997-2017) while the sample size which comprises of six organizations purposively selected based on their life-span and level of diversification. Two hypotheses was formulated and tested using ratio analysis while performance was measured in terms of ROA, ROI and ROE. Data was drawn from financial reports of the selected organizations, while E-View version 9 was used for data analysis. The study revealed that diversified organizations outperform undiversified one in terms of ROA and ROI. While related diversified organizations were discovered to be financially positive in terms of ROA (26.8%), unrelated diversified organizations were positive in ROE (81.7% and 20.5%). Diversification strategy leads to growth and profitability (20%) and a strong capital structure to cover their liabilities (26%). The study concluded that related and unrelated diversification are strategic tools for achieving sustainable organizational performance in the manufacturing industry in Nigeria.

Keywords: *Diversification, Manufacturing sector, Nigeria., Performance, Strategy.*

Introduction

Diversification has become a popular strategy among manufacturing sectors willing to surpass competitors (Ulrich & Haug, 2013). Whether related or unrelated, it is a strategic option used by managers to improve organizations performance. Su and Tsang (2015) asserted that diversification occur when organisation aim at changing its business definition either by developing new products or expanding into a new market either individually or jointly. It is adopted to set-off loses of one business with the profit of the other that may have got affected due to adverse market conditions. Oladele (2012) viewed diversification as a catalyst for competitive advantage and also reduces risk of bankruptcy and creates synergy in market operations. The success of this corporate strategy varies not only across time but also among regions (Krivokapic, Nladimir & Stogic, 2017). Therefore, it is eminent to strike a balance between organisations adoption of diversification strategy and the overall corporate philosophy to ensure strategic fit.

Diversification provides upper edge to meeting customer demands, market creation and increase in profitability (Chirani & Effatdoost, 2013). Sindhu, Haz and Ali (2014) highlighted that diversification allows organization to explore market options which invariably leads to growth and it is use mainly to increase economies of scope and risk minimization while Dimitri and Mohammed (2014) stated that diversification allows for economies of scale. Ugwuany and Ugwu (2013) asserted that diversification is value destroying and leads to diversification discount via managerial risk aversion, agency problems between managers and shareholders. Nyiagiri and Ogollah (2015) explained that organisation diversify its product in order to survive societal turbulence.Harrigan (2012) viewed it as a restructuring and turnaround strategy; Zheng-Feng (2012) opined that organizations that chose

to diversify are poor performing organisations. However, Akewushola (2015) explained that organizations diversify in order to use up its surplus cash or corporate expansion. Wawdsley (2019) affirmed that organisations diversify to improve their competitive market position and to redeploy underutilized resources in order to exploit growing market opportunities

However, extant literatures and some empirical studies revealed that not all diversification investment enhance organizational performance, returns on investment (ROI) and profitability (Salma & Hassain, 2018; Manyuru, Wachira & Amata, 2017). Diversifying into an unfamiliar territory with unfamiliar product is an equal exposure to uncertainties (Ajayi & Madhumathi, 2012; Nyaigiri & Ogollah, 2015). Diversification has the highest level of risk and requires careful investigation (Aichner & Colleti, 2013; Kheng, 2017). Thus, diversification strategy is filled with uncertainties especially in developing country like Nigeria plagued with instabilities in the economic and political sphere, market failure, incessant short-downs of activities as a result of strikes and demonstration, unemployment and lack of technological and infrastructural facilities (Sahu, 2017).

There is no clarity if diversification is the key to expansion or a turn-around strategy of organisations in the face of downturn. Haim (2015) revealed a lack of consensus on the impact of diversification and performance. However, Reza, Reza and Banafsheh (2015) remarked that there exists a negative relationship between diversification and performance. Rishi, Rudra and Vinay (2015) opined that diversification have a significant effect on corporate leverage. Shite (2017) posited that diversified organizations are risky than undiversified organization but have high leverage over undiversified organizations. Corroborating the assertion, Manyuru, Wachira and Amata (2017) reiterated that diversification does not necessarily lead to improved performance and not all diversified organizations are profitable. It leads to deterioration of business performance and loss of strategic particularly unrelated diversification. Hence, reasons for diversification vary among scholars and empirical findings are inconclusive (Queshi, Akhar & Imdadullah, 2012).

Moreover, from extant literature, studies on both variables focused more on the insurance industries, financial sector and the stock markets. However, few research studies conducted was conducted in the Nigeria manufacturing sector. Also, previous studies make use of primary instrument while limiting their horizon due to unavailability of data. This study therefore intends to fill the identified gap by examining the effect of diversification strategy on organization's performance using the manufacturing sectors such as Unilever, Cadbury Nigeria Plc, Honeywell Nigeria Plc, Nestle Nigeria Plc, May & Baker pharmaceutical and foods Plc and Lafarge WAPCO.

Objectives of the Study

This study therefore examined the effect of diversification and organization's performance using manufacturing sector in Nigeria while other specific objectives are to:

i. determine the effect of related diversification strategy on manufacturing sector performance
ii. examine the effect of unrelated diversification strategy on manufacturing sector performance

Research Questions

This study will endeavour to proffer solution to the following questions:

i. To what extent does related diversification strategy affect manufacturing sector performance?
ii. To what extent does unrelated diversification strategy affect manufacturing sector performance?

Research Hypotheses

The following hypothesis will be tested at 0.05% level of significance. It will be specifically tested in the null (H_o) form.

H_{o1}: Related diversification strategy has no significant effect on the organizational performance in manufacturing sector.

H_{o2}: Unrelated diversification strategy has no significant effect on the organizational performance in manufacturing sector.

Review of Related Literature

Diversification is a type of corporate level strategy that organizations adopt to maintain their competitiveness and enhance their profitability (Reza, Reza & Banafsheh, 2015). It is a specified action taken by organizations to achieve value creation through economic of scope, financial

economies, or market power (Chen & Yu, 2012). In totality, diversification strategy enables organizations to adopt new strategic positions expected to increase organization's value. The purpose of diversification is to allow organizations to enter lines of businesses that are different from its current operation (Manyuru, Wachira & Amata, 2017).

Kheng (2017) averred that diversification strategies can be approached in three ways – Related or Concentric diversification, Unrelated or Conglomerate, and Mixture or Hybrid diversification strategies. In the related or concentric diversification, new ventures are strategically related to the existing product line while unrelated or conglomerate strategy occurs when there is no common trend of strategic fit or relationship between the new and old lines of business or products. The new and old may be unrelated but the new product may appeal to new group of customers or users. The hybrid strategy is when a company combines or operates on both strategies. Also when an organization decides to diversify, the first criteria and major decision needed to be made is whether to diversify into related business, unrelated business or mixture of both strategies (hybrid) (Wiersema & Beck, 2017).

Thompson, Stickland and Gamble (2010) asserted that related businesses are those who value chain possesses competitively valuable cross-business relationship that present opportunities for the businesses to perform better under the same corporate umbrella than operating as standalone entities. Unrelated diversification on the contrary, is those businesses whose value chain activities are dissimilar that no competitively value cross-business relationships are present. The hybrid strategy is when companies diversify into both related and unrelated businesses. Hardi, Made, Siti and Arsono (2015) identified four strategic approaches to achieving flexibility and greater firm performance. This includes – cost strategy, differentiation strategy, focus strategy and diversification.

Organization's performance is one of the most relevant construct in the field of strategic management and commonly used as the final dependent variable in various researches. However, there is no consensus on how performance is achieved by organizations among scholars in the field of management and social sciences (Oyadiran, Ahmed & Gimba, 2015). Performance appears to be self-evident, yet it is not when effort is made to translate it into the basis of an organization's actual policies and practices. It could be tied to some organizations focus in terms of its process, output, efficiency and effectiveness (Armstrong, 2015; Herman, 2013).Accordingly, Yigit (2016) stressed the complexity in defining an organization's performance when they concluded that organization's ability to create acceptable outcomes and actions equates performance.

In measuring performance, the overall health of the organisation is being evaluated (Makinde, Akinlabi, & Ajike 2015). Performance can be measured in different forms– measurement based on financial indicator such as Return on Assets (ROA), Return on Sales (ROS), Leverage (LEV), while the non-financial indicators includes quality, loyalty and stakeholder's satisfaction (Nyaingiri & Ogollah, 2015; Sindhu, Haz, Ali & Ali, 2014; Su & Tsang, 2015). While financial statistics has been argued to be adequate measurement tool, other measures of equal importance have been identified over the years (Hasby, Buyung & Hasbudin, 2017). Anwar, Shah and Hasnu (2016) made measuring organizations performance very strategic when he identified management quality, employee talent, returns on equity, innovativeness, long-term investment, total returns in years, sales growth, survival rate, returns on equity, customer referral rate, delivery time, waiting time, employee turnover, customer retention and quality of products, etc, as some of the variables used in measuring organizations performance. Al-Matari, Al-Swidi & Fadzil (2014) adopted production and productivity as indicator.

Theoretical Review

This study is anchored and underpinned on two theories Modern Portfolio Theory of diversification and Resource-Based Theory of diversification (RBT). The rationale for anchoring the study on these two theories is because it explains in-depth the relationship between the research variable i.e. dependent and independent variables.

The Modern Portfolio Theory (MPT), commonly referred to as passive investment approach was propounded by Henry Markowitz, an American economist in 1952. The theory was introduced to assist in the selection of the most efficient diversified portfolio by analysing various possible

portfolios in order to reduce risk. It is a long-term investor approach to investing in market diversification; risk management and allocation of assets with believe that higher risk begat higher returns. Rutterford and Sotiropoulos (2016) viewed the Markowitz theory as a tool that guides an investor on the expected risk and returns associated with investment. MPT considers the preferences of investors as well as the return, risk and diversification effect which together helps in lowering the overall risk of a portfolio. Thus, the goal of every investor is to maximize return for any level of risk and risk can be reduced by creating a diversified portfolio or unrelated assets with a substantial value and become passive while waiting till it grows.

By investing in more than a single portfolio, investors reap the benefit of diversification through reduction of risk spread across different portfolio rather than deploy all the resources in a single basket (Omisore, Yusuf & Nwufo, 2012). Mangram (2013) cited in Yigit (2016) gave a simplistic approach to the Markowitz theory "don't put all your eggs into a single basket, if dropped, all will be broken". The Modern Portfolio Theory enables the maximization of returns and minimization of risk by investing in different portfolios. The MPT explained that what differentiate organisation performance is the outcome of resource heterogeneity and immobility across organization. Therefore, organizations that are able to attract rare, valuable, non-substitutable, not easily moved, imperfectly intangible resources and capabilities will achieve strategic advantage over rivals (Emel & Yildrim, 2016). MPT is an effective risk strategy which is achievable without compromising returns. Such, a risk averse investor will diversify in some degree to minimize risk.

The theory in recent times has witnessed several criticisms by researchers in behavioural economics and finance. The reality of the theory when market fluctuations, short-run goals and economic instability which may lead to low return on investment portfolio were questioned. Investors have limited access to the number of portfolio they could sell or obtain while the market situation also affects the prices of portfolio. Also, market situation is never stable; it changes alongside economic situation and portfolio follow in the trend. The theory failed to address the issue of tax invasion. In spite the criticism, MPT has continually gained momentum in portfolio management and is vastly used by managers when developing investment in diversification strategy and enable the avoidance of financial ruins (Mersh, 2012). Organization through diversification with the aid of the modern portfolio theory will allow full utilization of excess resources, reduction of risk, expansion and making appropriate choices on the right combination of risk.

On the other hand, the Resource-Based Theory (RBT) propounded by Wernerfelt in 1984 affirmed that organizations competitive advantage lies in their internal resources as opposed to their positioning in the external environment. Manyuru, Wachira and Amata (2017) averred that rather than evaluate environmental opportunities, it is more feasible to explore the external opportunities using the existing resources in a new and unique way and capabilities that an organization possess to attain competitive advantage. Further studies by Garcia, Hidalgo and Rodriguez (2013) explained that the resource-based theory allows for a better understanding on how organisations develop scarce, valuable, difficult-to-imitate and non-substitutable resources to ensure economies of scale which serves as barriers to competing organizations.

The Resource-based theory suggest that organization have in their possession several untapped resources with potential that makes them superior over competitors and also enable an increase in performance when perfectly combined. Reza, Reza and Banafsheh (2015) concluded that how organization manages its scare resources and utilizes its capabilities brings about competitive advantage. The right combination of resources leads to economies of scope and economic quasi rent which allows for higher performance amongst diversified organizations (Nyaiangiri & Ogollah, 2015; Sulaimon, Ogunkoya, Lasis & Shobayo, 2015). Also, organizations can enter into different product market by leveraging on their resources and capabilities (Su & Tsang, 2015).

However, to outperform competitors, Barney (1991) confirmed that organizations need to emphasize on its internal capabilities by exploiting its internal strength in response to environmental opportunities and that sustainable advantage lies

on the application of the strategic resources at their disposal. Thus, the Resource Based Theory strengthens diversification strategy as organization's resources and capabilities are diversified into the production of unique/new products and the identification of new markets for expansion and full utilization of rare, valuable, non-substitutable resources. Organizations also increase their profit margin from diversified resources and knowledge accumulated over time.

Methodology

The study adopted a quasi-experimental study, the ex-post facto research design. Its relevance is based on the premise that existing data over a period of 20 years was drawn from annual reports and statistical bulletins in order to examine the effect of the dependent and independent variables. This adoption aligns with the study of Akpinar & Yigit, 2016; Krivokapic, Nladimir & Stogic, 2017; LaRocca & Stagliano, 2012 and Martinez-Campillo, 2016.

The population of study consists of all listed manufacturing companies in Nigeria as at 31st December, 2017. The total number of listed companies as at 2017 is thirty-three (33). The sample size comprised of selected manufacturing companies in Nigeria that are operated for the minimum of 20 years period (1997 – 2018). A purposive sampling technique was applied in the selection of companies based on their level of diversification strategy whether related or mixed and lifespan resulting to a sample size of 6 (six) selected organisations (i.e. Cadbury, Honeywell, Unilever, Lafarge, Nestle, Mayer & Baker). Justification for selection of these six organisations is based on the fact that some of the listed organizations in Nigerian Stock Exchange Commission as at December 2017 experienced varying level of profitability. While some are threatened by economic fluctuation others especially the Nigerian Bottling Company (NBC) delisted from the Nigerian Stock Exchange in 2011 in order to become a wholly owned subsidiary. This makes their data inaccessible for that period.

Data for the study was drawn from secondary sources. Basically, annual reports from the selected manufacturing companies, statistical bulletins and publications will be used for the study. This conforms to the fact that organizations performance is usually viewed from their annual report. Consequently, these reports have gone through several auditing organizations which further authenticate the source of data collection. Data was analysed using E-Views Package. Ratio Analysis and Regression Analysis were carried out to establish the effect of the variables while testing each hypothesis with the performance indicators. Other control variables were tested to ascertain their effect on the dependent variable. These variables include organization size, leverage, and growth/expansion. An accounting-based approach will be used to measure organization performance. These measures of variables are in alignment with the works of scholars like Asrarhaghighi, Rahman, Su and Tsang (2015); Hasby, Buyung and Hasbudin (2017); Hilman (2017); Krivokapic, Njegomir and Stogic (2017); Oladele (2015); Salma and Haussan (2018); Shen, Au, and Yi (2018) respectively and are found appropriate for the measure of both the independent and dependent variables. Hence, ratio analysis and regression were used to establish the effect of the variables while each variableis tested using performance indicators.

Model Specification

$Y_1 = f(x_1)$

Y_1 = Dependent Variables (Performance)

X_1 = Independent Variables (Diversification Strategy)

$PERF_{it} = \alpha_0 + \beta_1 RDS_{it} + \beta_2 UDS_{it} + \mu_{it}$

$Y_1 = (y_1, y_2, y_3)$

$X_1 = (x_1, x_2, x_3)$

$Y_1 = f(x_1, x_2)$ ----------f (3.1)

$Y_1 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \mu$ ---------- equ. (3.1)

$Y_2 = f(x_1, x_2,)$ ----------f (3.2)

$Y_2 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \mu$ ----------(3.2)

$Y_3 = f(x_1, x_2)$ ----------f (3.3)

$Y_3 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \mu$ ----------equ.(3.3)

Where:			Y_1 =	Growth of Sales
Coefficient	=	β_1, β_2,	Y_2 =	Profitability
Constant term	=	α_0	Y_3 =	Shareholders value
Error term	=	μ		
ith Organization	=	i	X_1 =	Related Diversification Strategy (RDS)
Period of years	=	t	X_2 =	Unrelated Diversification Strategy (UDS)

4. Analysis of Variables

Table 1: Descriptive Statistics of the Variables

	OrgSIZ	OrgVAL	GRW	LEV	LIQ	ROA	ROE	ROI
Mean	15.9302	95.4942	20.9356	26.33745	19.48561	14.32785	34.69200	6.468033
Median	15.9052	80.1762	18.0799	11.40415	11.68823	11.34504	22.67283	4.135469
Maximum	22.1992	332.4344	22.42882	74.31228	12.81130	15.33693	33.9455	73.5798
Minimum	7.4373	0.0228	-11.9144	-4.6663	0.066174	-22.6595	-21.0268	-12.1812
Std. Dev.	2.0867	72.8602	19.9606	10.5966	26.52504	13.64941	30.5970	65.70713
Skewness	-1.0534	1.2866	11.0771	4.8398	3.077717	11.07727	10.67777	10.98400
Kurtosis	7.3680	4.5450	1.238051	2.67619	11.47017	12.3806	11.73293	12.24057
Obs	126	126	126	126	126	126	126	126

Note: OrgSIZ- Organization size; OrgVAL- Organization Value; GRW- Form Growth; LEV-Leverage; LIQ-Liquidity; ROA – Return on Asset; ROE- Return on Equity; ROI- Return on Investment
Source: E-View, 2020.

Table 4.1 above, presents the descriptive statistics for all the organizations sampled to ascertain the appropriateness of the data collected from their financial reports. The table reveals that the measures of performance were all positive (ROA, ROE and ROI). This suggests that over time all the organizations sampled have been experiencing high returns on asset, equity and investment. The control variables such as size, value, leverage and growth were further tested to ascertain their effect on the independent variable. The organization's size was measured using the organizations total assets was discovered positive, implying that the assets of the organizations sample are adequate. The organization value (OrgVAL) was measured as a ratio of total asset and total liabilities shows that 95% of the total liabilities of the organization sampled irrespective of the diversification strategy is covered by its total asset, implying that the organization sampled are using the different diversification strategies have been able to cover for their total liabilities. Similarly, organizations growth (GRW) measured as the ratio of profit before tax over total asset is also found to be positive(20%); suggesting that the organizations sampled are adequately utilizing their asset to generate profit over the period sampled. Also, the value of leverage (LEV) suggests that the organizations has 26% debt in its capital structure which can be considered fair and the liquidity value suggests that the current asset can cover 19% of its current liabilities.

Furthermore, it is evident from table 4.1 that most of the variables median value is close to the mean value, suggesting that the data are symmetrical and normally distributed. The maximum value shows that leverage (LEV), ROA, ROE and ROI ranged from positive to negative, suggesting that there were periods where the organizations sampled had poor financial performance. Similarly, it was also revealed that the standard deviation of organizations value (OrgVAL) is the highest (72.8%); ROI (65.7%) followed by ROE (30.5%) and liquidity (26.5%) while others were relatively low. This suggests that during the period sampled for the six selected organizations, the value, ROI, ROE and liquidity were some-worth unstable and unpredictable.

It was also discovered that all the variables are positively skewed with only organization size (OrgSIZ) having negative value (-1.05) and the kurtosis revealed that GRW and LEV are platykurtic since their value is less than three (3) which implies that the variables produces fewer and less extreme outliers than those of the normal distribution while others are greater than three, thus, leptokurtic.

4.2 Hypothesis Testing

H_{o1}: Related diversification strategy has no significant effect on the organizational performance in manufacturing sector.

H_{o2}: Unrelated diversification strategy has no significant effect on the organizational performance in manufacturing sector.

Table 2: Comparison of ROA, ROE and ROI of Related, and Unrelated Diversification

	Related			Unrelated		
	Average	**Std. Dev**	**CoV**	**Average**	**Std. Dev**	**CoV**
ROA	26.8190	19.29715	0.71859	10.2582	9.86132	0.9613
ROE	14.2235	71.57363	5.0320	20.5799	50.2622	2.4422
ROI	12.1520	92.94019	7.6481	12.7388	12.7174	0.9983

Source: E-View, 2020

Table 4.2 represents a ratio analysis of the performance indicators in measuring which of the diversification strategy enhances organization's performance. From the results, the average ROA of organizations that adopted related diversification strategy is 26.8% which is higher than that of hybrid diversification strategy (22.4%) and unrelated diversification strategy (10.2%). This therefore suggests that organizations with related diversification performed better in terms of return on asset as they were able to generate more earning from the use of the asset and capabilities.

Table 3. Comparison of the Control Variables (Size, value and Growth) for Related and Unrelated diversification

	Related			Unrelated		
	Average	**Std. Dev**	**COV**	**Average**	**Std. Dev**	**COV**
OrgSIZE	16.8599	1.2580	0.0746	14.4646	1.3085	0.0904
OrgVAL	95.6706	54.2171	0.5667	13.9505	74.0341	5.3068
GRW	39.1722	28.2211	0.7204	14.1605	12.2541	0.8653

Source: E-View, 2020.

From Table 4.3, it can be discovered the organizations pursuing related diversification strategy have higher size (16.8%) measured using their total asset. This spans from the organizations extension of existing resources and use of assets to produce more goods in the same line which brings about opportunities for transferring competitively valuable expertise, technological know-how or other capabilities from one line of business to another. Unrelated diversified organizations (14.4%). Related and unrelated diversification strategies also have lower risk (CoV). in relation to hybrid diversification.

Similarly, the value (OrgVAL) of organizations pursuing related diversification is higher (95.6%) than organizations pursuing and unrelated (14.4%) diversification strategies. This suggests that organizations with related diversification strategy are able to cover their liabilities with their total assets better than those involved in other diversification strategies. In terms of growth (GRW), organizations that adopted related diversification have a higher growth rate (39.1%); while unrelated recorded (14.1%). This implies that organizations with related diversification strategy have higher tendency to grow faster than those pursuing other strategies since related diversification strategy brings about increase in profitability, growth in sales, increase in market share and shareholders value

Table 4: Comparison of Leverage and Liquidity of Related and Unrelated Diversification

	Related			Unrelated		
	Average	**Std. Dev**	**COV**	**Average**	**Std. Dev**	**COV**
LEV	21.3794	10.8672	0.5083	49.7892	40.8207	0.8198
LIQ	11.6705	43.2712	3.7077	27.5590	28.1539	1.0215

Source: E-View, 2020.

In term of leverage and liquidity positions of the sampled organizations as shown in table 4.4 above. The findings revealed that organizations pursuing unrelated diversification strategy are highly geared (49.7%) while related strategy have low gearing ratio (21.3%). This suggest that organizations involved in related diversification strategy have more equity in their capital structure and less debt while unrelated diversified organization have about 49% of their capital structure composed of debt. This may result from the organizations spreading their risks across completely different businesses and diversifying into areas that are unrelated to its present line of business which may be financed using debt. It was also discovered that organizations with unrelated diversification with high leverage are also risky (0.8%) when compared to the risk profile of other strategies adopted by organizations.

Similarly, the liquidity ratio shows that organizations pursing unrelated diversification strategy have higher ability to cover their current liabilities with their current asset (27.5%) while related diversification strategy have lower liquidity ratio (11.6%). This implies that organizations with unrelated diversification strategy have higher liquidity which may be as a result of spreading risks across completely different businesses and diversifying into areas that are unrelated to its present line of business, hence, having sufficient current asset to cover its current liabilities.

5. Discussion of Findings

The analysis and findings of this study revealed that related diversified organization outperform unrelated diversified organizations in terms of ROA through their use of capabilities and assets to attain competitive advantage. The study also showed that organizations pursuing unrelated diversification strategy outperform those with related diversification strategy based on ROE and ROI while organizations with related diversification strategy have higher ROA. Similar study by Krivokapic, Naldimir and Stogic (2017), Qureshi, Akhtar and Imdadullahi (2012) and Gul (2011) yielded same result but linked performance in terms of profit, market structure, and level of concentration having varying effect on performance for each industry. Negating this findings, Mohindru and Chander (2010), Akpinar and Yigit (2016) stated otherwise that organizations with unrelated strategy outperform those with related or hybrid strategies.

The study further detected that organizations with related diversification strategy have larger size, value and growth rate. This shows that related diversified firms have the tendency of growing faster in terms of profit, market share, shareholders values, debt management and are able to cover their liability with the total assets compared to organizations using other strategies, while organization size have a positive effect on firm's adoption of diversification strategy which is also equivalent to its performance. This result aligns with the work of Qureshi, Akhtar and Imdadulla (2012), Oladele (2012) that larger diversified firms have huge capacity to bear their debts when compared to smaller firms while Hasby, Buyung and Hasbudin (2017) affirmed that larger sized companies are more advantageous compared to smaller size.

Conclusively, based on the results on the descriptive statistics of the selected organizations (Nestle, Unilever, May & Baker, Honeywell, Cadbury and Lafarge), the measure on performance indicator were found positive and diversified firms were discovered to outperform undiversified firm though the percentages of each strategy differ. The study conclude that related and unrelated diversification have significant positive effects on organization ROA, ROE, ROS, ROE and ROI. This further agrees with the study of Kheng (2017); LaRocca and Stagliano (2012) who suggested that diversification in more than a single portfolio helps minimize risk as well as increase returns since higher risk results to higher returns.

5.1 Recommendations

Based on the findings, the study recommends that; organizations willing to achieve economies of scope and redeem its financial position in the face of downturn or decline in product life cycle should diversify its product to better meet customers' demands, profitability, expansion as well as increase performance since diversified organizations are discovered to perform better than undiversified firms. Organizations should identify their rare and inimitable capabilities in order to achieve economies of scale and outsmart competitors. Organizations rather than look at the benefits of diversification should endeavour to identify the most suitable diversification strategy that best soothe their operations and business philosophy in order to improve performance. Diversified organizations in Nigeria should re-examine their existing strategies (related, unrelated and hybrid) to ascertain if it actualizes their set goals and objectives. To achieve synergy, effective utilization of the organization capability, competency, core competency and investment of retain earnings, organizations are advised to diversify their business.

5.2 Contributions to knowledge

The study shows empirically that diversification strategy reduces the rate of business failures in Nigerian manufacturing industries. Unlike previous studies where entropy index, herfindahl and primary sourced data were used, this study has expanded its horizon by measuring organizations performance using financial reports. The study also used a different method of data analysis (ratio analysis) to ascertain the effect of both variables. This has further added to the spectrum of knowledge on the importance of diversification strategy on organizations performance in Nigeria. The study shows that diversification strategy reduces the rate of business failure. Hence, this will serve as a strategic path for entrepreneurs and will shape investment decision on diversification as a corporate strategy.

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MICRO FINANCING AND MARKETING PERFORMANCE OF SMES IN NIGERIA

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Abstract

SMEs are universally acknowledged as the lubricant that wheel the economy viability of a nation but they are faced with significant challenges that inhibit their growth and contributions to the economic development of Nigeria. This study seeks to investigate the effect of micro financing on small and medium scale enterprises marketing performance in Lagos and Ogun State, Nigeria. The study utilized structured questionnaire as research instrument and five-point Likert scale measurement. Descriptive survey research design was adopted and Taro Yamane's sampling technique was used to select the sample size, while stratified and proportionate sampling methods are used to determine the sample size of three hundred and forty eight (348) SMEs in Lagos state and fifty-two (52) in Ogun state. Ordinary Least Square Regression (OLS) estimated technique was used to estimate the regression. In the study, one hypothesis was formulated and tested. The results from the hypothesis tested revealed that a significant negative relationship exist between stringent collateral requirements and marketing performance of SMEs in Nigeria at 5 per cent level (tc= -6.9619; p= 0.05). The study conclude that stringent collateral requirements has a significant negative effect on marketing performance of small and medium enterprises in Nigeria. The study recommends that microfinance banks should limits the collateral demands level on SMEs to improve their access to finance in order to boost the entrepreneurial business and capital acquisition.

Keywords: Challenges, Collateral requirements, Micro financing, Nigeria, SMEs.

1. Introduction

SMEs sector has been recognized as an important pillar of economic growth all over the world. The sector is characterized by low investment requirement and operational flexibility. Small and Medium Enterprises (SMEs) businesses are catalyst in the socio–economic development of nations and are regarded as veritable vehicle for the achievement of national macroeconomic objective (Eze, Oladimeji & Fayose, 2929; Alli, 2016; Osotimehin, Jegede, Akinlabi, & Olajide, 2014). Taiwo, Falohun, and Agwu, (2016) succinctly state that SMEs are antidotes for poverty reduction, acceleration of economic growth, improvement in standard of living and subsequent reduction in crime rate. SMEs are universally acknowledged as the lubricant that wheel the economy viability of a nation but they are faced with significant challenges particularly in the area of finance and stringent collateral requirements that inhibit their growth and contributions to the socio-economic development of Nigeria (Oluwaremi, Odelabu, Lawal & Obisesan, 2016). This was affirmed by Joseph, Kofin, Fanyel and Gaeten (2013) remarks that lack of access to credit by SMEs due to non- availability of collateral stunted their growth.

SMEs have become the main micro-economic pawns in the new context of a revolution of knowledge that entails passing from an economy dominated by physical, tangible resources to an economy dominated by knowledge. Ravi and Avinash (2014) asserted that SMEs are the spinal cord of all economies and are the key source of economic growth, dynamism and flexibility in advanced industrialized countries, as well as in emerging and developing economies. Abosede, Hassan and Oko-Oza (2017) emphasized that SMEs constitute the dominant form of business organization, accounting for over 95 per cent and up to 99 per cent of enterprises depending on the country. They are responsible for between 60-70 per cent net job creations in developing countries.

This stagnant growth of SMEs in Nigeria due to unending frontiers of problems facing the sector among which are; multiple taxation, deficient managerial skills, technological obsolescence, restricted access to finance, and above all lack of collateral security hindered the contribution of the sector to sustainable development in Nigeria

(Adelekan & Eze, 2019; Alli, 2016; Ashamu, 2014; Dada, 2014; Sharma, Mukesh, & Gayatri, 2015).

Access to finance is germane for SMEs in achieving sustainable development and capacity development building geared towards poverty reduction, employment creation and contribution to the Gross Domestic Product (GDP) of Nigeria (Akpan & Nneji, 2015). Samuel, Babatunde and Olajide-Arise (2014) noted that empirical findings reveal that SMEs in general lack the necessary financial services, especially credit from commercial banks because they are considered unbankable (Atsu, 2017), and this results to declining growth which is marked by; technology obsolescence, reactive plans and ill-health managerial practices. Most commercial banks and microfinance institutions do not offer credits facilities to SMEs due to their high mortality and failure rates, which makes it difficult for lenders to assess viability of their enterprises (SMEDAN, 2013).

According to Osuji (2017a), microfinance institutions have been in the forefront of the drive towards economic growth and financial empowerment of the many less privilege citizens of our country which have passion for entrepreneurship business. Osuji (2017b) says that microfinance is an instrument to reduce or obliterate wide resource gaps among people including the active poor which could be traced to the rising inequality. They empower SMEs through provision of short-term finance and saving products, thus, helping to provide a start-up capital for productive business activities and increasing their contribution to the GDP of Nigeria (Small and Medium Scale Enterprises Development Agency, SMEDAN, 2012). Micro financing enables SMEs owners to protect, diversify and increase their incomes, as well as to accumulate assets, reducing their vulnerability to income and consumption shocks (Kibet, Achesa, & Omwono, 2015). Also, Kupina and Salko (2015) reiterate that micro financing enables small and medium enterprises have access to start-up capital (Abdul, Shadiullah, & Sana-Ur-Rehman, 2015).

Most SMEs in Nigeria remained relatively small and experience stunted development over the years due to neglect by the formal financial institutions (Oyedokun, 2015). A major barrier to the rapid growth of SMEs is the dearth of both debt and equity financing including lack of collateral requirements (Akpan & Nneji, 2015). SMEs in general lack the necessary financial services, especially credit from commercial banks because they are considered light weight and not credit worthy (Atsu, 2017), and this results to declining productivity. Subsequently, it was emphasized that the major indisputable challenge in all angles which is retrogressing SMEs growth is the lack of sufficient fund to set up and run small businesses (Danso-Abbeam, Ansah, & Ehiakpori, 2014). Small firms seeking bank loans face considerable credit constraints in that they receive credit much less frequently than larger ones (Garba, 2013).

In spite of the intervention strategies of government and other development partners, through direct grants, lending or credit guarantee programmes, the growth, survival, and development of SMEs remains observably low because empirical evidence reveal that most SMEs had a high infant mortality rate between three to five years (Bhuyan, 2016). Moreover, Addaney, Awuah and Afriyie (2016) authenticate that the rationale for denying the SMEs access to micro financing is due to financial regulations as contained in BOFIA Act which make it difficult for banks to sustain high costs and risks attached to SMEs lending. Yet, some of the challenges of the SMEs are induced by the operating environment (government policy, globalization effects, financial institutions, etc). The removal of these attendant challenges is seemingly difficult and a daunting task demanding for total SMEs support.

Substantial numbers of extant literature and empirical research have been conducted both in the developed, emerging and developing nations on the effect of microfinance on SMEs (Omondi, 2018; Sharma, Alli, 2016; Akpan & Nneji 2015; Mukesh, & Gayatri, 2015; Ashamu, 2014; Dada, 2014; Oduyoye, Adebola & Binuyo, 2013; Babajide, 2012) yet, their findings were contradictory and most of the extant literature were done across Europe, while few literature examine the effect of collateral requirements on SMEs marketing performance in Nigeria and develop economies. This serves as a gap that this study seeks to fill by examining the effect of collateral requirements on marketing performance of SMEs in Nigeria.

Research Questions

i. To what extent does collateral requirements affect the marketing performance of SMEs in Nigeria?

In accordance to the research question, this study postulates the below hypothesis;

Ho_1: The availability of collateral requirements does not significantly affect the marketing performance of SMEs in Nigeria.

Ha_1: The availability of collateral requirements significantly affects the marketing performance of SMEs in Nigeria.

2. Conceptual Review of Literature

2.1 Concept of Small and Medium Enterprises (SMEs)

SMEs serves as the breeding ground for emerging entrepreneurs as well as forming the pillar of the indigenous private sector (Makorere, 2014; Palmarudi & Agussalim, 2013). SMEs are the main source of employment in developed and developing countries comprising of over 90% of African business operations and contributing to over 50% of African employment and GDP (Calice, Chando, & Sekioua, 2012). However, Ibor, Offiong, and Mendie (2017) reiterate that SMEs played a pivoted role in creation of employment, minimization of poverty and enhancing of economic development.

In addition, SMEs sector also serves as incubator for new ideas and testing ground for new technologies (Olawore, 2016). SMEs are the mainstream of many economies in Sub-Saharan Africa (SSA) and hold the key to possible revival of economic growth (Kibet, Kenneth& Omwono, 2015), and the elimination of poverty on a sustainable basis (Dennis, Achesa & Gedion, 2015).

2.2 Challenges facing Small and Medium Enterprises (SMEs) in Nigeria

SMEs are facing different problems like sub-optional sale of operation, technological deficiencies, supply chain insufficiencies, increasing domestic and global competition, fund shortages, change in manufacturing strategies including turbulent and uncertain market scenario (Sharma, Mukesh, & Gayatri, 2015). Oshotimehin, Jegede, Akinlabi and Olajide (2014) contend that most of the problems of SMEs are external to them such as; capital shortage (Makorere, 2014; European Commission report, 2013), taxation and regulations (Ocloo, Akaba, & Worwui-Brown, 2014),lack of basic Infrastructure (Mohammed, Bashir, Lapai, & Abdullahi, 2013), movable assets and lack of record keeping (Parthajeet, 2017) including poor governance (Olawore, 2016).

2.3 Contributions of SMEs to Economic Development of Nigeria

As a catalyst for socio-economic transformation of the country, the SMEs sector is extremely crucial in addressing the national objectives of bridging the rural-urban divide, reducing poverty and generating employment to the teeming millions (Parthajeet, 2017). Small and Medium scale Enterprises are the engine of growth and catalyst for socio-economic transformation of any country, especially in a developing country like Nigeria. They are a veritable vehicle for the achievement of national macro-economic objectives in terms of employment generation at low investment cost, and enhancement of apprenticeship training (Abosede, Hassan, & Oko-Oza, 2017; Nkuda, 2016; Vanguard, 2017).

Accordingly, empirical findings showed that SMEs is strategically positioned to absorb up to 80% of jobs in Nigeria, improve per capital income and increase value addition to raw materials supply (Abosede, Hassan, and Oko-Oza, 2017), improve export earnings and step up capacity utilization in key industries. Hence, their development is crucial to the nation's socio-economic development (Osuji, 2017c). SMEs fosters technological development through innovation, provide the leading ground for the emancipation of indigenous technology through creativity (Ocloo *et al.,* 2014), manufacturing and marketing skills (Abubakar & Yahya, 2013). In Nigeria, SMEs provide 70% of industrial employment and 60% of agricultural employment (CBN, 2012; Osuji, 2017b, Parthajeet, 2017).

2.4 Conceptualizing Micro financing

Micro financing is no longer an experiment or a wish; it is a proven success (Ibor, Offiong, & Mendie, 2017). It has worked successfully in many parts of the world both in the developed, developing and emerging nations without the exclusion of Nigeria (Akpan and Nnaji, 2015). Micro financing is the practice of offering financial and non-financial services to entrepreneurs including the youth SMEs who hitherto cannot access the conventional financial institutions and

are considered unbankable (Omnowo, Maiza, & Toroitich, 2016; Omondi, 2018).

Assor, Essien, and Ndiyor (2016) opine that micro financing refers to a source of financial service provided for entrepreneurs who are not eligible for services from the traditional financial system due to their poor status. Similarly, Osuji (2017a) remarks that micro financing is a means of canalizing credit to the poor. The vision of micro financing is to create systemic change in financial systems worldwide, instead of the exclusive financial systems that have for decades benefitted and protected the wealthy citizens and multinationals. Microfinance intends to serve the improvised majorities, help lift them out of poverty (Suberu, 2011). Micro financing emerged as a noble substitute for informal credit and an effective and powerful instrument for poverty reduction among people, who are economically active, but financially constrained and vulnerable in various countries (CBN, 2012). The intent of establishing microfinance institutions was to reduce the burden of high interest rates and other financial charges hitherto charged by banks under normal bank lending, as well as to provide financial, advisory, technical and managerial supports to SMEs (Obokoh, Monday, & Ojiako, 2016).

Murray (2015) indicates that micro financing is the mechanism for triggering or sustaining social and economic development by supporting entrepreneurial activities. Ibor, Offiong, and Mendie (2017) aver that microfinance institutions (MFIs) in Sub-Saharan Africa include a broad range of diverse and geographically dispersed institutions that offer financial services to low-income clients, Non-Governmental Organizations (NGOs); non-bank financial institutions, cooperatives, rural banks, savings and postal financial institutions, and an increasing number of commercial banks (CBN, 2012).

2.5 Micro financing and SMEs Marketing Performance

Micro financing helps the SMEs owners and practitioners increase their income, build viable business, reduce vulnerability to shocks and create employment. Kefas (2013) submits that micro financing is a strategic tool for minimizing hardship and financial distress of SMEs. Rolando (2016) succinctly affirmed that micro financing facilitates the provision of seed money; business training and social rehabilitation, start-up funding. Akpan and Nneji (2015); Garba (2013) corroborated that micro financing impact positively on the performance and growth of SMEs.

Micro financing allows poor people to protect, diversify, and increase their sources of income. It helps to cushion poor SMEs against the extreme vulnerability (CBN, 2012). It is a powerful tool to fight poverty through building of assets and serving as an absorber against external ties and financial shocks (Bello, 2013; Morenikeji & Oluchukwu, 2013). Central Bank of Nigeria (2012) acknowledges micro financing is an essential tool for poverty mitigation and entrepreneurship growth through empowering of SMEs.

Hamzani and Achmad (2016) remark that the contributions of micro financing to SMEs performance can be measure by the following indicators: increase productivity, development of business units, increase in sales volume, increase in sales revenue. Subsequently, Ngo and Chi (2017) affirm that sales revenue, profits, market share, number of employment, customer satisfaction, profitability, and decline in liabilities are the main parameters for measuring of SMEs performance which are attributed to positive contributions of micro financing. Nevertheless, Makorere (2014) postulate that reducing employee turnover, increasing size of labour force, increase in sales volume and sales revenue, business expansion and improvement in strategic management ability of the firm are indicators of SMEs performance which can be credited to improve access to micro credits.

2.6 Theoretical Review

This section deals with some of the various theories relating to the financial structuring of SMEs. This study is anchor on Pecking Order Theory.

2.6.1 Pecking Order Theory

The pecking order theory is developed by Myers Sanders (1984) and stipulates that, financing requirements of firms (usually SMEs) are catered for in a hierarchical order. The initial source of funds is internally generated. As the amount of funds required is increased, the next source is via the use of debt. Sequel to the above, pecking order theory suggests that SMEs will prioritize their sources of finance in the following hierarchical order: (i) internal sources of finance

will be sought first and if such funding cannot be sourced or is sourced but depleted, (ii) debt will be taken on and when or if it becomes impractical to finance the institution using debt, (iii) equity resulted to as the last resort.

Empirical findings reveal that most SMEs majorly depend on personal funds invested as initial capital outlay due to restriction in utilizing external equity. However, SMEs indicate preference for long-term debt equity in the absence of own funds if pressed to seek external funding which has a lot of limiting factor in accessing the long-term debt finance. This theory thus maintains that SMEs always prefer to use internal funds. If it is not available, the SMEs owners will prefer using debt as an external source of fund before it considers equity financing. These restrictions on the type of finance available to SMEs coupled with the small firm's insistence on first using internal sources of capital (Asor, Essien, & Ndiyo, 2016), creates a unique structure for SMEs. This affirmed the findings of Jegede (2011) cited in Oladejo (2013) who observe that entrepreneurs prefer personal saving and cooperative credits to microfinance banks and commercial banks fund citing reasons of non-accessibility, prohibitive collaterals and high interest rates barriers. These restrictions on the type of finance available to SMEs and desire to use internal sources of capital creates a unique structure for small business (Asor, Essien, & Ndiyo, 2016). This affirmed the findings of Jegede (2011) cited in Oladejo (2013) who observe that entrepreneurs prefer personal saving and cooperative credits to microfinance banks and commercial banks fund citing reasons of non-accessibility, prohibitive collaterals and high interest rates barriers.

3. Methodology

3.1 Research Design

The study utilized descriptive survey research design for it gives an accurate profile of situations. (Omondi, 2018). The descriptive survey design also permitted the researcher opportunity to gather information regarding the micro financing and SMEs marketing performance in Lagos and Ogun States. The independent variable of the study is micro financing, while the independent variable is SMEs marketing performance.

3.2 Study Population

The population of the study covers the entire small and medium enterprises business operators in both Lagos and Ogun States. According to SMEDAN (2017) the total number of small and medium enterprises (SMEs) in Ogun state is 1,794, while the total number of small and medium scale enterprises in Lagos State is 11,663.

States	Total SMEs	Percentage of SMEs	Sample size
Lagos	11,663	87%	348
Ogun	1,794	13%	52
Total	**13, 457**	**100%**	**400**

Source: SMEDAN, 2017

3.3 Sampling Techniques and Sampling Size

Taro Yamane's sampling technique was used to select 400 SMEs sample size from both Lagos and Ogun States for this study via proportionate sampling method and stratified sampling technique from a population of 13, 457 based on SMEDAN (2017) distribution of SMEs by state in Nigeria. The stratified sampling techniques was used because the researchers group the sources of data generation and sample size into two strata because two different Local governments are used i.e. Ikeja LGA in Lagos state and Ijebu Ode LGA in Ogun state. Proportionate sampling technique was used to avoid bias and to ascertain the number of questionnaire that will be administered to SMEs in the selected LGA's in both Lagos and Ogun states knowingly fully that the numbers of SMEs in Lagos is greater than that of Ogun State. Hence, we use percentage to get the proportion of sample size for each state in order to ascertain the number of questionnaire to administer.

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

While N = The total population size

e = Significant error margin

1= Constant Significant error of 5% (0.05%) was applied

N= 13, 457

$$\text{Sample size (n)} = \frac{N}{1+N(e^2)} = \frac{13,457}{1+13,457\,(0.05^2)}$$

$$n = \frac{13,457}{13,458 \times 0.0025} =$$

$$n = \frac{13,457}{33.645} = 399.97 = 400$$

Total Sample size (n) for both Lagos and Ogun States SMEs = 400

Proportionate sample size determination for Ogun State is: 400 x 13% = 52 sample size. Hence, 52 questionnaires will be administered to selected SMEs operators and microfinance owners in Ijebu-Ode Local Government Area.

Proportionate sample distribution for Lagos State is: 400 x 87% = 348 sample size. Hence, 348 questionnaires will be administered to selected SMEs operators and microfinance owners in Ikeja LGA. The Local government is selected because it has the highest number of SMEs operators and microfinance owners based on SMEDAN (2013) and Nigerian Bureau of Statistic survey.

3.4 Research Instrument

The sources of data for this is adapted structured questionnaire with closed-ended questions and five-point rating scale. The questionnaire was administered using drop and pick method. The questionnaire was used because it allowed the respondents to give their responses in a free environment and help the researcher gather information that would not have been given had it been interviews were conducted.

3.5 Model Formulation

The model for this study is stated below to ascertain the relationship between micro financing and marketing performance of SMEs

3.5.1 The study model

The study model below is hereby formulated:

$$SMEM_p = \alpha_0 + \beta_1 MF + \beta_2 MP + \beta_3 CR + \mu \ldots\ldots\ldots\ldots (1)$$

3.6 Method of Data Analysis

The study utilized Statistical Package for Social Sciences (SPSS) 21.0 software and Ordinary Least Square Regression (OLS) statistical techniques to ascertain the relationship between the independent and dependent variables.

4. Data Presentation and Analysis

4.1 Validity and Reliability Statistics

In order to ascertain the validity of the research instrument, a drafted copy of the questionnaire was given to superior colleagues for corrections and modifications. Reliability is the degree to which an assessment tool produces stable and consistent results. It measures the internal consistency of distributed instrument concepts and constructs, and it was interpreted by reporting the Cronbachs' Alpha using Test-retest reliability. Hence, with respect to micro financing (MF), SMEs marketing performance and ($SMEsM_{p)}$ are 0.721, 0.735 respectively. The results fall within the acceptable Cronbach Alpha standard value of 0.70.

Table 1: Collateral requirements significantly affect the marketing performance of SMEs in Nigeria

Dependent Variable: BP				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	0.2168	0.1866	9.5175	0.0000
CR	-0.7925	0.0563	-6.9619	0.0000
R^2	0.6433			
Adjusted R^2	0.5935			
F-statistic	48.4681			
Prob (F-statistic)	0.0000			

The postulated hypothesis of this study was analysed using regression analysis and it is presented in Table 1. It analysed the effect of collateral requirements on the marketing performance of SMEs in Nigeria. The constant of the model is positive and significant at 1%. The coefficient of collateral requirements (CR) on the other hand revealed that a significant negative relationship exists between collateral requirements and the marketing

performance of SMEs in Nigeria, suggesting that the more stringent the collateral requirements imposed on loans given to SMEs, the more it affects the marketing performance of SMEs negatively.

Furthermore, the adjusted r-squared shows that about 59.25% of the changes in SMEs growth/performance is as result of collateral requirements imposed on SMEs. This suggests that the collateral requirements imposed on SMEs by financial institutions bring about 59% changes in SMEs performance. The F-statistics shows that the result is statistically significant at 5%. This means that in the study area, collateral requirements imposed on SMEs are also strong and significant in explaining the level of SMEs marketing performance in Nigeria; hence, this study rejects the null hypothesis.

4.2 Discussion of Findings

From the foregoing, it is evident that micro financing has significant effect on SMEs performance in Nigeria. Specifically, the study found that stringent collateral requirements has a significant negative effects on SMEs marketing performance in Nigeria, suggesting that an increase in collateral requirements bring about a decrease in SMEs performance and achievement of pre-determined marketing goals. The findings of this study concur with the empirical finding of (Ashiqur, Jaroslav, Tomas & Ladislav, 2017; Rahman, Rahman & Kljucnikov, 2016; Vojtoric, 2016; Qureshi, 2012; Sharma & Gounder, 2012; Gounder, 2012; Godlewski & Well, 2011).

The finding of the result clearly indicates a significant negative relationship between collateral security and SMEs overall performance. It is worthy of note that this study filled the identify gap by investigating the effect of collateral requirements on SMEs marketing performance in Nigeria because the deluge of literature on the study variable was conducted in developed nations with diversed culture and business climate. This form the basis for mixed findings.

4.3 Conclusion

Collateral requirement is more peculiar to SMEs sector than the large firms and conglomerate MNCs companies. The myriad of challenges facing SMEs in Nigeria ranges from lack of access to finance, multiple taxation, poor managerial experience, infant mortality and above all lack of collateral requirements to secure loans from both conventional banks and microfinance banks. The attendants challenge aforementioned and confirmed by empirical finding hindered the spontaneous development and achievement of marketing goals.

5.3 Recommendations

i. Microfinance banks must embrace digital financing strategies such as money transfer technologies to improve their accessibility and service quality.
ii. An entrepreneur-friendly policy should be formulated by government through the Central Bank of Nigeria to foster infrastructural support facilities and easy access to micro financing by the SMEs.
iii. Nigeria government should give SMEs a tax rebate or holiday at their infancy age in order to enhance their growth and minimize infant mortality.
iv. The CBN and monitoring departments of microfinance banks should ensure that SMEs utilized the approved loans for the intended purpose and not divert the fund to other unproductive activities.
v. The government should establish the regulatory and supervisory framework for all microfinance banks operations in Nigeria particularly in Lagos and Ogun states to foster spontaneous growth of SMEs industry and relief the sector of stringent collateral requirements since majority of their assets are movable.

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NEXUS BETWEEN ORGANIZATION CRISIS MANAGEMENT AND EMPLOYEES MARKETING PERFORMANCE

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Abstract

This study examines the nexus between crisis management and employees performance in Nestle Nigeria Plc. Anchored on Vaaland theory. A sample size of two hundred (200) respondents was selected from the total population of two thousand, two hundred and fourty five (2,245) via Taro Yamane sampling techniques sample selection. The research instrument used was structured questionnaire that was filled via mailed and social media platform. The study employs five-point likert scale measurement and analysis of data was done with the aid of SPSS (Statistical Package for Social Sciences, V.18). The result of the study found that there was a significant positive relationship between organization crisis management and employees performance of Nestle Foods Plc (r= 183.215 p<0.05). It is therefore recommended that Nestle management should develop diverse but appropriate strategies to resolve crisis as they arise before it disrupt productive activities and affect the employees performance.

Keywords: Crisis management, Employees' performance, Manufacturing sector. Organization.

1. Introduction

Globally crisis occurs daily, it is essential that organization study the factors causing crisis situations and identify organizational strategies for preventing crisis both within and outside the company. Crisis can occur in all organizations at different levels of management due to intense globalization pressure, flattening of the world and the strategic moves of organizations to be more competitive. Nowadays, organizational stakeholders are identifying different ways that crisis can be anticipated and prevented as well as how crisis can be managed. It is significantly imperative to understand what crisis situations are and their causes, as well as how to strategically and tactically manage them (Taneja, Pryor, Sewell, & Recuero, 2014). A major organizational strength is the capability to strategically manage unexpected crisis situations. Crisis is a recurring decimal in all human relationships, be it in the family, institution or organization (Uchendu, Anijaobi-Idem, & Odigwe, 2013).

Organizational employees are exposed more directly to highly uncertain environments. As a result, in many cases, employees are now more at risk for a crisis than top executives. Therefore, it is very important to manage crisis at team levels (Choi, Sung, & Kim, 2015). Crisis management is a leadership imperative involving workforce within and outside the organization. Sullivan (2013) emphasized that it is an element of competition and action which occurs due to lot of dissimilarities. Sometimes, different behaviours adopted by the members of the organization are subjected to crisis. Crisis may arise from the contradictory goals and interests and the results may deteriorate the organization (Mughal & Khan, 2013). Crisis is an unpleasant fact in any organization as long as people compete for jobs, resources, power, recognition and security(Ajike, Akinlabi, Magaji & Sonubi, 2015). Organizational crisis can be regarded as a dispute that occurs when interests, goals or values of different individuals or groups are incompatible with each other (Henry, 2009; cited in Hotepo, *et al.,* 2010).

According to Taneja *et al.* (2014) a properly executed, efficient and effective strategic crisis management plan can lead to organization renewal, stability, and growth. Coombs (2013) averred that the rationale for crisis management is to enhance learning and group outcomes, including performance in an organization. Crisis can be managed in different ways, some focusing on interpersonal relationships and others on structural changes. Managing crisis toward constructive action is the best approach in resolving crisis in organization. Crisis should be well managed and transform to positive force, rather than a negative force, which would threaten the individual or group and the entire

organization (Hunter, 2015). Mughal and Khan (2013) posited that crisis is said to be inevitable when there is a human factor involved.

Crisis management has increasingly receiving attention in the organizational literature during the past two decades due to the swings in attitudes toward crisis within organizations. Traditionally crisis was viewed as something harmful but now it has changed to a view that realizes crisis as a reality of organizational life (Johansen, Aggerholm, & Frandsen, 2012). The term crisis has become one of the most significant instruments in the development of organizations when it is cautiously managed. Hence, management are duty bound to resolve crisis properly for the sake of increasing organizational performance because the result of such action will result to good communication, time management, good cooperation and increase employees performance (Choi *et al.,* 2015). Crisis often has a predominantly negative perspective, and its associated with many unpleasant situations, and challenges (Bundy, Pfarrer, Short, &Coombs, 2016). It is regarded as an inevitable phenomenon like death and taxes (Fink, 1986 cited in Bundy, Pfarrer, Short, & Coombs, 2016).

Crisis management involves the coordination of complex technical and relational systems and the design of organizational structures to prevent the occurrence, reduce the impact, and learn from a crisis. However, Bertels, Cody and Pek (2014) affirmed that crisis management involves shaping perceptions and coordinating with stakeholders to prevent, solve, and grow from a crisis scenerios. Bundy, Pfarrer, Short and Coombs (2016), posited that organizational crisis are phenomenon that are conceptualized as emergent, salient, disruptive and threatening the continuous existence of an entity. Meanwhile, Kahn, Barton and Fellow (2013) remarked that crises are behavioural issues, and parts of the larger organizational process, instead of discrete events (Petriglieri, 2015). Crisis is retrogressive, it altered behaviour of the involved employee's and retrogress the progress of an organization if urgent attention is not giving to it (Brown, Buchholtz, & Dunn, 2016).

Organizations have a shorter life cycle today because of various changes in their operations. These organizational changes may cause turbulence and uncertainties that in turn, create crisis. Appreciable numbers of organizations over the years were facing crisis in various dimensions which have reduced their performance. Crisis in any organization may not enable the entity to achieve its set objectives if not properly managed. Saka (2014) asserted that, successful organization in the future must create the capacity to absorb crisis during the organization's life cycle. The capability here refers to crisis management mechanisms in order to minimize the rate of crisis and improve performance. According to Pearson and Sommer (2015), the hidden costs of unresolved crisis in organizations are enormous and finding effective ways to manage and resolve organizational crisis can have a significant impact on productivity and therefore, may enhance performance.

Uchendu (2013) emphasized further that healthy differences of opinion are however vital in an organization in order for it not to stagnate, but when individuals are not able to work through their differences constructively and agree on a way forward, the crisis becomes destructive and damaging to individual, teams and ultimately to the organization. Lampel, Shamsie and Shapira (2009) further argued that besides threatening the stability of the organizations, a crisis also endangers the organizations' reputation, causes loss of man-hours and affects performance. The aforementioned detrimental effects of crisis on organizational performance demanded for this study to be carried out. Moreover, the deluge of literature on crisis management and organizational performance focuses on public sectors, the banking industry, multinational corporations and their findings were inconclusive. More so, the relationship between crisis management and employees performance was not critically evaluated. The aim of this study is to examine the relationship between organization crisis management and employees performance.

Research Question

1. Does any significant relationship exist between crisis management and employees performance in Nestle Foods Plc?

Statement of the Hypothesis

H_0: There is no significant relationship between organizational crisis management and employees performance.

2. Review of Literature

A crisis is a series of unforeseen events that launch a group, team or an organization into a downward spiral that is quick and have long term effects if the situation is not rapidly handled by the management (Taneja, Pryor, Sewell, & Recuero, 2014).Virtually nothing can damage organizational reputation and financial performance more rapidly and more deeply than the impact of a major crisis. Yet, many organizations continue to delegate responsibility for crisis management to operational middle managers, while reputation management increasingly secures a place at the executive table. However, a significant trend in crisis management is now emerging which has the potential to reshape the discipline with substantial implications for the development of organizational structure and design. This trend is the advance of proactive crisis prevention as opposed to reactive crisis response, which brings with it more comprehensive parameters of what should be recognized as integral elements of crisis management within a broader continuum of management activities (Jaques, 2010).

Jones, George and Hills (2000) opined that crisis are inevitable part of organizational life since the goals of different stakeholders such as managers and staffs are often incompatible. Similarly, Hotepo, Asokere, Abdul-Azeez and Ajemunigbohun (2010) averred that crisis is an unpleasant fact in any organization as long as people compete for jobs, resources, power, recognition and security. Organizational crisis can be regarded as a dispute that occurs when interests, goals or values of different individuals or groups are incompatible with each other. This results into a situation whereby they frustrate each other in an attempt to achieve their objectives. The scholars empirically asserted that crisis arises in groups because of the scarcity of freedom, position, and resources. Dayton (2004) stated that the: "modern crisis does not recognize or respect national boarders; it thrives on fragmentation and variety…it does not confine itself to a particular policy area.

Crisis is a part of organizational life and may occur between individuals, the clarification of points of viewbetween the individual and the group, and between groups. Nevertheless, crisis has both positive and negative effects (Henry, 2009; cited in Hotepo *et al.,* 2010). It can be positive when it encourages creativity and the development of human capabilities to handle interpersonal differences. Moreover, crisis can be negative when it creates resistance to change, establishes turmoil in organization or interpersonal relations, fosters distrust, and builds a feeling of defeat (Hotepo *et al.,* 2010).

Taneja (2014) viewed crisis as an event that suddenly occurs, demands quick reaction, interferes with organizational performance, creates uncertainty and stress, Ajike, Akinlabi, Magaji, & Sonubi (2015)threatens the reputation, assets of the organization, and escalates in intensity.

The word crisis means different thing to different people in different professions. The term crisis has also been defined and conceptualized by different scholars and authorities in the field of management. Saka (2014) defined crisis as an inherently abnormal, unstable and complex situation that represents a threat to the strategic objectives, reputation or existence of an organization. Hunter (2006) saw crisis as an abnormal situation, or even perception, which is beyond the scope of everyday business and which threatens the operation, safety, and reputation of an organization. Crisis is also conceptualized as an unstable time or state of affairs in which a decisive change is impending. Crisis is defined as a specific, unexpected, and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization's high priority goals (Brown, Buchholtz & Dunn, 2016).

Jaques (2010) conceptualized crisis as a serious threat to the basic structures or the fundamental values and norms of a system, which demand for vital decisions making. Crisis is an event that threatens the strategic objectives and existence of an organization (Taneja, 2014). Houlihan (2007) saw crisis as the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously affects organization's performance and generate negative outcomes.

A well-managed crisis brings breathes life and energy into employee's relationships and makes employee's to be more productive (Jaques, 2010). Crisis stimulates involvement in the discussion,

builds group cohesion and also improves quality of decisions (Henry, 2009). In addition, crisis in the manufacturing sector builds cooperation among the employees, encourages organizational innovativeness and improves quality decisions in resolving crisis (Armstrong, 2007). When employees are in crisis, it allows workers to bring out their concerns which lead to discussion of the issues which in the end creates a better **decision (**Fagbohungbe, 2004)**.** Furthermore, unresolved crisis tends to grow into bigger crisis, the more it grows, the greater the problems are and the more severe they become (Armstrong, 2007).

2.2 Theoretical Framework

This study reviewed numerous theories relevant to this work but it is anchored on Vaal and crisis model.

2.2.1 Vaaland Crisis Model

According to Vaaland (2004) crisis resolution model is performed through a workshop where issues are identified and analyzed. The process is divided into four different steps that are taking the crisis closer to a solution. The first step is to identify the source of the crisis and to collect the different perceptions to get a clear overview about the crisis. The second step involves collection of assessment criteria that links the crisis to destructive effects on the relationships within the team. Based on this criterion the crisis can be connected to formal procedures such as poor routines, in-flexibility and bad scheduling. He stated that the next step is to make the participants realize and get a view of what has to be done to develop the relationship. He puts forward that the parties can propose a step sequential step for crisis resolution that must be agreed upon.

The final stage of this model requires the process of balancing and critical evaluation of the root of crisis to reach two reciprocal objectives. According to Dayton (2004), there are a few alternatives of how to execute the process. The first option is to attempt to narrow the gap between the participants by eliminating contradictions, or alternatively put focus on straightening out the confusion and misunderstandings or finally try to control the extent and impact of the issues. Additionally, when using this model, the process should be monitored and organized by a third party, avoiding any risk of chaos and dysfunctional crisis. The scholar stressed that the benefits of using this process is that it involves both parties, improves their understanding about crisisidentification and achieve healthier relationships.

3. Methodology

The research design adopted for this study was survey research design. It was adopted because it is characterized by its lack of control by the researcher which prevent bias (Asika, 2006), i.e. the interest is mainly in observing what is happening to sample variable without any attempt to manipulate or control any variable. The population of the study consists of employees of Nestle Nigeria Plc, Lagos. The study was confine to major department that are relevance to the study. The organization being a large corporate entity has over 2,245 regular employees (NSE, 2019). Two hundred (200) respondents were sampled with the use of the Taro Yamane sampling size techniques. The study adopted convenience sampling techniques. The data collection instrument adopted for this study was structured questionnaire. The instrument was divided into two sections. Section A which dealt with respondents' bio-data and Section B is concerned with questions/statements using the five points likert-scales respectively.

3.1.1 Validity of the Research Instrument

The instruments were subjected to both face and content validity. The drafted questionnaire was given to four research colleagues in the department of Marketing of Lagos State Polytechnic, Ikorodu for critical evaluation and amendment. All identified corrections were corrected to ensure a greater validity of the research instrument.

3.1.2 Reliability: Reliability is the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials. In short, it is the stability or consistency of scores over time (Yin, 2003).The data was generated through structured questionnaire and were also presented with simple frequency tables and percentages while SPSS statistical tool (V. 18) will be used for testing the postulated hypothesis of the study.

4. DATA PRESENTATION AND ANALYSIS

4.1 Data Analysis

Two hundred (200) copies of the questionnaire were administered on respondents of the study

out of which hundred and eighty-two (182) copies were properly filled and returned. The dully filled copies (182)was used for analysis using SPSS statistics (Statistic Packages for Social Sciences, V. 18).

Analysis of Findings

Analysis of Respondents According to Bio-Data

Table 1

Variables	Frequency	Percentage	(%)
Gender Distribution of Respondents			
Male	120	65.9	
Female	62	34.1	
Total	**182**	**100.0**	**100%**
Age Distribution of respondents (years)			
18 and below 27	23	12.6	
28 and below 32	50	27.4	
33 and below 37	60	32.9	
38 and below 44	38	20.8	
45 and above	11	6.3	
Total	**182**	**100.0**	**100%**
Marital Status of respondents			
Single	58	31.9	
Married	120	65.9	
Divorced	4	2.2	
Total	**182**	**100.0**	**100%**
Educational Qualifications of Respondents			
SSCE/GCE	42	23.1	
OND/NCE	50	27.5	
B.Sc/HND	78	42.9	
M.Sc/MBA, P.hD	12	6.5	
Total	**182**	**100.0**	**100%**

Source: *Field Survey 2020*

Analysis of Respondents According to Research Question

Table 2. Significant relationship exists between crisis management and employees performance in Nestle Foods Plc

	SA	A	U	SD	D	Total
Crisis at workplace promote employee performance	108	52	6	16	0	**182**
	59.3%	28.6%	3.3%	8.8%	0%	**100%**
There is relationship between crisis management and employee performance	50	82	26	24	0	**182**
	27.5%	45.1%	14.2%	13.2%	0%	**100%**
Crisis allow employee to be more active at workplace	78	92	12	0	0	**182**
	42.9%	50.5%	6.6%	0%	0%	**100%**
Crisis is an inherent feature of an organization that improve work performance	50	76	32	0	24	**182**
	27.5%	41.7%	17.6%	0%	13.2%	**100%**
Crisis is a necessary and useful part of organizational life	120	44	14	0	2	**182**
	65.9%	24.2%	7.7%	0%	1.1 %	**100%**

Source: Field Survey 2020

The table above shows that 59.3% of the respondents strongly agree on the statement that crisis at workplace promote employee performance, 28.6% of the respondents agree, 3.3% of the respondents were undecided, while 8.8% strongly disagree. Hence, majority of the respondents strongly agree that crisis at workplace promote employee performance. Moreover, 27.5% of the respondents strongly agree that significant positive relationship occur between crisis

management and employee performance, 45.1% of the respondents agree, 14.2% of the respondents were undecided, while the 13.2% strongly disagree. Therefore, majority of the respondent agree that effectivecrisis management improve employee performance.

Furthermore, 42.9% of the respondents strongly agree on the statement that crisis allow employee to be more active at workplace, 50.5% of the respondents agree, while 6.6% were undecided. Therefore, majority of the respondents agree that crisis allow employee to be more active at workplace. More so, 27.5% of the respondents strongly agree on the statement thatcrisis is an inherent feature of an organization that improve work performance, 41.7% of the respondents agree, 17.6% of the respondents were undecided, while 13.2% disagree. Thus, it is majority of the respondents strongly agree that crisis is an inherent feature of an organization that improve work performance.

Finally, 65.9% of the respondents strongly agree that crisis is a necessary and useful part of organizational life, 24.2% of the respondents agree, 7.7% of the respondents were undecided, while 1.1% strongly disagree. Thus, it is majority of the respondents strongly agree that crisis is a necessary and useful part of organizational life.

Test of Hypotheses

The postulated hypothesis was tested using Statistical Packages for Social Sciences. (SPSS Statistics 18.0)

H_o: There is no significant relationship between Organizational crisis management and employees performance.

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
Effective organizational crisis management does not enhance employee performance in Nestle Nigeria Plc	182	1.5485	.82139	1.00	4.00

Source: *Field Survey 2020*

Crisis is capable of increasing employees' performance

Response	Frequency	Percentage%	Cumulative%
Strongly Agree	76	41.7	41.7
Agree	63	34.6	76.3
Undecided	18	9.8	86.1
Strongly Disagree	25	13.7	99.9
Total	**182**	**100.0**	**100**

Source: *Field survey, 2020*

	Observed N	Expected N	Residual
Strongly Agree	80	45.5	36.5
Agree	58	45.5	14.5
Undecided	19	45.5	-29.5
Strongly Disagree	25	45.5	-21.5
Total	182		

Source: Field Survey 2020

Test Statistics

	Effective organizational crisis management does not enhance employee performance in Nestle Nigeria Plc
SPSS (a)	183.215[a]
Df	3
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 45.5.

Decision Rule:
Using the significance of (0.05), that is 5% which is greater than the SPSS asymptotic significance of (0.000), the result is significant and thus-we accept the alternative hypothesis and reject the null hypothesis. Alternatively, the calculated SPSS value (183.215) at 0.5% confidence level is greater than the table value of 7.815. Thus, the null hypothesis is rejected; while the alternative hypothesis is accepted that effective organizational crisis management enhances employee performance in Nestle Nigeria Plc.

4.2 Discussion of Findings

From data analysis above, it was shown clearly that effective organizational crisis management enhances employee performance in Nestle Foods Plc at significance level of (0.05) which shows the calculated SPSS (183.215) was greater than the tabulated value (7.815) as such, the alternative hypothesis was accepted while the null hypothesis was rejected. The finding indicates that there is a significant positive relationship between organizational crisis management and employees' performance in Nestle Foods Plc. This result is in agreement with empirical findings of Choi *et al.* 2015; Coombs, 2013; Taneja *et al.,*2014 & Uchendu, Anijaobi-Idem, & Odigwe, 2013; Armstrong, 2007; Jaques, 2010).

5. Conclusions

Based on the statistical findings of the analyzed above concludes that effective crisis management in an organization enhance organizational performance and foster industrial peace and harmony. The relationship between organization crisis management and employees performance is significantly positive and strong.

5.1 Recommendations

Based on the findings of the study, the following recommendations were made to the management of Nestle Foods Plc. Management must adopt diversified but appropriate strategies to combat and manage crisis as they emerge before escalating to unmanageable level. Efforts should be made by both the managers and employees to amicably resolve crisis to avoid retrogressing effects. There should be proactive and radical crisis resolution policy that will be well implemented.

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INNOVATION AND PUBLIC SECTOR PREFORMANCE: EVIDENCE FROM OGUN STATE INTERNAL REVENUE SERVICE

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Abstract

This study examines the effect of process and product innovation on the performance of Ogun State Internal Revenue Services. This study employed the survey research design. This is because survey research design tends to aid the better understanding of the phenomenon under examination. The population of this study comprises the entire employees of Ogun State Internal Revenue Service. A sample of 120 employees of Ogun State Internal Revenue Service were purposively selected for the study. The findings show that product innovation and process innovation both have positive and significant individual effect on the performance of Ogun State Internal Revenue Service, with coefficients and probability values of $\beta_{1=}$ 0.301, P-value<0.05; $\beta_{2=}$ 0.471, P-value<0.05 for product innovation and process innovation respectively. The F-stat (29.632, P-value<0.05) shows the fitness and overall significance of the regression model. It implies that innovative elements (product innovation and process innovation) are good predictors of the performance of Ogun State Internal Revenue Service. The adjusted coefficient of determination (adjusted R^2) suggested that 38.9% variation in the performance of Ogun State Internal Revenue Service is accounted for by innovative elements (product innovation and process innovation). It is concluded that innovation (process innovation and product innovation) have significant positive effect on the performance of Ogun State Internal Revenue Service. Therefore, the performance of Ogun State Internal Revenue Service is determined by their innovativeness. In line with the findings of this study, it is recommended that public enterprises, particularly revenue generating agencies, should enhance their innovativeness as it tends to improve their overall performance.

Keywords: Innovation, Process Innovation, Product Innovation, Performance

Introduction

The Nigerian Public Enterprises were created mainly for the purpose of expediting and facilitating economic development, the Nigerian Public Enterprises have been and continued to be criticized for her lack of productivity, efficiency, innovation and transparency. This ill-nature of the Nigerian Public Enterprises is well captured by the Nigerian Bureau of Public Enterprises: "There is virtually no public enterprise in Nigeria today that functions well. While they were created to alleviate the short-fall of the private sector and spearhead the development of Nigeria, many of them have stifled entrepreneurial development and fostered economic stagnation. Public enterprises have served as platforms for patronage and the promotion of political objectives, consequently suffer from operational interference by civil servants and political appointees" (Anyadike, 2013).

Eze, Adelekan, Nwaba & Majekodunmi (2018) posit that the Nigerian economy is confronted with serious challenges, due to shortages in foreign earnings, which was occasioned by low power generation, lower oil revenue and weak investors' confidence. This has negatively affected the nation's fiscal and external accounts as well as negatively affecting the monthly allocations to the federating units (Federal, State and Local

Governments) from the federation account (International Monetary Fund [IMF], 2016). The present global challenges, occasioned by the Covid 19 pandemic have propel government at various levels to strive towards the generation of more funds internally, by enhancing the overall performance of public enterprises, in order to augment the public finance gap. Studies (Eze, etal 2018; Rababah, 2017; Frank, Muturi and Gerrad, 2017; Nwankwo & Ajumogbohun, 2016) reveal that innovativeness is an important driver of organizational performance. Several scholars have examined the relationship between innovativeness and organizational performance However, most of the studies (Rababah, 2017; Frank et al., 2017; Gunday et al., 20l1; Nwankwo and Ajumogbohun, 2016) focused on the private sector. This therefore necessitates studies examining the effect of innovation on public sector performance. Furthermore, Eze et al (2018) recommended that studies examining the effect of innovation on various States Internal Revenue Services should be conducted. This study addresses the research gap, by examining the relationship between innovation and the performance of Ogun State Internal Revenue Service, with special focus on process and product innovation.

In line with the research objective, the following hypotheses will be tested:
H_o1: Process innovation does not significantly affect the performance of Ogun State Internal Revenue Service
H_o2: Product innovation does not significantly affect the performance of Ogun State Internal Revenue Service
H_o3: Combined innovation elements do not significantly affect the performance of Ogun State Internal Revenue Service

Literature Review

The last decade has been characterised by rapid social, political and technological changes. The need for enterprises to be innovative to be able to deal with competitive pressure cannot be overemphasized. Innovation is usually the outcome of business challenges that an enterprise has to deal with and the solution to overcome these challenges depends on the development of new product, market and process, which depicts innovativeness (Oladimeji, Abosede and Eze, 2019). Innovation emphasizes an enterprise proclivity to get involved in, and sustain, distinctiveness, experimentation, novel ideas, and inventive processes that might lead to the creation of new product, technique and market. (Lumpkin & Dess, 1996; Wiklund &Shepherd, 2003; Awosika, 2015).

An invention is an idea, a sketch or model for a new or improved device, product, process, or system" whereas "an innovation in the economic sense is accomplished only with the first commercial transaction involving the new product, process, system or device…" Thus innovation is the utilization of new ideas which stem from the bedrock of ideas and is in essence characterised by change. Moreover, in turbulent periods organizations can become flexible when they try incessantly to reinvent their business model. The accomplishment of innovation can be reached through technological facilities, trained workforce and management support for innovation.

According to Oke, 2015 as well as Durst, Mention and Poutanen, 2014, there are various kinds of innovation, which include: process innovation, product/service innovation, market innovation, and organizational innovation. This study focuses on the process and product innovation of Ogun State Internal Revenue Service. According to Oke (2015) process innovation is the creation of, or enhancement in techniques and production system or process development. It involves re-engineering as well as improving the internal operation of business process. For instance, innovation in techniques, skill, system and procedure, which is employed in the transformation of input into output that leads to efficiency in organizations.

There have been different views, notions, perspectives and perception of different authors and writers on the evaluation of performance of public enterprises in Nigeria. Some of these views of authors are reviewed below. According to Obikeze and Obi (2004) there is usually a problem in trying to assess the performance of public enterprises in Nigeria. The problem arises from the fact that quite unlike private enterprises that are set up with clear cut objectives, public enterprises must often do not have such clear-cut objectives. He premised his assessments of public enterprises to be meaningfully done using two criteria; these are quality of service they deliver and their return on investments. That public enterprises in Nigeria are grossly inefficient is not

longer in contention. Virtually all public enterprises render epileptic and unsatisfactory service to the people. Commenting on the issue of inefficiency of public enterprises in Nigeria, Ahmed el Rufai stated that "one needs to review the level of coverage and inefficiency our utilities measured against what they draw, directly or indirectly, from the federal treasury for this point to be irrevocably settled".

Ezeani (2006) opined that, the performance of most public enterprises in both developed and developing countries as generally disappointing, resulting in the words of Obadan (2000), in widespread doubts as to whether the benefits of public ownership are the objectives worth the cost. In discussing the performance of public enterprises in Nigeria, the central taste is to focus in difficulty of stating in measurable terms the result that public enterprises are expected to achieve. Obi sees the failure and inability of most of the public enterprises in Nigeria to achieve the objectives for which they are created is longer in doubt. In an effort to reverse the ugly tide, Nigerian government in the early 1980s made effort to use performance contract to measure the performance of public enterprises in Nigeria. This plan constitutes a pact between a government and the management of the public enterprises by stating the objectives to be achieved within a given specific time and conditions for attaining.

The Nigerian government at federal, state and local government levels have been actively involved in economic activities since the indigenization policy of 1972, the policy was designed to give Nigerians the opportunity to control the nation's economy, unlike what was obtainable before the implementation of the policy, when the foreigners control the nation's economic activities (Okeke, Onuorah and Okonkwo, 2016). The non-performance of most public enterprises has propelled the government to privatize a good percentage of such entities. Nevertheless, some public enterprises and agencies have been recording appreciable performance over the last two decade; one of such public sector entity is the Ogun State Internal Revenue Service.

Brief History of Ogun State Internal Revenue Service

Ogun State Board of Internal Revenue was formally a division under the Ogun State Ministry of Finance. This will not be unconnected with the fact that the establishment of the Revenue Agency as a division under the Ministry of Finance was common practice when Ogun State was created in 1976. The Internal Revenue Division as at then was known as Board of Internal Revenue and was headed by a Director of Internal Revenue.

The Board of Internal Revenue was excised from the Ministry of Finance and Economic Planning in August, 1994 with the deployment of a Director General to the Board as the Chairman. This was sequel to the enactment of Personal Income Tax Act (PITA) of 1993 from which the board derived its existence. The Board was formally established with effect from 30th September, 1996 through the enactment of Ogun State Internal Revenue Edict of 1996 dated 30th September, 1996 as N0 1 of 1997 published in the supplement of Ogun State of Nigeria gazette N0 1 Vol.22, 2nd January, 1997.

By virtue of personal Income Tax Act LFN 2004, as amended, the Board comprise Chairman, Directors from within or outside the state service and other members representing varied interests, while the operational arm is known as Ogun State internal Revenue service (www.ogunstate.gov.ng/oirs)

Underpinning Theory

This study adopts Ambidexterity Theory proposed by Bledow, Frese, Anderson, Erez, and Farr (2009). Ambidexterity theory focuses on the process of managing conflicting demands at multiple organizational levels to successfully innovate. Ambidexterity refers to "the ability of a complex and flexible system to manage and meet conflicting demands by engaging in fundamentally different activities" (Bledow et al., 2009). It emphasizes the successful management of both, exploration and exploitation in term of products, that is, the creation of a new process, product and the convertion of idea from the conceptual stage to reality. In terms of integration of activities, Bledow et al., (2009) propose differences between active management and self-regulatory processes. They further opined that active management and self-regulatory processes are needed for the combination of similar activities performed by levels, components or at different points in time (Bledow et al., 2009). The theory is highly relevant to this study, as it shows how organizations can innovate.

Methodology

This section focuses on the methodology employed to conduct the study. As such, it focuses on the methodology employed to determine the effect of innovation on public sector performance. This session covers the research design, population for the study, the sample size, research instrument, test of validity and reliability of instrument, method of data collection, model specification and the method for data analysis.

This study employed the survey research design. This is because survey research design tends to aid the better understanding of phenomenon under examination. The population of this study comprises the entire employees of Ogun State Internal Revenue Service. A sample of 120 employees of Ogun State Internal Revenue Service were purposively selected for the study.

The study employed a Likert scale questionnaire, rated as follows: (1) SD: Strongly Disagree, (2) D: Disagree, (3) A: Agree, (4) SA: Strongly Agree. The questionnaire consisted of two sections. Section A was used to obtain demographic information, while Section B addressed the research objectives. Both construct validity and content validity were met by the instrument. For construct validity, the questionnaires was divided into two sections to ensure that each section assesses the information for a specific objective, and also ensure that the same was closely tied to the conceptual framework for this study. The content validity of the instrument was tested using content validity index (CVI), by using four independent evaluators, who are academic staff. Each of the independent evaluators rated the questionnaire items on a two-point rating scale of relevant (R) and not relevant (NR). The content validity index was obtained by employing the CVI formula:

CVI = n/N

Where;

N= Total number of items in the instrument, while n= numbers of items rated as relevant.

The CVI gave a value of 0.8895, which is adjudged valid.

To test the reliability of the instrument (questionnaire), the test-retest method was employed; the instrument was administered on twelve employees of Ogun State Internal Revenue Service at the Sagamu Tax Office. This was done twice within an interval of two weeks. Thereafter, the outcomes of the first and second pilot study were correlated and the following values were obtained: 0.9034, 0.7922 and 0.8362 for product innovation, process innovation and performance respectively.

Model Specification

The model aggregated the elements of innovation employed for this study (product innovation and process innovation); it examined how these elements, individually and jointly, affect the performance of Ogun State Internal Revenue Service. The model addresses the main objective of the study, which is to examine the effect of innovation on Ogun State Internal Revenue Service performance. The model specification is stated below:

$PERF = f(PDI, PSI)$_____(i)

$PERF = \beta_0 + \beta_1 PRDI_i + \beta_2 PCSI_i + \mu_i$ $-----(ii)$

Where:

PERF represents Performance

PDI represents Product Innovation

PSI represents Process Innovation

β_0 is the constant term

β_1, β_2, are the coefficient of the estimator.

β_1, β_2, > 0

μ is the error term

The *apriori* expectation- it is expected that product innovation and process innovation will all impact positively Ogun State Internal Revenue Service performance; hence, the parameters of product innovation and process innovation should both have a positive sign.

The Ordinary Least Square (OLS) method of regression analysis was employed to estimate the regression models for all the hypotheses. The OLS was employed in order to examine if the independent variables (product innovation and process innovation) affect the dependents variable (performance). The benchmark for accepting or rejecting the hypotheses was a level of significance of five percent (0.05). SPSS version 23 software was used for the analysis.

Results and Discussions

120 copies of the structured questionnaire were administered on the selected employees of Ogun State Internal Revenue Service. However, only 103copies were returned and found useable.

4.1 Hypotheses Testing

Table 4.1: Summary of result (Dependent Variable – Enterprise Survival)

Variable(s)	Coefficient	T-statistics	P-Value
C	5.244	6.031	0.000
Product Innovation	.301	4.035	0.000
Process Innovation	.471	5.012	0.000
F-Statistics = **29.632** (0.0000)		R-Square =.401, Adj-R-Square= .389	

Author's computation from SPSS23

Source: Fieldwork (2020)

The result summary on table 4.1 shows that product innovation and process innovation both have positive and significant individual effect on the performance of Ogun State Internal Revenue Service, with coefficients and probability values of $\beta_{1=}$ 0.301, P-value<0.05; $\beta_{2=}$ 0.471, P-value<0.05 for product innovation and process innovation respectively.

The F-stat (29.632, P-value<0.05) shows the fitness and overall significance of the regression model. It implies that innovative elements (product innovation and process innovation) are good predictors of the performance of Ogun State Internal Revenue Service. That is, innovative elements (product innovation and process innovation) equally have positive and significant combined effects on the performance of Ogun State Internal Revenue Service. The adjusted coefficient of determination (adjusted R^2) suggested that 38.9% variation in the performance of Ogun State Internal Revenue Serviceis accounted for by innovative elements (product innovation and process innovation).

The finding is consistent with the findings of Eze, Adelekan, Nwaba & Majekodunmi (2018). that examined the effect of innovation on Lagos Internal Revenue Service Performance and found that innovativeness significantly affect Lagos Internal Revenue Service Performance.

Conclusion and Recommendations

The findings of this study provide evidence that product innovation and process innovation are significant drivers of Ogun State Internal Revenue Service performance. Using the regression coefficient to rank the innovation elements shows that process innovation has the greatest effect on the performance of Ogun State Internal Revenue Service. It is concluded that innovation (process innovation and product innovation) have significantly positive effect on the performance of Ogun State Internal Revenue Service. Therefore, the performance of Ogun State Internal Revenue Serviceis determined by their innovativeness.

In line with the findings of this study, it is recommended that public enterprises, particularly revenue generating agencies, should enhance their innovativeness as it tend to improve their overall performance.

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