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# **CREATIVE BUSINESS RESEARCH JOURNAL (CBRJ)**



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## PSYCHOLOGICAL EMPOWERMENT, EMOTIONAL INTELLIGENCE AND JOB SATISFACTION: A PILOT STUDY (RELIABILITY AND VALIDITY)

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*This paper is written as a pilot study on psychological empowerment, emotional intelligence and job satisfaction. The researchers randomly selected small sample of lecturers of universities in Kano state. The scale of Davies, Lane, Devenport, and Scott (uni-dimensional) was used to measure the emotional intelligence of the lecturers and the scale of Macdonold and Mclintyre (uni-dimensional) was use to examine the lecturers job satisfaction and for psychological empowerment, the scale of Spreitzer (multi-dimensional) was used. The papers examined the reliability, content and face validity of the measurement instrument as well as normality of the data. SPSS version 22 was used for the analysis. The result indicates that the data show an evidence of normality and the instruments are reliable. The study concludes that the scale is good enough for the intended study and future studies. The study recommends the use of the tested scales in any study for testing emotional intelligence, psychological empowerment and job satisfaction in any study.*

### 1.0 Introduction

It has been argued that successful social interaction results in synergy and positive outcome in organizations. Emotional intelligence is one of the important concepts that result in successful social interaction and even success in life (Shooshtarian, Lar & Ameli 2013). The relevance of emotional intelligence in determining success and positive outcomes prompted a lot of research across different organizational criteria (Gul- Bhati, 2013; Psilogioti, Anagostipoulos, Mourtou & Niakas, 2012; Kafetsios, Leonidas & Zampetakis, 2008; Carmeli, 2003; Ismaila, Suh-suh, Ajis & Dollah, 2009). One of the professions that may require emotional intelligence for it success is lecturing, because it involves direct contact with people.

Academic staff of the universities` functions involves interaction with colleague, students, government and the community (Awang, Hanim & Mohammad, 2010). The responsibilities and duties of lecturers in the university system in terms of workload, longer working hours under stress affect their job satisfaction and performance level (Awang, Hanim & Mohammad, 2010).

Emotional intelligence is required to enable lecturers cope with different challenges and optimally perform which subsequently result in job satisfaction. More so, Ramli and Abdul-aziz (2010) found that although more lecturers are needed in the university system, a lot of lecturers intend to quit their job from the university. Emotional intelligence is one of the variables that result in job satisfaction (Kafetsios, Leonidas & Zampetakis, 2008). Therefore, EI can be used to improve the job satisfaction of lecturers and eventually retain them in the university.

Pilot study is a well thought out to be like (Gay, Mills & Airasian, 2006). In another word is a practical preparation which the scale of the study is been tried using small sample before the main study. The current study is a pilot study which aims to achieve the same purpose. The study was carried out to test the validity and reliability of the instrument of the research and also to foresee the actual situation of the actual research.

In view of the above information this paper intends to use meaning, impact, self-determination and competence as the independent variable of the study while emotional intelligence is the mediator and job satisfaction as the dependent variable to do empirical pilot test in the context of university lecturers in Kano state which previous research did not consider.

## **1. Methodology**

The current study is a pilot study of a PhD thesis that aim to find the mediating role of emotional intelligence in the relationship between psychological empowerment and job satisfaction of lecturers in Kano State Universities. This pilot study utilizes few sample of lecturers of universities in Kano state. The affected universities includes;

Bayero University Kano (BUK), Yusuf Maitama Sule University (YMS) and Kano University of Science and Technology Wudil (KUST). The lecturers were selected using random sampling technique. According to Malhotra (2008) sample size for pilot study ranges from 15-30 respondents. Hence, the sum of 80 questionnaire were distributed among lecturers of universities in Kano State and 68 were duly completed and returned and therefore were utilize for the pilot analysis.

Cronbach alpha coefficient is one of the most accepted test for inter item reliability (Sekaran & Bourgie (2010). Hence, Cronbach alpha test was used in the current pilot study to examine the internal uniformity of the instrument. The data was analyzed using SPSS version 22 for windows.

### **1.1 Instrument and Measurement of Variables**

The current pilot study employ the use of questionnaire consisting of multiple choice questions. Since the items of the questionnaires were designed to measure the respondent's perceptions, Likert type of scale was selected because it has been proven to be the most appropriate and reliable for ratio and interval scale (Alreck & Settle, 1995; Miller, 1991).

This pilot study adopts a 5-point Likert type of scale to measure both the dependent, independent and mediator variable of the study. The main variables contained in the study are psychological empowerment which has four dimensions including impact, self-determination, meaning, and competence. Section 1: consist of a set three questions each for measuring impact, meaning, self-determination and competence. Section 2: deals with job satisfaction consisting of ten questions to



measure job satisfaction treated as uni-dimensional construct. Section 3: deals with emotional intelligence consisting of ten items for measuring emotional intelligence which is treated as uni-dimensional constructs. It is important to note that only items that will be used in answering the research questions were included in the questionnaire

## **2. Result of Validity and Reliability Test**

The measures of the variables and the type of scale were fully elaborated above. It is important to present the result obtained from the pilot. This result is presented below:

### **2.1 Content Validity**

Content validity which is based on expert assessment was carried out. Based on this, the instrument was screened and verified by a number of fairly educated individuals in the field of management. A number of questions were re-worded/re-phrased in order to measure the appropriate variables and also to be reasonable to the potential respondents. Therefore, the process of face validity was completed within two weeks. Minor modification was made in order to suit the context of this research and also to suit the sector as well. As a result, it could be said that the instrument can be appropriate for the study.

The revised version of the scale was obtained and for the pilot test. A total of 80

questionnaires were distributed and 68 were returned and used for the pilot study (representing 85% response rate). The high response rate was obtained because the distribution and collection of the questionnaire was done by the researchers with assistance from some colleagues. All the process of conducting the pilot study was completed within 8 weeks (October, 2019 to November, 2019).

### **2.2 Reliability**

Cronbach alpha test was used in the current pilot study to determine internal consistency of the scale. After delivering of the data using SPSS version 22 for windows, the result obtained reveals that the measures have high reliability ranging from 0.930 to 0.981. This result has passed the benchmark that provided a coefficient of 0.60 as an average reliability while the coefficient of 0.70 and as high reliability (Hair, Black, Babin, Anderson & Tathan, 2006, 2010; Sekaran & Bougie, 2010). However, coefficient of 0.50 is classed as supportive (Hair et al., 2010). Also, Hair, Money, Samoel and Page (2007) opined that researchers usually classify an alpha value of 0.70 as a least value but lower value coefficient may be acceptable. It can be seen from the table that the result of the pilot study shows that Cronbach alpha values for the value under examination are above 0.60.

**Table 3.1 Reliability Results of the Study Variables**

<b>Variable</b>	<b>No. of Items</b>	<b>Cronbach Alpha</b>
<b>Job Satisfaction</b>	<b>10</b>	<b>.953</b>
<b>Emotional Intelligence</b>	<b>10</b>	<b>.981</b>
<b>Competence</b>	<b>3</b>	<b>.938</b>
<b>Self Determination</b>	<b>3</b>	<b>.935</b>
<b>Impact</b>	<b>3</b>	<b>.930</b>
<b>Meaning</b>	<b>3</b>	<b>.941</b>

**Source: SPSS output 2021**

The reliability table above shows that all the measures of the variables under study

reached high reliability coefficient ranging between 0.981 to 0.930.

### 2.3 Normality of the Data

Important aspect in this study is testing for normality of the data. Obtain the normality of a given data involve inferential statistic (Pallant, 2001; Tabacknich & Fidell, 2007). Normal data is the one that is balanced, bell shaped with the maximum frequency of scores in the middle and smaller distribution toward the extreme end. Normality can be measured by using the values of Skewness and Kurtosis or normality graph. While Skewness deal with symmetary, Kurtosis shows the extent to which the data is peak or flat (Tabacknich & Fidell, 2007) (see normality graph at appendix)

### 3. Conclusion

This pilot study aims to investigate the validity and reliability of instruments to be used in an ongoing thesis. Base on the objective of the paper, the paper is statistical in nature. The general finding of the study will be presented when the main research is carried out. Hereunder, are the results of few data collected for the pilot study. Content validity was carry out which were examined by specialist in order to come up with a revised version of the instrument. Also, the inter item reliability test indicated that the items were reliable with Cronbach alpha above 0.60. Finally, normality test using the normality graph shows that the entire data is normal

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## EFFECTS OF CONSUMER PATRONAGE ON QUALITY BREAD IN INDIVIDUAL HOUSEHOLDS IN KALTUNGO METROPOLIS

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*Bread as a food is consumed in almost every individual household due to its large demand in various parts of many countries of the world. The study therefore, seeks to examine the effects of consumer patronage on quality bread in individual households in Kaltungo metropolis. The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The population of the study was the individual households in Kaltungo metropolis consisting of 2,227 individual households and 339 individual households was used as sample size for the study. Simple random sampling method was adopted to select the households. Chi-square and Correlation was used as a technique to test the hypotheses and determined the significant relationship between the variables with the aid of SPSS version 23. The findings show that, there is a strong and positive significant relationship between price, taste, freshness, and hygiene with the quality of bread consumed. The study concluded that, price, taste, freshness, and hygiene have contributed to the high rate of bread consumption by the individual households in Kaltungo metropolis. Based on this therefore, the study recommended that there should be improvement on price, taste, freshness and hygiene of bread consumed in the individual households in Kaltungo metropolis.*

### 1.0 Introduction

Bread is one of the most convenient foods, less expensive and most important human diet in the world today. It is a universally accepted form of food that is desired by all people, male and female, young and adult, rich and poor, rural and urban, that is consumed in almost every individual household and also, it is a highly nutritious food product that is consumed by nearly every individual all over the globe. It is a common food which is sold in the markets, motor parks, shops and even in super markets (Emmanuel & Uchenna, 2013). First, families and households contribute to private consumption, which is the largest share of all purchases and of total consumption (Eglite, 2009; 2011) bread inclusive. Second, families have the greatest influence on consumption and individuals learn to be consumers particularly in their families and households (Eglite, 2009; 2011). The demand for bread in every growing city of the world as a food product for human consumption is as a result of the

effect of globalisation, industrialisation and transformation in life styles of people that resulted in an increase in the consumption of bread in individual homes, government hospitals, prisons, etc. Demand for bread therefore, is set to remain stable; the increasing global population and the gradual rise in household income in developing countries constitute the two key factors driving demand (Biztrends, 2018). Bread has been the principal form of food for man and is also an important staple food that is produced and consumed in both developed and developing nations. The countries with the largest output of bread and bakery products were the U.S. (13.9 million tonnes), China (9.2 million tonnes), Russia (8.8 million tonnes), Germany (5.8 million tonnes), the UK (5.7 million tonnes) and Egypt (4.6 million tonnes) (Biztrends, 2018). Overall, these countries accounted for 37% of the global output (Biztrends, 2018). Equally, it should be mentioned that significant volumes of bread and bakery-type products can be produced both at home and directly at the points of sale. The countries with the highest consumption were the U.S. (14.7 million tonnes), China (9.3 million tonnes), Russia (8.7 million tonnes), the UK (6.2 million tonnes), Germany (5.2 million tonnes), Egypt (4.6 million tonnes) and Italy (3.9 million tonnes), together accounting for approximately 41% of global consumption (Biztrends, 2018). China emerges as the fastest-growing market of breads in the world.

In Africa, bread as a food product has become a regular food in most part of the continent and is an essential food commodity today. There is a high potential for business growth in selling bread and bakery products in this region. According to Nicole, Manson, Jayne & BekeleShiferaw (2012), the demand for bread is expected to

explode in the coming years. South Africa, Nigeria, Ethiopia, Sudan and Kenya are currently the largest and leading bread markets in Africa (Abdullahi, 2016). The key drivers of this demand are Africa's rapidly growing population, an expanding middle class which has more money to spend, an enlarging labour force, and increasing rates of migration to African cities and towns. Statistics reveal that urban dwellers and city people eat more bread than people in the rural areas (Abdullahi, 2016). Given the rapid growth of African city populations, bread is sure to remain a highly sought-after food item by African households (Nicole et al., 2012).

Bread is a good source of carbohydrates and micronutrients such as vitamins and minerals (Eke, Ariaahu & Gernah, 2013). Bread is also an excellent source of fibre, protein and folic acid, and bread has been an essential element of human diet for centuries in all regions (Eshetuet, Atlabachew & Abebe, 2018). In many countries, especially in India, bread has become one of the most important popularly consumed non-indigenous food (Das, Raychaudhri & Chakraborty, 2012), where as in Nigeria, bread is the most important item of breakfast among Nigerian diets. According to Shittu, Raji, & Sanni, (2007) after rice, bread is the second most largely consumed non-indigenous food in Nigeria. In Nigeria, it is consumed in relatively large quantities by different classes of people irrespective of their social status because it is affordable and available in a "ready to eat" form (Darko, 2002). The bakery production which has been increasing steadily in the country is among the largest processed food industries in Nigeria. Therefore, the objective of the study is to examine the effects of consumer patronage on quality bread in individual households in Kaltungo metropolis, this is

with a view to providing human nutrients and satisfaction to various individual households.

## 2.0 Statement of the Problems

The major problem with bread consumption in Nigeria is that most places cannot produce sufficient quantities of grains such as maize and wheat required by the baking industry. Shortage of raw material causes increase in the price of baked products while manpower shortage affects its quality (Okafor, 2010) likewise taste and hygiene. The rise in the prices of bread was associated with sundry baking materials such as sugar, butter, flour and fat (Abdullahi, 2016). As a result, the supply of bread becomes very low in comparison to demand. This inability to meet the domestic demand could be attributed to low productivity, inefficiency in the use of resources, disincentives from macro-economic environment and traditional technologies.

The study was informed by the perceived growing trend of consumers patronising quality bread as a food for human consumption by individual households in Kaltungo metropolis. Nevertheless, the study on the effects of consumer patronage on quality bread in individual households in Kaltungo metropolis is scarce and also because of the interest to test the variables of consumer patronage as it is obtained in other places among other factors. The study also

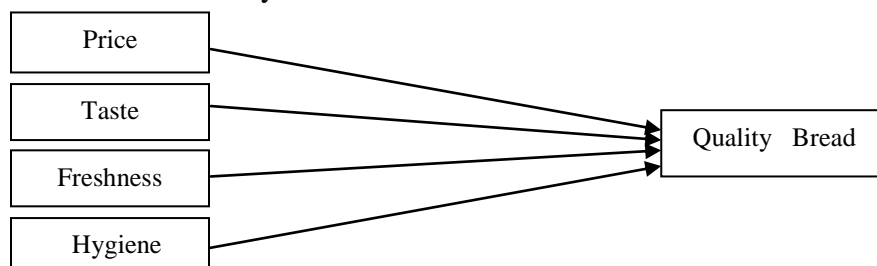
examined the size and magnitude of bread consumption in the area. The study have identified some variables as challenges in the baking industry with a view to examining their effects on creating relationship between consumer patronage and the quality of bread consumed in individual households and therefore, the variables are price, taste, freshness and hygiene with a view to test the hypotheses of the study.

## 3.0 Literature Review

The literature review focused on conceptual framework of the study and empirical evidences to review the effects of consumer patronage on quality bread in individual households.

### Conceptual Framework

The study assumed that, the degree of consumer patronage will depend on the degree of quality of bread consumed that leads to good health and satisfaction. A satisfied consumer with a degree of trust will enter into purchased of the product for long term relationship with suppliers and sellers. A long term buyer-seller business relationship is very important to create long-term consumer patronage hence, better sales performance and profitability to the seller. The observed variables of the independent construct that were used to measure the latent construct are price, taste, freshness and hygiene, as shown in figure 1 below:-



**Figure 1:** Observe Variables of the independent construct.  
Source: Adapted from Aka, Kahinde & Ogunnaike (2016).

### 3.2 Empirical Evidences

Bread is prized for its taste, aroma, quality, appearance and texture and, retaining its freshness is important to keeping it appetizing and appealing to consumers (Afolabi, Aluko, Olaniran, Ajao, Ojumu & Olawande, 2015). The consumption of bread cut across socio-cultural and religious barriers and is a food of choice for both rich and poor in Nigeria (NAFDAC, 2010). Some empirical studies present evidences that consumer patronage of quality bread is based on certain factors and among them include the following:-

Adepoju & Oyewole (2013) in their study on households' perception and willingness to pay for bread with cassava flour inclusion in Osogbo metropolis, Osun state, Nigeria discovered that, factors such as taste, packaging, price, size, colour, market distance, health benefits have been found to affect consumers' buying decisions of bread. A study by Chabikuli (2011) on Market segmentation and consumer willingness to pay for high fibre products: The case of Johannesburg and the surrounding areas, South Africa found out that price, brand name, fibre content and taste affected consumers' buying decisions for high fibre products. In the study of consumer behaviour in the bread market in Latvia by Eglite & Kunkulberga, (2015) maintained that, in the choice of bread, young consumers preferred bread's taste and expiry dates, followed by bread's aroma, price and food additives (e-preservatives). The most important factor in the choice of bread, for all the sorts of bread, was price.

### 3.3 Hypotheses of the Study

The hypotheses of the study are:

H01 There is no significant relationship between price and quality bread.

H02 There is no significant relationship between taste and quality bread.

H03 There is no significant relationship between freshness and quality bread.

H04 There is no significant relationship between hygiene and quality bread.

### 4.0 Methodology

The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The type of data obtained for the study was the primary type. The individual households that were involved in the study were selected using simple random sampling technique and the respondents were also selected using convenience sampling technique to fill in the questionnaires. Chi-square and Correlation was used as a technique to measure the significance and relationship between the variables through the test of the hypotheses. Reliability of the instrument used was also tested.

#### 4.1 Population of the study

The population of the study is defined as the individual households that consumed quality bread in Kaltungo metropolis as almost every household consumed bread. The population of the individual households in Kaltungo metropolis consists of 2,227 individual households (PHC, 2019).

#### 4.2 Sample Size

The sample size for the study was obtained from the population of the individual households who are the respondents. The study therefore, adopted Taro Yamane's statistical formula to determine the sample size. The calculation formula of Taro Yamane is presented as follows:-

$$n = \frac{N}{1 + N(e)^2}$$
 From this study, n = sample size

$$N = 2,227$$
 individual households (population for the study)

$$e = 0.05$$

Substituting the numbers in the formula:

$$n = \frac{2,227}{1 + 2,227 (0.05)^2} = \frac{2,227}{1 + 2,227 (0.0025)} = \frac{2,227}{6.5675} = 339.0940236 \therefore n = 339$$

A sample size of 339 individual households was derived for the survey.

### 5.0 Result and Analysis

The reliability of 35 items that were critical to measure the latent variable has been tested by using Cronbach's alpha. Thus, the reliability coefficient of the items is above .7 (70%) and the overall reliability test for the

items is 0.978 (97.8%). This implies that the items were valid and reliable. DeVellis (2003) recommended that, any Cronbach's alpha coefficient of the scale above .7 is an acceptable value.

### 5.1 Test of Hypotheses

i).H01: There is no significant relationship between price and quality bread

**Table 1 Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	322.589 <sup>a</sup>	12	.000
Likelihood Ratio	63.996	12	.000
Linear-by-Linear Association	60.588	1	.000
N of Valid Cases	268		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .00.  
 Source; Output SPSS 2020

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 322.589$ ,  $df = 12$ ) so we reject H01 and accept H1 which implies that, price

has significant relationship with quality bread.

The correlation taste between price and quality bread was carried out and the result presented below:-

**Table 2 Correlation**

		Price	Quality Bread
Price	Pearson Correlation	1	.476**
	Sig. (2-tailed)		.000
	N	268	268
Quality Bread	Pearson Correlation	.476**	1
	Sig. (2-tailed)	.000	
	N	268	268

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

Source; Output SPSS 2020

Table 2 above present the correlation index for the relationship between independent variable (Price) and the dependent variable (Quality Bread) involved in the study. The correlation index for the relationship between price and quality bread is .476. This

shows that, there is a positive and significant relationship between human consumption and quality bread.

ii) H02 There is no significant relationship between taste and quality bread.



**Table 3 Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	351.834 <sup>a</sup>	12	.000
Likelihood Ratio	95.569	12	.000
Linear-by-Linear Association	79.225	1	.000
N of Valid Cases	268		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .00.  
 Source: Output SPSS, 2020

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 351.834$ ,  $df = 12$ ) so we reject  $H_0$  and accept  $H_1$  which implies that, taste

has significant relationship with quality bread.

The correlation test between taste and quality was carried out and the result presented below:-

**Table 4 Correlations**

		Taste	Quality Bread
Taste	Pearson Correlation	1	.545**
	Sig. (2-tailed)		.000
	N	268	268
Quality Bread	Pearson Correlation	.545**	1
	Sig. (2-tailed)	.000	
	N	268	268

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

Source; Output SPSS 2020

Table 4 above present the correlation index for the relationship between independent variable (taste) and the dependent variable (quality bread) involved in the study. The correlation index for the relationship between taste and quality bread is .545. The

result from the analysis indicates that, there is a moderate and positive relationship between human consumption and quality bread.  $H_0$  There is no significant relationship between freshness and quality bread.

**Table 5 Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	381.244 <sup>a</sup>	12	.000
Likelihood Ratio	114.595	12	.000
Linear-by-Linear Association	81.223	1	.000
N of Valid Cases	268		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .00.  
 Source; Output SPSS 2020

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 381.244$ ,  $df = 12$ ) so we reject  $H_0$  and accept  $H_1$  which implies that, freshness has significant relationship with quality bread. The correlation taste between freshness and quality bread was carried out and the result presented below:-

**Table 6 Correlations**

		Freshness	Quality Bread
Freshness	Pearson Correlation	1	.552**
	Sig. (2-tailed)		.000
	N	268	268
Quality Bread	Pearson Correlation	.552**	1
	Sig. (2-tailed)	.000	
	N	268	268

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

Source; Output SPSS 2020

Table 6 above present the correlation index for the relationship between independent variable (Freshness) and the dependent variable (Quality Bread) involved in the study. The correlation index for the relationship between freshness and quality

bread is .552. The result from the analysis indicates that, there is a moderate, positive and significant relationship between human consumption and quality bread.

iv) H04 There is no significant relationship between hygiene and quality bread.

**Table 7 Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	215.601 <sup>a</sup>	12	.000
Likelihood Ratio	88.542	12	.000
Linear-by-Linear Association	78.476	1	.000
N of Valid Cases	268		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .01.

Source; Output SPSS 2020

Conclusion: the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 215.601$ ,  $df = 12$ ) so we reject H01 and accept H1 which implies that,

hygiene has significant relationship with quality bread.

The correlation taste between hygiene and quality bread was carried out and the result presented below:

**Table 8 Correlation**

		Hygiene	Quality Bread
Hygiene	Pearson Correlation	1	.542**
	Sig. (2-tailed)		.000
	N	268	268
Quality Bread	Pearson Correlation	.542**	1
	Sig. (2-tailed)	.000	
	N	268	268

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

Source: Output SPSS 2020

Table 8 above present the correlation index for the relationship between independent variable (Hygiene) and the

dependent variable (Quality Bread) involved in the study. The correlation index for the relationship between freshness and quality

bread is .542. The result from the analysis shows that, there is a moderate, positive and significant relationship between human consumption and quality bread.

under the heading R Square, it is realized that how much of the variance in the dependent variable (Quality Bread) can be explained by the model (Price, Taste, Freshness, Hygiene).

Table 9 below present the Model Summary and checking the value given

**Table 9. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.672 <sup>a</sup>	.451	.443	.505

a. Predictors: (Constant), Hygiene, Price, Freshness, Taste.

Source; Output SPSS 2020

The R Square of this model was .451 meaning that 45.1 percent of quality bread can be explained by these four variables. The adjusted R-square in the table shows that the dependent variable, (Quality Bread) is affected by 44.3% (.443) by the independent variables (Price, Taste,

Freshness, and Hygiene). It shows that factors of Price, Taste, Freshness, and Hygiene are responsible for Quality Bread. The overall model was also significant, tested with the help of ANOVA. The results are given in the following table below:-

**Table 10. ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	55.100	4	13.775	54.024	.000 <sup>b</sup>
Residual	67.060	263	.255		
Total	122.160	267			

a. Dependent Variable: Quality Bread

b. Predictors: (Constant), Hygiene, Price, Freshness, Taste

Source; Output SPSS 2020

ANOVA table is showing the level of significance. Through the table it is clear that all sub factors Price, Taste, Freshness, and Hygiene are related to quality of bread and that the relationship between them is

significant as compared to alpha value=0.05. Table 11 shows the coefficients of all independent variables included in the model along with their respective P-values.

**Table 11. Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.478	.285		1.673	.095
	Price	.142	.068	.120	2.076	.039
	Taste	.213	.066	.201	3.254	.001
	Freshness	.267	.058	.263	4.566	.000
	Hygiene	.250	.055	.257	4.541	.000

a. Dependent Variable: Quality Bread

As it clear from the findings of table 11 above that, each and every factor is significantly related to quality bread. Under the standardized coefficients it is evident that the Freshness is the major and most important factor causing quality bread to be consumed the more by the individual households in Kaltungo metropolis with a standardize coefficient of 0.263 and the second important variable is Hygiene with a standardize coefficient of 0.257 as asserted by Adepoju & Oyewole (2013) on it health aspect in the literature. The third important variable is Taste with a standardize coefficient of 0.201 as maintained by Chabikuli (2011) and Adepoju & Oyewole (2013) as a factor affecting bread consumption. The fourth factor is price with a standardize coefficient of 0.120 as discovered by Eglite & Kunkulberga,(2015), Adepoju & Oyewole (2013) and Chabikuli (2011).Hence there are three main factors that are mainly responsible in order for individual households to obtained satisfaction from the consumption of quality bread in Kaltungo Metropolis based on this study. Other factor of the study has a weak impact on quality bread, that is price (b=0.120). As the table shows positive values and the first three sub factors (Freshness, Hygiene, and Taste) are significant at value = 0.05, with  $P < 0.05$  it is concluded that the H1, H2, H3 and H4 hypothesis are endorsed.

## **6.0 Conclusion**

Despite the fact that, bread is a staple food consumed on a daily basis by inhabitants of any nation worldwide, the findings show that, there is a positive and significant relationship between price, taste, freshness, and hygiene with the quality of bread consumed. The study concluded that price, taste, freshness, and hygiene as variables of consumer patronage contribute to high rate

of dietary consumption of bread as a result of high rate of customer patronage by the individual households in Kaltungo metropolis irrespective of their socio-economic status. Moreover, bread is superior in that it is a solid that can easily be carried, and it forms an ideal material for enrichment with vitamins, minerals and protein concentrates. Based on this therefore, the study recommended that there should be improvement on price, taste, freshness, and hygiene of quality bread consumed in Kaltungo metropolis. Furthermore, the study also suggest that more bread firms should be located in the metropolis to reduce supply from other places, and more sale outlet should be establish to cater for the demand of bread consumption.

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Appendix I,

**Table A. Case Processing Summary**

		N	%
Cases	Valid	268	100.0
	Excluded <sup>a</sup>	0	.0
	Total	268	100.0

a. Listwise deletion based on all variables in the procedure.  
 Source: Output SPSS, 2020

**Table B. Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.978	.978	35

Source: Output SPSS, 2020

## AMBIENCE ATTRIBUTES AFFECTING CUSTOMER PATRONAGE IN FOOD RESTAURANTS IN GOMBE

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*The objective of this study is to examine ambience attributes affecting customer patronage in food restaurants in Gombe. The study used a quantitative approach to gather the data for the study and the data collected was the primary type through survey questionnaire method adapted from previous studies as a data gathering instrument. Customers of twelve (8) selected restaurants in Gombe metropolis were considered to take part as respondents in the study. The population for the study was 1,200 customers and the sample size for the study was 291 customers. Restaurants were selected by using simple random sampling method and the respondents were chosen by convenience sampling method. Chi-square test was used as a technique to test the hypotheses and association to measure the strength of relationship between the variables with the aid of SPSS version 23. The findings revealed that, lighting, temperature, taste and aroma are significant factors of ambience attributes affecting customer patronage in food restaurants in Gombe. The study therefore recommended that the management of restaurants should regularly improve on their relationships with customers in terms of lighting, temperature, taste and aroma in order to increase the level of customer patronage in the food restaurants.*

### 1.0 Introduction

Patronage is born out of a desire to be committed and loyal to a business either based on its quality of service or perceived service qualities. Hence, the extent to which a customer will patronise the services of a food restaurant depends on how the customer perceives the restaurant physical environment and how the customer also thinks and feels that the condition of the service environment is consistent with his/her personality. Patronage arises when an individual displays conscious effort to choose a solution towards his or her need(s) through the process of analyzing situations which would be rewarding and relatively satisfying amidst some challenges faced in the course of fulfilling his/her own desires (Adiele & Grend, 2016). This explains why individuals can exhibit unconditional attachment and affection towards objects or persons (Adiele & Etuk, 2017). Patronage delivers the foundation for an established and growing market share. Customers have unpredictable degree of patronage with respect to particular services, stores and other entities.

Customer patronage is the approval or support provided by customers with respect to a particular brand. Getting more customer patronage is a vital objective of strategic marketing and relationship marketing initiatives. Customers are more inclined to patronising a business that goes the extra mile in marketing itself and special treatments to leave a positive impact on customers and keeps them returning to the business (Ademola, 2013). Understanding consumer behavior and the processes they go through in making a purchase decision is vital for building customer patronage. Customers are gradually eating out in restaurants as a matter of simplifying their lives and seeking convenience and variety (Kasapila, 2006). Consumers are nowadays experiencing an increasing scarcity of time. As a result, consumers prefer to eat out rather than to spend their scarce time cooking meals at home. This triggered a tendency to consume food away from home (Andaleeb & Conway, 2006). The tendency is most evident in developed countries (Vink, Kirsten & Woermann, 2004) and amongst high-income households (Frazão, Maede & Regmi, 2008). If a customer is not satisfied by offered service and value in the restaurant, he will leave for another restaurant (Kang, Nobuyuki & Herbert, 2004). However, there is an assumption that the primary reason people go to restaurants is for the meal (Sulek & Hensley, 2004). Gone are the days when restaurants were more focused on food quality and taste, now they have to pay equal attention to other important factors like serving, atmosphere, interior decorations, tangibles and location (Olsen, 2002). In order to gain a competitive advantage in today's market; restaurants have to offer meals that offer good value in a favourable ambience (Kaplan & Norton, 2001).

Meanwhile, literatures suggest that truly satisfied customers tend to return frequently, spend more, spread positive word of mouth, and remain loyal instead of switching to a competitor (Homburg, Koschate, & Hoyer, 2005; Mohsan, Nawaz, Khan, Shaukat, & Aslam, 2011). Thus, the success of a food restaurant sector is largely dependent on enhancing customer satisfaction and encouraging future patronisation. The importance or essence of repeat customer patronage is that an increase in sales volume will ultimately and significantly impact on the company's profitability level (Adiele, Justin, & Gabriel, 2013). Therefore, the objective of the study is to examine ambience attributes affecting customer patronage in food restaurants in Gombe.

## **2.0 Statement of the Problem**

The inability to satisfy restaurant customers' expectations despite constant customer patronage is among the reasons for slow growth and survival in the food restaurants which constitutes challenges in the sector. In today's competitive markets, an aggressive competition between restaurants is seen more than in the past. Gyaan (2017) has identified some reasons why customers are not returning to a restaurant and these include poor quality of food, poor customer service, unreliable service standards, dirty housekeeping (dining at dirty place), incompetent pricing (variation in pricing), lack of customer loyalty programmes and inability to adopt technology and social media which can lead to customer turnover. Factors ranging from food quality, service quality, environment, price, quick service (Akbar & Alaudeen, 2012; Tabassum & Rahman, 2012; Tat, Sook-Min, Ai-Chin, Rasli & Hamid, 2011) constitute challenges to the restaurant industry.

Despite having affordable prices and spending money on marketing activities



such as promotions, restaurants seem to be finding great difficulty in determining customer patronage, as customers seek more for their money when spending at restaurants (Thornton, 2009). In spite of the growing interest on ambience attributes affecting customer patronage in food restaurants, no or limited study has been completed on the topic in Gombe. The study also examined the size or magnitude of customer patronage as a result of ambience in food restaurants in Gombe. As such, a study to determine the ambience attributes affecting customer patronage in food restaurants in Gombe has been visualised. It will test the factors of lighting, temperature, taste and aroma to measure how it affects customer patronage in the restaurants. The results of the study could increase the level of customer patronage and satisfaction, and conceptualise restaurant customers' probability of intention to return to food restaurants.

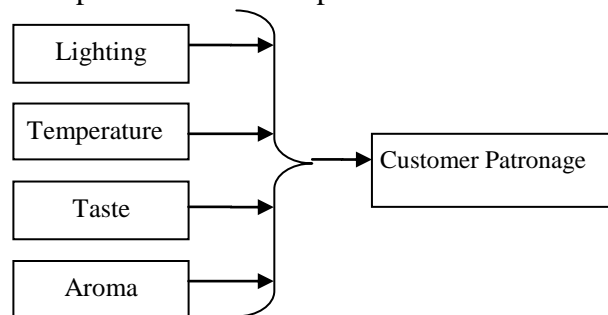
### 3.0 Literature Review

The effective ambient conditions of service setting inspire the customer to pursue the service consumptions, and thereby influence their attitude and behavior towards the service providers (Nguyen & Leblanc, 2002). Ambience of the restaurant is considered as an essential dimension of the physical environment that has a significant influence on customer overall service quality of the restaurant. Pleasing background music, pleasant scent, comfortable temperature, low noise, and adequate lighting may result in favorable perception in customer about the restaurant, and thus may result in their experience more positively (Raghavendra, Mallya, & Mukherjee, 2019). According to Hanaysha (2016), all tangible and intangible elements inside and outside of the restaurant are included in the concept of physical

environment, including temperature, lighting, scent, noise, atmosphere, and music. Among a variety of ambience attributes identified and validated from extant research, four attributes (i.e., lighting, temperature, taste, and aroma) were adopted in the study. The literature review focused on conceptual framework of the study, empirical evidences on ambience attributes affecting customer patronage and the hypotheses of the study.

### 3.1 Conceptual Framework

The study considers some factors of ambience attributes that tend to have certain degree of influence on customer patronage that established certain degree of relationship in the food restaurants. A satisfied consumer with a degree of trust will enter into purchased of the product for a long-term relationship with the restaurants. A long term buyer-seller business transaction is very important to create long-term consumer patronage hence, better sales performance and profitability to the seller. Therefore, the variables that were used in this study are the independent variables to examine ambience attributes affecting customer patronage in the restaurants. The diagram below shows the conceptual model showing a relationship between the independent and the dependent variables:-



**Independent Variables**  
**Variable**

**Dependent**

**Figure 1:** Conceptual Framework

Source: Adapted from Moses, Moses & John, (2015)

### **3.2 Empirical Review**

The ambience of a restaurant refers to the intangible background features that mainly have effect on customers' perception and response to the environment. These intangible characteristics include quality of air, temperature, music, lighting, scent, noise, etc. of the service setting. Pleasing background music, pleasant scent, comfortable temperature, low noise, and adequate lighting may result in favorable perception in customer about the restaurant, and thus may result in their experience more positively (Raghavendra, *et al.*, 2019). The past studies demonstrated enough evidence for the role of lighting and music on consumers' purchase decision and length of the stay (Wansink, 2004); the influence of ambient scent on customer's involvement (Zemke, & Shoemaker, 2007); and customer emotions (Ali & Amin, 2014; Ali, Amin, & Ryu, 2016). Also, previous studies have found that atmospheric music can influence customer satisfaction (Magnini & Parker, 2009; Oakes, 2003).

In study conducted by Raghavendra, *et al.*, (2019), it was found that, out of the three factors of the physical environment dimension (décor and artifacts, spatial layout, ambient conditions), ambient conditions were seen to record the most significant influence on overall service quality of multicuisine restaurants in Manipal. In other words, the background music played, the temperature in a restaurant, decent aroma, and lighting had a significant effect on overall perceived service quality of the students in campus town. This finding is in line with the study conducted by Mahalingam, Jain & Sahay, (2016). The lightings and ambience emerged as predictors of customer patronage. In the research by Liu & Jang (2009) on upscale restaurants, music, aroma, temperature, and

the employees' appearance showed statistically significant relationship with the customers' emotions, which in turn would affect the future behavioural intentions. The results of a study by Sukalakamala & Boyce (2007) indicated that consumers of Thai restaurants considered unique tastes and authentic ingredients as the most important components of their authentic dining experience. One of the authors that investigated food quality; Sulek & Hensley (2004) found that features of food appeal were taste, presentation, textures, colours, temperature, size of the portions and entrée complexity. Shahrudin, Mansor, & Elias, (2011) conducted a study in fast food restaurants and found freshness to be the food quality attribute with the highest importance, followed by presentation and taste.

### **3.3 Hypotheses of the Study**

The hypotheses of the study are:-

H01 Lighting has no positive relationship with customer patronage

H02 Temperature has no positive relationship with customer patronage

H03 Taste has no positive relationship with customer patronage

H04 Aroma has no positive relationship with customer patronage

### **4.0 Methodology**

The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The type of data obtained for the study was the primary type. The restaurants that were involved in the study were selected using simple random sampling technique and the customers who were the respondents were also selected using convenience sampling technique to fill

in the questionnaire. The data analysis was carried out by Chi-square test and Pearson Correlation as a technique, to measure the significance and relationship between the variables by testing of the hypotheses. The 5-Likert-type scale questionnaire (strongly agree to strongly disagree) (adapted from Mwangi, 2018) was adopted in the questionnaire to give respondents greater scope in their choice of response.

**4.1 Population of the Study**

The population of the study is the customers of the food restaurants that patronised the eight (8) selected restaurants for the study in Gombe metropolis. There are sixty (60) existing and functional restaurants that operate within Gombe metropolis (Ministry of Culture & Tourism (MCT), 2017; Heyrestaurants, n.d; Hotels.ng, n.d). Based on the survey conducted by the research, it discovered that the customers that patronised these restaurants have an average of 100 to 150 customers per day (Preliminary Survey, 2020). These restaurants are selected because they are among the most patronised restaurants and

also because of their strategic location within the metropolis. Therefore, the population for the study is one thousand, two hundred (1,200) customers (150x8=1,200).

**4.2 Sample Size**

The sample size for the study was obtained from the customers of the selected restaurants who are the respondents and a sample size of two hundred and ninety one (291) (Krejcie and Morgan table, 1970) customers was determined for the study.

**5.0 Result and Analysis**

The reliability of 35 items that were critical to measure the latent variable has been tested by using Cronbach’s alpha. Thus, the reliability coefficient of the items is above .7 (70%) and the overall reliability test for the items is 0.984 (98.4%) as presented in table 1 below. This implies that the items were valid and reliable. DeVellis (2003) recommended that, any Cronbach’s alpha coefficient of the scale above .7 is an acceptable value for field survey

**Table 1 Reliability Statistics**

Cronbach’s Alpha	Cronbach’s Alpha Based on Standardized Items	N of Items
.984	.984	35

Source: Output SPSS, 2021

**5.1 Test of Hypotheses**

The general criteria for analysing the hypothesis is that:-

Reject null hypothesis if a P-value is > 0.05 and accept alternative hypothesis.

Accept alternative hypothesis if a P-value is > 0.05 and reject null hypothesis.

Table 2 below presents the relevant Pearson Chi-Square value for the Chi-Square tests

conducted on the data to tests the hypotheses:

**Table 2. Chi-Square Tests**

Pearson Chi-Square Value		Asymptotic		N of Valid Cases
		df	Significance (2-sided)	
Lighting	568.516 <sup>a</sup>	16	.000	282
Temperature	595.867 <sup>a</sup>	16	.000	282
Taste	615.096 <sup>a</sup>	16	.000	282
Aroma	443.234 <sup>a</sup>	16	.000	282

Source: Output SPSS, 2021

i) H01 Lighting has no positive relationship with customer patronage.

The Pearson Chi-Square Value of Lighting was 568.516 and the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 568.516$ ,  $df = 16$ ), so we reject H01 and accept H1 which implies that, lighting has significant relationship with customer patronage.

ii) H02 Temperature has no positive relationship with customer patronage.

The Pearson Chi-Square Value of Temperature was 595.867 and the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 595.867$ ,  $df = 16$ ), so we reject H01 and accept H1 which implies that, temperature has significant relationship with customer patronage.

iii) H03 Taste has no positive relationship with customer patronage

The Pearson Chi-Square Value of Taste was 615.096 and the Chi-Square test carried out on the data was significant at the 0.05 level

(2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 615.096$ ,  $df = 16$ ), so we reject H01 and accept H1 which implies that, Taste has significant relationship with customer patronage.

iv) H04 Aroma has no positive relationship with customer patronage.

The Pearson Chi-Square Value of Aroma was 443.234 and the Chi-Square test carried out on the data was significant at the 0.05 level (2-tailed  $p < 0.005$ ) of significance. Chi-Square ( $X^2 = 443.234$ ,  $df = 16$ ), so we reject H01 and accept H1 which implies that, Aroma has significant relationship with customer patronage.

The study also test the strength of associations involved in the relationship as shown in table 3 below:

**Table 3. Symmetric Measures**

Variables	Nominal by Nominal		Approximate N of Valid	
	Phi	Cramer's V	Significance	Cases
Lighting	1.420	.710	.000	282
Temperature	1.454	.727	.000	282
Taste	1.477	.738	.000	282
Aroma	1.254	.627	.000	282

Source: Output SPSS, 2021

Table 3 presents the strength of associations involved in the relationships and in this table, the strength of relationship between lighting and customer patronage is shown by Cramer’s V value of .710 which indicates a significant relationship. This shows that, there is a strong association between lighting and customer patronage. The strength of relationship between temperature and customer patronage is shown by Cramer’s V value of .727 which indicates a significant relationship. This shows that, there is a strong association between temperature and customer patronage. The strength of relationship between taste and customer patronage is shown by Cramer’s V value of .738 which indicates a significant relationship. This shows that, there is a strong association between taste and customer patronage, and the strength of relationship between aroma and customer

patronage is shown by Cramer’s V value of .627 which indicates a significant relationship. This shows that, there is a strong association between aroma and customer patronage. All the values of Cramer’s V show that, the level of association has a strong relationship between the observed variables and the latent construct.

Considering the Model Summary and checking the value given under the heading R Square, it is realized that how much of the variance in the dependent variable (customer patronage) can be explained by the model (lighting, temperature, taste and aroma). The R Square of this model was .541 meaning that 54.1 percent of the customer patronage can be explained by these four variables. Table 4 below is a Model Summary which presents results that were obtained by the regression analysis.

**Table 4. Model Summary**

Model	R	Adjusted R Square	Std. Error of the Estimate
1	.736 <sup>a</sup>	.535	.5000

a. Predictors: (Constant), Aroma, Taste, Lighting, Temperature

Source: Output SPSS, 2021

The adjusted R-square in the table shows that the dependent variable, (customer patronage) is affected by 53.5% by independent variables (lighting, temperature, taste and aroma). It shows that, lighting,

temperature, taste and aroma are responsible for customer patronage. The overall model was also significant, tested with the help of ANOVA. The results are given in table5 below:-

**Table 5. ANOVA<sup>a</sup>**

Model	Sum of Squares	dF	Mean Square	F	Sig.
1	Regression 81.6784	20.419	81.747		.000 <sup>b</sup>
	Residual	69.191	277		.250
	Total	150.869	281		

a. Dependent Variable: Customer Patronage

b. Predictors: (Constant), Aroma, Taste, Lighting, Temperature

Source: Output SPSS, 2021

ANOVA table is showing the level of significance. Through the table it is obvious that all sub factors lighting, temperature, taste and aroma are related to customer patronage and that the relationship between

them is significant as compared to alpha value=0.05. Table 6 below shows the coefficients of all the independent variables included in the model along with their respective P-values

**Table 6. Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.375	.231		1.622	.106
Lighting	.158	.065	.141	2.435	.016
Temperature	.224	.061	.220	3.679	.000
Taste	.256	.056	.255	4.599	.000
Aroma	.255	.052	.266	4.911	.000

a. Dependent Variable: Customer Patronage

Source: Output SPSS, 2021

From the findings of table 7 above, each and every component is significantly related to Customer Patronage. Under the standardized coefficients it is evident that aroma is the major and most important factor causing customer patronage in the food restaurants in Gombe with a standardize coefficient of 0.266 and this is supported by the studies conducted by Liu & Jang (2009) and Raghavendra, *et al.*, (2019) as identified in the literature. The second important variable is taste with a standardize coefficient of 0.255 and this is supported by studies conducted by Sulek & Hensley (2004) and Shaharudin, *et al.*,(2011)as seen in the literature. The third important variable is temperature with a standardize coefficient of 0.220andis supported by the studies conducted by Liu & Jang (2009), Mahalingam, *et al.*, (2016) and Sulek & Hensley (2004)as mention in the literature. The forth important variable is lighting with a standardize coefficient of .141 and this is supported by studies conducted by Mahalingam, *et al.*, (2016) and Hanaysha (2016). Hence there are three main factors that are mainly responsible in order for

customers to patronised food restaurants in Gombe. The other factor of the study has a weak impact on customer patronage, that is lighting (b=0.141). As the table shows positive values and the first three sub factors (cleanliness, taste and aroma) are significant at a p-value=0.05, with  $P < 0.05$  it is concluded that the H2, H3, and H4 hypotheses are endorsed.

## 6.0 Conclusion

The ambience attributes of a food restaurant are the intangible background features that have effect on customers' perception and response to the surroundings of the eatery like air quality, temperature, colour, music, lighting, scent, noise, etc. The service setting that result in favorable perception of customer about the restaurant may result in their experience more positively. Despite the fact that, ambience attributes of a food restaurant contributed a lot on daily basis in making the inhabitants of any nation worldwide to become attracted to eating food outside the home, findings from the study show that, there is a positive and significant relationship between lighting,

temperature, taste and aroma with customer patronage in the food restaurant, and the strength of associations involved in the relationships is positively strong among the variables involved. Therefore, the study concluded that, lighting, temperature, taste and aroma are significant factors of ambience attributes affecting customer patronage in food restaurants in Gombe.

### **7.0 Recommendation**

Based on the above findings and conclusion therefore, the study recommended that, the management of food restaurants in Gombe should regularly improve on lighting their environment, temperature of the environment, taste of foods and aroma of foods in the restaurants in order to attract and increase the level of customer patronage with a view to increase performance and profitability.

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## THE MODERATING ROLE OF EMPLOYEE RESILIENCE IN THE RELATIONSHIP BETWEEN PERCEIVED DISCRIMINATION AND EMPLOYEE PERFORMANCE

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*Research has shown that a recruitment policy devoid of discrimination enhances employee performance in an organization. Previous studies in Nigeria show that discrimination against men and women based on their ethnic, religious and geographical identity is common. This research work proposes a conceptual framework on the relationship which exists between workplace discrimination and employee performance at Umaru Musa Yaradua University, the variables were moderated by employee resilience. Work place discrimination is a significant problem to the organization and also to the employee. This paper aims to undertake a review of the related literature to develop and propose a framework for the moderating role of resilience on the relationship between workplace discrimination and performance of employees. The suggested conceptual framework contributes to better understanding of how the discrimination can affect employee performance but when moderated by resilience it can improve performance of employees.*

### 1.0 Introduction

Human resource managers face challenges while attempting to provide equal opportunities for all employees in the workplace. Ideally, a workplace that has diversities benefits from creativity and innovations that result from the variety of talents in the workplace, a prejudice in the workplace includes sex, sexual preference, age, colour, religion, and disabilities (denissen, & saguy, 2014). Discriminations in the workplace occur because of factors such as negative stereotypes about people of specific traits, personal test and preferences, and inability to understand personal conflicts. It also emanates from a lack of respect to diversity, excessive leisure time, scepticism of complaints, poor recruitment procedures, and poorly trained employees. Analytically, most of the causes of discriminations of all types in workplaces revolve around the role of human resources managers. Human resource managers do not monitor the employees during their leisure time as a result; the employees tend to engage in discussions that promote discriminations because of gender, ethnicity, and religion. The topic for study seeks to narrow down discriminations in a workplace to the effects of the subject on employee performance. The entire work

is a study of workplace environment and giving attentions to the effects of discriminations as a contemporary issue in management. Performance level of an employed individual has constantly been a tasking challenge in management of an organisation, devising operational methods to motivate an individual employee to succeed and deliver qualitative job performance as well as surge the organizational competency level is the central objective of every business organisation (Lee & Wu 2011). Ogbulafor, (2011) suggested that the deteriorating level employee performance in Nigerian tertiary institutions is fast becoming a serious threat to survival of universities in Nigeria which needs to be addressed urgently. In support of the significance of the non-academic staff, Ajibade, (2012), also maintain that quest of educational superiority in the Nigerian institution of higher education is not only the obligation of the academic staff, but also the non- academic staff who carry out an indispensable part by taking charge of secretarial and clerical undertakings in order to solidify the right state that is essential for education to be impacted

Hence, the non-academic staff of a university is the support system through which the success of the academician and students in a university relies upon. Inefficiency has grossly affected administrative staffs' performance which indirectly has reflected in the rating of the university especially when it comes to collaboration with the international community regarding issues affecting the university students and academic staff. University administrators are expected to support the work of academicians in a university system to produce and train skilled workforce such that they will be able to critically think and solve community and

societal problems. The universities system requires the services of employees who are competent, motivated, well-trained and can successfully support the university academician to carry out research in an effective manner in order to achieve the goal and objective of the university both in the local and global environment(Obeidat, Masa'deh and Abdallah, 2014). Employees perform better, carry out their allotted tasks to the required standard, if they are more, rather than less satisfied with their general work experience. This includes, *inter alia*, pay, conditions of service (Charness & Kuhn, 2007), and some nominal dignity at work (free from bullying and discrimination; Hodson, 2001). Human resource management mechanisms that successfully provide two-way communication may limit race and gender discrimination claims with the potential for significant cost savings. Human resource departments should invest in enhancing employee psychological resources, while also addressing organisation practices for work-place health and well-being Jackson, & Jackson (2019).

Additionally, financial costs can be indirect, for example, when the company suffer financially due to harmed reputation. Several studies have supported such indirect costs. They indicated that the harmed firm's reputation is usually associated with low ability to recruit talented employees, decreased employees' morale and commitment, and increased probability of frequent claims of discrimination Wooten., & Jam 2004; James, & Wooten, 2006.

On the individual level, however, the influence of perceived discrimination on its sufferers has received only slight attention. The current study answers the call of Cornejo for industrial-organizational psychologists to shift their thinking from the organizational level and consider the macro

picture of workplace discrimination. Resilience has achieved a growing interest in psychology and management research, given its ability to drive positive organisational outcomes. Yet, there is limited understanding of the individual and contextual factors that promote resilient behaviours in employees of an organisation. It is hard to find articles on the factors that may undermine organizational performance. Hence, recently Dhanani et al. (2018) and Gallus et al. (2014) suggested that researchers may consider such factors. For practitioners, it is also beneficial to ponder both types of factors which may enhance and undermine organizational performance. Such a dual consideration may help managers to create synergy, as attaining the superior performance is challenging and a difficult task for managers Tavitiyaman et al.,(2012). Human resources' resilience is a matter of interest as, during their careers, employees face many difficult situations in which they must adapt, adjust, or change their behaviors. Civil servants' resilience should be studied due to their special status and public functions Nastaca (2020).

The first key contribution of the paper is to build on research that has examined the outcomes of workplace discrimination by studying the relationship between workplace discrimination and job performance among non-academic staff of Umaru Musa Yaradua University, Katsina. This is particularly important for two main reasons. First, there is relatively few studies of workplace discrimination and performance consequences .De Castro, Gee, & Takeuchi, (2008).

Furthermore, most previous research on workplace discrimination has been conducted in western countries where cultures are typically individualist and low in power distance Hofstede, G. (1997). The

literature on workplace gender discrimination has paid little attention to the experiences of developing countries like Nigeria. The current research fills the gap of the moderating role of resilience on the relationship between perceived discrimination and employee performance.

## **2.0 Literature Review**

### **2.1 Employee Performance**

Employee performance is the productivity of each employee (Bishop, 1987). It is an outcome of an employee, which he or she produces in return of some tangible and non tangible returns. Armenakis, Field & Mossholder, 2013; Garcia-Morales, Jimenez- Barrionuevo & Gutierrez-Gutierrez, 2012; Soane et al., 2015). Employees' performance on the job determines their career development and success. Not surprisingly, research has shown that high performers are more readily promoted within an organization and have better career opportunities available to them than low performers do (Van Scooter, Motowidlo, & Cross, 2000). Work performance is multidimensional (Campbell, 1990) and can be categorized into:

- Task performance, which entails job-related behaviours' and activities that provide support for the company's technical aspects or the maintenance of processes and coordination functions (Borman&Motowidlo, 1993; Motowidlo, Borman, &Schmit, 1997).
- Contextual performance, which includes the behaviour that sustains the wider psychological and social settings in which task performance occurs (Borman&Motowidlo, 1993).
- Adaptive performance, which is the extent to which an individual adapts to changes in work systems or work roles (Griffin, Neal,

& Parker, 2007). It includes solving problems creatively; dealing with uncertain or unpredictable work situations; learning new tasks, technologies, and procedures; and adapting to other individuals, cultures, or physical surroundings (Koopmans et al., 2013).

## **2.2 Discrimination**

Omoh, Owusu & Mendah (2015) noted that workplace discrimination is a phrase that most practitioners condemn and do not want to hear. It refers to discrimination in hiring, promoting, job assignment, termination and compensation. Discrimination happens when an employer treats an employee less favourably than others.

According to Hasan and Ali (2014); and Fatima and Omar (2014), the different dimensions of workplace discrimination are; gender, discrimination, religion discrimination and ethnic discrimination. Discrimination in workplace could be direct or indirect. It is direct discrimination when an employer treats an employee less favourably than someone else. But indirect discrimination happens when a working conditions or rule disadvantages one group of people more than another. Hemphill and Haines (1997) identified six main types of discrimination which are; disabilities discrimination, sexual harassment, ethnic discrimination, race discrimination, sexual orientation discrimination, gender discrimination.

Workplace discrimination can occur based on many individual characteristics including, but not limited to, gender, ethnicity, sexual orientation, age, weight, cultural background, disability, or illness Schallenkamp, K., DeBeaumont, R., & Houy, J. (2012). Social psychologists define discrimination as differential treatment based on membership in a social grouping

(e.g., race, sex, age) Fiske, 1998). Psychological research on race discrimination started in the 1960s as Civil Rights became an important social issue. Early research focused on Blacks and Whites; only later did researchers focus on other ethnic groups such as Hispanics. Psychological research on sex discrimination gained momentum in the 1970s with the spread of the women's movement, whereas management research in employment discrimination was less common. To discriminate is to actively treat someone differently based on characteristics such as race, gender, ethnicity, or sexual orientation. Moreover, such behaviour may not result in a *discriminatory outcome*. If the subjects of the discrimination can easily compensate for or avoid the discriminatory behaviour, it is inconsequential. In some settings (but certainly not all), discriminatory behaviour by a small number of people can be inconsequential and thus not lead to a discriminatory outcome.)

## **2.3 Resilience**

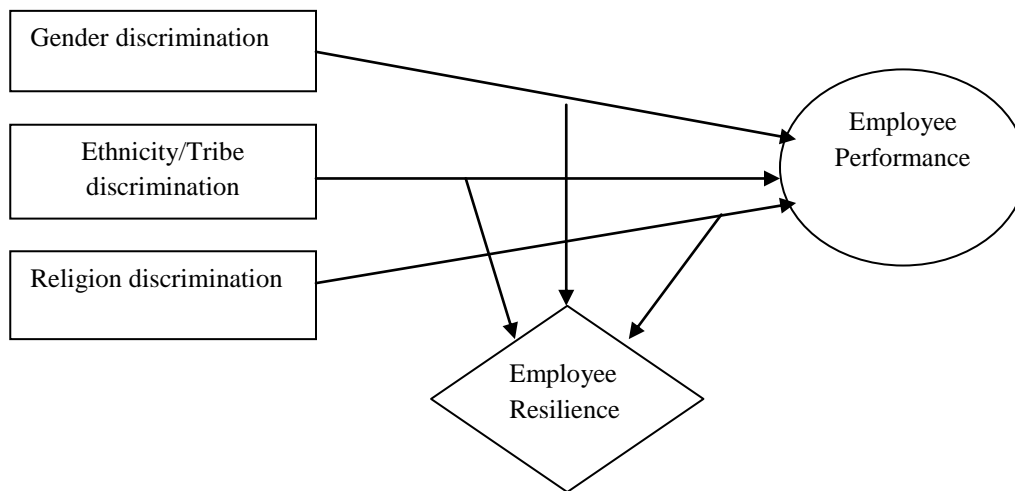
Resilience represents an ability to sustain relatively normal functioning despite significant adversity or risks (Fletcher & Sarkar 2013). However, it is the underpinning factors that make such outcomes possible that is of real interest, and three large domains of protective factors have emerged: strong personal beliefs, traits, or skills; a family climate characterized by cohesion and support; and available external support systems (e.g., support from wider family, friends, schools, or even public institutions). These protective factors reinforce functional ways of coping with life strains (Cederblad, 1996; Werner, 1993; Werner & Smith, 1992), and hence, one may expect them to protect also against discrimination.

Resilience in employees is reflected in behaviours that signal resource identification and utilization, along with learning and change-oriented behaviours Caniëls & Baaten, (2019).

Occupational resilience involves (1) multiple conceptual strands related to accessing resources (trait, capacity, and processes); (2) positive and negative triggers that are occupationally distinguished; (3) different resilience types (cognitive, emotional, and physical) that vary in need, breadth, and importance across occupations; (4) a dynamic phenomenon that occurs within and across career stages; (5) both content-general, and job-specific occupational tensions; and (6) work and non-work domains” (Kossek&Perrigino, 2016, p.

2).Work resilience were found to be indirectly and positively related to employees’ performance through job satisfaction. That is, job satisfaction is the pathway through which individual resilience promote employees’ performance ( Isabella M, Laura B, Mariella M, Marisa S, Isabel MM 2016). Recent theoretical conceptualizations of employee resilience in organizations describe it as an adaptive behavioural capacity to gather, integrate and utilize organizational resources (Kuntz et al., 2016, 2017; Lengnick-Hall et al., 2011). Yet, there remains a need to identify observable behaviours that explain how individual resilience elicits positive organizational outcomes Caniëls & Baaten (2019).

The proposed framework for this paper



### 3.0 Methodology

This study will be utilizing the primary source of data which will be gotten from the respondents; via a carefully structured questionnaire.

The response modes were based on the 5 point Likert scale. Specifically, the dimensions will entail 15 questions (items) which will be adapted from the 32 item

Workplace Discrimination Pattern Questionnaire (HQS) of Hasan and Ali (2014), Fatima and Omar (2014), Owolabi, (2012), Ali and Yunus (2013). Performance A 14-item questionnaire adapted from Koopmans et al.,2012 used for measuring individual (task) performance. Employee resilience; A nine-item EmpRes scale developed by Näswall et al. (2015) will be adapted. The study will adopt a survey

research design and will be cross-sectional as data will be collected at one point time. The research model consists of five reflective constructs three discrimination dimensions, resilience and employee performance. The study will adapt measurements based on the previous studies relevant to the current research context (Churchill, 1979). The present study will measure items on a five-point Likert-scale. The population in this study will be non academic staff of Umaru Musa Yaradua University, Katsina.. The sample size for this study will be obtained from the sampling formula by (Dillman, 2007). The sample will be increased to avoid non-response problem and sample size error (Salkind, 1997). Simple random sampling techniques will be used. The study will use Partial Least Square Model to analyze the data. SmartPLS v3.0 (Ringle et al., 2015) will be used to determine the outer model (reliability, convergent validity and discriminant validity) and inner model (significance of the path coefficients, coefficient determination, the effect size and predictive relevance).

#### **4.0 Conclusion**

The significance of employee performance in the workplace cannot be overemphasized. Consequently, studying the factors that will enhance employee performance and productivity is of utmost importance. The main objective of this paper is to review related literature and highlight the need to investigate the moderating role of resilience on the relationship between discrimination and employee performance. Based on past studies, resilience can serve as a good mechanism through which performance can be enhanced despite discrimination. The proposed framework incorporates three dimensions of discrimination as independent variable, resilience as intervening variable

and employee performance as dependent variable; the testing of the framework empirically will help government, managers as well as researchers.

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## ENTREPRENEURSHIP TRAINING AMONG INMATES IN NIGERIAN CORRECTIONAL CENTERS: AN EMPIRICAL REVIEW

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*In present times, correctional centers do not only help to keep offenders off society, but also ensures a path to their reformation by improving on potentials and subsequent change into better social functioning. It is clear that training programmes in entrepreneurial skills exists in most Nigerian correctional centres as part of the rehabilitation processes. After several consultations on literature, it was evident that there are no sufficient studies on inmate's entrepreneurship training programme. Hence, the objective of this paper is to empirically Review entrepreneurial training among inmates in Nigerian Correctional Centers. To achieve the purpose of this research, secondary data such as scholarly articles, journals, text book, official documents and statistical bulletin were immensely utilized. The research philosophy was a Utilitarian approach which deems that an action is ethically correct if it produces the highest amount of happiness for the greatest number of people. The study identified deficient entrepreneurial training facilities and poor funding as the major factors affecting entrepreneurial training of inmates in correctional centers in Nigeria. As such, the paper concludes by emphasizing on the need for facilities required to deliver entrepreneurship training for inmates across correctional centers in Nigeria. The paper avers that, Government, Non-Governmental Organizations and development partners should render assistance in the form of special intervention to Nigerian correctional centers through the provision of training facilities in prisons as this will make the acquisition of vocational training realizable. Furthermore, Government should provide enabling environment for private sector-led investment to partner in correctional programmes that facilitate socio-economic development among discharged inmates in Nigeria.*

### 1.0 Introduction

In Nigeria, correctional centers do not only help to keep offenders from the society, but it also ensures the path to their reformation by improving on their potentials and subsequent change unto better societal functioning. It is on this basis that inmates are educated in correctional centres. According to Ajah and Nweke (2017), an educational training is expected to give inmates a sense of direction and build their capacity to acquire skills that will make them productive when they are released. The correctional system is also expected to inculcate basic moral values that will make offenders

become law-abiding citizens. Correctional centres are generally conceived as corrective institutions – this is the prime objective of establishing correctional centres all over the world. That is why Nigerian government changed the name from “prisons” to “correctional centres” in similar way developed nations like the United States of America (USA) referred to correctional department (USA, 2021). Not surprising correctional centres are by design structured to identify and address peculiar problems of inmates (Ajah & Nweke, 2017). Similarly, Ajogwu and Dike (2007) noted that literacy and other educational programs were found helping as they significantly reduce the rate of recidivism in countries worldwide.

Indeed, one prime aim of establishing correctional centres across the world is to provide reformation and rehabilitation programs for those who violate the rules and regulations of their societies (Chukwudi, 2012). To achieve this objective, rehabilitation services in Nigerian correctional centres attempt to restore inmates to their fullest physical, mental, psychological, social, vocational and economic usefulness (Ajah & Nweke, 2017). It is evidently clear that training programmes i.e., entrepreneurial skills exists in most Nigerian correctional centres as part of the rehabilitation programmes (Omorogiuwa, 2014). However, empirical literatures revealed that poor employment prospects, weak skills and inadequate entrepreneurial training among others are major factors associated with offending and recidivism among ex-prisoners in Nigeria (Uche, etal. 2015).

Discharged prisoners in Nigeria are unemployed and sometimes stigmatized and treated as social pariahs. These social problems among ex-prisoners and rejection against them by the society, sometimes forces them back to crime and lead to their

recidivism Thus, this research aims to validate factors affecting inmate’s entrepreneurship training in Nigerian correctional centres. After an intensive literature search, it is seen that there is insufficient studies on inmate’s entrepreneurship training programme. Henceforth, this research will significantly contribute to the quality of inmate’s entrepreneurship training in Nigeria. So also, individuals, stakeholders, society and new researchers and policy makers will benefit from outcome of this study.

## **2.0 Research Problem**

There are several obstacles that inmates may face upon their release from correctional centres or prison, including the challenges of unemployment. A lower level of educational attainment (Agbim et al., 2013; Chukwuji & Ebele, 2019; Nkechi et al., 2012), and a lack of vocational skills (Olaniran & Mncube, 2018), can hinder efforts to find a job and make a decent wage among prisoners upon their release from correctional facilities. Just as Aminu (2021) noted that Nigeria like her counterparts in most economies of the world now operates to empower citizens entrepreneurially is aimed to tackle issues of current insecurity challenges amidst high level of unemployment. As such, some notable factors associated with offending and recidivism among ex-prisoners in Nigeria include poor employment prospects, weak skills and inadequate entrepreneurial training among others. Discharged prisoners in Nigeria are unemployed and sometimes stigmatized and treated as social pariahs. These social problems among ex-prisoners and rejection against them by the society, sometimes forces them back to crime and lead to their recidivism. There is a need to examine the entrepreneurial training of inmates in Nigerian correctional centres and study the problems of corrections in Nigeria.

In line with this, the study will try to answer the following specific research questions:

- i. Are the types of entrepreneurial training given to inmates sufficient to the need of inmates?
- ii. What are the factors affecting entrepreneurial training of inmates in correctional centres in Nigeria?
- iii. How can entrepreneurial training of inmates in correctional centres be improved in Nigeria?

### **3.0 Literature Review**

The Nigeria Prisons Service (NPS) is constitutionally responsible for ensuring the safe custody of offenders as well as their reformation, rehabilitation and re-integration. Dambazau (2007) noted that the rationale for imprisonment is evident in decree No. 9 of 1972 which assigned the prisons with the responsibility among others to teach and train the prisoners to become useful and law abiding citizens on discharge. These responsibilities are squared through carefully designed and well-articulated administrative, reformatory and rehabilitative programs aimed at inculcating discipline, respect for law and order, and the dignity of honest labour (Igbo, 2007). The offender, in this wise, is prepared to become not only law abiding but also useful to both himself and the society at the expiration of his sentence (Dambazau, 2007). The Rule, 71 (3) of the United Nation's Standard Minimum Rules for the Treatment of Prisoners (UNSMRFTP) stated that "sufficient work of a useful nature shall be provided to keep prisoners actively employed for a normal working day" Tenibaije (2010). Despite the UNSMRFTP, Nigeria still remains among the nations of the world that are rated with high rates of crime, poverty, unemployment, and recidivism among ex-prisoners (Abba & Mbagwu, 2016). Based on Olutunla (2001),

the word entrepreneurship is derived from the French word 'entreprendre' meaning to 'undertake'. To this end, an entrepreneur is someone that creates a business. According to Hisrich, Peters, and Shepherd (2007), entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition stresses four aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves creating something of new value. Second, entrepreneurship requires the devotion of necessary time and effort. Third, entails assumption of necessary risks. The fourth and financial aspect of the definition involves the rewards of being an entrepreneur. The most important of those rewards are independence and personal satisfaction (Aminu, 2021).

Osemeke (2012) defined entrepreneurship development as a procedure that enhances business skills and business knowledge through structured training and institution building programmes. This procedure aims to expand the base of entrepreneurs and speed up the pace at which free enterprises are created which hastens employment and economic growth. Entrepreneurial development focusses on individuals who wish to start or enlarge their businesses by concentrating more on growth potential and innovation (Aminu, 2021). Hence, development depends on certain skills that are entrenched to transform an entrepreneur. This skill among others includes conceptual, human and technical skills Osemeke, (2012).

According to Merriam-Webster Learner Dictionary (2019), inmate can simply be refers to a person who is kept in a prison or

mental hospital. These individuals known as prisoners/inmates are kept in continuous custody on a short or long term basis. Individuals who commit heinous crimes are sent to prison for more years (long term). The more serious the offence, the longer the prison term imposed (Ayo, 2008). On the contrary, Awake (2005) defined prison as a total institution or a place of residence and work, where a large number of like situated individuals are cut off from the wider society for an appreciable period of time together, lead and enforce formally administered round of life. This new environment is expected to provide the inmates with particular opportunities of rethinking, stock taking and repentance from old ways (Omorogiuwa, 2014).

Although, for any meaningful inmate's entrepreneurship training program in prison, the rehabilitation services must first be based upon adequate provisions, which should be accessible to the inmates. According to Federal Government of Nigeria (FGN, 1989), some of the specific objectives of rehabilitation services in Nigerian prisons include:

- i. To promote the provision of adequate and accessible recreational facilities and services for the prison inmates,
- ii. Provision of social welfare services for the prison inmates, development of skill acquisition programs and educational services.

The philosophy of the Nigerian prison service is that treatment and rehabilitation of offenders can be achieved through carefully designed and well-articulated reformatory and rehabilitative programs aimed at inculcating discipline, respect for law and order and regard for the dignity of honest labour (Igbinovia, 2003; Nigeria Prison Services, 2009).

Uche et al. (2015) attributed that the prison authorities with efforts through government have provided various skill acquisition activities which range from tailoring, art and craft work, welding, carpentry and farming among others to empower and ensure inmates vocational supports on release. In similar vein, Ekpenyong and Dudafa (2016) observed that providing inmates with the basic tools of social intervention enables targeting behaviors that can be changed; and giving the chance for substitute to an anti-social lifestyle, although it is likely that some inmates often choose to change on their own.

Training may be defined as an organized and coordinated development of knowledge, skills and attitudes needed by an individual to master a given situation or perform a certain task within an organizational setting. Flippo (1980); as cited in Ngu (1994) conceptualizes training as a calculated effort aimed at increasing an employee skills for doing a particular job and developing person's knowledge for vocational purpose. In correlation with the above stipulations, the wordings of French (1974), can be reiterated, he maintains that training is a process that aims to bring up individuals up to a desired standard for present or potential assignment.

In a similar line, Appiah (2013), cited in Keneth Mela (2019) defined training as an organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill. (Gordon 1992) sees training as a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively. This implies that training is to equip people with the knowledge required to qualify them for a

particular position of employment or to improve their skills and efficiency.

From the above analysis, we can posit that inmate entrepreneurship training can be achieved through carefully designed and well-articulated reformative and rehabilitative programmes. Also, a prison system that fails to improve the life chances of its prisoners is unsustainable. It offers poor prospects for the reduction of a prison population that is already testing the limits of current capacity, in an era where public funds are scarce. However, Asokhia & Agbonluae (2013) agitated a number of inmates require guided assistance that will promote their effective societal reintegration.

#### **4.0 Empirical Review of Inmate's Entrepreneurship Training in Nigerian Correctional Centres**

The study of Asokhia and Osumah (2013) titled "assessment of rehabilitation services in Nigerian Prisons in Edo State" adopted a descriptive survey research design. Population of the study consists of 731 prison inmates across the six prisons in the State. Using stratified random sampling technique, a total of 147 respondents were selected as sample of the study. The instrument for data collection was a checklist titled "adopted rehabilitation services in Nigerian Prisons in Edo State (ARSNPESC)". The research data were analyzed using simple percentage and major finding shows that adult prisoners participated in adult and remedial educational programs and educational development project among the six prisons studied. The study is related to this present study as they are both concerned with rehabilitation of inmates in Nigerian prisons. Although, both studies differ as Asokhia and Osumah study based on assessment of rehabilitation services in Nigerian Prisons in

Edo State and the programs available in the prisons. On the contrary, this present study examined the benefits and challenges of inmate's entrepreneurial training in Nigerian prisons.

In a related development, Abba (2016) carried out a study titled "Rehabilitation of Prison inmates through Vocational Skills Acquisition programs as Perceived by Prison officials in the North-West States, Nigeria. Descriptive survey design was used and the population comprises 1,592 prison officials. The researchers used deliberate sampling technique to determine the sample size of 351 respondents. A 40 items questionnaire was used to retrieve responses from the respondents. Data were analyzed using mean and standard deviation whilst finding indicates that prison inmates participated in VSA programs and the programs have enhanced socio-economic well-being of the inmates to a high extent. The study is related to the present study because both studies focused on skills acquisition programs for rehabilitation of inmates but differed from the former which assessed the rehabilitation of prison inmates through vocational skills acquisition programs as perceived by prison officials in the North-West States, Nigeria while the present study centered on examining the benefits and challenges of inmate's entrepreneurial training in Nigerian prisons.

Akpunne (2014) cited in Kulu Abubakar and Mannir Abba (2018), also carried out a study on Access to Basic Needs as Correlate of Desire to Participate in Rehabilitation Programs among Inmates of Nigerian Prisons. The study adopted a descriptive survey research design. Some 631 prison inmates made up population of the study from Kirikiri medium security prison in Lagos state, Nigeria. The researcher used purposive sampling technique to determine

sample size of 230 respondents. The instrument for data collection was a self-structured questionnaire titled "Questionnaire on Desire to Participate in Rehabilitation Test (QDPRT)". The data were analyzed using inferential and descriptive statistics. Thus, finding showed that there is no correlation between quality and quantity of feeding and desire of inmates to participate in rehabilitation programs. However, there is a significant positive correlation between sanitary conditions and desire to participate in rehabilitation programs among inmates of Nigerian prisons. Both studies are related in rehabilitation programs among inmates of Nigerian prisons but differed from the former which examined Access to Basic Needs as correlate of desire to participate in rehabilitation programs among inmates of Nigerian prisons while the present study emphasized on benefits and challenges of inmate's entrepreneurial training in Nigerian prisons.

Similarly, Benjamin (2018) conducted a study on Educational Training of Inmates in Awka and Abakaliki Prisons, Nigeria. This study examines the educational training of inmates and problems of corrections in Nigeria. While establishing education as necessary for reformation, the study finds that educational facilities at the prisons studied are grossly deficient and an antithesis to the goal of reformation. The study recommends the provision of quality educational training in Nigeria's. This is in similar way this present study fills gap by accessing benefits and challenges of inmate's entrepreneurial training programs in Nigerian correctional centers.

Indeed, Nwune, Benjamin, Chinelo and Egbegi (2018) conducted a study on Correctional Programmes within Prisons' Community via accessing views and

perceptions of Inmates and Staff of Anambra State Prisons in Nigeria. The study was tied on symbolic interactionism theory and based on cross-sectional survey design; some 396 respondents were drawn using proportionate stratified sampling. Structured questionnaire and in-depth interview (IDI) Guide were used as instruments of data collection. Data was screened using Statistical Package for Social Sciences (SPSS) software to code and analyze the data using frequency tables, charts and histograms. Meanwhile, the qualitative data were analyzed using the theme-based method of content analysis. According to Nwune et al. (2018, p.5), the research finding "implies that the perception towards the functional efficiency of rehabilitation, reformation and reintegration programmes instructors is relative to the two major groups in the prison community (that is, prison inmates and prison officials)". The study concluded with recommendations in similar way this present study inquires on the need for periodic training of prison staff to be familiar with current reformation and rehabilitation practices across the world. This will enable significant inputs for changing and motivating prison inmates' behavioral change.

In similar vein, Igbino and Omorogiuwa (2019) conducted study on prison rehabilitation programmes and their effects on Inmates of Benin prisons in Nigeria. Descriptive survey design was adopted for this study and data was collected using the structured questionnaire measured on four point Likert scale. Population of the study consists of all inmates (males and females) that are awaiting trial and convicted in the Benin-Sapele and Oko maximum security prisons in Benin city of Edo State. Sample sizes of 140 inmates were selected using non-purposive stratified random sampling



method to select 70 inmates from each prison respectively. Data collected were subjected to descriptive statistics to determine mean and standard deviation. The research finding reveals that rehabilitation programmes in these prisons are social intervention services with highest mean value of 2.92 (70%). skills acquisition programmes at 2.76 (69%); recreational activities at 2.66 (66.5%) and educational services at 2.51 (62.8%). It was also found that these rehabilitation programmes were worthwhile because they influenced inmates' behaviours and inventiveness at 2.69 (67.3).

On the contrary, Tambari (2019) studied Influence of Vocational Rehabilitation for Societal Re-integration of Inmates in Rivers state prisons of Nigeria. Using descriptive research survey, some 593 respondents (369 convicted inmates and 224 officers) were selected to represent population of the study. They found inmates that are expose to vocational training during imprisonment easily gets rehabilitated and prone for reintegration upon discharge amidst possession of skills that can make them useful. Furthermore, it shows acquisitions of vocational trades by inmates are flawed with challenges such as poor training facilities and inadequate funding. As such, recommended that prisons authorities should expose inmates to vocational trades available in prisons for acquisition that will enhance their rehabilitation and reintegration. While soliciting government, Non-Governmental Organizations (NGOs) to assist in the provision of training facilities across prisons in Rivers state, Nigeria.

Helen, Luke and Felicia (2018) also examined the extent of reformation of prison inmates via Prison Education Programmes in Anambra State, Nigeria. Using descriptive survey design, the population of

study that also doubles as sample of study comprises 500 instructors facilitating educational programs for prisoners in Anambra state. As such, the researchers administered 500 questionnaires and only 485 (97%) were completed and returned. Mean of average shows that the instructors have not properly equipped inmates with required technical and vocational education necessary to improve reading and writing skills for improving standards. Revealing that instructors did not properly guide inmates to a fairly low extent with basic knowledge and civic skills required to become good citizens if reintegrated into the society. Therefore, they recommend that technical and vocational education skills should be effectively imparted to prison inmates by the prisons authorities and other relevant stakeholders capable of hastening reformation, rehabilitation and reintegration.

Thus, Victoria, Bernedeth and Mkpoikanke (2018) studied influence of vocational education on prison inmates' interest in vocational activities in Enugu State, Nigeria. The population of study consists of 129 convicted prisoners and 100 inmates were sampled between males and females' inmates using simple random method. The survey data evident that vocational education is carried out at Enugu prisons, but its practical aspect is not effectively implemented, as such, demonstrating low interest on the part of Enugu prisoners in terms of vocational activities. Henceforth, the researchers recommend emphasis on vocational activities by utilizing knowledge and interest made available by professional training counselors among inmates.

From the above empirical review, it can be deduced the importance of inmate's entrepreneurship training cannot be overstated especially in the Nigerian correctional centres marred with challenges

leading to inadequate inmate's entrepreneurship training. In this regard, this present study fills the gap through a review of studies affecting inmate's entrepreneurship training in correctional centers within Nigeria. As such, the research was guided with proposition on factors affecting inmate's entrepreneurship training in correctional centers in Nigeria.

### **5.0 Theoretical Framework**

This research, applied a Utilitarian arguments that are in favor of prisoner rehabilitation through intervention programs. This philosophy deems that an action is ethically correct if it produces the highest amount of happiness for the greatest number of people (Robinson & Crow, 2009). Indeed, these theorists argued for something to be 'good', it cannot be individualistic. Noting that good must produce the greatest amount of pleasure both physical and emotional for a large number of people (Pecorino, 2000). Although, when Utilitarian argued that, the transformation of offenders into law abiding citizens serves the interests of the general public as a whole (Robinson & Crow, 2009). Hence, training citizens that will contribute to societal well-being, which in turn protects the general society, become very vital. However, other section of people argued locking offenders indefinitely would produce the same sense of happiness for society (Robinson & Crow, 2009). Hence, pointing that this is mere problematic as it is not a comprehensive solution.

### **6.0 Conclusion**

Based on the results of the empirical literatures reviewed herewith, the study uncovers thus: The result of the analysis from empirical studies revealed that vocational education is done in Nigerian Correctional centres, but the practical aspect

lacks adequate implementation, indicating low level of interest on the part of inmates as pointed out by (Victoria et al. 2018). They found out that vocational education is done in Enugu prisons, but the practical aspect of it which is the vocational activities is not really carried out. It could be noted that, the aim of vocational training to inmate is to reform them and re-integrate them to the society. It could be noted that weak skills and inadequate entrepreneurial training among ex-prisoners had made them unemployed and as a result of rejection against them by the society, sometimes forces them back to crime and subsequently lead to their re-arrest.

More so, the study finds that educational facilities at most correctional centres are deficient, and an antithesis to the goal of reformation. So, the study also found that acquisitions of vocational trades by inmates are marred with challenges such as poor training facilities and poor funding. This is in line with the study Benjamin (2018) on Educational Training of Inmates in Awka and Abakaliki Prisons, Nigeria. He finds that educational facilities at the prisons studied were grossly deficient. And the resultant is that inmate will not receive adequate training capable of sustaining them at post-rehabilitation. Similarly, Tambari (2019) finds that acquisitions of vocational trades by inmates were marred with challenges such as poor training facilities and poor funding in Nigerian prisons i.e., Rivers State correctional centers. Therefore, entrepreneurial training facilities and poor funding were found to be the major factors weakening and affecting entrepreneurial training of inmates in these correctional centers.

Lastly, the review also uncovers the need for periodic training of prison staff on current reformation and rehabilitation practices

across the world so as to enable them make significant inputs that would help change and motivate inmates' behaviours from the vague of committing crimes and instead becoming entrepreneurial and self-reliant at post-rehabilitation. In this regard, Government, Non-Governmental Organizations (NGOs) and development partners should assist in the provision of training facilities to various prison formations across the country.

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## CONSUMER PATRONAGE AS A FACTOR AFFECTING SACHET WATER CONSUMPTION ON INDIVIDUAL HOUSEHOLDS IN KALTUNGO WEST, GOMBE STATE, NIGERIA

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*Sachet water consumption has become an integral part of consumer culture in Nigerian cities and towns. The study, therefore, seeks to examine customer patronage as a factor affecting sachet water consumption on individual households in Kaltungo west. The study adopted a quantitative research method to collect the data for the study through the administration of questionnaire as instrument for data collection. The population of the study was 1,310 individual households and the sample size for the study was 297 individual households. The individual households that were involved in the study were selected using simple random sampling technique and the respondents were also selected using convenience sampling technique. The test was carried out using Z-taste as a technique to test the hypotheses and association to measure the strength of relationship between the variables. The finding of the study shows positive and significant relationships and also the strength of association among the factors was strong. The study concluded that consumers of sachet water in Kaltungo west and other cities in Nigeria have a higher level of sachet water consumption as a result of its price, hygiene, safety and expiry date. The study therefore, recommends that there should be improvement on price, hygiene, safety, and expiry date in order to improve it consumption*

### 1.0 Introduction

Globally, access to safe water for drinking is thus noted as a basic human right. Water is a vital gift of nature and essential for the survival of mankind most especially when it is safe. Water is known as part of human nutrition which is essential for personal hygiene, production of food and disease prevention thereby improving quality living (Adegoke, Bamigbowu, Oni, & Ugbaja, 2012; Badr & Ruma, 2015). Invariably, safe drinking water should be colorless and tasteless, free from harmful chemicals as well as other suspended materials and most importantly should be devoid of disease-causing organisms (Izah & Ineyougha, 2015). However, 1.2 billion people worldwide do not have access to clean, safe water, and most of these people are in developing countries (Amaechi, 2016; Jidawna, Dabi, Saidu, Ndabula & Abaje, 2014).

The sale and consumption of packaged water are growing increasingly in West Africa and other middle and low income

countries of the world (Wardrop, Dzodzomenyo, Aryeetey, Hill, Bain, & Wright, 2017). Packaged water comprises bottled, sachet and cooler water, sealed in plastic containers. Water packaging in polythene sachet has become one of the most common ways of making water available for people on a journey, at various ceremonies and work sites in Nigeria. It is often used on occasions such wedding ceremony, birthday celebration, burial ceremony, and many other situations when large number of people are gathered for entertainment (Dunmade, Onawumi, Loto, & Oyawale, 2016). When sachet water came into the market in Nigeria, it was well accepted by the people as a reliable means of obtaining potable safe drinking water, quenching thirst and escaping from water borne diseases. It is now a common belief that the consumption of sachet water is high among various individual households in Nigeria.

Sachet water simply means small volumes of water packaged in plastic sachets for drinking. It is a drinking water sold in polythene sachets or nylons. Sachet water came into the Nigerian retail market in 1990 (Stephen, 2015) and started attracting nationwide attention from 2000 when the NAFDAC (National Agency for Food and Drug Administration Control) registered 134 different packaged water producers (Onemano & Otun, 2003). Sachet water, the most common form of packaged water in rural and urban centers of developing nations has offered a great deal of hope in achieving sustainable development. It is a phenomenon that has gained widespread use as an alternative to the insufficient provision of potable water. Water in sachets is readily available and the price is affordable, but there are concerns about its purity (Dada, 2009).

Sachet water usually referred to as 'pure' water is very common in Nigeria and many developing countries and is sold almost everywhere including streets, schools, highways, market places, restaurants and so on. It has become a primary drinking source for the majority in many urban areas and countries and also the rate of sale is alarming as both the rich and poor have become patronizers (Stoler, 2017) hence the need to ascertain the quality in order to safeguard the consumer's health. Access, hygiene, purity, taste, cost and most importantly safety are among the various reasons for sachet water consumption (Oladipo, Onyenike & Adebisi, 2008). The marketing and consumption of sachet water have increased tremendously. There are now several brands of these type of packaged water marketed in Nigeria and other developing nations (Kassenga, 2007). In Kaltungo West, some of the brands produced, marketed and consumed in the area are Natsuwa table water, Lapantum table water, Armitage table water, Echoes table water, Uchetek table water, Ayuni table water (Preliminary Survey, 2021). According to Omeh (2013), the payback period for sachet water business is less than six months, with full assurance that investment would pay. Start-up capital is also relatively small as compared to related businesses with guaranteed returns. In addition to these, marketing the product does not require much advertising and marketing techniques since water as a product has natural automatic market.

Sachet water is considered as the latest, low cost technological evolution of vended water (Cheabu & Ephraim 2014); and as a cheap, potable and omnipresent solution for reducing the gap between safe and unhealthy water access within cities in many countries. In Nigeria, the government asserted that the

introduction of sachet water into the economy was one of the most successful poverty alleviation endeavors that had been attempted since the country gained independence (Dada, 2007). The emergence of sachet water as a cheaper option to bottled water in Nigeria was recorded some decades back. The Nigerian government through the National Agency for Food and Drugs Administration and Control (NAFDAC) intervened to regulate standards. The government entrusted into the hands of the NAFDAC the authority to ensure safety and sanity of sachet drinking water. Consumers are advised to patronize only packaged water with NAFDAC number, which is supposed to come with a certification of quality (Muhammad & Dansabo, 2018). The objective of the study is to examine consumer patronage as a factor affecting sachet water consumption in individual households in Kaltungo West.

## **2.0 Statement of Problem**

Water is an integral part and indispensable requirement in life and it cannot be substituted for any other type of fluid. The consumption of sachet water continues to grow rapidly in many places in the country and it is belief that, the consumption of sachet water is high among various households in Nigeria and in Kaltungo West. Drinking of Sachet water, regardless of its source, is usually subjected to a variety of treatment processes intended to improve its safety and quality. The inability to meet the domestic demand of the product for consumption could be attributed to low productivity, inefficiency in the use of resources, decline in supply etc. Most studies on sachet water tend to consider the microbial and chemical qualities of sachet water and the possible health outcomes of drinking unsafe water (Akinde, Nwachukwu, & Ogamba, 2011; Mgbakor,

Ojiiogbe & Okonko, 2011) and less on factors that determines patronage. Fisher, Williams, Jalloh, Squee, Bain, & Bartram, (2015) in a microbiological assessment of packaged water in Sierra Leone, stated that very few studies had addressed the quality of packaged sachet water despite the consumption rate, which has become substantial. Also Fisher, *et al.* (2015) found that 58% of Nigerians consumed between two and four 250 ml sachet water bags per day, and the products are prone to microbiological contamination.

The way people of take sachet water for consumption changes due to many factors and these differences shows to what extent these variables have effects on consumption of sachet water in the individual households and this extent cause a change in the consumption level of sachet water that lead to more patronage of the product. There is limited or no study conducted in Kaltungo West on the factors that affect the choices of consumers for drinking sachet water despite having more households for their daily consumption and whether they trust the water they consumed. The size and magnitude of consuming sachet water will be determined among the individual households. The study has identified variables of price, hygiene, safety and quality as challenges with a view to measure the level of sachet water consumption. The results of the study could increase the level of consumer patronage and satisfaction, and conceptualise sachet water customers' probability of intention to return to more patronage. The study therefore, examined the consumer patronage as a factor affecting sachet water consumption in individual households in Kaltungo west.

## **3.0 Literature Review**

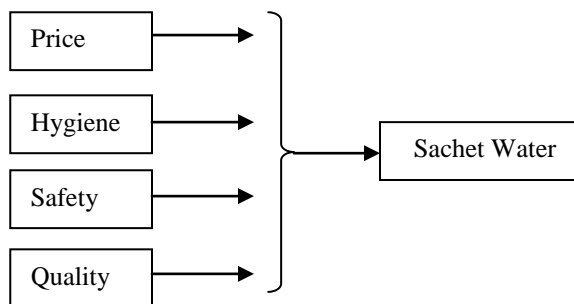
The literature review focused on conceptual framework of the study, empirical evidences



and hypotheses to review the factors affecting consumption of sachet water in individual households in Kaltungo West.

### 3.1 Conceptual Framework

The facts is that, consumer tend to consider certain factors before buying a Sachet water for consumption since there is proliferation of various Sachet water producing companies in the country, such as purity, price, cleanliness, safety, colour, ordour, etc. Patronage will depend on the degree of quality of the products that lead to good health and satisfaction. A satisfied consumer with a degree of trust will enter into purchased of the product for long term relationship with suppliers and sellers. A buyer-seller relationship will create long-term consumer patronage hence, better sales performance and profitability to the seller. The observed variables used to measure the latent construct are price, hygiene, safety and quality as shown in figure 1 below:-



#### Independent Variables      Dependent Variable

**Figure 1:** Factors influencing Sachet water consumption.

Source: Adapted from Moses, Moses & John, (2015)

### 3.2 Empirical Evidences

Water is a necessity to humans who drink plenty of it per day for survival. Ideally, drinking water should be safe and acceptable to all. Sachet water is usually packaged and sold to members of the public in sealed

nylons. It is commercially packaged water bagged in 250 ml polyethylene bags meant for drinking. Hygiene, purity, tastes, quality and most importantly, safety is probably amongst various reasons for sachet water consumption. The growing popularity of this potable water unit in our cities singles it out as one of the fastest growing small scale businesses in Nigeria today. According to Edoga, Onyeji, & Oguntosin, (2008) over 70 percent of Nigerian adults drink at least a sachet of water per day resulting in about 50 to 60 million sachet water waste disposed daily across the country.

There are many empirical studies conducted on sachet water that influences its consumption in various individual households and among them include the following:- Ezeokpube & Obiora (2014) conducted a study on the level of sachet water consumption in Nsukka urban, Enugu State, Nigeria and discovered that, there was high level consumption of sachet water in the study area which invariably led to the high generation of sachet water wastes. The results show that sachet water consumption was high in all the wards in Nsukka urban with University ward ranking highest (72%). It further shows that students were the highest (61%) consumers of sachet water. Oladipo, et al., (2008) maintained that, access, hygiene, purity, taste, cost and most importantly safety are among the various reasons for sachet water consumption. Danso-Boateng, & Frimpong, (2013) conducted a study on quality analysis of plastic sachet and bottled water brands produced or sold in Kumasi, Ghana. Generally, the results obtained in their study indicated that bottled and sachet drinking water sold and/or produced in Kumasi were of good quality and hygienic for consumption.

### 3.3 Hypotheses of the Study

The hypotheses of the study are:

- H01 There is no significant relationship between price and sachet water consumption in Kaltungo west, Gombe State, Nigeria.
- H02 There is no significant relationship between hygiene and sachet water consumption in Kaltungo west, Gombe State, Nigeria.
- H03 There is no significant relationship between safety and sachet water consumption in Kaltungo west, Gombe State, Nigeria.
- H04 There is no significant relationship between quality and sachet water consumption in Kaltungo west, Gombe State, Nigeria.

**4.0 Methodology**

The study adopted a survey research method to collect the data required for the study through the administration of questionnaire as instrument for data collection. The type of data obtained for the study was the primary type. The individual households are the unit

of analysis, the independent variable is consumer patronage and the dependent variable is sachet water. The individual households that were involved in the study were selected using simple random sampling technique and the respondents were also selected using convenience sampling technique to fill in the questionnaires.

The population of the study is defined as the individual households that consumed sachet water in Kaltungo West. The population of the individual households in Kaltungo west consists of 1,310 households (PHC, 2019). The sample size for the study was obtained from the population of the individual households who are the respondents. The sample size therefore is 297 (Krejcie and Morgan Table, 1970) individual households.

**5.0 Research Findings**

The data analysis was carried out using Z-test to test the hypotheses and association to measure the strength of the relationship between the variables. In testing the hypotheses, Z-test formula was used as shown below;

$$Z = \frac{P - P_0}{\sqrt{\frac{P_0(1 - P_0)}{N}}}$$

Where P = Proportion of respondents agreeing with the question (Success)  
 P<sub>0</sub> = Probability of rejecting the null hypotheses (0.5)  
 N = Total number of respondents  
 1 = A constant value.

The computed value of Z would then be compared with its critical value at 95% confidence level which is 1.96.

Reject null hypothesis and accept the alternative hypothesis, if the computed value of Z is more than its critical value, and also accept null hypothesis and reject the

alternative hypothesis, if the computed value of Z is less than its critical value.

The reliability statistics was tested with the reliability of 35 items with four (4) factors each with seven (7) items that are critical to measure consumer patronage as a factor affecting sachet water consumption in individual households in Kaltungo west

using Cronbach’s alpha. The overall reliability test for the items is .941 (94.1%). This implies that the items were valid and reliable. For a field work, DeVellis (2003) asserted that, the Cronbach’s alpha coefficient of a scale should be above .7 as an acceptable value.

**5.1 Taste of Hypotheses**

H01 There is no significant relationship between price and sachet water consumption.

**Table 1:** There is no significant relationship between price and sachet water consumption.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	195	73.6	73.6	73.6
	Agree	60	22.6	22.6	96.2
	Moderately	9	3.4	3.4	99.6
	Disagree	0	0.0	0.0	99.6
	Strongly Disagree	1	0.4	0.4	100.0
<b>Total</b>		<b>265</b>	<b>100.0</b>	<b>100.0</b>	

Source: Output SPSS, 2021

Where P = 195 + 60 (Success) = 73.6% + 22.6% = 96.2% (0.962)

P<sub>0</sub> = 5% (0.5)

N = 265

$$Z = \frac{0.962 - 0.5}{\sqrt{\frac{0.5(1 - 0.5)}{265}}} = \frac{0.462}{\sqrt{\frac{0.25}{265}}} = \frac{0.462}{0.03071} = 15.04$$

Since 15.04 > 1.96, based on the decision rule, we accept H1 and reject H01 which states that, there is a significant relationship between price and sachet water consumption in Kaltungo west.

H02 There is no significant relationship between hygiene and sachet water consumption.

**Table 2:** There is no significant relationship between hygiene and sachet water consumption

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	157	59.2	59.2	59.2
	Agree	79	29.8	29.8	89.0
	Moderately	18	6.8	6.8	95.8
	Disagree	9	3.4	3.4	99.2
	Strongly Disagree	2	0.8	0.8	100.0
<b>Total</b>		<b>265</b>	<b>100.0</b>	<b>100.0</b>	

Source: Output SPSS, 2021

Where  $P = 157 + 79$  (Success) = 59.2% + 29.8% = 89.0% (0.890)

$P_0 = 5\%$  (0.5)

$N = 265$

$$Z = \frac{0.890 - 0.5}{\sqrt{\frac{0.5(1-0.5)}{265}}} = \frac{0.390}{\sqrt{\frac{0.25}{265}}} = \frac{0.390}{0.03071} = 12.70$$

Since  $12.70 > 1.96$ , based on the decision rule, we accept  $H_3$  and reject  $H_{03}$  which states that, there is a significant relationship

between hygiene and sachet water consumption in Kaltungo west.

$H_{03}$  There is no significant relationship between safety and sachet water consumption

**Table 3:** There is no significant relationship between safety and sachet water consumption

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	159	60.0	60.0	60.0
	Agree	50	18.9	18.9	78.9
	Moderately	28	10.6	10.4	89.5
	Disagree	15	5.7	5.7	95.2
	Strongly Disagree	13	4.9	4.9	100.0
<b>Total</b>		<b>265</b>	<b>100.0</b>	<b>100.0</b>	

Source: Output SPSS, 2021

Where  $P = 159 + 50$  (Success) = 60.0% + 18.9% = 78.9% (0.789)

$P_0 = 5\%$  (0.5)

$N = 265$

$$Z = \frac{0.789 - 0.5}{\sqrt{\frac{0.5(1-0.5)}{265}}} = \frac{0.289}{\sqrt{\frac{0.25}{265}}} = \frac{0.289}{0.03071} = 9.41$$

Since  $9.41 > 1.96$ , based on the decision rule, we accept  $H_4$  and reject  $H_{04}$  which states that, there is a significant relationship between safety and sachet water consumption in Kaltungo west.

$H_{04}$  There is no significant relationship between quality and Sachet water consumption.

**Table 4:** There is no significant relationship between quality and Sachet water consumption.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	133	50.2	50.2	50.2
	Agree	82	30.9	30.9	81.1
	Moderately	38	14.3	14.3	99.3
	Disagree	8	3.0	3.0	99.7
	Strongly Disagree	4	1.5	1.5	100.0
<b>Total</b>		<b>265</b>	<b>100.0</b>	<b>100.0</b>	

Source: Output SPSS, 2021

Where  $P = 133 + 82$  (Success) = 50.2% + 30.9% = 81.1% (0.811)

$P_0 = 5\%$  (0.5)

$N = 265$

$$Z = \frac{0.811 - 0.5}{\sqrt{\frac{0.5(1-0.5)}{265}}} = \frac{0.311}{\sqrt{\frac{0.25}{265}}} = \frac{0.311}{0.03071} = 10.13$$

Since  $10.13 < 1.96$ , based on the decision rule, we accept  $H_0$  and reject  $H_1$  which states that, there is no significant relationship between quality and sachet water consumption in Kaltungo west.

The study also test the strength of associations involved in the relationship as shown in table 5 below:

**Table 5. Symmetric Measures**

Variables	Nominal by Nominal		Approximate Significance	N of Valid Cases
	Phi	Cramer's V		
Price	1.077	.622	.000	265
Hygiene	1.090	.629	.000	265
Safety	0.918	.530	.000	265
Quality	1.516	.875	.000	265

Source: Output SPSS, 2021

Table 5 presents the strength of associations involved in the relationships and in this table, the strength of relationship between price and sachet water is shown by Cramer's V value of .622 which indicates a significant relationship. This shows that, there is a strong association between price and Sachet water. The strength of relationship between hygiene and sachet water is shown by Cramer's V value of .629 which indicates a significant relationship. This shows that, there is a strong association between hygiene and sachet water. The strength of relationship between safety and sachet water is shown by Cramer's V value of .530 which indicates a significant relationship. This shows that, there is a relatively strong association between safety and sachet water, and the strength of relationship between quality and sachet water is shown by

Cramer's V value of .875 which indicates a significant relationship. This shows that, there is a very strong association between expiry date and sachet water. All the values of Cramer's V show that, the level of association has a good relationship between the observed variables and the latent construct.

Looking at the Model Summary and checking the value given under the heading R Square, it is realized that how much of the variance in the dependent variable (sachet water) can be explained by the model (price, hygiene, safety and quality). The R Square of this model was .461 meaning that 46.1 percent of the sachet water can be explained by these four variables. Table 6 below is a Model Summary which presents results that were obtained by the regression analysis.

**Table 6 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679 <sup>a</sup>	.461	.453	.396

a. Predictors: (Constant), Quality, Price, Safety, Hygiene

Source: Output SPSS, 2021

The adjusted R-square in the table shows that the dependent variable (sachet water), is affected by 46.1% (.461) by independent variables (price, hygiene, safety and quality). It shows that, price, hygiene, safety

and quality are responsible for sachet water consumption. The overall model was also significant, tested with the help of ANOVA. The results are given in table 7 below:-

**Table 7 ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	34.934	4	8.734	55.622	.000 <sup>b</sup>
Residual	40.824	260	.157		
Total	75.758	264			

a. Dependent Variable: Sachet Water

b. Predictors: (Constant), Quality, Price, Safety, Hygiene,

Source: Output SPSS, 2021

ANOVA table is showing the level of significance. Through the table it is clear that all sub factors: price, hygiene, safety and quality are related to sachet water consumption and that the relationship

between them is significant as compared to alpha value=0.05. Table 8 below shows the coefficients of all the independent variables included in the model along with their respective P-values.

**Table 8 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.478	.226		6.526	.000
Price	.145	.052	.155	2.798	.006
Hygiene	.102	.047	.126	2.178	.030
Safety	.199	.044	.255	4.504	.000
Quality	.250	.048	.314	5.234	.000

a. Dependent Variable: Sachet Water

Source: Output SPSS, 2021

From the findings of table 8 above, each and every component is significantly related to Sachet water consumption. Under the standardized coefficients, it is evident that quality is the major and most important factor causing Sachet water consumption in the individual household in Kaltungo West with a standardize coefficient of 0.314 and this is in line with the study conducted by Danso-Boaten & Frimpong, (2013) as mentioned in the literature. The second important factor is safety with a standardize

coefficient of 0.255, and is supported by the study conducted by Oladipo, et al., (2008). The third important factor is price with a standardize coefficient of .155, and this is in line with the study by Dada (2009) who maintained that, price of sachet water is affordable, and the fourth important factor is hygiene with a standardize coefficient of .126 and is supported by the study conducted by Oladipo, *et al.*, (2008). Hence, all the factors are mainly responsible in order for individual households to consumed

sachet water in Kaltungo West. Although, the other factor of the study has a weak impact on sachet water consumption, that is hygiene ( $b=0.126$ ). As the table shows positive values and the sub factors (quality, safety, price and hygiene) are significant, it is concluded that H1, H2, H3, and H4 hypotheses are endorsed.

### **6.0 Conclusion**

The study has examined consumer patronage as a factor affecting sachet water consumption in the various individual households in Kaltungo West and also examined the strength of association among the factors affecting sachet water consumption in the area; the result shows positive significant relationships. However, the study focused essentially on four variables simply because of the interest on these factors that affect sachet water consumption and the findings of this study shows that, the most important noteworthy effect is quality which consequently leads to sachet water consumption, followed by safety, price and hygiene. The study concluded that consumers of sachet water in Kaltungo west and other cities in Nigeria have a higher level of sachet water consumption as a result of its price, hygiene, safety and quality. The study therefore, recommends that there should be improvement on price, hygiene, safety, and quality of sachet water in order to increase and improve its consumption and relationships with consumers for more patronage. Sachet water companies should implement an effective marketing strategy to promote its price, hygiene, safety and quality and keep it consistently in the minds of customers. Based on this therefore, consumers will continue to repeat consuming sachet water because of the health benefits derived from taking the product. Further study should be conducted

to find the effects of other components such as taste, storage, packaging, leveling, expiry date, handling of the product, convenience to buy etc., that consumers can consider when they are making a decision on consuming the product apart from the those factors highlighted in the study.

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## EFFECT OF INNOVATIVE LEADERSHIP ON SALESMEN PERFORMANCE IN THE FAST-MOVING CONSUMER GOODS IN LAGOS STATE, NIGERIA

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*This study investigated the effect of innovative leadership on salesmen performance in the fast moving consumer goods (a study of selected firms). The objectives of the study are to determine the factors that determine innovative leadership in sales management in FMCG and to determine the relationship between innovative leadership and Salesmen effectiveness in meeting target. Sample size 284 salesmen from the two selected organization through the use of stratified random sampling technique. Data were generated through the use of validated structured questionnaire. Employing Pearson correlation analysis, the results of the empirical tests showed a strong empirical support for the existence of a positive and statistically significant effect of innovative leadership on salesmen performance in the manufacturing industry. Copious evidence abounds in the analysis that sales executives see innovation as the most important way for companies to accelerate the pace of change in the FMCG industry. To a very large extent, the result of the Pearson correlation analysis indicated that that innovative leadership in FMCG leads to improved selling skills among salesmen. The study revealed that Innovative leadership is essential in managing change and change is among the methods used in sustaining organization in the current business environment. It recommends that management should try as much as possible to formulate policies that will promote innovation leadership in the organization.*

### 1.0 Introduction

Innovation is a strategic tool for the survival of any organisation. The Fast Moving Consumer Goods (FMCG) industry is highly competitive and it will be difficult for any organization to gain a significance chunk of the market share without being innovative. It is often said that doing the same thing the same way and expecting different result is a definition of sanity. Thus, innovation gives a firm a different and new way of doing things (Mba 2013).

According to Blomme, Rheede and Tromp (2009), innovation can be defined as the act of commercializing an invention. It is changing the norm and putting new ideas into practice. With innovation, organizations in the FMCG will be able to expand the

the range of goods and services available for their clients. The FMCG industry is a service industry and it requires innovation to survive. Mba (2013) opined that over the last decades, several FMCG firms have been bringing innovative ideas to the table. Innovation and leadership style are like bread and butter. They go hand-in-hand. The industry thrives on innovation and also affected by risks (Boardman & Barbato, 2008). There are strong indications that leadership is important for innovation management. Leadership plays a decisive role in enhancing organizational creativity and implementing innovation projects and overcoming resistance (Mugal & Khan (2013).

Innovation leadership is a philosophy and technique that combines different leadership styles to influence employees to produce creative ideas, products, and services. The key role in the practice of innovation leadership is the innovation leader. Gliddon (2006) develop the competency model of innovation leaders and established the concept of innovation leadership at Penn State University.

It is expedient for leadership to bring in innovation in order to achieve organization development, introduction of new technology or processes can galvanized an organization in achieving a good chunk of the market share. Leaders of an organization have a role to play if they want the organization to move away from the norm and be a pace setter in the FMCG industry. Adeoye (2017) argued that leaders need to support the mission or the vision of an organization and this can only be done through constant innovation. Furthermore, for an organization to effectively adapt to new change the leaders of such organization must be able to strategies through effective innovation management or else the

organization will struggle to compete in a global market.

Lack of salesman commitment can have negative effects on performance which to a large extent contribute immensely to failure of organization not achieving their goals. Leader commitment to employee can be achieve through various motivation incentives, however, they cannot easily be achieved due to some problems based on the fact. The problem of the study is to examine the impact of leadership innovation on salesman performance.

The following were the objectives of this paper:

1. To determine the relationship between innovative leadership and Salesmen effectiveness in meeting target of FMCG in Lagos State, Nigeria.
2. To determine the relationship between innovative leadership and selling skills among Salesmen of FMCG in Lagos State, Nigeria
3. To determine the relationship between innovative leadership and market share of FMCG in Lagos State, Nigeria.

Below are the research hypotheses of the study:

1. There is no significant relationship between innovative leadership and Salesmen effectiveness in meeting target of FMCG in Lagos State, Nigeria.
2. There is no significant relationship between Innovative leadership and market share of FMCG in Lagos State, Nigeria.
3. There is no significant relationship between Innovative leadership and selling skills among Salesmen of FMCG in Lagos State, Nigeria.

The relevance of this study is to explore the effect of innovative leadership on salesman

performance in FMCG (a study of selected firms). This particular industry was chosen because of the amount of sales made in the industry. The effect of this study is that it will help organization to identify ways of improving salesmen performance especially by combining different leadership styles to influence employees to produce creative ideas, products and services. Management of organization would find this research useful as it would keep them abreast of how to be innovative in their style and approach. It will also serve as an eye opener on the issue that influences employee's decision to show loyalty to an organization.

The Nigeria government would also find this study useful by looking at ways to promote innovative leadership in the workplace through the enactment of appropriate legislation. Government would also be able to look at some of the recommendations that would be provided at the end of this study.

## **2.0 LITERATURE REVIEW**

### **Empirical Review of the Literature**

Empirical review help researchers identify the latest trends of the development in creativity research and will further support the findings generated from previous literature reviews with the empirical data. The comparison with another field will also assist researchers in identifying the strengths and weaknesses of previous related study. Also, empirical research is based on observed and measured phenomena and derives knowledge from actual experience rather than from theory or belief. In fact, through reviews specific research questions are been answered.

The business environment can only be sustained through change. Change management can also be managed by effective leadership. Thus, innovative leadership in this study had been seen as the

vehicle to motivate and encourage salesmen to continuously make change and enhance their performance. Though, it might not be easy in the first instant due to people resistant to change but in the long run, it will be beneficial to the salesman and the organization (Uchendu, Anijaobi & Odigwe, 2013; Comboh 2014).

## **3.0 METHODOLOGY**

This chapter presents the procedures adopted for data collection in various sections such as the research design, the study area, the study population, sampling procedures, sample size determination, research instrument, validity of the research instrument, and reliability of the research instrument, limitations of the study and field experience.

A research method is about the procedure that will be adopted in a research project. In this research work, the simple random sampling technique will be adopted in order to identify the sample size. Data will also be collected from both primary and secondary sources. Primary data collection will involve the use of questionnaire while secondary data will be gotten from company's records, handbooks, journals and articles (Imoisili 1996; Omorogiuwa 2006).

Data collected from the questionnaire will be analysis using Statistical Package for Social Science (SPSS) version 15 and Pearson Correlation will be used in testing the hypotheses.

## **4.0 FINDINGS AND DISCUSSION**

This section presents the analysis and interpretation of data obtained from the respondents. This study focused on the effect of innovative leadership on salesmen performance in selected FMCG industry. The inferential and descriptive statistical data were presented in tables showing

percentage analysis and distribution of the respondents' views on issued addressed in the study. Data obtained from the administered questionnaire are analyzed and conclusions drawn from the results to provide answers to the research questions. The analysis was based on the objectives of the study. Out of the 346 questionnaires administered, only 284 were retrieved. This shows a response rate of 82% from the respondents.

Table 4.1 below showed the gender of the respondents in which 50.7% were male while 49.3% were female. The respondents' marital status indicates that 51.2% were married, 23.8% were single and 25% of the respondents were either divorced or widow.

This shows that most of the respondents are married.

In relation to the age of the respondents, the highest age range is 31-40 years with 45.2%. Subsequently, 31.0% were between the ages of 20-29years, 8.6% were aged between 40-49yrs and respondents within the age ranges of 21-30 years and 51years and above both have 7%. This shows that most of the respondent are matured enough to provide information useful for the research work. In addition, most of the respondents have a good number of work experiences under their belt. For instance, 42.9% of the respondents had 5-9years of experience, 29.8% of had less than 5years working experience while 27.4% of had above 10years experience.

**Table 4.1 Socio-Demographic Characteristics of the Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	143	50.7
Female	141	49.3
Total	284	100.0
<b>Age (years)</b>	<b>Frequency</b>	<b>Percent</b>
< 20 years	34	7.1
20-29 years	77	31.0
30-39 years	103	45.2
40-49 years	36	8.6
50 years and above	34	7.1
Total	284	100.0
<b>Marital Status</b>	<b>Frequency</b>	<b>Percent</b>
Single	77	23.8
Married	128	51.2
Divorced/Widow	80	25
Total	284	100.0
<b>Working Experience (years)</b>	<b>Frequency</b>	<b>Percent</b>
< 5 year	90	29.8
5-9 years	113	42.9
10 years and above	83	27.4
Total	284	100.0

Source: Field Survey, 2021

### **Respondents' Views on Determinants of Innovative Leadership**

#### **Test of Hypotheses**

#### **Hypothesis 1**

**Ho:** There is no significant relationship between innovative leadership and Salesmen effectiveness in meeting target.

**H1:** There is significant relationship between innovative leadership and Salesmen effectiveness in meeting target.

The Table 4.2 gives a Pearson’s Correlation value of 0.599 which shows the relationship between innovative leadership and salesmen effectiveness in meeting target. It reflects that innovative leadership is positively correlated to salesmen effectiveness in

meeting target ( $r=.599$ ,  $N=284$ ,  $P<.01$ ) which shows the moderate correlations between the said variables. The calculated  $r$  value is significant at 0.01 level of significant on the two-tailed test table. The  $r$  value is the result of the calculated Pearson Product Moment Correlation while the  $P$  value is less than 0.01 ( $P< .01$ ).

**Table 4.2 Pearson Correlation between Innovative Leadership and Salesmen Effectiveness**

		IL	SE
IL	Pearson Correlation	1	.599**
	Sig. (2-tailed)		.000
	N	284	284
SE	Pearson Correlation	.599**	1
	Sig. (2-tailed)	.000	
	N	284	284

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

Where IL: Innovative Leadership

SE: Salesmen Effectiveness

**Hypothesis 2**

**Ho:** Innovative leadership does not engender improved turnover that generates market share improvement.

**H1:** Innovative leadership engender improved turnover that generates market share improvement.

The Table 4.3 gives a Pearson’s Correlation value of 0.599. Table 4.4.2 summarizes the results of the correlation. This table reflects that there is a correlation between Innovative leadership and market share improvement ( $r=.802$ ,  $N=284$ ,  $P<.01$ ) which shows the moderate correlations between the said variables. The calculated  $r$  value is significant at 0.01 level of significant on the two-tailed test table. The  $r$  value is the result of the calculated Pearson Product Moment Correlation while the  $P$  value is less than 0.01 ( $P< .01$ ).

The data on table 4.3 about innovative leadership and salesmen performance was used to test this hypothesis. The variables were innovative leadership and market share improvement. In the case of this correlation, the null hypothesis would be rejected and the alternative hypothesis would be accepted as the  $P$ -value is less than 0.05. This concludes that innovative leadership engender improved turnover that generates market share improvement.

**Hypothesis 3**

**Ho:** Innovative leadership in FMCG does not lead to improved selling skills among Salesmen.

**H1:** Innovative leadership in FMCG leads to improved selling skills among Salesmen.

**Table 4.3 Pearson Correlation in Innovative Leadership and Market Share Improvement**

	IL	MSI
Pearson Correlation	1	.802**
IL Sig. (2-tailed)		.000
N	284	284
Pearson Correlation	.802**	1
MSI Sig. (2-tailed)	.000	
N	284	284

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

Where IL: Innovative Leadership

MSI: Market Share Improvement

Hypothesis 3 was supported for the most part. There is a significance relationship between innovative leadership and improved selling skills among Salesmen, although not on all of them as expected. The calculated r value is significant at 0.01 level of significant on the two-tailed test table. The r value is the result of the calculated Pearson Product Moment Correlation while the P value is less than 0.01 ( $P < .01$ ). Table 4.4 summarizes the results of the correlation. This table reflects that innovative leadership in FMCG leads to improved selling skills

among salesmen ( $r=.912$ ,  $N=284$ ,  $P<.01$ ) which shows the moderate correlations between the said variables. The data on Table 4.3 was used to test the hypothesis. The variables were innovative leadership and improved selling skills among salesmen. In the case of this correlation, the null hypothesis would be rejected and the alternative hypothesis would be accepted as the P-value is less than 0.05. This concludes that innovative leadership in FMCG leads to improved selling skills among salesmen

**Table 4.4 Pearson Correlation Between Innovative Leadership and Improved Selling Skills among Salesmen**

	IL	ISS
Pearson Correlation	1	.912**
IL Sig. (2-tailed)		.000
N	284	284
Pearson Correlation	.912**	1
ISS Sig. (2-tailed)	.000	
N	284	284

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

Where IL: Innovative Leadership

ISS: Improved Selling Skills

#### Hypothesis 4

**Ho:** Management style factor does not affect innovative leadership and salesman performance in the organization

**H1:** Management style factor affects innovative leadership and salesman performance in the organization.

The Table 4.5 gives a Pearson's Correlation value of 0.599 which shows the relationship between management style factor and innovative leadership and salesman performance in the organization. It reflects that management style factor affects innovative leadership and salesman performance in the organization ( $r=.599$ ,  $N=284$ ,  $P<.01$ ) which shows the moderate correlations between the said variables. The

calculated r value is significant at 0.01 level of significant on the two-tailed test table. The r value is the result of the calculated Pearson Product Moment Correlation while the P value is less than 0.01 ( $P < .01$ ).

The data on table 4.5 about the components of innovative leadership and salesmen performance was used to test the hypothesis. The independent variable is management style factor and the dependent variable is affect innovative leadership and salesman

performance in the organization. This variable was used to determine if management style can affect innovative leadership and salesman performance in the organization. In the case of this correlation, the null hypothesis would be rejected and the alternative hypothesis would be accepted as the P-value is less than 0.05. This concludes that management style factor affects innovative leadership and salesman performance in the organization

**Table 4.5 Pearson Correlation between Management Style Factor and Innovative Leadership and Salesman Performance**

		MSF	ILS
	Pearson Correlation	1	.599**
MSF	Sig. (2-tailed)		.000
	N	284	284
	Pearson Correlation	.599**	1
ILS	Sig. (2-tailed)	.000	
	N	284	284

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

Where MSF: Management Style Factor Innovative Leadership

ILS: Innovative Leadership and Salesmen Performance

### Discussions of the Findings

The results of the study offered strong empirical support for the existence of a positive and statistically significant effect of innovative leadership on salesmen performance in FMCG industry. Copious evidence abounds in the analysis that if an organization adopts innovation as a means of assessing salesmen, sales performance will increase. To a very large extent, the findings of this present study concur with earlier empirical studies on the impact of innovation leadership on salesmen performance.

Review of literature identified diverse leadership style such as democratic, autocratic, dictatorial, and laissez faire leadership styles amongst others (Olubiwe, 2017). Empirical evidence from the study

did confirm that sales executives see innovation as the most important way for companies to accelerate the pace of change in the FMCG industry (Ikeda, Veludo & Campomar, 2005).

Furthermore, the empirical study has shown that the adoption of innovation in the FMCG helps to promote salesmen performance. Study findings indicated that more than 70 percent of the sales executives in the survey believe that innovation will be at least one of the top three drivers of growth for their companies in the next three to five years.

## 5.0 CONCLUSION

### Summary of Findings

It was part of the objectives of this research work to find out the relationship between innovative leadership and salesmen performance in the FMCG industry. The



research work therefore, established a relationship between innovative leadership and salesmen performance. The study shows that there are several factors that determine innovative leadership in the fast moving consumer goods industry. Leadership styles like laissez faire leadership styles amongst others determine how innovative a leader can be in the organization. The second research question seeks to the relationship between innovative leadership and Salesmen effectiveness in meeting target. The result of the research shows that there is a positive relationship between innovative leadership and Salesmen effectiveness. The higher the level of innovative leadership, the higher the level of salesmen effectiveness in meeting target.

Furthermore, the third research question on if innovative leadership in FMCG can leads to improved selling skills among Salesmen. The research work shows that doing the same thing in different ways is the best way to improve salesmen skills in the FMCG industry. The result of the study also shows that innovative leadership engenders improved turnover that generates market share improvement. The research work proves that innovation comes with a risk but its benefits outweigh any potential risks that may come with it. Lastly, based on the last research question that seeks to identify factors responsible for innovative leadership and salesman performance in the organization. The research findings show that there are no best-practice solutions to seed and cultivate innovation in the FMCG industry. However, cost, organization culture, government policy and effect on human resources are some of the factors responsible for innovative leadership and salesman performance in the organization.

## **Conclusion**

Based on the outcome of the test of hypothesis one, this study thus provided empirical evidence to show that there is a significant relationship between innovative leadership and salesmen effectiveness in meeting target. Also, predicated on the outcome of the test of hypothesis two, it can thus be concluded that innovative leadership engender improved turnover that generates market share improvement. Furthermore, based on the outcome of the test of hypothesis three, one can conclude that innovative leadership in FMCG leads to improved selling skills among salesmen. Finally, based on the outcome of the test of hypothesis four, one can conclude that management style factor affects innovative leadership and salesman performance in the organization.

The business environment can only be sustained through change. Change management can also be managed by effective leadership. Thus, innovative leadership in this study had been seen as the vehicle to motivate and encourage salesmen to continuously make change and enhance their performance. Though, it might not be easy in the first instant due to people resistant to change but in the long run, it will be beneficial to the salesman and the organization.

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## THE IMPACT OF JOB SATISFACTION ON JOB PERFORMANCE AMONG HOTEL EMPLOYEES IN KANO: A PILOT STUDY

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*The purpose of this paper is to examine a few sample data on the impact of job Satisfaction on Job performance among Hotel Employees in Kano. Thus, instruments such as content and face validity, reliability and the data normality were also examined base on the on revised version by expert, a few data were analysed using the statistical software SPSS version 20. The result reveals that the instruments are reliable and the data for pilot study show evidence of rational normality. It is concluded that the instrument are good enough to be employed in researches*

### 1.0 Introduction

Attainment of a high level performance through productivity and efficiency has always been an organizational goal of high priority (Gryn, 2010). In order to do that highly satisfied work force is an absolutely necessity for achieving a high level of performance advancement of an organization. Satisfied worker leads to extend more effort to job performance, then works harder and better (Pushpakumari, 2008). Thus every organization tries to create a satisfied work force to operate the well-being of the organization (Pushpakumari, 2008). However, the total organizational performance depends on efficient and effective performance of individual employees of the organization (Gryn, 2010). Therefore, every organization places a considerable reliance on their individual employee performance to gain high productivity in the organization. Employee effort is an important factor that determines an individual performance (Hira and Wakas, 2012).

According to American quality and productivity center (2004) to gain the revenue, Hotels employees work in a variety of units including housekeeping, maintenance, food service, accounting, baggage handling, personnel, sales and the front desk staff. One of the indicators in enhancing and improving the services industry is job performance (Monil & Tahir, 2011).

Since local and foreign tourists have lots of options to choose from, due to negative attitudes to customers by some of the hotel employees, poor service delivery/delay in attending to the guest orders, the hotels in Kano should strive to improve their quality of services provided through job performance. Another important issue that necessitates the study of job performance is the problems such as over use of facilities during the peak period and underutilization of facilities during the non-peak period (Marane,

Asaad & Omer, 2013). People also can have attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates and their pay (George et al., 2008). Job satisfaction is an important factor about employee's performance and predictors of work behavior (Hira, Waqas 2011). It has been found by Funmilola, Sola, and Olusola (2013) that job satisfaction lead to job performance in the work place.

Previous researchers of Job Satisfaction on Job Performance have the same opinion that, predominantly given the significance of Performance to Organizations Development, the area Needed additional empirical research on numerous scope as there is only a modest to weak correlation between job satisfaction and job performance and the causal direction is inconclusive (Jae, Vanden & Berghe 2011). Some studies suggest that pay, promotion, supervision, Work itself, and Work condition does increase a firm's performance (Funmilola, Sola, & Olusola 2013), yet other studies suggest that it does (Margolis & Walsh 2003; Waddock & Graves, 1997). This inconsistency in findings has led to calls for having a different dimension to clarify the relationship between Job satisfaction and Job performances.

In view of the information the paper intent use work environment, work condition and rewards factors on the Job Satisfaction and Job Performance relationship to do empirical pilot test in the context of Hotel Employees in Kano, Nigeria which previous study not captured, Hence, work environment, work condition and rewards serve as independent variables and Job Satisfaction dependent variable and is in line with previous research and suggestion. (Jae, Vanden & Berghe, 2011; Cochran & Wood,

1984; Fombrun & Shanley, 1990; Berrone, et al. 2007; Gorondutse and Hillman, 2012)

Gay, Mills and Airasian, (2006) indicates that a pilot test is well thought-out to be like "an outfit preparation" in which a little scale trial of the study is carry out prior to the full-scale study. Therefore, this study carried out a pilot study in order to accomplish some goals. Firstly, the small study was prepared to test the validity and reliability of the instrument of the research. Secondly, the study is designed to get a picture about the real situation of the main study. Hence, this would allow the researcher to predict and correct to possible exertion during the full-scale study. Among the main worry of pilot test is the instrument validity and reliability. Validity of the measuring instrument is the extent to which the instrument is measuring what it is supposed to measure and not something else. Reliability of a measure on the other hand, indicates the extent to which an instrument is error free and thus, consistent and stable across time and also across the various items in the scale (Sekaran & Bougie, 2010; Gorondutse & Hillman, 2012). To this end, the paper presents the result of pilot test with regard to the Impact of Job Satisfaction on Job performance among Hotel Employees in Kano.

## **2. Methodology**

Considering the fact that this study is a pilot test of ongoing research, small samples of some Hotels were randomly selected. This is in accordance's with the commendation by Malhotra (2008); Gorondutse and Hillman (2012) that the sample size for pre-test is usually few, starting from 15-30 respondents, but it might be increased substantially if the test involves several stages. Hence, a total of 65 copies of questionnaires were individually circulated and 50 were completed and returned out of

which 15 were not properly concluded and thus, not regarded for analysis.

The most accepted test of inter-item uniformity reliability is Cronbach's alpha coefficient as specified by Sekaran and Bougie (2010). Thus, Cronbach alpha test is engaged in this research to determine internal uniformity of the tool. The data was analysed using SPSS version 20 for windows. Before the delivery of the questionnaires, the draft was firstly submitted to experts and also to the distinctive respondent for look and content validity. The entire procedure was finished between the periods of four weeks in the months June, 2015/July, 2015.

### **2.1 Instrumentation and Measurement of Variables**

A well prepared questionnaire comprising of closed ended multiple choice-questions were adapted and used for the study which was developed by (martins, 2008; Griffin, Neal, & Parker,2007). Given that mainly of the items in the questionnaire are besieged to measuring the respondents' perceptions. thus, Likert-type scale is regarded as the most appropriate and reliable (Alreck & Settle, 1995; Miller, 1991; Gorondutse and Hillman,2012).

The mostly rating scales for measuring the latent construct in social science research will be used in the study (Churchill & Peter 1984; Gorondutse & Hillman, 2012) The research will structure all constructs in the measuring instrument to use 5-point. Likert type of scale, because of the benefits inherent in a 5-point Likert scale including the independent, and the dependent variables. Although some other literatures have argued on 7-point Likert type of scale which is said to provide detail feedback and also not subjecting the respondents into any undue cognitive burden (Hair et al., 2010;

Cavana et al., 2001; Churchill & Peter 1984). Thus, to achieve a better optimal result in information processing and scale reliability, 7-point Likert scales is said to be efficient (Churchill & Peter 1984). Therefore, the 7-point Likert scale was used in the present study

The key factors contained in the study are: work environment, work condition and rewards. All the constructs/variables are uni-dimensional, Section A: consists of a set of twenty seven questions that seek to measure the level of proactivity, adaptivity and proficiency towards the attainment of performance (Griffin, Neal, and Parker, 2007). Section B: consists of twenty questions targeted at measuring the perceived satisfaction in relation to (intrinsic and extrinsic ) rewards (martins,2008). Section C: Consists of questions about the demographic facts of the respondents. Only the significant items that will be used in answering the research questions are included in the questionnaire. Furthermore, responsive questionnaire are not included in order to obtain high response rate (Sekaran & Bougie, 2010; Gorondutse& Hillman,2012)

### **3. Results of Validity and Reliability Tests**

#### **3.1 Content and Face Validity**

Thus, content validity entails requiring a few samples of characteristic respondents and/or team of specialist to make judgement on the appropriateness of the items chosen to determine a variable (Hair, Money, Samouel & Page, 2007; Hair, Black, Babin, Anderson, Tathan, 2010; Sekaran & Bougie, 2010; Gorondutse & Hillman,2012).

Therefore, a sample of the instrument of this paper was circulated to specialist in order to get outcome regarding the appropriateness, comfortable, and sufficiency of the items that are planned to determine the constructs

under examination. Similarly, Experts from Bayero University Kano and Universiti of Utara Malaysia who are well-known with the context of the study were also contacted to make sure the cleanness of the instrument, a number of observations were reworded/rephrase in order to determine the constructs properly and also to be clear to the possible respondents. This process of seeking for specialist opinion was completed within four-week period. Following delightful into consideration of the observation by the specialist, then the researcher adapted and came up with an enhanced version of the instrument which was eventually administered for the pilot study.

### **3.2 Reliability Test**

Apart of the content and face validity different kind of reliability tests are frequently employed, therefore, the common method used by researchers is the internal consistency reliability test (Litwin, 1995; Gorondutse & Hillman, 2012). It is refer to as the degree to which items “dangle jointly as a set” and are able of autonomously measuring the identical concept to the degree that the items are related with one another. Thus, (Sekaran & Bougie, 2010; Gorondutse and Hillman, 2012) state that the most accepted test of inter-item consistency reliability is Cronbach’s alpha coefficient. Therefore, Cronbach alpha test is employed in this study to determine internal consistency of the mechanism. After administration the data using SPSS version 20 for windows, the result reveals that all the measures have high reliability criterion ranging from 0.762 to 0.926. This is in line with the yardstick that an instrument with coefficient of 0.60 is considered to have an average reliability while the coefficient of 0.70 and above shows that the instrument has a high reliability standard (Hair, Black,

Babin, Anderson, & Tatham, 2006, 2010; Nunally, 1967; Sekaran & Bougie, 2010) and coefficient of 0.50 as supportive (Nunally, 1967).

Furthermore, (Hair et al., 2007; Gorondutse & Hillman, 2012) view that researcher usually regard that an alpha value of 0.70 as a least, however, lower coefficients may be acceptable. Table 1 shows the digest of the reliability results. It may perhaps be seen from the table that the result of pilot study shows that Cronbach’s alpha values for the variable under examination are all above 0.70. Accordingly, given the recognized yardstick of 0.70 all the variables are reliable.

However, it would be observed from Table 2 that 72% of the respondents are Male which indicates that mostly Hotel employees in Kano are Male due to cultural and religious perceptions and might not be the same elsewhere e.g. Abuja or Lagos. Similarly, 36% of the employees work experience falls between 1-5 years which indicates that the Hotels are New, and Consequently, 38% of the Hotel employees are Diploma/NCE holders and mostly works at the Front Office.

### **3.3 Data Distribution**

Generally the inferential statistical methods necessitate the completion of normality hypothesis (Pallant, 2001; Tabacknick & Fidell, 2007, Gorondutse & Hillman, 2012). Normal data is the one that is balanced, bell-shape, with the maximum frequency of scores in the middle and smaller distribution towards the extreme ends. Normality can be measure by using the values of skewness and kurtosis. While skewness deal with the symmetary, kurtosis shows the extent to which the data is peak or flat (Tabacknick & Fidell, 2007). Therefore values of skewness and kurtosis the data can be regarded as

rationally normal. Where is the statement or table regarding normality and skewness.

#### **4. Conclusion**

The study brings the few scale data that was collected during the pilot study and the Objectives of this study is pilot study to test the validity and reliability of the instrument of a continuous research on Job satisfaction and Job performance for the large scale study. Thus, the end of this study is tied to its aims which are mainly statistical in nature at this point. Content and face validity were carried out which consequently led consideration of specialist view to attain the revised version of the instruments. Moreover, the inter-item reliability test indicated that all the items were reliable with Cronbach Alpha well above the yardstick of 0.70; by this means no items was deleted The implication of the constructs would be fully exposed after the main study is carried out. Finally, normality test using skewness and kurtosis shows that the data as a entire is rationally normal.

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**Table 2: Demography of Respondants**

S/n	Items	Frequency	Percentage %
1	<u>GENDER:</u>		
	Male	36	72
	Female	14	28
2	<u>AGE:</u>		
	21-30 Years	24	48
	31-40 Years	17	34
	41-50 Years	7	14
	Above 51 Years	2	4
3	<u>WORK EXPERIENCE:</u>	7	14
	Less than 1 year	18	36
	1 - 5 years	9	18
	5 - 10 years	8	16
	10 - 15 years	8	16
	Above 15 years		
4	<u>EDUCATIONAL QUALIFICATION:</u>	11	22
	SSCE/NECO/WASCE	19	38
	Diploma/NCE	14	28
	BSc./HND	3	6
	Master Degree	1	2
	PhD	2	4
	Others		
5	<u>DESIGNATION:</u>		
	Front Office	15	30
	Food & Beverages	9	18
	House keeping	9	18
	Bar/Hall	4	8
	Recreations/Swimming	3	6
	Others	10	20

**Table 1: Summary Of Reliability Study Spss Version 20 Windows**

CONSTRUCT	NO. OF ITEMS	CRONBACK'S ALPHA
Individual task proficiency	3	0.874
Individual task adaptivity	3	0.817
Individual task proactivity	3	0.762
Team member proficiency	3	0.762
Team member adaptivity	3	0.926
Team member proactivity	3	0.813
Organization member proficiency	3	0.914
Organization member adaptivity	3	0.843
Organization member proactivity	3	0.883
Rewards (Extrinsic)	8	0.917
Rewards (Intrinsic)	12	0.866

## DETERMINANTS OF CUSTOMER SATISFACTION IN THE NIGERIAN TELECOMMUNICATION INDUSTRY: A CONCEPTUAL REVIEW

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*Telecommunications industry plays a vital role in developing the economy of Nigeria as a nation. There are four major telecommunications companies which were given license to operate in Nigeria in order to solve the problem of monopoly in the sector. Most of those companies have been facing serious challenges with regard to some determinants that lead to customer satisfaction. This problem contributes immensely in rapid switching of customers from one service to another. This study therefore, aims to review existent literature on the determinants of customer satisfaction in telecommunications industry in Nigeria. Based on the reviewed literature, the study used desk review in order to discuss issues and concept. It finally concludes that there is significant relationship between determinants (perceived quality, perceived value and customer expectations) and dependent variable (customer satisfaction). The study suggests that telecommunications companies should pay attention to perceived quality, perceived value and customer expectations in order to enhance strong relationship with their*

### 1.0 Introduction

Telecommunications industry plays a vital role in shaping and linking the world to a global village. This makes businesses easier through zero distancing than they were before. Despite the outbreak of Corona Virus pandemic, telecommunications sector has been receiving rapid growth, and remains a fast-moving driver of the economy (Telecommunications Industry Roundup, 2020). At the end of 2019, two-thirds of the global population was subscribed to mobile services influenced by lockdowns imposed worldwide in the first quarter of 2020, the number of mobile connections increased to approximately 7.9 billion compared to 5.2 billion at the end of 2019, representing 2.7 billion increments (Telecommunications Industry Roundup, 2020).

In Nigeria, the growth of telecommunications sector has been explosive at a Cumulative Annual Growth Rate (CAGR) of 31.8% between 2000 and 2019, driven by reforms that liberalized the sector and attracted foreign and domestic investment. From a negligible 0.1% contribution to Gross Domestic Product (GDP) in 1999, prior to the adoption of GSM, the sector's contribution to GDP has risen to 10.3% in 2019, with nominal GDP rising two hundred times from N26.3 billion to N7.4 trillion (The Nigerian

Telecommunications Sector Report, 2020). However, customer satisfaction has to be given utmost consideration in the service marketing field of literature and practice. It is pertinent to marketers to pay attention to it as customer dissatisfaction has been widely immersing due to poor service quality provision (Nigeria Telecommunications Commission, 2018). In 2018, there were records of 13,880 complaints from mobile subscribers, which Airtel had 3,143; Etisalat had 1,705 and Globacom had 2,885 (Nigerian Telecommunications Commission, NCC, 2018). It is also revealed that NCC has developed various channels for telecommunications consumers to file their complaints. These channels included: the toll free line-622, consumer web portal, various social media handles in addition to written complaints (Nigerian Telecommunications Commission, NCC, 2018). This clearly indicates the efforts of government in protecting the rights of consumers of communications industry in Nigeria. Therefore, one of the most important things to pay attention to is improving the well-being of the customers through providing them with reliable, assured and qualitative service. The National President of Telecommunications Subscribers of Nigeria, Adeolu Ogunbajo was revealed extending consumers appreciation of the fact that that the NCC, working with its supervising ministry, did not allow the consumers to suffer serious disruption to service and quality of experience (The Guardian, September 11, 2018).

Consequently, improved service quality could improve customer retention.

However, retaining customer could result to loyalty through positive word of mouth, this long term relationship will in turn, create huge income generation to the company. When customer loyalty is enhanced, the cost of advertising will definitely reduce because he will keep on inviting his relatives, family and friends to patronize the company's product or service. This strategy helps businesses to boost and easily win the race in competitive marketing arena.

Many service companies overlook the sustainable competitive advantage that can be generated through their stable long term relationships with customers (Morgan and Hunt, 1994; Linares, 2012), which allows service firms to reduce the negative results related to the unavoidable negative service experiences (Linares, 2012). There is strong relationship between service providers and their customers. Therefore, one of the main objectives of marketing relationship management is to strengthen the link between existing customers in order to enhance customer satisfaction (Claycomb and Martin, 2002) and to build customer loyalty through the formation of mutual long-term benefits between service firm and its customers (Kanyan, Andrew and Beti, 2015). On the other hand, customer dissatisfaction could affect the long run existence of the business, which can easily be communicated from a customer to his relatives, family and friends. This will adversely affect the performance of the company since the experience got by customers is shared to other service users so that they could develop complaints due to poor service, or else switch to other service providers.

As such this paper is written with the aim to discuss issues and concept on the determinants of customer satisfaction in telecommunications companies in Nigeria.

## **Conceptual Review**

### **Customer Satisfaction**

Customer satisfaction has been identified as one of the volatile aspects in marketing management. This is as a result of the immense competition among businesses in the name of winning the market. Haaften (2017) views customer satisfaction as the long term success of a corporation which is closely related to the company's ability to adapt to customer needs and changing preferences and its ability to create and maintain loyal customer relationship. Therefore, the success of any business lies on satisfying its customers appropriately. This could be done through searching and identifying various needs and wants of a customer, which is a major ingredient for successful growth and expansion of a particular organization. Service industries, for example telecommunications companies, spend their time in formulating some strategies that would make their customers happy all the time. These strategies are achieved through effective quality of service performance that enhances positive outcome from those customers. This leads to loyalty, retention and positive word of mouth, which helps in creating long term relationship with the existing customers and in turn, gives room for inviting the potential ones to come and patronage the service. On one hand, lack of well-planned strategies may lead to negative word of mouth which is a sign of

business downfall in the long run. However, Hisami (2016) argues that customers are satisfied when the perceived service meets or exceeds their expectations and vice versa. Customer satisfaction is viewed by different scholars of consumer marketing professionals. This makes it difficult to be determined by service providers especially in telecommunications industry. It is viewed as the gap between customer expectations and perceptions regarding service quality (Hsien-Ta, Jhih Chun, Chiu, and Menglong, 2010). Customer satisfaction is the result of an objective evaluation of a product or service by comparing between customer perceived value and customer expectation Kamran-Disfani, Mantrala, Izquierdo-Yusta, and Martinez-Ruiz (2017); and Meesalah and Paul (2018).

### **Perceived Quality**

Service quality deals with the extent in which service performance is improved to a certain level that the customer will agree that what he expects from such service is experienced. Qualitative service leads to customer satisfaction. Mustvanga (2014) viewed that customers' perception of service quality always poses a great challenge which is unique than other business challenges. Similarly, Dimfwina, Murtala and Ijeoma (2018) suggested that quality of a product (or service) may be observed as its features by means of which certain needs of customers are satisfied. Hussain, Naseer and Hussain (2015) argued that service quality is often confused with customer satisfaction. Miranda, Tavares and Quiero (2017) supported that service quality is the customer's perceived value of the

service by comparing between perceived quality and service expectation. However, when the quality is poor, customers will develop complaints which may lead to switching to other service providers.

### **Perceived value**

Perceived value is a complicated determinant of customer satisfaction. Customer is said to be satisfied whenever he assures that what he buys is valuable to him than the amount of money he gives out in return. Therefore, value is added by the service provider in order to attract the interest of a customer through innovation and creativity, which would make the service user develop repeat purchase habit due to maximum satisfaction he derives (Dominic and Guzzo, 2010). On one hand, when value is poorly perceived by the customer, the long-term relationship with the company must be worn out because of the negative perception that occurs between the two parties.

### **Customer expectations**

Customer expectations are the determinants of customer satisfaction. They measure how customer experiences the quality of the company's product or service. Expectations are the opinions about services, which are provided for customers to deliver as the criterion, or ideals versus which the real performance is assessed (Zeithaml and Bitner, 2003). They are important elements in the formation of customer satisfaction. This is where customer's need and desire may play a significant role in forming feelings of satisfaction because of the result of the post-

consumption experience which includes word of mouth from the customer. Word of mouth could be positive if the service is satisfied, but negative if there is dissatisfaction from the side of the customer.

### **Underpinning Theory**

This study is guided by dissatisfaction/satisfaction theory. The satisfaction models are originally based on the disconfirmation theory (Oliver, 1981), and customers psychology. The disconfirmation patterns consist of three major factors of expectation, perceived performance and satisfaction/dissatisfaction. The study by Boshof (1997) indicated that confirmation/disconfirmation is an evaluation process by which the customers compare a product or service performance with his previous expectations.

Confirmation occurs when an actual performance matches with the individual's expectations. In this case, the customers are satisfied, or in other words, 'neutral or indifferent'. At the same time, customers are extremely satisfied when performance exceeds expectations. On one hand, the negative disconfirmation occurs when the product or service performance is surpassed by the expectations of the customers. In this point, as the gap between customer's expectations and the perceived performance becomes higher, the customer's dissatisfaction is expected to increase. Therefore, the customer is in an outrage state. As regards, the customers' expectations are formed based on their previous experiences, comments by others (word of mouth), information and promises by the rival's organizations; hence,

organizations should be careful to keep the expectations of customers in a specific area (Nimako and Mensah, 2014). As the disconfirmation theory discussed, the service failure occurs when there is gap between business activities and operations (Boshof, 1997).

### **Methodology**

This paper is a conceptual study, which is conducted after some journal articles were reviewed to make a conclusion based on the findings of those previous works. Therefore, the method used in this study was desk review.

### **Empirical Review**

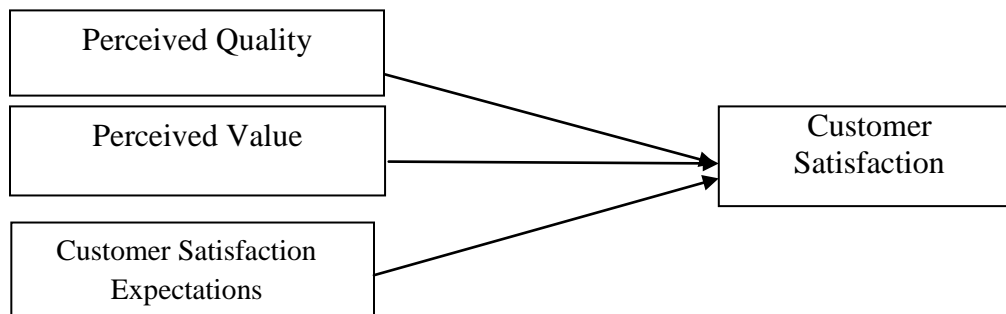
Njabulo (2020) studied determinants of online customer satisfaction in relation to online shopping in South Africa. The study used convenience sampling. A total of 270 questionnaires were distributed and analyzed using SPSS 24.0. The key findings showed that only technological and product factors influence customer satisfaction and that service factors have a non-significant effect on customer satisfaction with online shopping. Salman, Hanif and Abbas (2015) studied determinants of customer satisfaction and organizational effectiveness in Pakistan. The study used interview method where 150 customers were used as sample. The findings of the study revealed that service quality and promotion are the key factors for satisfaction in banking industry in Bahawalpur, Pakistan. Achmad and Sugeng (2018) studied determinants of customer satisfaction and its implications on customer loyalty of Budget Hotel in DKI Jakarta. The study used descriptive and explanatory survey methods with minimum of 200

respondents, and SEM. The study found that the determinants have positive effect on customer satisfaction. Kanupriya and Arpan (2019) studied determinants of customer satisfaction in Telecommunication in India. Responses were collected through twitter by using hashtags and @ mention for telecommunications companies in India. The result showed that there is positive relationship between network qualities, service interaction quality and customer support play a momentous factor for the satisfaction of customers in the telecommunications industry. Muhammad, Muhammad, Anser and Qasim (2014) studied determinants of customer satisfaction and its impact on customer loyalty in Nokia brand in Pakistan. The study used epistemology and involved 170 citizens of Pakistan through questionnaire survey. The study found that customer satisfaction has positive impact on customer loyalty. Mohammed, Nor and Siti (2015) studied key determinants of customer satisfaction: evidence from Malaysia grocery stores. The study used an extensive dataset from 313 shoppers as sample. It used Partial Least Square method to analyze the data. The study found that monetary value, service and convenience, and store image have a direct impact on customer satisfaction. Eric, Francis and Gloria (2018) studied determinants of customer satisfaction in the telecommunication industry in Ghana: a study of MTN Ghana Limited. The study used systematic random sampling of 377 subscribers, employing questionnaires. Two managers were interviewed. The study found that there is significant positive relationship between customer satisfaction and

perceived (product/service) quality, relationship quality, and customer loyalty, but not for other variables. Odia and Dakare (2019) studied determinants of customer satisfaction with female market intermediaries. Nadia (2019) studied customer satisfaction in e-commerce: the role of logistics service providers and e-commerce companies. The result shows that customers are more satisfied when logistics service providers play their role. Based on the previous studies reviewed, this study is carried-out in order to fill the gap through paying attention towards reviewing the concept of the determinants customer satisfaction in Nigeria's telecommunications industry.

### **Conceptual Framework**

The overall assumption in this study is that, the degree of customer satisfaction will be determined by certain factors that lead to customer retention and loyalty from the service he consumed. A satisfied customer will build long-term relationship with the company, which growth in terms of profit will be enhanced. Therefore, customer satisfaction will be latent variable and the determinants to measure the latent variable are perceived quality, perceived value and customer expectations. The model below shows the relationship between the variables involved:



Source: Adapted from Hisami, (2016).

### **Conclusion**

Telecommunications industries are one of the firms that cannot grow without proper customer satisfaction. This is as a result of the nature of the quality of service being offered to make their customer feel what they expect is perceived. However, there are number of customer complaints and service switching due to lack of service quality performance. Therefore, this study discussed issues and concepts on service quality, perceived value and customer expectations of

telecommunications companies. Based on the literature reviewed, there is significant relationship between determinants (perceived quality, perceived value and customer expectations) and dependent variable (customer satisfaction). The study recommends that telecommunications companies should pay attention to perceived quality, perceived value and customer expectations in order to enhance strong relationship with their customers.



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## VIOLENT CRIME PERCEPTION AND REAL ESTATE PRICES: RELATED EMPIRICAL STUDIES IN PERSPECTIVE

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*A considerable empirical literature investigating the influence of local disamenities on confined property values do exist. The existence and presence of certain individuals, activities, or else conditions causes negative externalities that unfavorably affect real property values. These unwanted activities include: hoodlums, crime, burglary, strip or nude club, thief, fraudsters, homosexuality, registered sex offenders, lesbianism, toxic laboratories and businesses that release toxic chemicals. Results from past studies had shown that spatial autocorrelation effects exist in connection to home sale price and violent crime in a particular location. Eighty three published academic write-ups, comprising: conference, papers, occasional papers, journal articles, discussion articles, working papers, book manuscripts, unpublished master and doctoral theses had been reviewed. However, there is lack of thorough understanding on how such spatial effects positively or negatively impact on housing value. the study, in some scenarios had to depend on not up-to-date and most recently published literature. The literature finding established a link that location of violent crime to home sale prices was inconclusive with others reporting positive relationship while majority reported negative association.*

### 1.0 Introduction

The assassination of Megan Kanka, a seven-year old girl who lived in New Jersey, by a deviant teenage boy who relocated next to Kanka's family devoid of notification, generated public concern for neighborhood security, safety and protection (Caudill, Affuso & Yang, 2014). One possible local disamenity is the activities of deviant people such as strip clubs, thugs, sex offenders, burglar in an area. Previous studies such as that of Brasington (1999), Gibbons and Machin (2008), Harrison and Rubinfeld (1978), Irwin (2002) and Sunding and Swoboda (2010) have established that house sale prices reflect the surrounding and the immediate environment. Several attributes and characteristics of the adjoining environment have been scientifically and empirically investigated (Caudill, et al. 2014).

Siegel et al. (2013), for instance, investigated and examined the impact of Gulf oil spill on condominium house prices in Alabama. More so, Ready and Abdallah (2005) studied the disamenity influences of agriculture on house sale price. Furthermore, Guignet

(2013) analyzed the impact of underground storage tanks on adjoining residential property values. In the same vein, Agee and Crocker (2010) researched on the impact of crematory operations on house sale price of nearby properties. Moreover, Ham et al. (2013) and Hite (2001) estimated the impact of landfills on surrounding apartments' prices. Similarly, Eshet et al. (2007) carried out a research on the impact of waste transfer stations on abutting real estate prices.

The effect of noise emission on house price has equally been investigated by , Andersson et al. (2010), Clark (2006), Franck et al. (2013), Pope (2008a and 2008b) and Theebe (2004). Additionally, air pollution effects on immediate dwelling prices had been studied by Huang (2010). Moreover, high voltage overhead electric transmission lines influence on surrounding property values has also been examined by Harrison (2002). Therefore, the alternative approach to measuring insecurity presence in a neighborhood is the concentration or number of crime in the immediate neighborhood. The frequent the number of criminal activities happening in a vicinity of a particular neighborhood, the lesser the house price in that location.

## **2. Theoretical Perception**

### **2.1 The Broken Windows Theory**

The Broken windows theory was published in the "*Atlantic Monthly Review*". It was written by Kelling and Wilson (1982) to elucidate and explicate the relationship or association between disorder and crime within urban neighborhoods. The theory explained that if disorder is found within a neighborhood, it will attract more disorder, and consequently lead to crime (Navarro, 2014). Residents will eventually move out and relocate somewhere for the reason that

they feel as if their security or safety is compromised and inadvertently or accidentally cause the neighborhood to decline into chaos, anarchy and turmoil.

The constructive analogy that Kelling and Wilson employed was an unrepaired broken window assertion. The theory stated that: if a window in a building edifice is broken and is being left unrepaired, all the remaining unbroken windows will almost immediately be broken". There were a number of studies that motivated and enthused these authors to put down the foundation or bedrock for the broken windows theory. Notably among them were that of Newark foot patrol experiment (2013) and the Zimbardo's (2007) car experiment.

There are two main elements Kelling and Wilson (1982) discuss: the fear of crime and disorder. Both of these elements came about from the findings of the Newark foot patrol experiment. This involved an evaluation conducted five years after the implementation of the Safe and Clean Neighborhoods Act in New Jersey that intended to reduce crime and improve the community life. At the end of the evaluation, there were no significant effects on crime rates. Nevertheless, there were increases in citizen perception of safety, neighborhood quality, and satisfaction with police services (The Newark foot patrol experiment, 2013).

The authors were confused, baffled, bewildered puzzled, perplexed and mystified as to how awareness or discernment of safety increased among the Newark citizens despite the consequences of the unchanged levels of criminal activities. The findings established that crime was not exclusively responsible for the effect on the perception of security or safety of citizens and general public; disorder was regarded as a different element that can equally have an influence

(Navarro, 2014). They eventually came to an unlikely and implausible conclusion that has been, for many years, neglected and deserted and it comprises the factor of undesirable or unwanted people.

“The fear of being disturbed by disorderly people is evident and noticeable. Not troublesome, sadistic, cruel, aggressive, violent and brutal people, nor inevitably criminals, but notorious, disreputable, obstreperous, confrontational or unpredictable people cause fracas and chaos in a neighborhood. These people encompass: drunks, panhandlers, addicts, prostitutes, rowdy teenagers, loiterers, and the psychologically, mentally or emotionally disturbed”. Moreover, “....severe street crime embellishes and flourishes in areas in which disorderly or deviant behavior goes unrestrained and unchecked (Zimbardo, 2007).

Weak, defenseless, vulnerable, helpless and susceptible citizens will decide and prefer to withdraw or pull out themselves from the affected neighborhood both psychically as well as socially. This reaction from neighborhood members has tendency and possibility to cause a downward or descending spiral for the neighborhood into crime along with violence. If the idea of the theory of broken window is evident and noticeable, it must, therefore, be repaired or rectified before the adjoining or neighboring area is irretrievable, irreparable or irreversible to changing circumstances (Navarro, 2014). A well-tended neighborhood will reduce the chance of criminal-like behavior or activity to happen. Additionally, this will equally thwart, foil and stop community members from deserting their own community and generating a downward or descending spiral into mayhem, chaos and upheavals. The manifestation of a safe or violent-free

neighborhood can equally draw, attract or pull in more citizens (Kelling & Wilson, 1982).

Kelling and Wilson's (1982) research was equally inspired and motivated by the field experiment conducted somewhere in 1969 by Philip Zimbardo of what would later occur to an abandoned or deserted vehicle. These vehicles emerged and appeared abandoned owing to lack of or be deficient in license plates along with opened hoods in two different locations (Palo Alto and Bronx). The vicinity referred to as Palo Alto was actually a suburban neighborhood, in contrast and distinction to the Bronx, which was more of an urban area. As mentioned by Kelling and Wilson (1982), the wisdom, sagacity and perception of community people differed and varied. This might perhaps explain or inform the different or diverse reactions to an abandoned or deserted vehicle.

Looking at the itinerary of Zimbardo's (2007) research, the abandoned vehicles would be recorded by photographs, cameras and field observers for a possible criminal activities carried out upon the vehicle. Instantaneously, the vehicle abandoned in the Bronx neighborhood was being damaged and vandalized. Whereas, the motor vehicle located at Palo Alto was not vandalized in any way (Navarro, 2014). When all is said and done, the Bronx vehicle experienced and suffered from twenty three (23) different counts of vandalism, entire different from Palo Alto motor vehicle which had no any counts of vandalism. Nevertheless, when the vehicle was relocated and pulled out from the vicinity of Stanford campus in Palo Alto, three worried and concerned citizens reported a possible motor vehicle theft. Astonishingly, every single one of the acts of vandalism carried out onto the Bronx

motor vehicle happened and took place in the broad daytime (Zimbaro, 2007).

### **3. Conceptualization of Insecurity**

Insecurity, like numerous words in popular use, has a broad range of meanings and connotations (Spicker, 2001). Several distinctive concepts of insecurity do exist side by side in social policy literature. These notions and definitions include, for example, social, material, economic, psychological, financial and existential insecurity; they may be applied particularly in a variety of fields of expertise, comprising wealth, health, housing as well as personal autonomy.

The first wisdom in which the notion of insecurity might perhaps be used is strongly allied to poverty. Braakman (2017) considered a 'lack of fundamental security' as "the absence of one of more indicators that enable individuals as well as families to assume fundamental responsibilities and to benefit from fundamental rights. This perception is partly material and to some extent social. The basis of insecurity is the lack as well as inadequacy of resources. This implies that each part of an individual's social life is certainly compromised by the observed limitations this places on each and every person's capacity.

The connection between poverty and lack of resources is certainly indirect; poverty, by this view point, is a result of the incapability to participate in society. It is equally due to the inability to contribute the result of inadequacy of resources (Spicker, 2001). Poor people are vulnerable to be insecure, because the variety of positive options that are opened to the poor people is limited. Furthermore, the assortment of negative options is broad. Additionally, the potential to control damage from negative outcomes is confined and restricted. Secondly, insecurity is perceived in terms of rights along with responsibilities. Rights and

responsibilities are essential to a place in society and a place in a societal setting is indispensable for security.

Insecurity could equally be conceptualized and conceived as "risk". This second perception of insecurity is closely related to certain contingencies, that is, things that may perhaps happen. As a matter of fact, certain eventualities are quite unpredictable. People are fully aware that they will one day die. However, they do not know when they shall pass on. They may perhaps be disabled, unemployed, aged, or else suffer accidents. These contingencies do not happen to everyone (Dustmann & Fasani, 2016). However, many if not majority of people are predisposed and liable to any of them. This implies both an element of insecurity and, therefore, a need for protection.

The sociology of risk has centrally focused as much on common doubts about society (environmental concerns as well as the scope of human action) as on matters relating to insecurity (Cigdem-Bayram & Prentice, 2018). One of the most important means of protecting individuals against hurtful and dreaded consequences is the pooling of risk, either by means of insurance or all the way through collective social provision (Spicker, 2001). The pooling of risk has therefore, some significant limitations. The challenges of 'adverse selection' and 'moral hazard' can uniquely be applied to issues of risk and not to the other categories of insecurity that are being considered.

Another concept of insecurity might perhaps be perceived in the mostly widely used term 'vulnerability'. Vulnerability is very much related to risk, even though there are significant distinctions between them. It can be asserted that people are at risk or are vulnerable whenever something negative

might likely happen as this will eventually damage them; vulnerability is ascertained by the damage and not the inherent risk (Spicker, 2001). People that are at risk are mostly vulnerable, but not at all times; as such many people are vulnerable far and above those who are at risk. An individual who is in a high-paid but low security occupation (for example, executive management) is quite at risk, but, however, not vulnerable; an individual who is in secure and low paid employment (for instance, say, a local authority clerk), but, however, is not covered for housing accommodation costs in the event of being without a job, is vulnerable but not at risk (Mueller & Besley, 2012).

Indeed poor individuals are rather, disreputably, more vulnerable compare many others. However,, vulnerability is not quite equivalent to poverty. This is due to the fact that it is possible to create circumstances in which more affluent, wealthier and better-off people to be more vulnerable than poor individuals. This is principally important in third world countries, where the consequence of increasing resources is equally to increase vulnerability and exposure to insecurity (Congdon-Hohman, 2013). Vulnerability denotes, simply enough, inadequacy or a lack of shielding against negative repercussions. Therefore, the response to vulnerability is predominantly to offer this form of shielding.

People generally search for one of three forms of arrangement.

The first is restitution or compensation: people desire to have the negative effects or consequences nullified or dealt with. Individuals who break a leg, by and large, would like to have their leg fixed (Spicker, 2001). Often this denotes the provision of a service, rather than a monetary payment.

Even though in most cases, finance is a viable avenue of meeting the need and desire, for example, shielding someone against losing a residential house by paying the mortgage loan. Funeral insurance is an avenue of dealing with problems (death can barely be nullified); prior payment as well as coverage ensures a smooth and relatively painless process for the bereaved rather (Klimova & Lee, 2014).

#### **4. Amenity Effect of Crime on Property Price**

Previous works on the amenity effects of crime had repeatedly considered the extent and degree to which different types of crime could have different effects on property prices. That different types of crime could have distinctive effects on house prices is a priori plausible. There has been less attention on how the effects of crime could differ, also plausibly, by setting, for example, comparing the effects in urban areas with those in regional or rural areas (Cigdem-Bayram & Prentice (2018).

The most important way by which crime could be categorized in the previous studies is whether they are violent crimes against persons or crimes against property. Violent crime against persons has frequently been discovered to have a significant and substantial negative effect on house prices. Significant negative effects, when several types of crimes are included simultaneously in the hedonic regression, were ascertained for Miami (Ihlanfeldt and Mayock, 2010) and both England and Wales (Braakman, 2017).

The two Australian studies that exclusively considered violent crime, also discovered significant negative effects (Abelson et al., 2013; Klimova & Lee, 2014). McIlhatton et al (2016) reported no significant effect of violent crime in Belfast of Northern Island, when considered simultaneously with other

types of criminal activities but a significant negative effect when considered and treated in isolation. Ceccato and Wilhelmsson (2011), in his work in Stockholm, further revealed that violent crime has a significant negative effect when considered in isolation too. These findings were further confirmed and corroborated by the work of Cigdem-Bayram and Prentice (2018).

They further reported that study findings for property crime indicated more mixed results. For instance, Ihlanfeldt and Mayock (2010) as well as Braakman (2017) further reported no significant effect. McIlhatton et al (2016), in their study, established that two types of property crimes have significantly positive correlation with home sale prices whether considered concurrently or in isolation. Gibbons (2004), in his investigation, concluded that criminal activities have significant negative effect on home sale prices in London. In Stockholm study, when considering and examining each type of crime in isolation, burglaries were found to have the major effects on home sale prices. When Wilhelmsson and Ceccato (2015) considered two years of data for the regional Swedish town of Jönköping, they only analyzed burglary as it was the only type of crime with substantial numbers. They revealed a significant negative effect for one year of their sample but not the other as reported by Cigdem-Bayram and Prentice (2018).

Both Braakman (2017) as well as McIlhatton et al (2016) found that catchall 'Other crime' category had significant negative effects on home sale prices. However, it is difficult to generalize from the outcomes of these studies. As reported by Ceccato and Wilhelmsson (2011) and Buonanno et al (2013), actual perceived criminal activities were equally found to have significant negative effect on home

sale prices (the latter study being for Barcelona).

None of the papers highlighted above directly examined how the effects of crime vary in various settings. Furthermore, the articles were not sufficiently related in how the crime statistics are analyzed to make any meaningful comparisons. Virtually, the entire papers reviewed have certain datasets for incredibly large urban areas with somehow Belfast, Jönköping, as well as, to some extent, Stockholm city being a bit smaller. Even though the dataset in Braakman's (2017) study was for the entire England and Wales, below fifteen percent of the observations were found to be for rural residences.

The most important lesson learnt from the previous studies was that crime can negatively affect and influence property prices in all of the settings observed and considered in the literature. Moreover, two papers critically analyzed the indirect effects of crime related activities on individuals. Cornaglia et al (2014) estimated the effects of property as well as violent crime rates by means of Local Government Area on people's mental well-being. They used data between 2002 and 2006 waves of the constrained version of the household, income along with labour dynamics in Australia survey.

The second study conducted by Dustmann and Fasani (2016), in the same way, estimated the effect of violent as well as property crime rates via Local Authority for the United Kingdom. In Australia alone, the study concluded that it was violent crime that has a significant negative effect on the mental well-being of individuals. In the UK, property crime, certainly, has a significant negative effect (Cigdem-Bayram & Prentice, 2018).



It was equally observed in the reviewed previous studies that two methodological issues need to be addressed. First, the entire previous studies recognized the potential and probable endogeneity of crime. Two forms of endogeneity problems can easily arise when taking into consideration the connection between home sale prices and crime. This is owing to the fact that there are unobservable factors or indicators that concurrently influence crime rates and home sale prices.

### **5. Related Studies on Crime and Spatial Analysis of House Price**

Crime or perception of crime is considered amongst those factors recognized to lower residential property values in a neighborhood (McIlhatton, et al., 2016). While there is a promising and emerging body of literature, the effect of crime has received significantly less attention from previous studies than other variables. This is possibly arising due to potential high correlation and multi-collinearity sandwiched between crime and socio-economic variables. For instance, in the UK, Craglia et al (2001), in their study, concluded that high intensity crime neighborhoods are characterized by high density, depressed populations and that high degree or level of violent crime promotes social disorganization with an incidental spatial effect.

The existing literature acknowledges the fact that the impact of crime can certainly be multifaceted. Taylor (1995) while establishing that high crime levels resulted in weaker connection of residents and satisfaction with their neighborhood, the desire to move and lower house prices concurrently indicates that crime neither encourage mobility nor necessarily decreases local participation. Taylor further argues that different forms of crimes

influence various aspects of the housing market.

Therefore, the impact of crime and interconnected problems on neighborhood viability may perhaps be contingent on historical, personal as well as locale-specific factors. In the same way, a study carried out by Lynch and Rasmussen (2001) equally casted doubt upon the extent and degree to which the crime rate impacts or influences home sale prices. From an analysis of data on barely over 2800 house sales in Jacksonville in Florida, it was established that the cost of crime has virtually or relatively no impact on home sale prices at an overall level. Houses were significantly discounted in high crime areas, even though.

Indeed, a correlation between crime rates and property values has been established in the literature through a compartment of the literature on hedonic methods. Recent studies investigating the impact of crime and illegal activities on real property values have been conducted by Bishop and Murphy (2011), Buonanno et al. (2013) and Congdon-Hohman (2013). An early study carried out by Thaler (1978) reported a strong negative correlation between crime rates and home sale prices in Rochester, New York city. In particular, Thaler concluded that the cost of a property crime is, on an average, about US\$500. This is the amount of money that people are willing to pay to stay away from crime.

Gibbons (2004) discovered that a one standard deviation increase in property crime activity results in a 10% decrease in home sale prices in the London area. He construed the willingness to pay in order to avoid crimes as implicit or inherent in higher house prices. Ihlanfeldt and Mayock (2010) found evidence that homebuyers are willing to pay premiums for living in neighbourhoods with fewer aggravated

crimes. This finding was further confirmed in the work of.

Lynch and Rasmussen (2001) affirmed that 'although crime does not considerably affect the price of the average home, home sale prices decline significantly in a high crime area'. Additionally, Schwartz et al. (2003) revealed that falling crime rates led to one-third of the post-1994 boom in real property values.

Tita et al (2006), taking, to some extent, different perspective, argue that crime is an essential catalyst for change in the socio-economic composition of communities. While such change is considered to take place gradually over a period time, crime is perceived to be capitalized and calculated into local housing markets at various rates for poor, middle class as well as wealthy neighborhoods. In a similar vein, Gibbons and Machin (2008) revealed that prices within urban metropolitan areas exhibit highly localized dissimilarities that cannot be explained exclusively by differences in the physical attributes or features of dwellings. However, it also reflect the role of local neighborhood amenities and dis-amenities in generating, dictating or ascribing price variation within metropolitan cities, in particular, the role of school quality, transport accessibility and crime (McIlhatton et al., 2016).

## **6. Neighborhood Externalities and House Price**

The existing literature further indicated that certain local neighborhood amenities may perhaps have differing influences on house price. Urban parks, for instance, are, by and large, perceived as advantageous environmental amenities. For this reason, it should have a significant positive impact on house price, despite the fact that the propensity of parks to attract particular types

of crime may perhaps also have quite negative impacts on home sale price.

In this respect, the study conducted by Troya and Grove (2008) in Baltimore was particularly enlightening informative and revealing. This is because it established that park proximity is positively measured and valued by the housing market. The results further indicated that the combined robberies as well as rape rates for a neighborhood are quite below an assured threshold rate 1 but negatively valued in certain locations above that threshold in question. Their analysis revealed that the further or more the crime index value is from the said threshold value for a given property, the steeper the connection and association is between park proximity along with house price.

Correspondingly, Matthews et al (2010) as cited by McIlhatton et al. (2016) in an analysis of property crime in Seattle area concluded that theft crimes are nearly 23% higher for those, survey, census or sample tracts with a public neighborhood park. In connection to Stockholm, Ceccato and Wilhelmsson (2011) in their work, argued that if local crime levels are greater than the national average, then eventually, park proximity has a negative effect on property values. Andresen and Malleson (2013) experienced how the northern downtown or city centre peninsula of Vancouver, a neighborhood containing the city's biggest park, has an increased concentration of all forms of crime. For the period of the summer months, the author highlighted that crime is mobile and not of necessity focused on underprivileged and disadvantaged communities.

The existing literature, therefore, suggests that the nature of crime has a quite degree of differential impact on residential property prices. According to Gibbons (2003), in the

UK, particularly in London, crimes in the criminal smash up category have a quite significant negative impact on home sale prices. On the other hand, burglaries have no measurable or quantifiable impact on home sale price.

More explicitly, Gibbons, in his analysis, concluded that a 0.1 standard deviation decline or decrease in the local density of criminal damage introduced 1% to the price of an average property in inner city of London. Pope (1980) incorporating a dataset that tracks sex offenders in Hillsborough County in Florida, revealed that following a sex offender relocation into an area, adjoining housing prices decreased by about 2.3% (\$3500 on average). On the other hand, once a registered sex offender moved out of a neighborhood, residential housing prices appear to immediately rebound. The above findings were equally validated in the work of McIlhatton et al. (2016).

From a methodological viewpoint, a key aspect of the past literature has been the growing focus upon spatial analytics revealing the increase of geographically referenced datasets for both residential housing markets as well as the spatial prevalence of crime. Such analysis is exemplified by complexity emanating from the potential existence of spatial auto-correlation in data. It was equally due to existence of spatial dependence or else spatial lag (spatial auto-regressive parameter), and spatial interaction resulting from heterogeneity, the differences in relationships athwart space, or spatial error (Anselin, 1988). Vilalta (2013) further observed that by merely not modeling spatial dependency as well as spatial heterogeneity the analysis of crime data may perhaps conceal and hide valuable spatial information.

## **7. Social Unrest and Abutting Housing Accommodation Price**

In another study in Northern Ireland, Mueller and Besley (2012) attempted an examination of the impact of civil unrest on home sale prices. The authors sought to estimate and ascertain the peace dividend consequential from the cessation of violence in the area. They utilized certain data on the pattern and nature of violence transcending regions and over some period of time to estimate the impact of the peace process in question. Their study outcome indicated a negative relationship between murders and home sale prices.

Furthermore, from Northern Ireland and reflecting the distinguishing social geography of Belfast, McCord (2014) reported how “peace walls” that cut across segregated neighborhood and communities, have resulted in a decrease in value of about 29.6 percent for residential properties located within a radius of 250m of a peace wall.

Contained by the existing literature, research from various cities demonstrated that the analysis of dynamic spatial structure of social unrest is an indispensable consideration in the understanding of housing markets. Matthews et al (2010) in a study of the distribution of property crime in the city of Seattle in United States concluded that spatial relationships differ depending upon the nature of crime with spatial huddling of property crime apparent. Their analysis further revealed that circa of about 80% of residual residential burglaries were as a result of variation of certain spatial structure. In the city of Sydney, Australia, Abelson et al (2013) conducted a study and eventually reported that a predilection for violent crime considerably reduces property values. Moreover, in their analysis, a repetition of crime rate from about 1.1% to

2.1% resulted to a decline in the price of detached houses by nearly 5.6%. The aforementioned findings were further confirmed and validated in the work of McIlhatton, et al. (2016).

Another empirical study by Ceccato and Wilhelmsson (2011) from Stockholm in Sweden, revealed that interpretation differs depending on the type of the model with both OLS as well as spatial lag models indicating that crime rate had no quite significant impact on housing apartment prices. However, in a spatial error model, it was discovered that both crime and crime rate in adjoining areas are negatively correlated to housing apartment price. Based on their analysis, a 1 percent increase in crime rate resulted to an expected decrease in home sale price by about 0.04 percent. Conversely, if burglary increases by about 1 percent, the expected property value decline was higher at about 0.21 percent. In connection to different forms of crime, Ceccato and Wilhelmsson (2011) concluded that different processes can eventually produce varying, changeable and unreliable perceptions contrary to expectations. For instance, thefts and vandalism in adjacent areas were positively connected with price. Their analysis further suggested that households or families in different parts of the metropolitan city may perhaps have different and mixed tolerance and forbearance levels towards crime leading to further complexity on home sale price impact.

In the same way, Tita et al (2006) revealed that total crime has a negligible and minor effect on home sale prices. However, violent crime is connected with a significant fall in property values. Boggess et al (2013), in their study, revealed the same discovery concerning the impact of violent crime on the volume of transactions. In a nutshell, the

past literature indicated that a multifaceted set of factors may perhaps influence the association between crime, the location of crime scene and impact on home sale price requiring both robust and vigorous datasets and the application and employment of spatial modeling techniques to measure and estimate the effect of spatial lag and spatial error as further buttressed by McIlhatton et al. (2016).

Frischtak and Mandel's (2012) empirical analysis on the crime elasticity of home sale price is directly connected to a series of papers that estimated this (mainly negative) elasticity. Early empirical studies in regards include Thaler (1978). He established that a one standard deviation increase in a per capita property crime resulted to a decreased single-family home sale prices by about 3 percent. Hellman and Naroff (1979), in their analysis, revealed that the elasticity was -0.63. A well noticeable shortcoming of these estimates is that they both treated and examined the crime rate as exogenous. This, however, may have influenced and prejudiced the elasticity analyses if crime takes place disproportionately in poorer neighborhoods or communities with declined property values. Conversely, if criminals target areas with higher-priced homes, the reverse may be the case.

In another survey conducted by Ihlanfeldt and Mayock (2009), it was found that 12 instances in a set of 18 empirical studies had connected and linked house prices with crime as they treated crime as exogenous. As such, those previous studies did not account and redeem for this reverse causality or else other sources of endogeneity. Quite a number of the previous studies that critically and extensively examined crime in its entirety, like Gibbons (2004) and Tita, Petras and Greenbaum (2006) revealed a significant negative

relationship. This is an effect that is predominantly pronounced for violent crimes as further asserted by Frischtak and

Mandel (2012). The summary of some of these past empirical studies can found in table 1:

**Table 1: Summary of Some Reviewed Literature**

S/ N	Article	Sampled Data	Measure of Crime	Findings	Remark
1.	Abelson et al (2013)	Twelve months of Median house prices by suburb for Sydney in 2008-09	Violent crime	Semi-elasticity of -5.6 for violent crime	Spatial model allowing for spatially correlated errors and spatial lags across suburbs. Five regional dummies
2.	Klimova and Lee (2014)	House and unit sales prices for 2003-2011 and simultaneous rental rates from a major internet listing service for Sydney	Murder	Elasticity of -3.9 within a year of the murder, less after then	Difference-in-difference using distant houses as control group. Found no significant effect if used full sample unless used additional controls for murder areas. Robust clustered std errors.
3.	Ihlanfeldt and Mayock (2010)	130 census tracts within Miami-Dade County from 1999-2007.	Seven types: homicide, aggravated assault, robbery, burglary, motor theft, larceny, vandalism considered simultaneously.	Elasticity of about -0.16 for aggravated assault, for -0.11 for robbery	Instruments for crime using changes in most commercial land uses. Robust standard errors.
4.	Wilhelmsson and Ceccato (2015)	Co-op apartment sales in Jönköping, Sweden, for 2005, 2011	Residential Burglaries	Semi-elasticity of around -1.6 for burglaries only for 2011. Insignificant in 2005	Instruments for crime (shares of young men, convenience stores). Spatial error model
5.	Ceccato and Wilhelmsson (2011)	Co-op apartment sales in Stockholm, Sweden, for 2008	Total, robbery, vandalism, burglary, theft, violence, considered separately	All significant, with elasticities between -0.0037 and -0.21	Instruments for crime. Also considered neighbouring crimes – usually also negative and significant. Spatial error model
6.	Braakmann (2017)	England and Wales – all transactions 2011-2013	Anti-social behaviour; violence; other; robbery; vehicle, burglary considered simultaneously	Semi-elasticity of -0.7 for anti-social behaviour; -1.1 violent crime; -0.3 other crime,	Relies on extensive area dummies for identification. Clustered standard errors
7.	Buonanno et al (2013)	Barcelona – all transactions by one real estate agency between 2004 to 2006	Use victimisation survey to construct measures of security and crime perception. Considered simultaneously	One std dev increase in security increases house prices by 0.65. One std dev increase in perceived crime reduces house prices by 1.3 per cent.	Second stage regresses neighbourhood fixed effects estimated in first stage on crime rate. Also uses IVs: share of youth and victimisation index 20 years earlier. Robust standard errors.
8.	McIlhatton et al (2016)	Belfast – from multiple real estate agencies from 2012 to 2014	Violence; criminal damage; drugs offences; burglary; theft; other, considered simultaneously and separately	Property crimes have significant positive effects. Other has a significant negative effect. Violence, drugs have negative effects if other types omitted	Spatial correlation model. Also uses IVs – deprivation crime and exogenous variables
9.	Gibbons (2004)	Sample of 8000 residential properties in London between December 2000 and July 2001	Criminal Damage and Burglary	A 10 per cent increase (from the mean) of Criminal Damage reduces house prices by 1.5 per cent. No impact of Burglary	

**Source: Cigdem-Bayram and Prentice (2018) with some Modifications**

## **5. Methodology**

This paper is a purely review study on the influence of crime on surrounding house price. For that reason, reliable and relevant documentary sources had been comprehensively reviewed on the research area. Eighty three published academic write-ups, comprising: conference, papers, occasional papers, journal articles, discussion articles, working papers, book manuscripts, unpublished master and doctoral theses had been reviewed. The rationalization for conducting this study is to establish what had been known and have to be known on the field of study.

Basically, an unfilled research vacuum creditable of investigation had been conceptually, theoretically and empirically reviewed. It is worthy to mention that, this is an area that has been deserted and abandoned by many scholars. Therefore, the study, in some scenarios had to depend on not up-to-date and most recently published literature. Indeed, all this is in an effort to pin point an area of research that has not been exhausted in the past. The study had equally suggested areas of possible and future research opportunities.

## **6. Mixed Results from Previous Studies**

Neighborhood and locational influences on price are shown to have a lesser impact than property characteristics, a finding common to other studies, yet in other analyses

there are subtle differences. The findings of McIlhatton et al. (2016) indicated that the probability of violence against the person increases with distance from a bus stop with a negative impact on house price. Indeed, the consistency of this finding across other transport modes (distance to train station) is an important consideration. Distance to a police station is negatively associated to

house prices with proximity showing higher prices inferring greater security with the strongest effect for burglary where a 1% reduction in distance shows a 0.5% increase in price.

The analysis shows sensitivity of certain types of crime to distance to the CBD. Proximity to job location has been shown to be an important influence on house price in other studies; however in McIlhatton's et al. study several models indicated different outcomes with a significant negative effect. In relation to open space, the analysis shows house price increasing with distance from open space. In this respect the findings concur with earlier studies and specific models including those for burglary, theft, drug offences and other crimes support this outcome.

Overall, McIlhatton's et al. analysis shows that crime does not have a uniform impact across the housing market but is highly differentiated with impact varying by property type. The study confirms that spatial information is essential in the analysis of the variation of property price with extension in to other housing market characteristics. Univariate Moran's I indicated spatial autoregressive patterns in crime data. However spatial association between price and crime variables is less apparent at a global level though LISA models indicate in circa 45% of cases, that local spatial clusters are apparent.

The McIlhatton's et al. results show that spatial lag ( $\rho$ ) suggests that 28% of the variation of house price arises from the price of adjacent properties and 27% is attributable to unobservable effects. A key finding is the reduction in the spatial error effect in models based on individual crime variables. More generally, a criticism of hedonic pricing and its application has been

the influence of the unexplained error effects, the significance of McIlhatton's et al. suggests that greater use of crime data and spatial analytics may enhance models and reduce error effects.

An examination was conducted whether or not a four bedroom home can experience a greater impact than a two-bedroom home to the nearby residence of a registered sex offender. A four-bedroom home within 0.1 of a mile of a registered sex offender sold for \$24,947 less and with each additional bedroom, a \$12,476 loss will be experienced. With each additional registered sex offender within a mile of a four-bedroom home, a further \$701 loss will be experienced. Furthermore, a four-bedroom home will spend 174 days longer on the real estate market compared to 20 days for a two-bedroom home. The assumption held by the authors is that a family with a greater number of children will be much influenced by the presence of a registered sex offender in their community, as a result, less likely to invest in that particular home. (Navarro, 2014).

Using an hedonic spatial error model, Caudill et al. (2014) discovered that each additional sex offender in a one-mile radius results in a loss of about 2% of the property value and that a 10% increase in distance from the nearest sex offender increases value by about 0.17%. At the mean values of the independent variables we find a 7% loss of value within a one-mile radius and a 14% loss of value within a 0.1 mile radius.

## **7. Conclusion and Policy Implication**

Despite claims based on anecdotal evidence, or rudimentary statistical analyses carried out by local planning agencies, the systematic evidence generated here does not support the idea that strip clubs in any neighborhoods generated any "secondary

effects" in terms of negative impacts on nearby residential property values. Furthermore, any local crime directly attributable to burglary, theft, robbery and the likes would also affect property values. So Brooks et al.'s (2016) results also contradict claims that crime generated by the presence of hoodlums and other undesirable elements will harm nearby property owners.

While regulators may decide to limit crimes on moral grounds, Brooks et al.'s research contributes evidence disputing claims that negative economic impacts justify regulation or elimination of criminals in urban areas. A key conclusion of this research is that the general expectation of crime having a negative pricing impact on residential property is in reality much more complex and varies in its influence by type of crime, type and location of property.

## **8. Contribution to Knowledge**

This study contributes to the current knowledge base in several ways. Firstly, the study shows with spatial-point detail how crime acts are distributed across space and how they are related to each other, thus highlighting crime models with spatial dimensions. Secondly, the research utilises new econometric methodologies to estimate house prices through spatial analysis while controlling for endogeneity. Thirdly, it estimates the direct impact of crime on house prices and includes the analysis of housing and neighbourhood features (McIlhatton, 2016).

Overall, the analysis shows that burglary and theft are associated with higher income neighborhoods whereas other types of crime namely, violence against the person, criminal damage, drug offences are mainly found in lower priced neighborhoods. In this

respect, an original contribution of McIlhatton's et al., 2016) study is highlighting the nuances of various types of crime on house price.

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## NOXIOUS ADULT BUSINESSES AND ADJOINING HOME SALE PRICES: CONFIRMATORY ANALYSIS FROM EXISTING STUDIES

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*Findings from existing literature had thrown light that home prices is a function of the surrounding environment. Living together with immoral adult establishments and businesses in a particular neighborhood has generated tense feelings. This has equally prompted and motivated some people to move out and relocate to another area. This made some residents having feelings and concern about their home sale price being affected and compromised by the presence of such criminals. This study is aimed at reviewing related previous studies on the effect of these externalities on the values of adjoining houses with a view to ultimately identify an unfilled research gap. Quite relevant literature related to journal articles, seminar papers, conference proceedings, technical reports working papers and the likes had been perilously reviewed. The findings of the previous studies confirmed the notion that the presence of adult business was connected with depressed selling prices of sold home apartments. Invariably, greater financial impact occurred with the establishment of nude clubs, strip clubs, adult cinemas and sexually oriented business next door to sold homes. The literature results provide important information for policy makers seeking to regulate noxious adult businesses and firms operating in this industry.*

### 1.0 Introduction

One clear example of a resultant effect, mentioned in not less than four United States Supreme Court verdicts, is the negative consequence of nearby strip clubs on the quality of the adjoining neighborhood. Quite scanty empirical evidence that strip clubs do, in actual fact, have a negative repercussion on the values of nearby neighborhood exists. To the degree or extent that variations in neighborhood quality are reflected by variations in property prices. That is, property prices should decrease as soon as a strip club opens up close by.

A telephone survey by West and Orr (2007) revealed evidence of moral or ethical objections to sexually oriented businesses (SOB). This category that includes strip clubs, adult movie theaters and adult bookstores were more significant than any objections based on observable, evident, obvious and quantifiable secondary effects.

Conversely, in a survey of residents residing less than 1300 feet away from a sexually oriented business area, Hubbard et al. (2013) established that more than 40% of the selected respondents were oblivious and unaware of any sexually oriented business operating in the neighborhood. This suggests that secondary effects play no role in ascribing value to a particular area. In that mentioned study, homeowners who were knows of a relevant sexually oriented business in operation for more than three years reported no negative discernment of the sexually oriented business.

Dwellings with noxious adult businesses in neighborhoods have created major social as well as financial consequences. People who have been condemned and convict of sexual related crimes return, after serving their jail terms, normally to civilian life into indecent and ghetto neighborhoods (Suresh et al., 2010),. This category of people is conundrum in disorder (Tewksbury & Mustaine, 2006). These situations have shown to deteriorate as the number of such registered sex offenders turns out to be concentrated and increased in a particular location (Hughes & Burchfield 2008).

Living together with sexually oriented businesses in a particular neighborhood has generated tense feelings. This has equally prompted and motivated some people to move out and relocate to another area (Zevitz 2003 & 2004). This made some residents having feelings and concern about their home sale price being affected and compromised by the presence of such criminals (Navarro & Rabe-Hemp, 2018)

Based on the information contained in the sex offender legislation, the existence of registered sex offenders created catastrophic, terrible, severe, ruinous and devastating repercussions in neighborhoods (Pope, 1980). In the same way, the

framework of the broken windows theory revealed and established that disorder has an overwhelming and shocking impact on neighborhoods labeled, tagged and stigmatized as the spiral of decline or decrease, a reaction similar to the presence and existence of registered sex offenders generated (Navarro, 2014).

The sex offender bunch of research has revealed that the moving in of one registered sex offender has the possibility to destabilize and disorganize a particular neighborhood (Zevitz, 2003). Neighborhood inhabitants might be frightened owing to the fact that the moving in of this one registered sex offender will perhaps attract others. The entire neighborhood will eventually be labeled and stigmatized as a community that is a harbor or accommodating registered sex offenders (Cowan et. al, 2001; Davey, 2008; Parks, 2001 & Zevitz, 2004). Additionally, high influx or concentrations of registered sex offenders in an area show a relationship with high levels and tendencies of social disorganization (Navarro, 2014).

Additionally, Zimbardo's (2007) car experiment which was enthused and inspired by the work of Kelling and Wilson's (1982), discovered incivilities can influence an observer's discernment that no one cares for the neighborhood, which supported the sex offender existing literature given that registered sex offenders usually live in neighborhoods plagued with crime and disorder (Suresh et al., 2010; Tewksbury & Mustaine, 2006).

In due time, the neighborhood that is in disorder will promote citizens to relocate and/or withdraw from the neighborhood (Kelling & Wison, 1982). Correspondingly, once information on a registered sex offender has been circulated in a neighborhood, residents planned on relocating with some expressed worry of the

influence the registered sex offender might perhaps have on their residential property value (Zevitz, 2004).

## **2. Strip Clubs and Surrounding Residential Property Prices**

Brooks, Humphreys and Nowak (2016) studied an increased repeat sales regression model of house prices. They estimated the effect of strip clubs on close by residential property prices. By means of real estate transactions from King County, Washington, Brooks et al. (2016) tested the hypothesis which states that 'strip clubs have a negative effect on nearby residential property prices'. They exploited the unique as well as unexpected termination of a 17-year moratorium on newly built strip club in order to generate exogenous variation and changes in the operation of strip clubs. They discovered no statistical evidence that strip clubs have "secondary effects" on surrounding residential property prices.

However, some evidences suggesting effect of night strip club on abutting residential properties were quite noticeable in Brooks et al. (2016) study. They analyzed variation in individual residential property values in Seattle, Washington over a period between 2000 and 2014 using entire transactions of single-family home apartments and condominiums on file located at the King County, Washington Assessor's Office. Observing temporal difference of operating strip clubs, housing price effects were estimated by means of an increased repeat sales regression model.

They discovered little evidence that shows that strip clubs have any statistically significant impact on close by residential property prices when pooling observations for the entire strip clubs operating in Seattle within the sample period. The findings revealed lower residential property prices

close to two specific clubs, but idiosyncratic factors associated with the location of these clubs might perhaps explain these decreased property prices. The evidence found here does not support and augment the view point that strip clubs serves a negative externality in this location; in legal terms, therefore, the empirical evidence revealed that strip clubs do not generate or produced somewhat negative secondary effects.

This financial observable fact on residential property values has been come to limelight in three profoundly populated U.S. districts (Larsen et al., 2003; Linden & Rockoff, 2008; Pope, 2008a and 2008b). This was also noticeable in central Virginia (Bian et al., 2013; Wentland et al., 2013) as it was inhabited by many registered sex offenders. Such a response to registered sex offenders is alike to the reaction explained in broken windows theory. That is, the trepidation and panic of crime and disorder in a neighborhood has the potential to create a downward spiral for the community (Kelling & Wilson, 1982).

In this vein, Caudill, Affuso and Yang's (2014) paper uses the hedonic pricing model to estimate the relationship between house prices and sex offender location as well as concentration. There have been quite scanty studies of the effect of registered sex offenders on property values for the mere reason that prior to 1994, a small number of convicted sex offenders were required to get registered with the state. In 1994, the Jacob Wetterling Crimes Against Children as well as Sexually Violent Offender Registration Act necessitated a sex offender registry for all states. Afterward, in 1996, 'Megan's Law', an amendment to the Act, required public disclosure of sex offenders' information (Caudill et al. 2014). More recently, few empirical studies have

examined the impact of registered sex offenders on residential property values.

### **3. Sexually Oriented Businesses (SOBs) and Property Values**

Bunch of the empirical literature on the secondary effects connected with sexually oriented businesses examines the association between the presence of sexually oriented businesses and crime rate. Quite sizeable number of these studies was conducted at the request, behest and command of municipal planning authorities when developing new-fangled zoning ordinances; several of these studies were not blind peer-reviewed. Paul et al. (2001) conducted a critical survey of the most recurrently cited municipal studies. A great deal of the existing blind peer-reviewed research falls short to achieve consensus or agreement on the effects of sexually oriented businesses on crime. Furthermore, scholars provide both sides of the incongruous, opposing and conflicting results in legal authentication. Linz et al. (2006) compared many sexually oriented businesses to other establishments. They found that sexually oriented businesses do not increase telephone calls requesting for police assistance in the event of crime (“calls for service”).

McCleary and Meeker (2006) analyzed the validity of phone calls for service as an unsuitable measure of crime. McCleary and Weinstein (2009) in addition to Weinstein and McCleary (2011) discovered police reports increase in the vicinity next to a single sexually oriented businesses in Sioux City, Iowa between the period 2002 and 2005 virtual to a nearby hotel. Other scholars used concentric zones theory and eventually compare crime rates at varying distances from sexually oriented businesses. They found that crime decreases as the distance from a sexually oriented business increases. This was further reported by the

studies conducted by Linz et al. (2006), McCord and Tewksbury (2012) and McCord (2014) as cited by Brooks et al. (2016).

Whilst controlling for the density of close by alcohol establishments, Enriquez et al. (2006) uncovered that the presence of a strip club is not connected with an increase in close by crime. Although, there are some arguments and deliberations on the correct use of crime for estimating externalities from sexually oriented businesses, data do exists. Quite a number of previous studies have, documented and established a strong statistical relationship between criminal activity and residential property values. Many papers written on the economics of crime employed crime statistics as covariates to ascertain observed variation in real property values.

As a general rule, these studies found a negative association between crime and real property values. On the other hand, some studies, such as that of Kain and Quigley (1970) as well as Ridker and Henning (1967) found insignificant and trivial relationships, and at least one study by Case and Mayer (1996) revealed a positive association between crime and real property prices. In as much as criminal activity increases, conversely, property price decreases. Furthermore an increase in law enforcement should eventually increase property prices. Frischtak and Mandel (2012) studied the establishment of new police stations in Rio de Janeiro and found an associated drop in crime due to the new police stations and thereby, this explains 15% of the increase in property values.

It is possible that the existence of sexually oriented businesses represents an indication of higher future crime to local residents, perhaps crime of a sexual nature. However, results connecting the location of existing sexual offenders to potential sexual offenses

are inconclusive. Agan (2011) observed that sex offender registries subjected to census block level data cannot be employed to envisage and forecast the location of future sex maltreatment incidents. By means of incident level data, Prescott and Rockoff (2008) discovered evidence that close connections, comprising neighbors, are less likely to be the victims of sexual abuse subsequent to the advent of sex offender registries in neighborhoods.

In spite of the effect of sex offender registries on future sexually related crimes, previous studies had indisputably found a negative connection between convicted sexual offenders and real property prices (Brooks et al., 2016). By means of cross-sectional data, Larsen et al. (2003) uncovered that property prices that are within a tenth of a mile of a convicted sexual offender was sold for 17% less. By means of inter-temporal variation in the company of convicted sexual offenders, Linden and Rockoff (2008) and Pope (2008a) discovered more self-effacing impacts of 4% and 3%, respectively.

Given that sexually oriented businesses have a quite negative effect on real estate prices; it is significant to accurately and correctly measure this effect. If no strip club openings or else closings occurred at some point in the sample period, the study's analysis would ensue in a cross-sectional setting. Furthermore, with the absence of any location-specific control variables, Ross et al. (2011) revealed that, despite accurate recognition of the location of a proposed dis-amenity, the predictable coefficient on an amenity location variable experiences omitted variable bias.

The estimated or likely coefficient on an amenity location variable certainly captures the virtual effects of all observed as well as omitted local amenities in addition to dis-

amenities. Including fixed effects can alleviate this bias. However, Abbott and Klaiber (2011) indicated that omitted variable partiality will remain if predetermined effects indicator variables are fashioned at too large a spatial scale. For example, census blocks as well as zip codes represent suitable spatial units for fixed effects.

On the other hand, if significant and pertinent dis-amenities exist at geographic levels underneath this scale, omitted variable bias will equally exist in stricture estimates on amenity location pointer variables.

Given that if the variable of interest is time-varying in a sample, then changes in prices can be used to establish the effect of a disamenity. In Brooks et al (2016) study, openings and closings of strip clubs sequel to the end of the moratorium in 2005 created a time-varying measure of the existence of a strip club at a particular location in Seattle. In practice, the predictable effect of a disamenity is established by differencing a hedonic model and thereby estimating an augmented repeat-sales model (RSR) just like Case and Shiller (1988); differencing an hedonic model eliminated all biases owing to omitted time-invariant factors.

One of the earliest examples of this technique was the study conducted by Mayer (1998). He undertook such a procedure and found that auction premiums as well as discounts based on this method are more convincing than estimates from an un-differenced hedonic model. Similar differenced estimators have been incorporated to assess the effects of environmental externalities like the studies conducted by Case (2006), Chay and Greenstone (1998) and Muehlenbachs et al. (2014). The studies concluded that externalities generated by nearby property foreclosures affect property values

negatively. The work of Gerardi et al. (2015) and Harding et al. (2009) further corroborated the findings of the aforementioned scholars.

#### **4. Home Sale Prices Amidst Registered Sex Offenders' (RSOs) Apartments**

Based on the existing frontier of knowledge there are at least two probable measures of the effect of sex offender location on real estate price: distance or proximity to closest offender and number of close by offenders. Proximity should eventually lead to a decrease in real estate price. Moreover, three distinctive empirical studies have taken this approach.

The first study was the one conducted by Larsen et al. (2003). They came to a conclusion that real estate prices decreased in value by about 17% when the housing accommodation is located and designated within 0.1 miles of a registered offender labeled, convicted and tagged as a predator, while prices fall by only 8% when the offenders are not labeled as predators. Their study was carried out based on data from Montgomery County, Ohio.

Linden and Rockoff (2008), in their study, employed data from Mecklenburg County, North Carolina to ascertain and compare the house prices before as well as after an offender moves into an area. They found that real estate prices decreased in value by nearly 4% when a sex offender migrates to nearby apartments.

Pope (2008a) in his analysis, by means of a similar method and approach, concluded that residential accommodation value decreases by about 2.3% when a sex offender certainly moves within a tenth of a mile of a house apartment. Their findings were further corroborated, confirmed and validated by the work of Caudill, Affuso and Yang

(2014) who equally came to a similar conclusion.

Provided that sex offenders' addresses are clearly accessible, available and obtainable on the registries, citizens can easily use this information to inform and dictate their home-buying decisions. Nonetheless, this is one elucidation and clarification for the consistent result that indicated that registered sex offenders are negatively connected with the housing accommodation values (Bian et al., 2013; Caudill et al., 2014; Larsen et al., 2003; Linden & Rockoff, 2008; Pope, 2008b; Wentland et al., 2014). The house price subsequently appreciates in value once the registered sex offender (RSO) leaves and evacuates the neighborhood (Pope, 2008a; Wentland et al., 2014). Larsen et al. (2003), in their study, investigated the effect of registered sex offenders on home sale prices using a single year data from Montgomery County in Ohio.

Their list of registered sex offenders was categorized by means of type of notification, limited disclosure along with passive notification. Indeed, limited disclosure sex offenders are considered more dangerous and precarious than passive notification owing to their potential to recidivate. This is because it requires the sheriff's office to proactively inform neighbors as well as school officials of their presence.

Logically, within a tenth of a mile, it was found that limited disclosure offenders produced and created a greater decrease in home sale price (\$11,864) in contrast to passive notification offenders (\$4,208). Apparently, the greater the awareness by citizens through the sheriff's notification, the higher the increase in home sale price as concluded by Navarro and Rabe-Hemp (2018).

Linden and Rockoff (2008) further examined the connection between home sale prices and the presence of registered sex offenders with the addition of a variable: approximate sex offender move-in dates to ascertain causality. More so, residential properties sold in Mecklenburg County, North Carolina between the year 1994 and 2004 were regressed with registered sex offenders who resided near the sold property surrounded by a two-year window. The study outcomes revealed that the move-in of registered sex offenders eventually brought about a four percent decline or decrease (\$5,500) in the median sale price of home apartments within one-tenth of a mile of the registered sex offender.

Sold residential homes from one-tenth of a mile to three tenths of a mile faced and experienced no financial impact by the existence or presence of a registered sex offender. Particularly, sold homes directly neighboring registered sex offenders declined by 11.6% in sale prices.

Therefore these findings supported and confirmed the notion that the move-in of registered sex offenders was connected with depressed selling prices of sold home apartments. Invariably, greater financial impact resulted and occurred when the registered sex offenders resided next door to sold homes. The above findings were equally validated by the work of Navarro and Rabe-Hemp (2018).

A fundamental connection between home sale prices and the presence of registered sex offenders was further established by Pope (2008a) as he included their move-in and move-out dates as other variables. Pope (2008b) examined and analyzed homes sold from October 1996 to April 2006 in Hillsborough County in Florida. The study findings revealed a \$3,500 decrease in home sale prices when registered sex offenders

were within a tenth of a mile of sold apartment homes, on average.

Alike to Linden and Rockoff (2008), registered sex offender, therefore, produced no financial or monetary impact on sold residential homes within the two-tenths as well as three-tenths of a mile buffer zones or neighborhoods. With move-out or evacuation dates, Pope (2008a) further established that the departure of the registered sex offender resulted in rebounded housing sale prices. Particularly, these study findings were based on a quite lenient alpha value of 90% as stated by Navarro and Rabe-Hemp (2018).

Consequently, mixed or opposing results were found when studies investigated the relationship between home sale prices and registered sex offenders. This is identified as more dangerous (owing to their possibility to recidivate or conviction of violent sexual crimes) than other registered sex offenders (Larsen et al., 2003; Pope, 2008b; Wentland et al., 2014). Furthermore, most recently, Wentland et al. (2014) conducted a study on the suburban/rural surrounding neighborhoods of Lynchburg in Virginia.

It is worthy to note that sex offender legislation in Virginia treats registered sex offenders by the type of their convicted criminal activity and violent or else non-violent. Home apartments close to a violent registered sex offender, in contrast to a non-violent sex offender, discovered and experienced a greater financial or monetary impact and a quite lengthened period on the market. This finding was further buttressed in the work Navarro and Rabe-Hemp (2018) in their empirical study.

Relatively, concentrations of registered sex offenders created even greater monetary decreases in home selling prices. Wentland et al. (2014) further reported that an



additional \$695 monetary loss occurred with arrival of each registered sex offender within a mile radius of the marketed property. They also analyzed sold and unsold residential properties at several and varying distances that ranged from one-tenth of a mile radius to one mile. The greatest financial decrease (\$15,533) was produced within one-tenth of a mile radius.

Developing on the study conducted by Wentland et al. (2014), Bian et al. (2013), in his investigation, specifically studied the concentration effect of registered sex offenders on home sale prices together with the liquidity of the home sales. Four or more registered sex offenders produced the highest concentrated financial effect with about \$26,017 monetary loss and quite an extended 164 days on the real estate market.

However, unlike the empirical studies that examined and considered heavily urbanized counties, Wentland et al. (2014) examined primarily suburban as well as some rural residential properties in innermost Virginia. However, these past scholars were neither explicit concerning their rural findings, nor detailed or vividly explained the differences in the home selling prices by the community or neighborhood setting of registered sex offenders (Navarro & Rabe-Hemp, 2018).

Caudill et al. (2014) further examined both the distance as well as concentration connections between registered sex offenders and residential home sale transactions in Shelby County in Tennessee. A totality of 2,036 single family homes that have been sold from 2008 to 2012 were regressed with 1,203 RSOs after the registered sex offender moved in within one mile radius of the sold home.

Unlike the previous studies, Caudill et al. (2014), in his analysis, controlled for the unobserved neighborhood attributes and

characteristics by means of a spatial model that certainly allowed for spatial dependence. This may perhaps have inflated the influence or effect caused by the close by presence of registered sex offenders. This model, therefore, revealed that the home selling price of residential apartments within one-tenth of a mile radius and one mile from the nearest or adjacent registered sex offender decreased by about 14% (\$8,653.95) and 7.4%, respectively.

More so, sold homes that is 1,000 feet further away (in accordance with Tennessee's residency restriction) from registered sex offenders appreciated in value by about \$6,410.25. A further key study finding indicated that for each additional registered sex offender within a one-mile radius of a sold home property values decreased and dropped by about two percent. From these studies mentioned above, several issues can be concluded and deducted.

Firstly, the presence of a registered sex offender had a financial and monetary impact on real estate property. Secondly, the financial or fiscal impact reduced (if not was nonexistent) as the distance between the home sale site and the residence of the registered sex offenders increased. Thirdly, the financial or monetary impact was greater when the registered sex offender was identified and detected as more dangerous owing to their criminal propensity to recidivate. Finally, concentrations of registered sex offenders produced greater monetary losses in home sale prices than a single registered sex offender. Generally, the urban and suburban research has confirmed and validated a causal link between sex offenders and lower home sale values (Navarro & Rabe-Hemp, 2018).

## **5. Methodology**

This piece is exclusively a theoretical review on the perceived influence of adult business establishments on abutting home sale prices. Several related secondary data in addition to documentary materials on the subject matter had been extensively reviewed with the eventual goal of locating an unexhausted research area which was overlooked by previous studies. Quite a negligible number of the published materials that had been theoretically reviewed were not up-to-date as current literature on some of the issues highlighted was inadequate. Consequently, the study in some instance had to sole depends on such available literature that was published not quite recently.

Many manuscripts, newspapers, bulletin, journal articles, conference papers, books, discussion papers, working paper, occasional papers, unpublished theses and the likes had been extensively as well as theoretical investigated. Such bunch of published materials shaped the review in perspective. The rich information obtained from such large sources had been analyzed in narration and discussion. In other words, complete theoretical elucidation, had, therefore, been employed to analyze the retrieved data.

## **6. Mixed Results from Findings of Previous Studies**

Wentland's et al. (2013) study is distinctive as they examined multiple variables formerly or earlier unobserved by the previous empirical studies that investigated the household response to the presence of registered sex offenders. This comprised a data set of sold and unsold residential homes, controlled for multiple closed by registered sex offenders, liquidity and number of bedrooms in the house.

Other data used in their study include: expanded concentric zone up to a mile and a suburban and rural nature of community setting. An investigation was conducted and they eventually controlled the impact of more than one single registered sex offender. They uncovered that when multiple registered sex offenders were controlled, they experienced a lesser pronounced financial impact when compared to the nearest single registered sex offender equation. The work of Navarro (2014) further buttressed the outcomes of Wentland's et al. (2013) study.

The financial impact declined the further away the marketed property is from the residence of the registered sex offender. With each additional registered sex offender within a mile of the marketed property, an additional loss of \$695 will occur upon that home. The reasoning behind the lesser impact was that if the homeowners enforced a method of protection from one registered sex offender, it will as a result, not be further increased from the additional registered sex offenders.

Another variable that was not examined by the previous studies was the liquidity of residential real estate to reduce market factors. Again, their findings revealed that homes up to a mile reduced in selling price, as well as lengthened the period of time the home was on the real estate market. The greatest impact was experienced within a 0.1 of a mile with a reduction of 7% or \$11.712, and an increase of approximately 88 days of the home being on the market, that is, an 80% increase than average.

An apparent extension of Wentland's et al. (2013) research, Bian et al. (2013) examined the concentration effect of registered sex offenders upon sold and unsold homes within less than or equal to a quarter mile with their results exhibited above. Bian et al.

(2013) maintained the same real estate data from Wentland et al. (2013), but only 812 homes were relevant to the purpose of their research study. A single registered sex offender resided nearby 584 sold homes with 167 homes nearby two registered sex offenders, 38 sold homes were nearby three registered sex offenders and 23 sold homes were within four or more registered sex offenders.

Bian et al. (2013) examined three variables, the effect that registered sex offender clustering has on sale price, family homes, and sale price jointed with liquidity and discovered that the nearby residence of four or more registered sex offenders produced the greatest impact across all three variables, thus, represented the financial tipping point of a neighborhood's ability to sell homes. The above findings were equally corroborated in the work of Navarro (2014).

Their first variable, that is, the effect of the number of registered sex offenders had upon sale price of sold homes within the observed distance exposed that the greatest effect onto sale price was four or more registered sex offenders, which produced a financial loss of 16% or \$25, 099 in selling price. Although, the nearby residence of a single registered sex offender did not produce a similar financial impact as four or more registered sex offenders, it was still significant at an \$8, 338 financial loss or five percent on average as a matter of fact.

Based on their results, the authors suggested that the nearby residence of four or more registered sex offenders represented the tipping point of a neighborhood's ability to proficiently sell homes. Whereas, a neighborhood with three or less registered sex offenders within or equal to the distance of a quarter mile of a home retained its neighborhood equilibrium. As the number of registered sex offenders increase, the

assumption held by Bian et al. (2013) is that the financial phenomenon would continue, especially taken into consideration, that an additional registered sex offender within the observed distance produced \$5, 454 monetary loss upon the sold homes as reported by Navarro (2014).

Bian et al. (2013) examined their second variable of family homes which the defined as homes with three or more bedrooms and discovered a similar reaction upon sold homes by the nearby residence of four or more registered sex offenders. These family homes nearby four or more registered sex offenders experienced a 26% or \$43, 766 financial losses, on average. Although, homes nearby three or less registered sex offenders were financially impacted, they did not produce a significant effect as homes nearby four or more registered sex offenders.

Bian et al. (2013) examined their third variable, sale price jointed with liquidity. With this variable taken into consideration, they produced similar results across the number of registered sex offenders and their impact onto sale price of their sample of homes. Again, the greatest financial impact was produced by the nearby residence of four or more registered sex offenders at a \$26, 017 financial losses, and extended the home's time on the market by 147% longer or 164 days. There was also a statistical significant effect found in sold homes with a single registered sex offender nearby which produced a financial loss of \$7, 693 and lengthened the time on the market by 52 days or 47% on average as stated by Navarro (2014).

According to Brooks et al. (2016), the claim by the City of Seattle, and the application of the "secondary effects doctrine" in SCOTUS decisions, is directly testable under the null hypothesis that nearby property values

remain unchanged after the opening or closing of a strip club. Brooks et al. (2016) study formally tested this hypothesis while explicitly controlling for heterogeneity in local property price dynamics.

An analysis of property transaction prices using annual and quarterly price indexes and multiple cutoffs distances for the impact area of strip clubs, they found no statistical evidence that the presence of strip clubs was associated with any abnormal property price declines or increases in Seattle over the period 2000-2014 using property transaction prices and a RSR model when pooling all Seattle strip clubs.

They equally found weak evidence that property prices were lower near two specific clubs. Brooks et al. (2016) paper was the first to analyze property values for evidence that strip clubs are dis-amenities or generate negative externalities, or generate “secondary effects” in an urban setting. Previous research analyzed crime data, which have well-known limitations, or relied on convenience surveys of property assessors, or other nonsystematic, non-evidence based approaches.

## **7. Conclusion and Policy Implication**

This study extends the body of knowledge on the impact of adult business, an under-researched externality, by using an innovative approach to statistical modelling to draw out the complex interrelationships between type of noxious adult establishment, housing characteristics, locational variables and house price. The study shows that the addition of adult business variables in their entirety or as individual variables does not fundamentally change the primary relationship of house size as the principal variable impacting on house price.

The study also confirms earlier work that certain types of adult businesses are associated with higher priced property namely detached houses and bungalows. In this regard, a number of interesting nuances are provided by the analysis namely, the incidence of nude club and strip club results in a higher price premium for presence of a garage.

Property values should reflect any direct “secondary effects,” as well as any indirect effects working through a possible increase in crime near strip clubs; property values represent an improved approach for generating evidence about the importance of “secondary effects” of adult businesses compared to crime data, since real estate transactions prices reflect market valuations of residences, and not the many factors that can affect crime rates.

The relationship between the house price and adult businesses like local strip or nude clubs is tumultuous, at best. For many years, some cities limited the number of strip clubs in operation using various forms of bans, ordinances and zoning regulations. One reason some cities took these actions was to prevent a decline in property values due to possible negative externalities, or “secondary effects” generated by the presence of strip clubs and nude clubs in local neighborhoods.

The situation in a neighborhood mirrors conditions in the rest of a country. Attempts to regulate strip clubs, and sexually oriented businesses, through municipal zoning laws occurred in other cities around many countries, and generated a substantial body of legal cases, including a number of government decisions on the activities in strip clubs.

The guiding legal principle for these cases, the “secondary effects doctrine” refers to the

idea that strip clubs generate negative externalities in the local economy as asserted by Brooks et al. (2016). The literature results provide important information for policy makers seeking to regulate SOBs and firms operating in this industry.

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## EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON UNITY BANK PLC, TUDUN-HATSI BRANCH GOMBE STATE, NIGERIA

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*The study investigates the effects of Corporate Social Responsibility on Unity Banks Tudun-hatsi Branch Gombe. The study utilized secondary sources of data, which were sourced from current journal articles, text books, and previous researches of scholars that are related to the study (effects of Corporate Social Responsibility on Unity Banks Tudun-hatsi Branch Gombe.) and draw a conclusion base on related literature and empirical reviewed. The content analysis technique was employed in reviewing literature related to the problem identified. The study, therefore concludes that, wealth and income disparities have a significant effect on the performance of Unity Bank Tudun-hatsi Branch Gombe, it depicts that corporate citizenship can involve incurring short-term costs that do not provide an immediate financial benefit to the company but instead promote positive social and environmental change. Social mobility does not significantly improves the financial performance of Unity Bank Tudun-hatsi Branch Gombe, the support lend to the society through banks CSR will thereby make the business environment more friendly and habitable for organization survival in the long run. And lastly health and education levels also significantly improve the performance of Unity Bank Tudun-hatsi Branch Gombe. The implication of the study recommends that management of the firms must be reviewing their policy since we are in a global society where technologies rule. In addition, the study suggests that the company corporate social responsibility need to be expanding to the immediate communities and the state at large. In order to bypass any hitches that may hinder the performance of the business.*

### 1.0 Introduction

Within the Political, Economic, Social and Technological (PEST) model, the 'Social' aspects can have a significant effect on the ability of a business to succeed in any chosen environment, failure to understand how important these factors can lead to poor performance. Social trends, fashion and culture are all examples of what we would call 'social factors'. These factors affect our attitudes, opinions, perception, cognition and interests, and can impact how we regard a product or service. This, in turn, can influence a business's sales and strategy. Social factors include:

Population size and rate of growth, Age distribution, Wealth and income disparities, Social mobility, Job market mobility and attitude to work, Health and education levels. On the other hand cultural factors include: Language, Religion, Values and attitudes. A business should make efforts to track social changes and align its products and services with customers' changing preferences. Not responding to social changes in society can be fatal. (Orszag, 2018). Socio-cultural environment is one of the aspects that play a vital role in today's social and economic system in such a way that the maintenance and enhancement of the quality of the environment has become a great subject of discussion in the world. Corporate enterprises are held accountable for safeguarding a workable environment as their activities create pressure over the environment Uwuigbe and Egbide (2012). Recent concerns about global warming, emissions, trading market for greenhouse gases have intensified stakeholder's interest in corporate social responsibility performance. Against this backdrop, corporate social responsibility (CSR) is at present an important discourse between companies and their stakeholders as the concept now ranks among the top agenda of most corporations Bhattacharya *et al.*, (2008). The concept of CSR is concerned with the commitment of companies to contribute to sustainable development, stakeholder's interest, and enhancement of social conditions. Evidence shows that societies and businesses co-exist in the modern world in a way that the latest trends between them are not only basically about business ventures seeking to make profits but also foreshadowing interest such as; societies' welfare and other society oriented non-economic actions. The prevailing components of CSR require organizations to look into the interest of society and take

responsibility for the impact of their doings with customers, employees, shareholders, communities and the environment in all facets of their operations (Rhuks *et al.*, 2010).

Business usually benefits from a stable and well managed social and political environment. Business does not exist in isolation in our society and that a healthy business system cannot exist within a sick society. Any social unrest caused by prejudice and poverty is harmful to business. It is therefore imperative on corporate body to consider their acts within the framework of the whole social system. Several studies on the relationship between CSR and financial performance showed a mixed result. Posnikoff (1997) cited in Tsoutsoura (2004) reported a positive relationship, whereas Tsoutsoura (2004) found no relationship between CSR and financial performance. Other studies, discussed in McWilliams and Siegel (2000) are similarly inconsistent concerning the relationship between CSR and short-run financial returns. Although it has been established that CSR has a link with business performance, there seems to be inadequate literature and empirical evidence in Nigeria that relate the corporate social responsibility with Unity Bank Tudun-hatsi Branch Gombe. This is the gap the study seeks to explore.

### **Objective of the Study**

The major objective of this study is to examine the effect of corporate social responsibility on Unity Bank Tudun-hatsi Branch Gombe. Below are the specific;

- To examine the relationship between wealth and income and corporate social responsibility of Unity Bank Tudun-hatsi Branch Gombe

- To examine the relationship between social mobility and corporate social responsibility of Unity Bank Tudun-hatsi Branch Gombe
- To examine the relationship between health and education levels and corporate social responsibility of Unity Bank Tudun-hatsi Branch Gombe.

### **Literature Review**

Corporate Social Responsibility (CSR) is viewed from different perspectives and angles. The perspectives vary from individual authors to organizations and as a result there is no generally accepted unified definition of the concept. But, on critically viewing the various definitions given one could observe that they are centered on three themes as stated by Wissink (2012). These themes are corporate relations to economic, societal and environmental sustainability. It is on this basis that several terms like corporate conscience, good corporate citizenship, business responsibility, business citizenship, social performance, sustainable responsible business, community relations, and responsible business are used to connote CSR. The concept is therefore closely linked to the principle of sustainability, which argues that enterprises should make decisions based not only on financial factors such as profits and dividends, but also based on the immediate and long term social and environmental consequences of their activities Tilt, (2009). Some few notable definitions of CSR given by various authors are: Carroll (1979) defined CSR as the social responsibility of business to society at a point in time that encompasses the economic, legal, ethical, and philanthropic expectations. In the view of Mc Comb (2002) it is described as the ability of company to link itself with ethical values, transparency, employee relations,

compliance with legal requirements and overall respect for the communities in which they operate. In another similar definition by Hill *et al.* (2007) CSR is the economic, legal, moral, and philanthropic actions of firms that influence the quality of life of relevant stakeholders. In a concise definition given by Baker (2004) it is described as the ability of the companies to manage the business processes to produce an overall positive impact on society.

### **Wealth and Income Disparities**

Income inequality is how unevenly income is distributed throughout a population. “The less equal the distribution, the higher income inequality is”. Income inequality is often accompanied by [wealth](#) inequality, which is the uneven distribution of wealth. Populations can be divided up in different ways to show different levels and forms of income inequality such as income inequality by sex or race. Different measures, such as the [Gini coefficient](#), can be used to analyze the level of income inequality in a population. Income inequality and income disparity segregations can be analyzed through a variety of segmentations. Segmentations of income disparity analysis are used for analyzing different types of income distributions. Income distributions by demographic segmentation form the basis for studying income inequality and income disparity.

### **Social Mobility**

Social mobility refers to the shift in an individual’s social status from one status to another. The shift can either be higher, lower, inter-generational, or intra-generational, and it cannot necessarily be determined if the change is for good or bad. Russian-born American sociologist and political activist [Pitirim Sorokin](#) first introduced the concept of social mobility in

his book "Social and Cultural Mobility." He states that there is no society that is completely open (such as the class system) and no society that is completely closed (like the caste system in India). According to Sorokin, no two societies are the same in terms of movement allowed and discouraged, and that the speed of social mobility can change from one time period to the next. It depends on how developed the society is. Such a societal shift can happen over time as individuals move from one position to another due to various social interactions. Mobility, more or less, provides people with benefits as they are motivated by different factors in society and work to reach new roles that offer them a better [standard of living](#) and greater rewards. People compete and cooperate with others in society to move up the social mobility ladder. The classifications of social mobility include the following: Downward mobility, Upward mobility, Horizontal mobility, Inter-generational mobility, intra-generational mobility and vertical mobility.

### **Health and Education Levels**

In society today the desire to gain social awareness and cope with difficulties around the world is growing, which brings the attention of the company situated in a community where raw-materials are in abundance, a need to increase Social Health Education arises since the host communities demanded social services. Our Foundation wishes to develop the human potential through our initiatives on Health and Social Education. The wish is to enable adults and children alike to achieve personal effectiveness: the capacity to discern and adopt health-enhancing and socially just behaviors which optimize individual and community wellbeing and promote the integrity of the natural environment. Also to help people develop the capacities necessary

to bring about constructive change in their own lives, in their relationships with others and in their communities, therefore improving health and living conditions, and reducing crime rates and unemployment. "Education is a social process. Education is growth. Education is, not a preparation for life; education is life itself." (John Dewey).

### **Educational Development for the Communities**

The principal objective of this initiative is to improve the quality of life of all members of the immigrant community, through education and training. Presently, more than 80,000 low-income citizens living in shocking conditions are struggling and unable to establish their place in the Unity Bank work force due to lack of opportunities and expertise. With this educational program we seek to provide the participants with skills needed in order to achieve a satisfactory level of professional performance. Education is a policy that benefits everyone. The education that is given will provide them with the option, in a short span of time, to choose a worthy vocation, and which will generate a virtuous circle that will benefit each individual, their family and their environment. The host communities, who their children are in search of job opportunities, either has left their children in their at home for struggling to send them what little they can, or they have brought them with them, surviving almost in a subhuman way.

### **Empirical Review**

A profound academic endeavor that relates corporate governance, sound legal and political performance can be ascertained from the convergence of hypotheses postulated by these proponents; Shehu (2013) discovered that CSR has significant effect on profitability of the business, Mark

J., & Nwaiwu J. N. (2015) on the Impact of Political Environment on Business Performance of Multinational Companies in Nigeria. The result of their analysis shows that political environment has a significant impact on business performance of multinational companies. The Nigerian political environment is characterized by frequent changes in government policies and programs thereby negatively affecting corporate long-term planning. Sarwa uddin et al (2012) revealed that the average return on asset ratios of the banks having high corporate social performance is higher compared to that of banks having low CSP.

Richard and Okoye (2013) in their study discovered that CSR has a great impact on the society by adding to the infrastructure and development of the society, Olayinka and Temitope (2011) result showed that CSR has a positive and significant relationship with financial performance measures, Folajin at el (2014) result showed that there is an inverse relationship between CSR and profitability of UBA, Fiori and Izzo (2007) study showed that the disclosure of CSR policies (especially those referred to employees) leads to higher stock prices because of the prevalent of a good perception of the market, Ali et al (2010) CSR of producers does not motivate consumers to buy a products from cellular industry in Pakistan, Searvest and Tamayo (2007) The study founded that CSR and firm value are positively related for firms with high customer awareness. Based on the existing literature reviewed that are empirical in nature of the previous studies, most of the studies used population size and rate of growth, age distribution, wealth and income disparities, social mobility, job market mobility and attitude to work, health and education levels as their proxies and came up with various negative results where

as others positive. Some of the studies used two items from the components and others considered one of them. However this study used wealth and income disparities, social mobility, health and education levels and relied solidly on the elements stated.

### **Methodology**

Secondary data was used for the data collection due to the complex nature of the study. The data was sourced from current journals articles, text books, and previous researches of scholars that are related to the study (effect of corporate social responsibility on Unity Bank Tudun-hatsi Branch Gombe). The study employed content analysis technique in reviewing literature related to the problem identified and therefore, draw a conclusion based on the reviewed literature.

### **Conclusion**

The major aim of conducting this conceptual study is to review and identify the effect of corporate social responsibility on Unity Bank Tudun-hatsi Branch Gombe. The study concludes that wealth and income disparities has significant effect on the performance of Unity Bank Tudun-hatsi Branch Gombe, it depict that corporate citizenship can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change. Social mobility does not significantly improves the financial performance of Unity Bank Tudun-hatsi Branch Gombe, the support lend to the society through bank's CSR will thereby make the business environment more friendly and habitable for organization survival in the long run. And lastly health and education levels also significantly improve the performance of Unity Bank Tudun-hatsi Branch Gombe. Therefore the study recommends that management of the firms must be reviewing their policy since

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## PRICING STRATEGY AND SERVICE QUALITY OF JED PLC IN GOMBE STATE, NIGERIA

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*The power sector is one of the key drivers of the global economy; therefore their operations are considered to be the bedrock of economic development. However, there are several power companies in different geopolitical zones of Nigeria which are stratified to complement the efforts of government on the stability and acquisition of regular power all the time. Most of these companies face the problem of average and affordable billing which has affected their performance. This study therefore, aims to review existing literature on the relationship between pricing strategy and quality of power supply in Gombe State, Nigeria. Based on the literature reviewed, the study used stratified sampling to access respondents. It finally concludes that there is significant relationship between pricing strategy and service quality in JED PLC in Gombe State, Nigeria. The study suggests that JED Company should consider proper service and affordable billing price to its customers.*

### 1.0 Introduction

Service quality has been receiving trends among different service firms around the globe. Power sector is also not counted out of this phenomenon, despite the advent of Information and Communications Technology. This becomes a reason for providers to pay more attention towards improving the quality of their service in order to satisfy customers, and to enhance mutual trust and loyalty between the parties involved. When a customer trusts a service provider, his loyalty towards the vendor will increase (Kassim and Abdullah, 2008). In Nigeria, for example, the power sector contributes \$397.27 Billion to the GDP of Nigeria (Nigeria Energy Sector Overview, 2020), and the total market size of \$165,789.2000 in 2019 and estimated \$158, 494 in 2020 (Nigeria Energy Sector Overview, 2020). However, the importance of power sector in the Nigerian economy cannot be overemphasized in service marketing literature. It is revealed that the Minister of State for Power, Godwin Jeddy-Agba has said that President Muhammadu Buhari gave him an order to electrify six million homes with solar power in three months (Daily Trust, 2021). This shows the effort of government in trying to promote power sector across the country.

On the other hand, pricing strategy in power sector plays a significant role in achieving long-term objectives of the company.

Many times, service industries are forced to pursue such objectives as pricing to meet competition in order to stay in business and maintain its market share (Daily Trust, 2021). Lancaster, Massingham, and Ashford, (2002) reported that organizations may try to meet up with competition by reducing prices or even prevent it by adopting what is called “follow the leader” policy or leading price (a policy whereby an organization set a price based on the leading competitor’s price). Therefore, one of the most important things is to look at is enhancing adequate power supply in order to improve the daily performance of companies as well as proper well-being of the economic growth and development.

Despite the fact that consumers have not been enjoying the stability of electricity, they are always forced to pay for darkness as their bill falls under estimation by the service marketers of JED PLC. It is argued that empirical evidence from the Nigerian Electricity Regulatory Commission (NERC) showed that only 55% of citizens connected the grids is in tariff bands D and E which is less than 12 hours power supply. The statement said: “It is inaccurate to make a blanket statement that 78% of Nigerians have less than 12 hours daily access (International Trade Administration, 2020).

Pricing strategy and service quality have received a lot of research attention in Nigeria and the entire world and they have measured and conceptualized in many literatures. Upon this background, this paper is aimed at examining the relationship between pricing strategy and service quality of JED PLC in Gombe State, Nigeria.

### **Research Objectives**

The general objective is to examine the relationship between pricing strategy and

service quality of JED PLC in Gombe State, Nigeria, while the specific objectives are:

- i. To examine the relationship between skimming pricing strategy and service quality of JED PLC in Gombe State, Nigeria;
- ii. To examine the relationship between penetration pricing strategy and service quality of JED PLC in Gombe State, Nigeria; and,
- iii. To examine the relationship between competitive-based pricing strategy and service quality of JED PLC in Gombe State, Nigeria.

### **Literature Review**

#### **Pricing Strategy**

Pricing strategy, as a concept, has been described by different marketing scholars in the service literature. According to Rodriguez, (2013), opined that price determines the amount of profits a company makes. He noted that price is the value attached to a product and it’s the lone element of the marketing mix that makes profit for the organization. Lamb, Hair and McDaniel (2012) did a study on the broad perspective of the marketing mix and concluded that, price comprises of more than simply the amount of money that the consumer pays when buying a product or services. It further includes issues such credit deals, discounts available and special offers.

#### **Skimming Pricing**

It is a pricing strategy whereby a firm charges a high introductory price, often coupled with high promotion (Lamb, Hair and McDaniel 2012). Customers involved here are not price sensitive instead the quality and ability of the product or services to satisfy their needs



appeal to them. Areeda, Phillip and Donald (2016) argued that the firm could combine high prices with high promotion whereby it seeks to maximize profits as much as possible.

### **Penetration Pricing**

Penetration pricing is referred to as setting a low initial price on a new product to appeal immediately to the mass market. It is the opposite of skimming. The company could penetrate the market with low price and high promotion (Lamb, Hair and McDaniel 2004). This strategy brings the fastest market awareness and results in increased or large market share. For a firm to enjoy this strategy it must have manufacturing or a sustainable competitive advantage that would result in company's unit.

### **Competitive-Based Pricing Strategy**

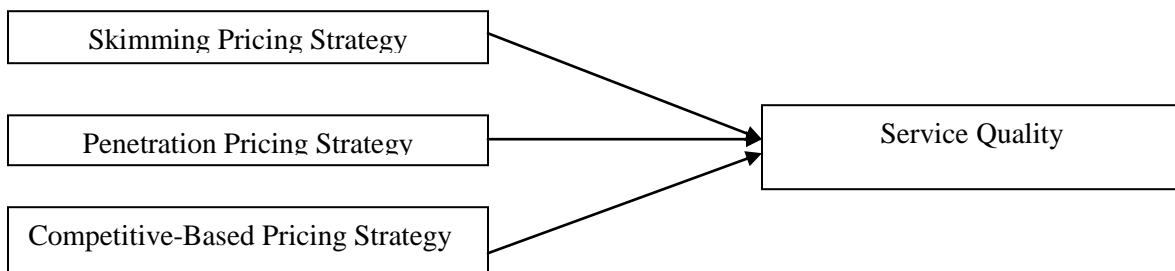
Competitive-based pricing uses as key information the competitors' price levels, as well as behavior expectations, observed in real competitors and potential primary sources to determine adequate pricing levels to be practiced by the company (Liozu and Hinterhuber, 2012). The main advantage of this approach is considering the actual pricing situation

of the competitors, and its main disadvantage is that the demand related aspects are not considered. Furthermore, a strong competitive focus among the competitors can increase the risk of starting a price war among competitors in the market (Heil and Helsen, 2001).

### **Service Quality**

Siddique, Karim and Rahman (2011) argued that service quality is the customer's overall impression of the relative inferiority or superiority of a company and its services. Culiberg and Rojsek (2010) viewed service quality as a customer's judgment about a service. Lewis and Mitchell (1990) opined that service is linked to the concepts of perceptions and expectations. Shahin and Sermea (2010) considered service quality as the extent to which a service meets or exceeds customer needs and expectations. The work of Naik, Gantasala and Prabhakar (2010), and that of Yasiladar and Direktor (2010) supported the argument made by Parasuramann, Berry and Zeithaml (2004). Companies can only attain a growth stage with an increased service improvement. Therefore, the success of service providers relies on the level of relationship with their customers, which will lead to loyalty and retention.

### **Conceptual Review**



Source: Adapted from Rodriguez, (2013)

**Theoretical Review**

The Weber-Fechner Law

This law relates changes in a stimulus to the evolved response as follows:  $AS/S = k$ , where S is lie stimulus, AS is the "just noticeable difference" (i.e. so that S + AS is perceived to be different from S), and k is constant for each sensory stimulus. Fechner analyzed subjective sensations using differential increments and derived the Weber-Fechner law (Monroe, 1971).

The theory is relevant in this study as it is used to explain how perception of prices by consumers affects them in purchasing products. The more the consumers perceive those prices

positively the more sales they make hence aiding in making the pricing decisions of the firms specially understanding the threshold of prices of such strategies.

**Methodology**

The study used descriptive research design. The target population was 89,077 customers of JED PLC within Gombe State, Nigeria. Out of which a sample size of 382 was drawn using Krejcie and Morgan’s table with 95% confidence level. The study used primary data using questionnaire survey. The responses were coded and keyed into Special Package for Social Sciences (SPSS, 23.0) version for data analysis.

**Results and Discussions**

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.128 <sup>a</sup>	.016	.008	.719	1.067

a Predictors: (Constant), SKIM, CBASED, PEN

b Dependent Variable: Service Quality

The result in table 1 shows that there is significant relationship between pricing strategy and service quality of JED PLC in Gombe State, Nigeria. Also, the estimated Durbin-watson value of 1.067 clearly shows there is existence of

positive first order serial correlation in the estimation model. The implication of this finding is that if JED PLC improves its service quality and a good billing strategy in Gombe State, customer satisfaction will be enhanced.

**Table 2: ANOVA**

Model		Sum of Squares	Df	Mean square	F	Sig.
1	Regression	3.235	3	1.078	2.087	0.101 <sup>b</sup>
	Residual	195.320	378	0.517		
	Total	198.555	381			

a. Dependent Variable: Service Quality

b. Predictors: (Constant), SKIM, CBASED, PEN

**Table 3: Coefficients**

Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	T	Sig.
	B		Beta		
1(Constant)	6.606	1.16		5.694	0
CBASED	-0.394	0.21	-0.096	-1.876	0.061
PEN	0.116	0.1	0.073	1.164	0.245
SKIM	-0.162	0.092	-0.111	-1.751	0.081

Dependent Variable: ServQual

**Table 4: Correlations**

	CBASED	PEN	SKIM	SERVICE_QUALITY
CBASED Pearson Correlation	1	-0.076	-0.100	-0.091
Sig (two tailed)		0.137	-0.100	0.077
N	382	382	382	382
PEN Pearson Correlation	-0.076	1	0.586**	0.016
Sig (two tailed)	0.137			0.758
N	382	382	382	382
SKIM Pearson Correlation	-0.100	0.586**	1	-0.058
Sig (two tailed)	0.051	0	0.051	0.259
N	382	382	382	382
SERVQUAL Pearson Correlation	-0.091	0.016	-0.058	1
Sig (two tailed)	0.077	0.758	0.259	
N	382	382	382	382

From the results, it has shown that there is positive and significant relationship between pricing strategy and service quality of JED PLC in Gombe State, Nigeria.

### Conclusion

This study examines the relationship between pricing strategy and service quality of JED PLC in Gombe State, Nigeria. Findings from the empirical studies indicate that there is positive and significant relationship between pricing strategy and service quality.

This study highlights JED PLC, Gombe State, Nigeria about some pricing strategies that have to do with improving power service quality that will encourage customers to have access to stable power supply at affordable billings in Gombe State, Nigeria.

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## INFLUENCE OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INNOVATIVENESS ON THE EMPLOYEE LOYALTY OF DEPOSIT MONEY BANKS IN NIGERIA

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*The study investigated the influence of information and communication technology (ICT) innovativeness on employee loyalty among deposit money banks in Nigeria. This study employed the survey research design approach. Four hundred and twenty-nine (429) management staff were sample from thirteen listed deposit money banks in Nigeria that formed the population of the study. The study used purposive sampling technique to identify the sample units of the banks and states covered, simple random sampling technique was used to identified management staff of the sampled deposit money banks in Nigeria. Data was collected from primary source through questionnaire administration. Structural equation modelling was the technique of analysis used to test the formulated hypothesis. The finding indicated that ICT innovativeness has a positive and significant influence on employee loyalty of deposit money banks in Nigeria. The study concluded that ICT innovativeness influence employee loyalty of deposit money banks in Nigeria. The study recommended that deposit money banks in Nigeria should pay extra attention to employee welfare to avoid disloyalty among employee in the industry and cost associated to employee disloyalty.*

### 1.0 Introduction

Any economy's banking sector plays a critical part in the growth and development of that economy. The amount of development of this sector determines how well it performs its primary function of transferring cash from surplus to deficit units of the economy for productive investment (Adewuyi, 2011). The Nigerian banking sector performs a variety of responsibilities in order to fulfil this responsibility. Enhancing investment via discovering and funding strong business possibilities, mobilizing savings, risk hedging/diversification, and enabling the trade of commodities and services are among them (Adekunle, Salami & Adedipe, 2013). By altering the composition of deposits and the scope for credit rationing, the financial system can have an impact on real economic performance (Akpansung & Gidigbi, 2014). Banking sector expansion has been proven to promote economic growth by increasing savings, boosting allocative efficiency of loanable funds, and fostering capital accumulation, according to studies (Bayoumi

& Melander, 2008; Akpansung & Babalola, 2012). Furthermore, according to Osaze (2000), a country's economic health is defined by the health of its banking system. Organizations are increasingly under pressure to enhance performance and maximize the contribution of every employee in this globalized economy, and committed employees are a source of competitive advantage (Tariq et al., 2017). In any corporation, an employee has evolved into an attractive business proposition (Saks, 2006). Employee loyalty is an enormous concept vital for organizations, according to Tariq et al. (2017), and the elements influencing employee perception to be completely engaged or disengaged. If personnel are completely dedicated to their jobs, the company will be able to achieve its primary goal of profit maximization. Employee loyalty is a concept that adds value to organizations and may be used to gauge outcomes such as employee productivity, organizational outcomes, and company performance (Tariq et al., 2017).

Many companies adopt policies targeted at fostering loyal employees because this leads to longer tenure (Iqbal et al., 2015). Employee morale and commitment to work will improve as a result of loyalty. If employees are not loyal, the organization may suffer from poor performance, low production and productivity, deterioration in service and product quality, an increase in the time spent on tasks, employee dissatisfaction with their work, less cooperation, absenteeism, plans to leave early, and absence from the workplace during rest periods. (Al-Balushi & Oman, 2019).

The fact is that Nigeria's economy is dominated by banks. This means that any problems with the bank might spell disaster for the entire economy (Ujunwa et al., 2012;

Gidigbi, 2017). The variation in deposit money bank performance and its contribution to the Nigerian economy has become a major source of concern among stakeholders, including the government. This raises the concern of the critical role of Information and Communication Technology (ICT) innovativeness in business activities. ICT plays an important role in the new millennium companies. Since its adoption and implementation in business activities generates a higher level of process innovation on the one hand, and applications of information technology or software that handle specialized companies such as the resource planning system for decision support and relationship management enable higher levels of innovation and knowledge in the organization on the other hand (Moshin et al., 2013). The usage and management of ICT not only gives businesses a competitive advantage, but it also reduces risk and uncertainty in the corporate environment and makes strategic planning easier. For deposit money banks to attain a greater level of innovation, all actions linked to innovation carried out by organizations should have a fundamental support of ICT (Frishammar & Hörte, 2005) The investment in ICT by banks is based on the assumption that it will improve operating efficiency, with the ultimate goal of increasing staff loyalty. Innovation would appear in certain dimensions such as product innovation, process innovation, marketing innovation, and organizational innovation (Gunday et al., 2011; Rajapathirana & Hui, 2018). Innovativeness in banking sector could enhance employee loyalty. Okonkwo et al. (2015) reported that investment in banking innovation does not just increase the performance of commercial banks.

## **1.2 Statement of the problem**

Banks are under increasing pressure to maximize every employee's contribution while improving their financial performance. Banks in Nigeria are expected to invest in product, process, organizational, and marketing innovations in order to stay competitive by maintaining long-term employee loyalty and avoiding financial and non-financial costs to the ex-bank imposed by employees leaving one bank to start a career in another. Shareholders and customers are disappointed and unsatisfied with bank services since these expectations are never met. The link between ICT innovation and employee loyalty has been proven in a number of researches. Employee loyalty has a mixed impact, according to the findings. For example, the results could be mixed due to ambient circumstances, timing, or even the variables measured. In light of these factors, the purpose of this study is to investigate the impact of ICT innovation on employee loyalty in Nigerian deposit money banks.

A number of studies have established the relationship that exists between ICT innovativeness and employee loyalty. Findings on the influence of employee loyalty indicated that, a drop in loyalty has the potential to cause harm to the organization due to a drop in performance (Hirschman 1970). There abound studies on the link between organizational innovation and consumer satisfaction (Nguyen et al., 2014; Wireko, 2016; Mahmoud et al., 2018), but in the context of financial services in emerging economies, particularly Nigeria, there is scant empirical evidence on the relationship between innovation and employee loyalty (Tran, & Wang, 2014; Ameme & Wireko, 2016). Therefore, the question is, what is the influence of ICT innovativeness on the employee loyalty? In

view of this, the study analysed the influence of ICT innovativeness on the employee loyalty of Nigerian deposit money banks.

This study will educate deposit money banks about the advantages of embracing technology and the impact it has on employee loyalty. In practice, bank management would gain from the study since they could use the findings to decide which ICT innovativeness (product or service) to embrace. As a result of staff loyalty, such innovation may provide a banking organization with long-term viability and a competitive advantage. This study will help the Central Bank of Nigeria determine the best strategy to implement that is both environmentally friendly and supports global competitiveness.

## **2.0 REVIEW OF RELEVANT LITERATURE**

### *2.1 Employee Loyalty*

The term "loyalty" is extensively used. There are numerous ways to explain it. An individual can be loyal to a number of different things, either one at a time or numerous at once. When someone is loyal, it could suggest that he or she has a strong attachment to someone. When a person is loyal to anything, it could mean that he or she identifies with the organization or society group (Rosana & Velillas, 2003) or that he or she is willing to put his or her life on the line for someone or something (Haidin, 2005; Elegido, 2013). Employees may feel a sense of loyalty to items such as their colleagues or leader, employer, and can be an important factor in the performance of an organization.

Employee loyalty is defined as a person's commitment to the company, its goals, objectives, and values. It is well known that stronger employee loyalty

increases the likelihood of staff retention (Chen et al., 2016). Employee loyalty is defined as an employee's desire to serve the organization rather than his or her own personal interests, and exhibits attachment and psychological belonging to these corporate goals (Koc, 2009). Supporting and embracing organizational goals, as well as sticking with the organization even in difficult situations, are all part of the notion (Podsakoff et al., 2000).

Because employees are an organization's most valuable asset in terms of survival and well-being, it is critical to maintain employee motivation and loyalty. Employees who are loyal and motivated will work in the organization's best interests and contribute to the enhancement of overall performance (Narteh & Odoom, 2015). This could be due to the fact that employees who are devoted to their employer are more inclined to be concerned about their employer's well-being (Schrag, 2001). Employees may even be willing to put their own interests aside in order to serve their employer. This could be manifested in the employee staying later or working harder than expected.

## *2.2 Information and Communication Technology (ICT) Innovativeness*

Information and Communication Technology (ICT) refers to technologies used by firms, organizations, individuals, and persons to gather, distribute, and share information, as well as to convey that information over networks. It is represented by clusters of technologies defined by their functional use in access to information and communication, one of which is the internet/online banking, which allows banks to conduct regular routine transactions online. Internet banking is distinct in that it is only available to clients that use the internet as their delivery method (Ibenta &

Anyanwu, 2017). ICT aids in the generation, integration, development, and enhancement of essential resources over time. E-business, e-commerce, new production methods, new services, new business processes, and effective ways to improve supply chain management, customer relationship management, and decision making are just a few of the various ways ICT shows its dynamic potential (Yunis et al., 2017). This is consistent with Schumpeter's (1934) concept of competitive advantage as a result of refining, shaping, or increasing existing resources and capabilities through creative methods, complicated processes, and knowledge addition from various sources (Prahalad & Hamel, 1990). Processes of continual learning, grasping new opportunities, and risk and uncertainty management, ICT and ICT-based innovation pave the path for the firm to achieve its strategic goals, such as operational excellence, innovative products and services, and customer intimacy, among others (Treacy & Wiersema, 1993; Yunis et al., 2017). These are possibilities that, if correctly planned and handled, can improve and advance the organization's performance.

## *2.3 Innovativeness and Employee Loyalty*

The relationship between innovation and loyalty has received little empirical evidence in the developing economy banking service context (Musara & Fatoki, 2010; Nguyen, Tran, & Wang, 2014; Ameme & Wireko, 2016). OECD (2010) used a uniform methodology to investigate the effects of ICT use as an enabler of innovation in nine member nations. Data from surveys on business usage of ICT and surveys on innovation were combined at the firm level and analysed using an OECD-provided econometric model. The findings showed that increased ICT use, as assessed



by the number of online facilities, improves the likelihood of innovation in general, with differences in the intensity of the association depending on the country, industry (manufacturing or services), and kind of innovation.

Increases in the size and productivity of the ICT sector, as well as associated effects such as growth in industries that provide inputs to ICT production; ICT investment across the economy, which contributes to capital deepening and leads to an increase in labour productivity; multifactor productivity growth across the economy. This stems from ICT's function in assisting businesses in innovating and increasing their overall efficiency (OECD, 2008). Small enterprises in low-income nations can also benefit from banking services related to ICT, such as mobile money. Much of this activity takes place in the informal sector, and while the activities aren't extensively documented, anecdotally they benefit proprietors and customers, and they fill niches that larger formal enterprises aren't interested in. (UNCTAD, 2010).

Ameme and Wireko (2016) discovered a significant link between organizational innovation and consumer satisfaction. Their research indicated, however, that the costs connected with technological innovation in the banking sector have raised transaction costs, which is to the detriment of clients. Nguyen et al. (2014) found that applying technology to financial services is an effective approach of improving service delivery. Musara and Fatoki (2010) also contend that technological advancements help to improve the efficiency of the banking sector while also lowering the prices of banking transactions for customers. According to Hilal (2015), innovation and the adoption of new technologies are the most effective

ways to increase bank productivity. According to Angko (2013), one of the advantages of electronic banking technologies is cost savings for both banks and customers. This suggests that banks need to ensure innovative products and services that are appropriately priced to attract and provide satisfaction to customers. In the telecommunications sector, Mahmoud et al. (2018) investigated the relationship between service innovation, service value creation, and customer satisfaction. Their studies demonstrated that how a service organization harnesses and executes its service innovation activities determines its capacity to attain customer satisfaction.

Because of the difficulties that managers have in retaining high-performing individuals, several academics have claimed that loyalty is a performance factor. Hirschman (1970), based on prior research, evolved the concept into the Exit-Voice-Loyalty-Neglect (EVLN) model in organizational behaviour. When management policies or behaviours negatively impact an individual's performance, the party strives to be heard by reducing work efforts, paying less attention to quality, or increasing absenteeism and lateness. Exit costs such as physical, moral, material, or cognitive situational elements influence if alternative positions are an option. Loyalty fades, and the individual must choose whether to improve performance or seek work elsewhere. Whatever the situation, a drop in loyalty has the potential to cause harm to the organization due to a drop in performance. We therefore hypothesized that,

H0 ICT Innovativeness does not have significant influence on employee loyalty of deposit money banks in Nigeria.

### **3.0 METHODOLOGY**

The survey research design is used in this study. It is deemed appropriate since it prioritizes social research when manipulating human population characteristics is not possible nor acceptable (Creswell, 2012). The 13 deposit money banks that are quoted and listed on the Nigerian Stock Exchange Market, as well as their management staff, are the study's target populations. The sample for the number of management staff from the thirteen deposit money banks in Nigeria was 389 management workers using the Yamane formula. The banks' sample units were identified using a purposeful sampling technique, whereas bank managers were sampled using simple random sampling. Data was collected from primary source. Four hundred and twenty-nine (429) copies of questionnaires was administered to the management staff personally by the researcher with the assistant of some trained research assistants to the respondents at bank branch offices of the listed deposit money banks in one state in each geopolitical zone in Nigeria. The study used Structural Equation Model (SEM) to test the formulated hypothesis.

### **4.0 DATA PRESENTATION AND ANALYSIS**

This chapter presents and discusses the results that were obtained for analysis of the data which were collected using questionnaire. Structural Equation Model (SEM) and SEM results used to test the hypotheses formulated. AMOS statistical software was used to analyse the data. For this study factor loading ranges between 0.71 and 0.92. This is in line with the recommendation of Hair & Ringle (2011) that, factor loading of 0.7 is considered ideal. This high factor loading confirms that the indicators are strongly related to their

associated factor. For the internal consistency reliability of the items, Cronbach's Alpha was used. The result indicated that all the alpha values revealed a good reliability as they exceeded the required value of 0.70 recommended by (Pallant, 2005). This implies that, they meet requirement of being used for further analysis.

#### *4.1 Test of Hypotheses*

Having gone through the processes involved in using SEM technique, the following section tested the formulated hypothesis so as to achieve the research objective.

H0 ICT Innovativeness does not have significant influence on the employee loyalty of deposit money banks in Nigeria.

The result of the influence of ICT innovativeness on the employee loyalty. ICT innovativeness was found to have a positive influence on employee loyalty with coefficient value of 0.252. This implies that more than 25% of the loyalty among employee is influenced by ICT innovativeness which make their work easy performing. Since the P-value of 0.001 is less than the critical value of alpha 0.05, and the Critical Ratio value of 6.513 is greater than 1.96, we reject the null hypothesis and conclude that, ICT innovativeness has a positive and significant influence on employee loyalty of deposit money banks in Nigeria. This result conformed with Ameme and Wireko (2016, and Mahmoud et al. (2018) who found a positive relationship between innovation and customer loyalty; while Dede and Sazkaya (2018) found a positive relationship between employee empowerment and employee loyalty.

The implication is that, in such case employees will stay with the organization. This means that their loyalty will increase.

Moreover, loyal employees are found to be more inclined to demonstrate innovative behaviour within their workplace. Loyal employees have feeling of belongingness, attachment, a feeling of owning the organization and that is why they are willing to improve and protect the organization. Employee loyalty leads to organization's success and sustainability.

## **5.0 SUMMARY AND CONCLUSION**

This study used Structural Equation Modelling (SEM) to provide an understanding of the information and communication technology (ICT) innovativeness that influence employee loyalty of deposit money banks in Nigerian environment. the SEM technique enables the researcher to answer the question of how ICT influences employee loyalty in banking industry. The banking innovations itself will be meaningless unless there are loyal employees to turn or use this innovation in a profitable way. The research concluded that ICT innovativeness has a positive and significant influence on the employee loyalty of deposit money banks in Nigeria. This implies that employees will stay with the company in such a circumstance. As a result, their loyalty will improve; employees are more likely to engage in innovative behaviour at work; have a sense of connection, attachment, and ownership of the company, which is why they are eager to enhance and preserve the organization. Employee loyalty is a key factor in an organization's performance and long-term viability. The study recommended that Nigerian deposit money banks should pay extra attention to employee welfare to avoid disloyalty among employee in the industry and cost associated to employee disloyalty.

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## APENDICES

### Regression Weights: TETST OF HYPOTHESES RESULTS)

	Estimate	S.E.	C.R.	P	Label
Loyalty <--- Product	.142	.031	4.534	***	Supported
Loyalty <--- Process	.282	.044	6.353	***	Supported
Loyalty <--- Organisational	.119	.041	2.885	.004	Supported
Loyalty <--- Marketing	.466	.038	12.278	***	Supported

### Final SEM Model Fit Summary

#### CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	90	2432.785	540	.000	4.505
Saturated model	630	.000	0		
Independence model	35	12054.320	595	.000	20.259

**RMR, GFI**

Model	RMR	GFI	AGFI	PGFI
Default model	.427	.722	.676	.619
Saturated model	.000	1.000		
Independence model	.547	.088	.034	.083

**Baseline Comparisons**

Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	.798	.778	.836	.818	.835
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

**Parsimony-Adjusted Measures**

Model	PRATIO	PNFI	PCFI
Default model	.908	.724	.758
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

**NCP**

Model	NCP	LO 90	HI 90
Default model	1892.785	1743.487	2049.564
Saturated model	.000	.000	.000
Independence model	11459.320	11105.822	11819.204

**FMIN**

Model	FMIN	F0	LO 90	HI 90
Default model	6.892	5.362	4.939	5.806
Saturated model	.000	.000	.000	.000
Independence model	34.148	32.463	31.461	33.482

**RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.100	.096	.104	.000
Independence model	.234	.230	.237	.000

**AIC**

Model	AIC	BCC	BIC	CAIC
Default model	2612.785	2633.227	2961.022	3051.022
Saturated model	1260.000	1403.091	3697.657	4327.657
Independence model	12124.320	12132.269	12259.745	12294.745

**ECVI**

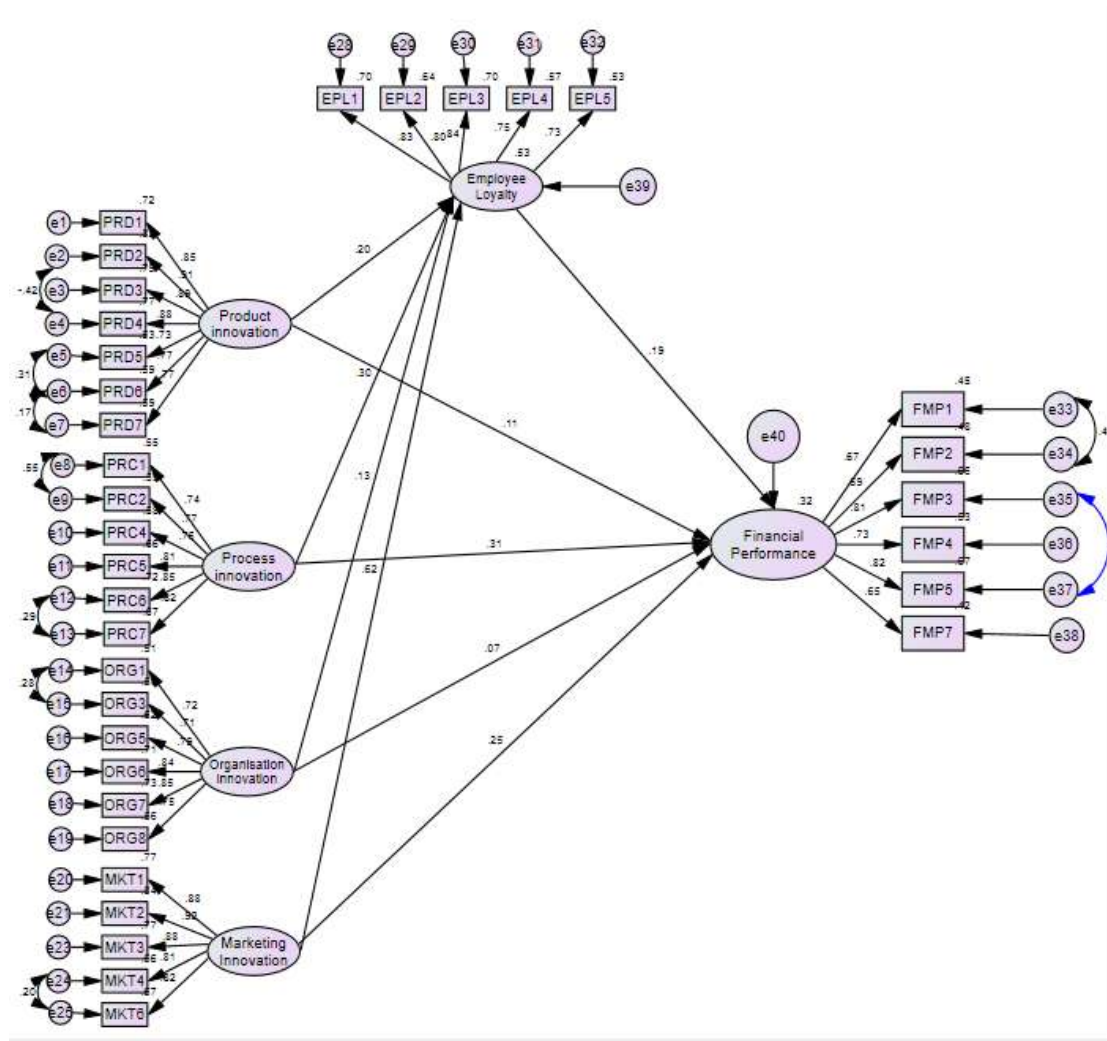
Model	ECVI	LO 90	HI 90	MECVI
Default model	7.402	6.979	7.846	7.460
Saturated model	3.569	3.569	3.569	3.975
Independence model	34.347	33.345	35.366	34.369

**HOELTER**

Model	HOELTER .05	HOELTER .01
Default model	87	90
Independence model	20	20



STRUCTURAL EQUATION MODEL



## IMPACT OF COVID-19 ON TAX POLICY IN NIGERIA

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*Covid-19 has affected and broad a lot of changes in the way businesses and public organizations run their activities. This has affected the profit of businesses, salaries of employees, exports and imports and consequently affected the tax policy of government. The aim of the study is to assess the impact of covid-19 on tax policy in Nigeria. Documentary research design was employed and secondary data sources were collected and used for this research. The study found out that taxpayers are not clear with some of the tax measures and reliefs introduced by the government due to covid-19 pandemic, and this has rather increased their confusion and suffering in Nigeria in this difficult moment of their lives. This study recommends that tax authorities or government should state clearly the payment dateline on waivers, interest and penalties to be paid on late filing of tax returns and payment of the amount due, most especially at this time of liquidity crisis in businesses. This study will help the taxpayers to plan and reduce the effect of covid-19 on their businesses.*

### 1.0 Introduction

Covid-19 pandemic has hit economies of nations in the world very hard. The impact lead to serious decline in business activities, to partial or permanent closure of operations. To curb the rate of spread of the virus, many countries in the world have restricted moments and others had to lockdown their economy (Olaniyi & Akhator, 2020). As the outbreak spread from China to other parts of the world, Nigeria government just like its counterparts have taken various steps in its efforts to manage the impact and hardship brought to the people, businesses and the economy as whole, due to lockdown as a result of the pandemic (KPMG, 2020). The hardship has affected business income and employees' wages and salaries, and consequently affects taxes due to government. Part of the effort to reduce the effects of covid-19 by nation governments was the introduction of various fiscal and monetary measures, where a lot of palliative measures were put in place to reduce the impact of taxation on taxpayers, and to make sure taxes due to government are paid (Olaniyi & Akhator, 2020). The changes in the rate of taxes and reliefs was made possible due to the flexibility of the tax policy of the government.

The government of Nigeria is currently battling on how to prevent or accommodate a declining tax base due to lost in business profit, reduction in salaries of some employees and waivers, and tax reliefs to taxpayers in the face of sharp decline in economic activity as it prepare the tax policy for covid-19 recovery process. It has been predicted by International Monetary Fund that economic growth will slows down to 5.4% in Nigeria in 2020 as the country struggle to take care of covid-19. This will definitely have a significant effect on businesses, tax revenue and the tax policy in the country. The aim of this study is to assess the impact of covid-19 on tax policy in Nigeria.

## **LITERATURE REVIEW**

### **NIGERIAN TAX POLICIES AS A RESULT OF COVID-19**

Taxation is a compulsory levy imposed on the income of a subject or upon his property by the government to provide social amenities, security and create an enabling environment for the promotion of the economic well-being of the society (Ogbonna 2011). Anyanwu (1993) states three major goals of taxation; generating revenue for the state, to control income, employment and to regulate the economic activities of the state. While covid-19 is a viral disease that are found in the respiratory organs of human beings and was discovered in China in late 2019 and spread all over the world.

The Nigerian tax policies that were adjusted due to covid-19 are as follows:

#### **Tax Holiday to Medical and Pharmaceutical Sector**

With the rate and speed at which individuals are infected with covid-19 pandemic, the government of Nigeria has taken measures

in the health sector to ensure that the spread of the disease is reduce or even curtail, so that economic activities will continue uninterrupted (Wagts, 2020). These actions are taken, because the stability of the health sector against the pandemic is of paramount importance to the economy. Moreover, the Nigerian government may wish to encourage public investment in health sector by reducing the liabilities to be incurred by investors in the health sector during this pandemic (Blackwood & Stone, 2020). On the 14 April 2020 as stated by Obayomi (2020 and Blackwood & Stone (2020) as follows:

Pioneer status incentives scheme: the incentives gave many investments in the pharmaceutical and medical sector qualification for the tax holiday for initial three year which shall be extended for an additional two year to become five years.

I. Manufacturers and suppliers of dental and medical tools such as sterile string and tissues, surgical drapes, distilling apparatus, dental instruments.

II. Manufacturers of pharmaceutical and medical products such as dressing, medical impregnating wadding, gauze, bandage and antibiotics.

III. Manufacturers of radiation, electro medical and electrotherapeutic equipment such as peacemakers, hearing aids devices, medical laser equipment.

IV. Construction and operation of non-residential buildings such as laboratories, specialized hospitals, diagnostic centers.

#### **Company Income Tax**

The tax incentives granted to companies that are charged to tax under CITA 2004 are as follows:

I. Companies are now allowed to file and submit returns without submitting its audited financial statement, since the audited financial statement, shall be submitted within two months after the revised due date of filling returns.

II. The date for the filing of CIT returns has been extended by one month. For instance, companies filing returns on 30<sup>th</sup> June 2020 would now be required to do so on 31<sup>st</sup> July 2020.

### **Value Added Tax/Withholding Tax**

The tax incentives provided under VAT/Withholding tax are as it is in Taxaide (2020)

I. Withholding tax/VAT date of filing returns has been extended to the end of each month, instead of 21<sup>st</sup> day of the each month following the month of deduction.

II. To create VAT automated collection system known as VATrac, to assist in collection of VAT for some specific goods or businesses such as super store, general super markets, standard restaurant, eateries and branded shops in Nigeria. The use of VATrac started on 1<sup>st</sup> April, 2020.

### **Personal Income Tax**

The personal Income Tax incentives for this covid-19 periods as stated by Taxaide (2020) are:

I. The date for filing of personal income tax for military personnel, non-residents and foreign affairs has been shifted to 30<sup>th</sup> June 2020 from 31<sup>st</sup> March 2020.

II. The Lagos state Internal Revenue Service has also shifted the date for filling of annual returns for PIT for self-employed persons and individuals to 31<sup>st</sup> May 2020.

III. Federal Capital Territory Internal Revenue Service, has shifted the date for

filling PIT annual tax returns from 31<sup>st</sup> March to 30<sup>th</sup> June 2020.

### **Personal Income Tax Compliance Challenges**

Taxpayers are facing great challenges with tax compliance, most especially at this time of covid-19. Olaniyi and Akhator (2020) described the challenges in the following ways:

Tax residency: there are no universal rules for tax residency determination of a taxpayer. Every tax jurisdiction or authority has its own definition of the rules of residency in their jurisdictional pronouncements and respective income tax legislation. Foreigners who are always mobile, may have different definition of tax residency from different tax jurisdiction they found themselves at any given point in time.

Tax compliance: the outbreak of covid-19 pandemic has significantly affected businesses negatively. Contract terms have to be renegotiated, postpone, and even cancelled in some instances. The requirement for self-isolation, and social distancing has grossly affected taxpayers' ability to meet these tax compliance date lines given by the tax authority, either due to lack of enough cash flows or digitalization of tax filing system of returns.

### **Research Question**

1. What is the current tax policy in Nigeria in regard to covid-19?
2. What is the relationship between measures and policy on covid-19 and individual wellbeing in Nigeria?

### **Research Objectives**

1. To investigate the current tax policy in Nigeria in regard to covid-19.

2. To examine the relationship between the current tax policy on covid-19 and individual wellbeing in Nigeria.

### **METHODOLOGY**

For the purpose of this research, the central objective is to examine the impact of direct tax and economic development of Nigeria. The researchers used documentary research design in this study. Secondary data were obtained from the journal, books, internet sources, and newspapers, magazines, newsletters that are needed for this research.

### **ANALYSIS OF THE DATA**

The data in this study were analyzed using Descriptive statistic to determine the current tax policy in Nigeria in regard to covid-19. And multiple regression analysis was used to assess the impact of the current tax policy on covid-19 among individual in Nigeria.

### **CONCLUSION**

The study deals with tax policy as a result of covid-19, such as tax holidays on medical and pharmaceutical companies, Value Added Tax/withholding tax, Companies Income Tax, Personal Income Tax. This study found out that there is no proper coordination with the concern agencies and the government to ensure a total response to coronavirus by the stakeholders in the country. The taxpayers are not clear with some of the tax measures introduced by the government due to covid-19 developments and this has increased the confusion and the suffering of businesses and taxpayers in Nigeria in this difficult moment of their lives. Moreover, only two state governments out of the 36 states and the Federal Capital, reviewed their tax laws during the covid-19 pandemic as regards to the extension of date for filing returns on personal income tax in Nigeria. This study recommends that, taxpayers are expected to be proactive and diligent in managing their tax affairs and

make sure they are tax compliant at all time irrespective of national or global crisis. Other state governments are expected to borrow a leaf from Lagos state and Federal Capital to review their personal income tax policies to reduce the impact of covid-19 crisis on their taxpayers. Furthermore, the government should extend the date for Companies Income Tax filing and returns for a period of at least three months or more just like its counterparts in other countries, because one month is not enough, looking at the extend of challenges that comes alone with the lockdown due to covid-19. Lastly, tax authorities or government should state clearly the payment dateline on waivers, interest and penalties to be paid on late filing of tax returns and payment of the amount due, most especially at this time of liquidity crisis in businesses. The dates if stated will help the taxpayers to plan to reduce the effect of covid-19 on their businesses.

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