



Department of Business Administration,
Faculty of Arts and Social Sciences,
Gombe State University

Creative Business Research Journal (CBRJ)



Volume 2 Issue 2,
September 2023

ISSN Online: 2756-4932
ISSN Print: 2756-4940

Creative Business Research Journal (CBRJ)

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Publication Frequency

Two times in a year

Copyright

Department of Business Administration, Gombe State University

ISSN:

Print- 2756-4940

Online- 2756-4932

CBRJ url

Website: www.gsu.edu.ng

E-mail: cbrj@gsu.edu.ng, hod.bus@gsu.edu.ng

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Effect of Political Environment on the Performance of Salwa Table Water

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Dates:

Received: 13 Aug., 2023
Accepted: 17 Sept., 2023

How to cite this article:

Abubakar, H., & Isyaka, M. S. (2023). Effect of Political Environment on the Performance of Salwa Table Water. *Creative Business Research Journal* 3(2), 1-10

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Abstract

The study examined the effect political environment on the performance of Salwa table water. Data were collected using questionnaire administered to the staff of Salwa table water in Gombe State. The independent variable is political environment which is proxies by on trade regulations, labour laws, environmental laws and import tariffs, while the dependent variable is the performance of Salwa table water, Gombe. The population is made up of 49 respondents. Chi-square was used to analyse the data. The result showed that there is significant relationship between political environment and the performance of Salwa table water. The study recommended that minimizing government policy inconsistencies on trade regulations, labour laws, environmental laws and import tariffs would enhance predictability. The study concludes that government policy inconsistency should be minimized to aid its predictability and regulatory agencies enforcing compliance on regulations of business operations.

Keywords- *Political Environment, Corporate Performance, Salwa, Table Water*

1.0 Introduction

The political environment is said to be legal framework where the firm operates and this is done through government laws and regulations that guides the operations of the business in question (Cristian-Liviu, 2013). The political stability of the environment is necessity for effective and efficient performance of business. The management of the organization must take cognizance of these constraints, actual and potential, and seek out the

implications for the business organization from legal advisers (Ogundele, & Abiola, 2012). Regard how and to what degree a government intervenes in the economy. Specifically, political factors include areas such as tax policy, labor law, environmental law, trade restrictions, tariffs, and political stability. Political factors may also include goods and services which the government wants to provide or be provided (merit goods) and those that the government does not want to be provided (demerit or bad).

The need to investigate the factors responsible for the uncertainty in the performance of table water companies in Nigeria and Gombe State in particular necessitated this study. Unfavorable environmental factors often hinder companies from operating at their full capacity (Adeoye, 2015). Several environmental factors contribute to the uncertainty in business performance, including technological, economic, political, and demographic factors (Oginni & Adesanya, 2013; Aazir & Qazi, 2012).

Over the years, governmental policies specific to the manufacturing sector have often yielded underwhelming outcomes. Government policies have a significant impact on key production, quality control, market accessibility, and financial viability factors in the production of table water. These rules cover a wide range of areas, including as licensing requirements, environmental laws, taxes, trade policies, packaging restrictions, price controls, rewards programs, and consumer protection legislation. Manufacturers in the table water sector thus face a challenging regulatory environment that has a direct impact on their operations' overall performance and sustainability. This includes manufacturing procedures, cost structures, market dynamics, and customer interactions.

Many studies were conducted to investigate the factors responsibly for uncertainty in business performance. For instance, Akinruwa, Awolusi and Ibojo, (2013); Agbolade, (2014); Adeoye and Elegunde (2012) and Gloria, (2015) conducted a study in Ekiti, Ogun, Osun and Lagos state respectively, and reported that organizations in the south western states of Nigeria, are mostly faced with the Challenge of environmental factors. Also Bayode and Adebola, (2012); Olatunji, (2015) and Olarewaju and Elegunde, (2012) conducted a study in Oyo state but focus their attention on large enterprises; they also found that large business enterprises are faced with unconducive business environment.

It observed that most of the studies conducted to investigate factors responsible for uncertainty in business performance in Nigeria were basically conducted in the Southern part of the country; there are few studies conducted in North east and Gombe State in particular. Therefore, this study seeks to contribute to the existing literature by empirically examining the effects of political environment on the organizational performance of SALWA table water. The main objective of this study is therefore to examine the effects of political environment on organizational performance of SALWA table water Gombe State.

2.0 LITERATURE AND EMPIRICAL REVIEW

2.1 Political Environment

The political environment plays a substantial role in shaping the landscape of the table water industry, encompassing a range of governmental actions, policies, and regulations that directly influence the operations and performance of businesses engaged in the production and distribution of table water. Within this context, the

political environment exerts a notable impact on various dimensions, yielding both opportunities and challenges for industry participants (Gao and Hafsi, 2015).

Government regulations and quality standards represent a pivotal facet of the political environment that significantly affects the table water industry. Regulatory frameworks established by government agencies dictate the parameters for the production, packaging, labeling, and safety of table water. Adhering to these regulations is paramount to ensure the integrity and quality of the product, impacting production processes and consumer trust (Hilger 2022).

Licensing and permits emerge as another key consideration within the political realm. Table water companies often require specific licenses and permits from governmental bodies to operate lawfully. Navigating these regulatory requirements demands adherence to stringent guidelines and criteria, underscoring the regulatory nature of the industry (Barnes, 2019).

Environmental laws constitute a significant component of the political environment's influence on the table water industry. Regulations centered on environmental protection, waste management, and sustainable practices hold direct implications for the manufacturing and packaging processes of table water. Compliance with these environmental standards shapes the industry's approach to resource utilization and sustainability (Li & Wu, 2017).

The political environment constitutes the legal framework that governs business operations through governmental laws and regulations. Political stability is essential for effective business performance. Businesses must navigate regulations, taxation policies, labor laws, and trade restrictions, which are influenced by government intervention in

the economy. Compliance with legal requirements, including taxes and labor regulations, is vital. Political stability impacts organizational adaptation and market stability, affecting overall performance. Government policies shape economic practices, attracting investments. A stable political environment fosters prosperity across economic, social, and legal dimensions, while unstable political conditions can create challenges for businesses and industries.

2.2 Business Performance

In general, the concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose. Those providing the assets will only commit them to the organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets. As a consequence, the essence of performance is the creation of value. So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the organization and the organization will continue to exist. Therefore, value creation, as defined by the resource provider, is the essential overall performance criteria for any organization. How that value is created is the essence of most empirical research in management. Conversely, how that value is measured is the essence of this research (Carton, 2004).

Performance has been defined as the resultant of efforts in form of activities of the business enterprise which includes its strategy and operational activities, management of all segments of business enterprise such as the human resources,

finance, production, marketing (Leitner, 2000). Business performance is the effort expended by an enterprise so as to reach and achieve its stated objectives which could include: its employee's satisfaction, its customer's satisfaction, the societal satisfaction, its survival, sales growth, and return on investment, employment, and ultimately profitability. This means performance is actual output as against expected output (Mark & Nwaiwu, 2015). Furthermore, Mark and Nwaiwu (2015) added that business performance entails how well the business enterprise is managed in terms of the value perceived by customers in relation to the organization's delivery and other stakeholder should be acknowledge when defining performance.

Richard (2009) described Organizational Performance (OP) as the real output measured against the intended or expected output. They viewed OP as a term that is made up of three major areas of firm outcomes and these three areas are: Financial Performance that is made up of profits, return on assets (ROA), return on investment (ROI) etc. Product Market Performance such as sales, market share, etc. Shareholders return such as total shareholder return (TSR), economic value added (EVA). Selden & Sowa, (2004) looked at OP as what is designed to assume that organisations are to accomplish certain goals that are both specified intrinsically and implicitly. Perrow, (1961) distinguishes between two kinds of organizational goals, official goals which are the general purposes of the organization's founders and leaders, while the operative goals designate the end sought through the actual operating policies, the modifications and subversions of these ends by personnel in decision making positions and by the forces of pressure from the external environment.

2.3 Theoretical Framework

2.3.1 Contingency Theory

Contingency theory is a theory developed by Lawrence and Lorsch (1967). Contingency theory postulates that there is no single best way for business enterprises to perform. Situations will create different environmental requirement for owners/managers of an enterprise. The solution to a managerial situation is depending on the environmental factors that influence on the situation. Fiedler claims that if performance is to be improved, we must cope not only with the environment but also with the situational factors which influence performance. Performance can be improved either by the environment's fit to the situation or the situation's fit to the environment.

For example, the theory relates to the independent variables in the logic political environmental factors, which the management of any manufacturing industry can adopt for the business while the dependent variable relates to performance which is the result of the business environment adopted.

Political environment which are the independent variables consider for the study can be best appropriate depending on the performance of Salwa table water discover itself. Though, there is need for the owner/manager to identify and comprehend the situation before choosing the suitable business environment. The adoption of political has the capacity to enhance or decrease the performance of the manufacturing industry and their result shall define the level of performance of the business. However, if the right environmental factor adopted will improve employees' performance, if otherwise performance of the organization will

decrease. This study attempted to study the impact of external business environment (political,) on manufacturing industry performance. External business environment stand as the independent variables of the study while performance of Salwa table water as the dependent variable.

2.3.2 The Corporate Social Responsibility (CSR) Theory

Corporate Social Responsibility has many perspectives, It involves both the behavior of organizations to meet societal expectations (Carrol, 1979) and those voluntary undertakings aimed at improving the environment in which corporations operate so that they can function in a better environment which may even supersede societal expectations (Vogel, 2006). In fact Kinderman, (2012) and Brammer, (2014) believe that CSR is sharpened and grounded in voluntary behaviours of corporations intended to improve the environment of doing business. Little wonder the European Commission in Brammer, (2014) looked at an institutional perspective of CSR focusing on “the determinants of whether and in what forms corporations take on social responsibilities”. They define Social Responsibility as “a concept whereby companies integrate social and environmental issues in their business operations and in their interactions with their stakeholders on a voluntary basis”. This voluntarism appears to explain why despite many researches indicating no or even negative link between Corporate Social performance and profits, more corporations still engage in CSR.

2.3.3 The Systems Theory

The Systems Theory Nwachukwu, (2006) defined a system as “a set of interrelated and interdependent parts arranged in a manner that produces a united whole” while Kuhn,

(1974) considers a system as “any pattern whose elements are related in sufficiently regular way to justify attention. Laszlo and Kripper, (1997) viewed a system as a boundary maintaining entity with complex interacting components that sustain relationships. With the social Sciences these boundaries do not only become weak but keep changing as behaviors change. The systems theory holds that an organization is a system that needs to work harmoniously not only within itself but that it is a system within a collection of other systems and, therefore, needs to work also in congruence with the other systems around it. What happens in the larger system is capable of affecting the organization either positively or negatively. Boulding, (1956), the economist torched on the systems theory but termed it ‘The General Empirical Theory’ slightly different from Bertalanffy’s, (1968) ‘General Systems Theory.

The system theory, therefore, has its origin in Biology with the work of Bertalanffy. The theory started with two major assumptions that were later adjusted to the contrary. These are, one that a system could be broken into its component parts and each part analyzed separately, two that the different sections of a system can be added linearly to get an understanding of the total system. These assumptions were later adjusted to the effect that a system is not a summation of its component parts which is linear, but a non-linear aggregation of the interactions of these component parts.

All researchers concur on the usefulness of the Systems Theory. The theory is not only interdisciplinary but integrative in nature. As Laszlo and Kripper, (1997) put it “Systems theory promises to offer a powerful conceptual approach for grasping the interrelation of human beings and the associated cognitive structures and processes

specific to them in both society and nature”. It is “concerned with the holistic and integrative exploration of phenomena and events”. The term conveys “a complex of interacting components together with the relationships among them that permit the identification of a boundary-maintaining entity or process.

2.4 Empirical Review

Aazir and Qazi, (2012) analyzed the impact of Political, Economic, Social and Technological macro environmental forces on Pizza fast food industry in Rawalpindi /Islamabad and suggestions for improvement in their performance. This research work is based on co-relational (survey) research design and instrument used for research is interview. PEST analysis was selected to analyze PEST forces in fast food industry. The paper provides empirical data to identify those factors that play key role in improvement of performance. In this study we found that the four factors P, E, S, and T are the key factors that can determine the performance of the fast food industry. The result showed that P is somewhat insignificant but other all three factors are the key factors which show the significant results. The study did not indicate the number of person interviewed. Aazir and Qazi, (2012) study analyzed the impact of macro environmental forces on Pizza fast food industry in Rawalpindi /Islamabad while ours is on the effects of external environment and the performance of cement manufacturing companies in Nigeria. However, the population and sample size was not known and how did the researcher conduct the interview was not indicated.

Karibo (2015) examined the influence of power supply infrastructure and government policy inconsistencies as external environmental factors on small and medium scale manufacturing firms in Nigeria. The

delimitation of the study was on small and medium scale manufacturing firms in Lagos State, Nigeria listed with the Manufacturers Association of Nigeria with a population of 283 firms and a sample size of 148 firms selected using the stratified random sampling technique. The research adopted the quantitative research process with the use of structured questionnaire. The data from the questionnaire were analyzed using the statistical package on social sciences. The findings are: That power supply infrastructure has significant influence on the performance measures of small and medium manufacturing firms in Nigeria and that government policy inconsistency does not have significant influence on the performance of small and medium manufacturing firms. From the findings of the study, it is recommended that regional industrial catchment areas be developed for small and medium manufacturing firms and the provision of independent power generation as a central power supply infrastructure provided in the industrial catchment areas; and that though small and medium firms are not significantly susceptible to government policy inconsistencies but with the dynamics of an emerging economy, government in Nigeria should develop a manufacturing policy guideline to improve on the performance of small and medium manufacturing firms.

3.0 METHODOLOGY

This study employs a descriptive survey design to investigate its research objectives. The target population comprises 49 employees of Salwa table water in Gombe, out of which the researchers were able to retrieve forty-four (44) questionnaire and was analyzed for the study. Given the manageable size of the population, the researchers adopted census sampling thereby used the entire population as the sample

size. The respondents encompass a diverse range of roles within the company, including owners/managers, procurement officers, store managers, logistics officers, and sales and marketing officers who are actively involved in the production and management of the company. The data collected through questionnaire instruments was presented in tables using simple percent. The collected data will be subjected to analysis using the Chi-square statistical method. The Chi-square coefficient will allow for the

assessment of the strength of the relationship between the dependent variable and the independent variable. This analytical approach will contribute to a comprehensive understanding of the research objectives and the dynamics at play.

4.0 DISCUSSION OF FINDINGS

This section presents an analysis of data collected through questionnaire on the effect of political environment on employees of Salwa table water in Gombe

Table 4.5: Descriptive Statistics on Political Environment

S/N	Items	N	Min	Max	Mean	Std. Dev.	Decision
1.	Trade regulation has significant effect on the performance of Salwa table water Gombe?	44	1	5	3.84	.73	Accepted
2.	Government legislations (license Permit) have a positive effect on the performance of Salwa table water Gombe?	44	1	5	3.61	1.78	Accepted
3.	Labour laws have impacted greatly on the performance of Salwa table water Gombe?	44	1	5	3.61	1.53	Accepted
4.	Environmental laws have impacted positively on the performance of Salwa table water Gombe?	44	1	5	4.11	.78	Accepted
5.	Importation tariff has been supporting on the performance of Salwa table water Gombe?	44	1	5	3.86	.85	Accepted
Sectional Mean					3.13	0.98	

Source: (SPSS V23 Output, 2023)

The table above presents data with respect to the status of political factors and employees of Salwa table water in Gombe. The analysis shows agreement with all items. The sectional mean of 3.13 indicates overall agreement showing the status of political factors and the performance of Salwa table water Gombe. The sectional mean of 3.13 indicates that political factors have effect on the performance of Salwa table water Gombe in Nigeria.

Test of Hypothesis

This category of the chapter is set for testing the validity of the formulated hypothesis in chapter one of this particular research based on the analyzed data from the respondents, statistical package for social sciences (SPSS) and chi-square was used in testing, analyzing and interpreting the hypothesis formulated and draw the valid conclusion on the study, chi-square was used to accept or

reject the hypothesis the formula is as follows:

$$X^2 = \frac{\sum (O-E)^2}{E}$$

X²= Chi-Square

O= Observed value

E= expected frequency

O-E= difference between observed and expected value

To find the critical value, the degree of freedom was calculated by the formulae: (R-1) (C-1)

Where:

R= number of rows

C= number of columns

In testing the hypothesis 5%(0.05) level of significance was chosen for the study, the hypothesis can be tested as follows:

Hypothesis

H₀: Political environment has no significant effect on the organizational performance of SALWA table water.

Table 4.22 Contingency Table

OPTIONS	Q11	Q12	Q13	Q14	Q15	TOTAL
YES	32	8	32	25	36	133
NO	12	36	12	19	8	87
Total	44	44	44	44	44	220

Expected frequency for Yes

$$\frac{RT \times CT}{GT} = \frac{44 \times 133}{220} = 26.6$$

Expected frequency for No

$$\frac{RT \times CT}{GT} = \frac{44 \times 87}{220} = 17.4$$

O	E	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
32	26.6	5.4	29.16	1.10
12	17.4	-5.4	29.16	1.68
8	26.6	-18.6	337.09	12.67
36	17.4	18.6	337.09	19.37
32	26.6	5.4	29.16	1.10
12	17.4	-5.4	29.16	1.68
25	26.6	-1.6	2.56	0.10
19	17.4	1.6	2.56	0.15
36	26.6	9.4	88.36	3.32
8	17.4	-9.4	88.36	5.08
				44.43

Degree of freedom DF= (R-1) (C-1) = (2-1) (5-1) = (1) (4) = 4

From the X² Table 4 under 5% (0.05) = 9.49

Decision rule

Since the calculated value (44.43) is greater than the table value (9.49) at DF 4 under 5%, we reject the null hypothesis which stated that 'Political environment has no significant effect on the organizational performance of SALWA table water, and accept the alternative hypothesis which state that: Political environment has no significant effect on the organizational performance of SALWA table water.

5.0 CONCLUSION AND RECOMEMDATIONS

The political landscape in Nigeria exerts a favorable and noteworthy impact on the performance of cement manufacturing enterprises, a correlation that is both positive and statistically significant, substantiated by a substantial effect size. Consequently, it is deduced that the political environment of a business wields a pivotal influence in shaping its overall performance outcomes.

Ensuring adherence to government regulations pertaining to table water manufacturing in Nigeria is imperative. This measure holds the potential to enhance the

predictability and stability within the sector, much like its impact on the cement manufacturing domain. Effectively addressing political challenges necessitates a commitment to transparency, sound governance practices, and consistent and steady political leadership. This entails optimizing regulatory processes, curbing instances of corruption, and fostering an environment conducive to business development. These actions collectively contribute to fostering a thriving landscape for table water manufacturing enterprises in Nigeria.

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Analyzing the Effects of Service Quality on Customer Satisfaction among Selected Fast Food Restaurants in Gombe Metropolis

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Dates:

Received: 15 Aug., 2023

Accepted: 29 Sept., 2023

How to cite this article:

Stanley, U. S., Abubakar, A. A.,
Usman, A. S., Ayuba, N. Y.,
Hussaini, H. B., & Buba, N.
(2023). Analyzing the Effects
of Service Quality on
Customer Satisfaction among
Selected Fast Food
Restaurants in Gombe
Metropolis. *Creative Business
Research Journal* 3(2), 11-24

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Abstract

This study investigated the effect of service quality (tangibility, reliability, responsiveness, assurance and empathy) on customer satisfaction among some selected fast food restaurants within Gombe metropolis. A quantitative approach was used and data were collected using a research questionnaire, which was distributed to 300 customers that were randomly selected. Data was analyzed using statistical package for social science (SPSS) software and structural equation modeling technique. The finding showed that some items of service quality (tangibility, reliability, responsiveness and empathy) have a significant relationship on customer satisfaction while assurance was found to have negative effect on customer satisfaction. The study also recommends that, restaurants should improve on assurance on the overall service quality antecedents which shows a negative connotation towards customers satisfaction in this study.

Keywords: *Tangibility, Reliability, Responsiveness, Fast food Restaurant and customer satisfaction.*

1.0 Introduction

Customers are very essential and critical elements in business transactions and each business require some strategies to perform and to create a relationship and trust between their products and customers. Businesses triumphs as a result of deepening and satisfying the needs and wants of customers for them to always pay constant patronage to

the business and hence creating and building a lasting relationship in the long-run. While satisfaction is said to be a feeling that surfaces from an evaluation process, that is when the consumer of a good or service compares what is received against what is expected from the utilization of that good or service (Fu & Juan, 2017). Satisfaction can also be seen as an overall effective response to a perceived discrepancy between a prior expectation and a perceived performance after consumption (Candri *et al.*, 2022). Satisfaction defined by Chonsalasin, Jomnonkwao and Ratanavaraha (2020) as the degree which one believes that an experience evokes positive feelings. Chonsalasin *et al.* (2020) also stated that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Brandtner, Darbanian, Falatouri and Udokwu (2021) consider satisfaction as an evaluation by customers that the food or service they have received is at least as good as it is supposed to be. In any organization satisfaction of customer is more important because if the customer is satisfied with the services or products, the position of the firm will be good in the market. The rule is that customers will get satisfaction should the service delivery is meeting or surpass the customer expectations. Satisfied customers have a direct impact on restaurants' financial performance and long-term survival (Polas *et al.*, 2022).

Customers who are dissatisfied in fast food restaurants do not return to the same restaurants and they can complain to more people about poor quality of services they might have experienced from such a fast food restaurant. If a fast food firm does not care about its customers' satisfaction they should not expect customers to also care about their products (Powton, 2018; Top &

Ali, 2021; Demir *et al.*, 2020; Ali, 2020; Ali, 2021). Dissatisfied in this regard, customer can spread and share their experiences and articulate the negative story about the service provider (Chicu *et al.*, 2019). Such thing should in case it happen, will deteriorate the service provider's brand image and good names. Satisfaction or dissatisfaction with a program or facilities is influenced by prior expectations regarding the level of quality (Giao *et al.*, 2020). Customer satisfaction is seen as an essential part of marketing and it plays an important role in the market. Customer satisfaction is also articulated to be a crucial element in service quality assessment because the higher the customer satisfaction the higher the performance of a business (Uzir *et al.*, 2021). Customer satisfaction is built on the quality of services offered by an enterprise (Sharma & Srivasta, 2018). It is a doctrine that emphasizes the significance of making worth for customers, predicting and handling their presumptions and manifesting the capability and duty to meet their requirements.

In the fast food industry, the main element of customer satisfaction is the nature of the relationship among customers and suppliers of products and services. Service quality has been regarded as a major factor for the achievement of organizations due to the close relation it has with customer satisfaction particularly in the service industry and is also viewed as a vital component to the fast food restaurant's achievement and success (Rathnasiri, 2021).

In today's competitive business world, service quality has become one of the most strategic tools for measuring customer satisfaction. Therefore, there is a need for every business sector to satisfy and maintain their customers or else their rivals will take them away from them. In reality customer

satisfaction will affect company and its product as well, because happier customers means more products sales and hence more profit (Jamal *et al.*, 2021). Fast Food industry can be seen as a mature industry with a highly competitive market environment in the food sector. The Fast Food restaurant Industry worldwide is such a business that cannot survive and operate without customers. It has become one of the main drivers of global economic activity, in that the industry supported the creation of more jobs all over.

The development of long-term relationships with customers should be the ultimate goal of every Fast Food restaurant. If they want their business to grow, the longer a restaurant company satisfies a customer, the more profit they generate through the provision of qualitative services. Therefore, this study will be focusing on the constructs of service quality dimensions namely: tangibility, reliability, responsiveness, assurance and empathy which are facilitated through the people aspect of service quality as variables to measure the effect of service quality on customer satisfaction. Therefore the aim of the study is to investigate the effect of service quality on customer satisfaction of fast food restaurant in Gombe metropolis.

1.1 Research Questions of the study

The research problem is therefore to answer the following research questions:-

1. To what extent tangibility affects customer satisfaction in selected Fast Food Restaurants operating in Gombe Metropolis?
2. To what extent reliability affects customer satisfaction in selected Fast Food Restaurants operating in Gombe Metropolis?
3. To what extent responsiveness affects customer satisfaction in selected Fast

Food Restaurants operating in Gombe Metropolis?

4. To what extent assurance affects customer satisfaction in selected Fast Food Restaurants operating in Gombe Metropolis?
5. To what extent empathy affects customer satisfaction in selected Fast Food Restaurants operating in Gombe Metropolis?

1.2 Research Objectives of the study

The main objective of the study is to investigate the effects of service quality on customer satisfaction in fast food restaurants in Gombe metropolis, and the specific objectives of the study are:

- i). Examine the relationship between tangibility and customer satisfaction among Fast Food Restaurants in Gombe Metropolis.
- ii). Examine the relationship between reliability and customer satisfaction among Fast Food Restaurants in Gombe Metropolis.
- iii). Examine the relationship between responsiveness and customer satisfaction among Fast Food Restaurants in Gombe Metropolis.
- iv). Examine the relationship between assurance and customer satisfaction among Fast Food Restaurants in Gombe Metropolis.
- v). Examine the relationship between empathy and customer satisfaction among Fast Food Restaurants in Gombe Metropolis.

1.3 Statement of the Problem

Delivering quality service is one of the major challenges facing the fast-food industry (Iwarere, 2010). It is an essential condition for success in the emerging keenly competitive and global market. However, with the upsurge in the setting up of fast-food restaurants, retaining customers

becomes an issue in particular when factors such as quality and safety are important consumer concerns. As competition and other environmental influences increase globally, there is growing emphasis on quality improvement and cost reduction in companies to achieve customer satisfaction and enhance organizational value (Iwarere, 2010). Organizations have come to realize that in this current turbulent economic climate as well as the existence of keen market competition that, it's easier to attract customers through satisfaction than to maintain them. This is because, in current times, better performance is a priceless vigor to press forward a firm's profit and sustainable development (Harcourt & Ikegwuru, 2020). If expectations are greater than performance, then perceived quality is less than satisfaction and hence customer dissatisfaction occurs (Mwangi, 2018). Despite the numerous plans and programs put in place by fast foods firms to satisfy customers, there is still evidence of challenges and according to (Haflin et al. 2022) identified some of these to include: Spoilage of items and proximity to expiry dates, fake products (Substandard products), absence of production dates for some products, product damage as a result of poor handling and dehydration, instruction manuals are written in foreign languages, deceitful labeling, and over pricing. However, Kotler (1997) asserts that it is not enough to be product-driven or technology-driven, without bringing the power of customer into the center of the business. The failure of any firm to meet the required level of expectation may spell doom for the outfit.

Thus, there is need to identify the service quality gap and to continuously adapt to customer assessment or perception of service quality in the fast food industry in order to ensure high customers satisfaction and continuous patronage (Iwarere, 2011).

Very few studies have been done in the fast food industry and almost none in Gombe metropolis and even fewer in the context of developing countries (Porter & Kramer, 2019). This study therefore attempts to fill the gap by investigating the effects of service quality on customer satisfaction of fast food restaurants in Gombe metropolis.

2.0 Literature Review

The literature review focused on conceptual framework of the study, empirical evidences and hypotheses to review the factors of service quality that have effects on customer satisfaction of fast food restaurants in Gombe metropolis.

2.1 Conceptual Review

From the review of related literature, it shows that customer satisfaction as a dependent variable plays a role on the direct relationship with the independent variable service quality. The main assumption is that the relationship between the duo variables will depend on the degree of the independent variable. Below is a conceptual model that shows the service quality dimensions that was used to measure the effects of the independent variable on the dependent variable:

Fig. 1 Effects of Service Quality on Customer Satisfaction



Source: Adapted from (Shamsudeen & Yasir, 2022).

2.2 Theoretical Background

There have been many theories of several stages of service quality over the past decades. The field has been constantly developing and evolving at a rapid rate over the past decades, which necessitated the emergence of views widely, reported in the literature (Dahari et al., 2011; Azam et al., 2014 & Tham et al., 2017).

According to Pakurár et al. (2019) service quality is an integral and vital element towards the success of an organization. Hossain et al. (2021) states that service quality's impact on the outcome of a service process such as loyalty, relationship, satisfaction, image and trust has made it very popular among scholars. Ostrom, Fotheringham and Bitner (2019) agree that consumers' judgment of the service encounter is directly proportional to the level of services provided.

However the SERVQUAL model has been tested for validity and reliability in many different industries and cultural settings. This model has produced promising results and is widely adopted by researchers (Khan, Lima & Mahmud, 2021). Other researchers such as Raza et al. (2020) had also described SERVQUAL as the most appropriate model to measure service quality. This model is often used by researchers worldwide to gauge customer's satisfaction with a service. Abisuga, Wang and Sunindijo (2020) opined that Parasuraman et al. (1985) developed the conceptual framework for the SERVQUAL model. Consequently, in the course of its development, a number of different competing theories based on various standards have been postulated for explaining customer satisfaction. The theories adopted in this study includes: Dissonance Theory, Contrast Theory, Expectancy Dis-confirmation Paradigm (EDP), and Comparison Level Theory.

The Expectancy Dis-confirmation Paradigm

Drawing on the shortcomings of the above early theories of consumer satisfaction, Oliver (1977; 1980) proposed the Expectancy Dis-confirmation Paradigm (EDP) as the most promising theoretical framework for the assessment of customer satisfaction. The model implies that consumers purchase goods and services with pre-purchase expectations about the anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome matches the expectation confirmation occurs.

Dis-confirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when service performance is better than what the customer had initially expected, there is a positive dis-confirmation between expectations and performance which results in satisfaction. In contrast, when service performance is not as good as what the customer expected, there is a negative dis-confirmation between expectations and perceptions which causes dissatisfaction. This type of discrepancy theory has a long history in the satisfaction literature dating back at least to Howard's and Sheth's (1967) definition of satisfaction which states that it is a function of the degree of congruency between aspirations and perceived reality of experiences.

The Comparison Level Theory (underpinning)

The Comparison Level Theory argues that there are more than one basic determinants

of comparison level for a product: (I) consumers' prior experiences with similar products, (II) situational produced expectations (those created through advertising and promotional efforts), and (III) the experience of other consumers who serve as referent persons.

Applying the Comparison Level Theory to the confirmation/dis-confirmation process, Khatoon and Rehman found that experience based standards or norms play a role as a baseline for comparisons in consumer's satisfaction judgments. They found that situational induced expectations had little effect on the customer satisfaction, while expectations based on prior experiences were the major determinant of customer satisfaction. This finding suggests that consumers may give less weight to manufacturer-provided information, when they have personal experience and relevant information about other consumer experiences.

Unlike the Expectancy/Dis-confirmation paradigm, the Comparison Level Theory suggests that consumers might bring a number of different comparison standards into the consumption experience. Consumers might be more likely to use predictive expectations based on external communication (advertisement) before the purchase (in their decision-making), while different standards (for example, past experience and experiences of other consumers as suggested by Khatoon and Rehman model) might become more likely after the purchase. There is, however, inadequate information concerning what standards these consumers bring into the consumption experience are being confirmed and dis-confirmed. Theoretical discussions aside, the use of past experience suggested by the Comparison Level Theory as the comparison standard in customer

satisfaction investigations may serve managers to compare their performance with their rivals, and undertake required actions to catch-up or for product differentiation.

2.3 Empirical Evidences

There are many empirical studies on the variables of service quality that affect customer satisfaction in the fast food restaurants business. This study reviews some of the essential service quality attributes mentioned above that influence customers' decision to return to a fast food restaurant for another meal.

Rajput and Gahfoor (2020) conducted a study to investigate the impact of service quality on customer satisfaction in restaurant industry in Pakistan and different service dimensions were been studied. Restaurants for both fast food and conventional food were selected for this study. The findings indicate that there is a highly significant relationship between service quality (tangibles, reliability, responsiveness, assurance and empathy) and customer satisfaction in restaurant industry. A study conducted by El Kheshin (2020) on managing service quality in Egypt using five dimensions of service quality illustrates that reliability, responsiveness, and tangibility have direct effect on customer satisfaction in hotels. From the results it demonstrates that the presence of all variables posits that, only reliability, responsiveness and tangibility variables show a significant impact on customer satisfaction in hotels, while both empathy and assurance variables impact become insignificant.

Ji and Ko (2022) examined the factors that explained customer satisfaction in the fast food restaurant segment and show their results suggested that compared with food quality/reliability, physical design and price, service responsiveness was the most important contributor to customer

satisfaction. Bhuian (2021) conducted a study on the impact of service quality on customer satisfaction in hotel business development in Best Western Princess Hotel in Norrköping, Sweden. Evaluation of the outcomes shows that responsiveness, empathy, tangibility, assurance, and reliability significantly influence customer satisfaction hence determining the nature of services provided. The study that investigates the effect of various dimensions of service quality of banking service on customer satisfaction in Bangladesh was conducted by Rahaman et al. (2020) a total of 212 walking Bangladeshi banking customers participated in this research. The findings show that, except employee competency, all other variables such as reliability, assurance, tangibility, responsiveness, empathy, and access to service have positive influence on customer satisfaction.

2.4 Hypotheses of the study

- H_{A1}: There is a significant and positive effect of Tangibility on Customers' Satisfaction.
- H_{A2}: There is a significant and positive effect of Reliability on Customers' Satisfaction.
- H_{A3}: There is a significant and positive effect of Responsiveness on Customers' Satisfaction.
- H_{A4}: There is a significant and positive effect of Assurance on Customers' Satisfaction.
- H_{A5}: There is a significant and positive effect of Empathy on Customers' Satisfaction.

3.0 Methodology

The study adopted a survey research design to examine the effects of service quality on customer satisfaction of fast food restaurants

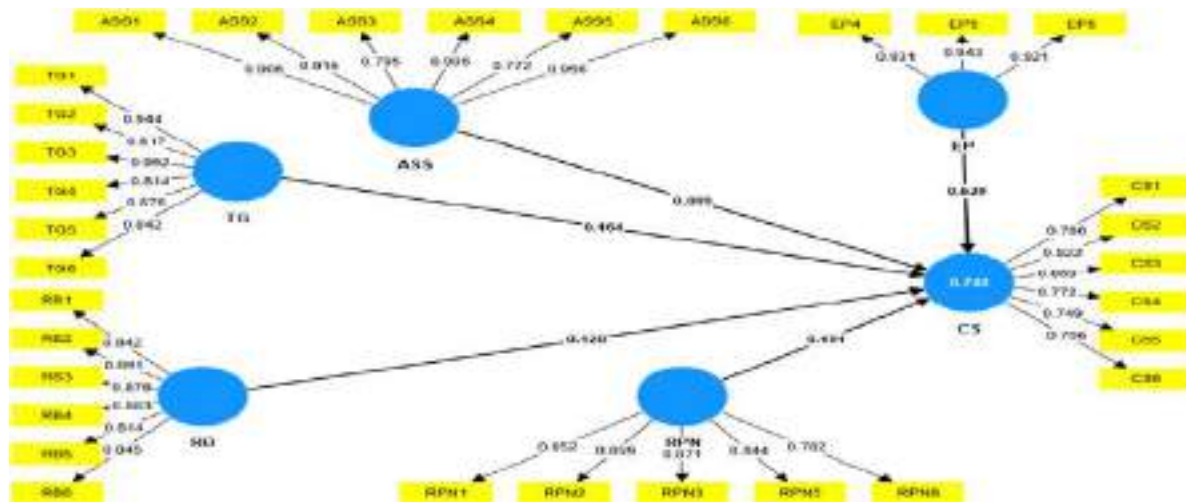
in Gombe metropolis. The data required for the study was collected through questionnaire as instrument for data collection. The type of data obtained for the study was the primary type. The population for the study is one thousand two hundred (1200) customers (Preliminary Survey, 2021) and a sample size of 300 customers was derived for the survey by using the Taro Yamani sample size determination technique. A 5-point likert-scale type from strongly agree to strongly disagree of a ServQual questionnaire as propounded by Parasuraman et al. as cited in Sari et al. (2020) was administered by means of a convenience sampling technique. Data collected from the study was analyzed using Software Package for Social Science (SPSS) version 23 and Partial Least Square for Structural Equation Modeling (PLS), version 4 (2022).

4.0 Research Findings

4.1 Measurement Model via Smart PLS

A measurement model is a model that specifies relationships between latent constructs and their indicators and to see if the model fits into the data. To evaluate the measurement model, we examined the internal consistency reliability, convergent validity, and discriminant validity (see Tables 1 and 2). Composite reliability (CR) was utilised to evaluate the internal consistency of the measurements, which ranged from 0.762 to 0.952, thus surpassing the 0.70 cut offs in almost all the cases (Hair et al., 2017). For convergent validity, the average variance extracted (AVE) was conducted. Convergent validity was confirmed because the AVE for all the constructs ranged from 0.678 to 0.868, thus exceeding the 0.5 thresholds (Hair et al., 2017). Therefore, our measurement model is achieved; the mentioned results are presented in Table 1.

Figure 2: Measurement Model



Source: PLS-SEM V4.0, 2022

Figure 2 above shows the measurement model of the study.

The Adjusted R square for this study is 0.740 (74.0 per cent). Therefore, 74%

variance in the customer’s satisfaction of fast food restaurants in Gombe metropolis is explained by tangibility, reliability, responsiveness, assurance and empathy.

Table 1: Construct Reliability and Validity

Constructs	Items	Loadings	AVE	CR	CA
Tangibility	TG1	0.944	0.767	0.767	0.939
	TG2	0.817			
	TG3	0.952			
	TG4	0.814			
	TG5	0.876			
	TG6	0.842			
Reliability	RB1	0.842	0.685	0.928	0.908
	RB2	0.691			
	RB3	0.876			
	RB4	0.883			
	RB5	0.814			
	RB6	0.845			
Responsiveness	RPN1	0.852	0.710	0.924	0.897
	RPN2	0.859			
	RPN3	0.871			
	RPN5	0.844			
	RPN6	0.782			
	Assurance	ASS1			
ASS2		0.915			
ASS3		0.795			
ASS4		0.906			
ASS5		0.772			
ASS6		0.956			
Empathy	EP4	0.931	0.868	0.952	0.924
	EP5	0.943			
	EP6	0.921			
Customer Satisfaction	CS1	0.786	0.675	0.906	0.877
	CS2	0.822			
	CS3	0.869			
	CS4	0.772			
	CS5	0.749			
	CS6	0.706			

Source: PLS-SEM V4.0, 2022

Note: AVE represents Average Variance Extracted; CR represents Composite Reliability; CA represents Cronbach's Alpha.

4.1.2 Average Variance Extracted (AVE)

On Table 1 all constructs have a Cronbach's Alpha coefficient above .65, and a construct having a Cronbach's Alpha coefficient of less than 0.65 can be ignored for a tested data. Provided other construct in the model has a Cronbach's Alpha coefficient greater

than 0.65 (Hair *et al.*, 2019). All construct met the minimum benchmark for both composite reliability and AVE which is 0.675 and 0.952 respectively. Factor loadings should not be below 0.65 (Hair *et al.*, 2019). All items loaded above 0.65 on Table 1, were retained. Also, the AVE and CR of each variable on Table 1 is above 0.675 and 0.952 respectively, which serves as the minimum threshold for AVE and composite reliability.

Table 2: Discriminant Validity using Fornell-larcker criterion

Constructs	1	2	3	4	5	6
ASS	0.770					
EP	0.048	0.782				
RB	0.109	0.652	0.685			
RPN	0.105	0.710	0.369	0.710		
TG	0.125	0.664	0.277	0.654	0.767	
CS	0.084	0.571	0.166	0.621	0.0641	0.675

Source: PLS-SEM V4.0, 2022

4.1.3 Discriminant Validity

The bolded diagonal numbers represents the square root of the AVE of each latent construct. Table 2 is the result of discriminant validity. For there to be discriminant validity, the square root of AVE of each construct must be higher than other correlations. The AVE of Customer Satisfaction is 0.675. All other correlations below are greater than 0.675. Similarly, for assurance dimension, the AVE is 0.770. All other correlations column and row wise are below .770. Likewise, for empathy which have AVE coefficient of 0.782 all other correlations column and row wise are below 0.782. Also, for reliability dimension the AVE is **0.685** all other correlations column and row wise are below **0.685**. For responsiveness dimension the AVE is 0.710

all other correlation column and row wise are below 0.710 and finally for tangibility, having AVE coefficient of **0.767**, All other correlations column and row wise are below **0.767** judging by the Fornell-larcker discriminant validity criterion, the data shows that discriminant validity has been achieved, as the square root of AVE of each construct is higher than other correlations (Franke, 2019).

4.1.4 Effect Size of Exogenous Variables (f^2)

F-Square measures changes in coefficient of determination in the event of removing an exogenous variable from the model. F-square value of greater than or equal 0.02, 0.15 and 0.35 are regarded as small, medium and large respectively (Cohen, 1988).

Table 3: Effects Size

Construct	f^2	Effect Size
Tangibility	0.000	Small
Reliability	0.015	Medium
Responsiveness	0.056	Large
Assurance	0.039	Large
Empathy	1.263	Larger

Source: PLS-SEM V4.0, 2022

Effect Size

Table 3, shows the effect size of tangibility, reliability, responsiveness, assurance and empathy on customer satisfaction in fast food restaurants in Gombe metropolis. Tangibility has a small effect size, while reliability is denoted with a medium effect size and whence responsiveness and assurance dimensions have large effects on customer satisfaction respectively. However, empathy has larger effect on customer satisfaction. Therefore, in the model of this

study empathy is the most important predictor of customer satisfaction as it shows a larger effect size on customer satisfaction of fast food restaurants services in Gombe metropolis.

4.1.5 Predictive Relevance of Exogenous Variables

The study utilized the RMSE Q2 value to assess the predictive relevance of the exogenous variables. The result is presented in Table 4.

Table 4: Predictive Relevance

Construct	Q ² predict	RMSE	MAE
CS	0.725	0.529	0.37

Source: PLS-SEM V4.0 effect size, 2022

Note: Q² means Predictive Relevance, RMSE means Root mean square error and MAE means mean absolute deviation

RMSE means Root mean square error or RMSE is a frequently used measure of the difference between the numbers (population values and numbers) which is estimated by an estimator or mode. The root mean square is also known as root mean square deviation. The RMSE details the standard deviation of the difference between the predicted and estimated values. Each of these differences is known as residuals when the calculations are completed over the data sample that was applied to be determined, and also known as prediction errors when estimated out of sample. The root means square error or

RMSE accumulate the magnitude of the errors in estimating different times into a single measure of predictive power. Sharma *et al.* (2019) shows that the RMSE and mean absolute deviation MAE are particularly suitable when, the aim is to select the best predictive model among a set of competing models. RMSE represents Sum of squared of observed omitted values; MAE represents Sum of Squared Error.

4.2 Test of Hypotheses

The study tested the hypotheses to determine the extent of the relationship between customer satisfaction and service quality dimensions which are tangibility, reliability, responsiveness, assurance and empathy in

fast food restaurants in Gombe metropolis.
Table 5 presents the result of the test of

hypotheses.

Table 5: Path Coefficient

Hypotheses Testing	Sample (M)	(STDEV)	P values	Decision
HA ₁ : TG -> CS	0.163	0.051	0.001	Accepted
HA ₂ :RB -> CS	0.125	0.066	0.051	Accepted
HA ₃ : RPN -> CS	0.192	0.062	0.002	Accepted
HA ₄ : ASS -> CS	0.000	0.046	0.851	Rejected
HA ₅ : EP -> CS	0.627	0.052	0.000	Accepted

Source: PLS-SEM V4.0 Path Coefficient, 2022

*** p< 0.01; **p< 0.05; *p <0.1

From Table 5, it can be deduced that Tangibility dimension has a positive and significant relationship on customer satisfaction, positively significant at P value <0.001 to customer satisfaction. Therefore, HA₁ is accepted that there is a significant and positive relationship between tangibility and Customer satisfaction. Similarly, Reliability dimension has a positive and significant relationship on customer satisfaction, positively significant at P value <0.051. Thus, HA₂ is accepted which states that, there is significant and positive relationship between reliability and customer satisfaction. Responsiveness dimension has a positive and significant relationship on customer satisfaction, positively significant at P value <0.002 to customer satisfaction. Therefore, HA₃ is accepted that there is a significant and positive relationship between responsiveness and customer satisfaction. In the same test also, Assurance dimension has a negative significant relationship on Customer satisfaction, negatively significant at P value <0.851. Therefore, HA₄ is rejected which states that there is significant and positive relationship between assurance and customer satisfaction. But Empathy dimension has positive and significant relationship on customer satisfaction,

positively significant at P value <0.000 to customer satisfaction. Therefore, HA₅ is accepted which states that, there is significant relationship between empathy dimension and customer satisfaction.

5.0 Conclusion

Previous theories and researches conducted in the area of service quality shows that, there is a definite positive relationship between service quality dimensions and customer satisfaction. Service quality in the fast food restaurant industry has become a major factor of relationship building. In order to improve customer satisfaction and improve business performance service quality dimensions are considered to be essential for building long-term relationship with customers. The results of the test of hypotheses have indicated that service quality dimensions have significant and positive relationship on customer satisfaction with the exception of assurance in the selected fast food restaurants business in Gombe metropolis. Besides, it was discovered that the service quality dimensions used in the study, such as tangibility, reliability, responsiveness, assurance and empathy have significant effects on customer satisfaction. The study concluded that, the extent of service quality

in restaurants within Gombe metropolis is between small to large level of customer satisfaction. The study also recommends that, restaurants should improve more on tangibility, reliability, responsiveness and empathy even including assurance which shows a negative connotation towards customers' satisfaction in this study.

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Assessing the Impact of Cashless Policy on Small and Medium-Scale Enterprises: Evidence from Selected Supermarkets in Gombe State, Nigeria

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Dates:

Received: 15 Sep., 2023

Accepted: 29 Oct., 2023

How to cite this article:

Katung, Y. K., & Shehu, R, N. (2023). Assessing the Impact of Cashless Policy on Small and Medium-Scale Enterprises: Evidence from Selected Supermarkets in Gombe State, Nigeria. *Creative Business Research Journal* 3(2), 25-36

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Abstract

The introduction of the cashless policy in Nigeria in December 2011 was aimed at promoting electronic payment system and reducing the volume of cash transactions. This has significantly affected the operations of small and medium-scale enterprises (SMEs). The success of this policy is dependent on the development and adoption of cashless transaction channels. However, in spite of the potentials of the use of these electronic payment systems (credit and debit cards, point of sales (POS), automated teller machines (ATM), mobile money, online banking among others), its acceptance and usage is still evolving. Therefore, this study seeks to address some of the challenges faced by SMEs in adopting and using the cashless policy channels. This study utilizes a qualitative approach using interviews and observations to assess its impact among selected supermarkets in Gombe. Thematic and narrative analyses were adopted in this study. Findings showed that despite some challenges, the adoption of the cashless transaction using the e-channels contributed significantly on the operational transactions of supermarkets studied. The study recommends infrastructural enhancement and sensitization by government in order to enhance service delivery through sustainable use of various cashless channels among supermarkets owners in Gombe.

Keywords: *Cashless policy, channels, Small Business enterprises, Supermarkets.*

1.0 Introduction

The Central Bank of Nigeria (CBN) in recent has introduced

some monetary measures aimed at strengthening the financial system for socio-economic growth and development. The CBN in December 2011 released a circular on the introduction of 'cashless' policy which sets cash deposit and withdrawal limits that first started in Lagos in January 2012. The reform is aimed at moving the economy from a cash-based payment system to the use of electronic payment systems (Ajayi 2014). The policy is also targeted at getting more of the money in circulation into the system as well as track money laundering activities. It equally aims at reducing the cost of banking services, and improving the effectiveness of monetary policy in managing inflation and driving economic development (CBN 2011).

The initial processing fees of 3% and 5% on daily cash withdrawals that exceed N500,000 and N3 million were meant for individuals and Corporate bodies respectively. In addition, it provided 2% and 3% cash deposits charges that the exceed the same threshold above. Overtime, the policy was implemented to cover additional states, namely; Lagos, Abia, Anambra, Kano, Ogun, Rivers as well as Abuja. The CBN, in August 2015, suspended the policy to allow banks deploy the technology that would allow the policy to operate seamlessly (CBN,2015).

On January 9, 2023, The CBN via a circular resumed nationwide implementation of the policy. It places a stricter limit compared to the initial limits placed when the policy was introduced in 2012. According to the new directive, individual bank customers cannot withdraw more than N100,000 in cash over the counter, through ATMs or POS in a day. This amounts to N500,000 every week or N2 million in a month. For corporate customers, the withdrawal limit was placed at N5 million per week, translating to N20

million per month. The circular, also placed a limit of N100,000 limit on over the counter third party cheques. The apex bank, however, noted that, in compelling circumstances where cash withdrawal above the limits is required for legitimate purposes, such requests will be subject to a processing fee of 3% and 5%, for individuals and corporate organizations, respectively. The circular also directed banks to render monthly returns on cash withdrawal transactions above the specified limits to the Banking Supervision unit.

Transition from cash based economy to cashless economy is a recent global phenomenon. Nigeria, like the rest of the world has recently keyed into this. The CBN has been responsible for the cashless policy implementation. Cashless payment systems have increased as a result of government initiatives to encourage electronic payments in order to minimize cash transactions and advance financial inclusion (Adedoyin, Akintoye, & Adesina 2017). Based on the report of Nigerian Inter – Bank Settlement System (NIBSS), electronic payment transactions in Nigeria witnessed an increase from 127.1 million in 2012 to 1.4 billion in 2018, (CBN ,2019) to representing a growth of over 1,000%. As at end of December 2022 E-payment transaction volume rose to over 22 billion with a combine value in excess of 1.5 Trillion (CBN, 2023).

Since the introduction of the cashless policy in Nigeria, there have been varied views as to its impacts. The Cashless policy has brought several challenges for small business operators in Gombe state, Nigeria. Among which include; cost of acquiring and maintaining electronic payment devices, Lack of adequate infrastructure to support the electronic payment systems, and low levels of financial literacy among traders

(Adullahi, 2019, Adesina, Oyebisi, & Akindele, 2019). Other challenges include low level of technology, the literacy level of the business owners on how to operate the devices and bank account to enable electronic payment system. The challenges have recently halt business operations of many of these small business operators while a lot of these businesses slow down their growth level. Although, benefits of the adoption of the cashless economy have been greatly stressed but people have not been convinced that the policy is for the good of all especially the SMEs which contributes majorly to the economy (Heman & Anna, 2023)

The cashless policy is driven by so many electronic payment systems which include; debit and credit cards, mobile money, online banking, point of sale (POS) devices, and internet banking amongst others.

The debit and credit cards issued by banks are used by customers to conduct banking transactions. The cards can be used by customers in Automatic teller machines (ATM), online transactions and on POS in stores e.g. supermarkets transactions. A report by the CBN has a record of the number of active debit cards in Nigeria increased from 2.2 million in 2012 to 106 million in 2020. (CBN report 2020)

The online banking refers to electronic banking system with the use of electronic purse which can be effected via the internet on PCs, laptops and other devices. Bank customers who have subscribed to internet banking can do basic banking transactions via the web. The available records of active internet banking subscribers in Nigeria increased from 1.2 million in 2012 to 43 million in 2020 according to CBN reports. (CBN report 2020)

Mobile banking service allows bank's customers to access banking service via dedicated telephone lines from the comfort of homes, offices etc. As at present, account balance could be checked, authorized inter-branch money transfer, transaction alert (withdrawal or savings) The Mobile banking services allow holders to transfer money using their mobile phones which has made transactions easy in Nigeria without someone visiting the bank personally. The available Telecoms and financial institutions offer mobile money services, with over 2.1 million mobile money agents operating in Nigeria as at 2020. (CBN report 2020).

Point of Sales terminals (POS) are deployed to merchant locations where users swipe their electronic cards through them in order to make payment for purchases or services instead of using raw cash. As the POS terminals are online real-time, the customers bank account is debited immediately for value of purchases made or services enjoyed. As at April 2022 there were over 1.1 million active POS devices in Nigeria compare to 155,000 in 2012, according to NIBSS report 2022.

1.2 Statement of the Problem

Although, the shift to a cashless economy has been praised for its potential advantage, there is rising worry about how it will affect small business owners, especially in areas with little infrastructure and limited resources (Heman & Anna, 2023). Unfortunately, there is paucity of knowledge regarding how Gombe state's SMEs are being impacted by the move toward a cashless economy. There are various aspects to the issue. It's unclear whether the SMEs are benefiting from the implementation of the cashless policy, although the general perception from the public indicates that,

there are many challenges being experienced in adopting the cashless policy on their daily transactions. Some of the problems being experienced based on interviews conducted are; lack of access to technology, the cost of adoption affects their profit margin, and the level of education of the business owners could play a major hindrance to adoption. Most traders also do not have bank account to support online transactions. The study therefore investigates the relationship between the benefit of cashless policy and the challenges on small and medium-scale business operators in Gombe metropolis, Nigeria.

1.3 Research Objectives

The study seeks to assess the impact of the cashless policy on the operations of supermarkets in Gombe metropolis. The following are the specific objectives of this study:

- i. To examine the role of Credit and debit cards transactions on operations of selected supermarkets in Gombe metropolis.
- ii. To determine the impact of internet banking on the operations of selected super markets businesses in Gombe metropolis.
- iii. To examine the use of Mobile Banking transactions on the operations of selected supermarkets in Gombe metropolis.
- iv. To examine the effect of POS transactions on the operations of selected supermarkets in Gombe metropolis

1.4 Research Questions

In an attempt to understand the impact of cashless policy on SMEs in Gombe state,

Nigeria, the following questions were modeled:

- i. How does a credit and debit cards transaction impact on operational performance of supermarkets in Gombe metropolis?
- ii. How does internet banking transactions impact on operational performance of supermarkets in Gombe metropolis?
- iii. How do mobile Banking transactions impact on operational performance of supermarkets in Gombe metropolis?
- iv. How do P.O.S. transactions impact on the operational performance of supermarkets in Gombe metropolis?

2.0 LITERATURE REVIEW

2.1.1 The Cashless Policy

The cashless policy is a financial regulation designed by the CBN to restrict the volume of cash in circulation and provide a system where business can be carried out without necessarily using physical cash as a means of exchange of transactions but instead with the use of electronic banking channels such as credit or debit card, cheques and internet banking, mobile banking, Pos, etc. (Adeleye.O.2022). It is estimated that approximately 65 percent of the cash in circulation in Nigeria is outside the banking system, severely limiting the price and economic stability efforts of the CBN (CBN, 2011). This, among other issues, prompted the Nigerian Central Bank, in collaboration with the Bankers Committee, to implement the cashless policy.

The sustainability of the policy will be a function of adoption and compliance by end-users. The cashless economy anticipated

here points to the comprehensive use of computer technology in the financial system.

2.1.2 Small and Medium Enterprises (SMEs)

SMEs are defined as enterprises with a maximum asset base of 500 million Naira excluding land and working capital, and with a staff strength of not less than ten (10) and not more than 300 workers. On a broad note, SMEs operating in the Nigerian economy are mandated to operate under the legal system that regulates their operations (Adelowo et al., 2012). They can be referred to as enterprises with a total capital base of over 1.5 million Naira but not more than 500 million Naira including working capital but excluding the cost of land and a labour size of 11–100 workers. While a medium scale enterprises are enterprises with a total capital base of over 50 million Naira but not more than 500 million Naira including working capital, but excluding the cost of land and/or a labour size of 101–300 workers (Essien, 2001; Ajayi, 2002; Gberevbie and Isiavwe-Ogbari, 2007; Ihua, 2009; Alaye-Ogan, 2012).

According to the Ministry of Industry, Trade and Investment, Nigeria has over 37.07 million micro, small and medium-scale enterprises, MSMEs, and they account for more than 84 percent of total jobs in the country. The ministry also claimed that the SME enterprises in Nigeria also account for about 48.5 percent of the gross domestic product, GDP, as well as about 7.27 percent of goods and services exported out of the country. small and medium enterprises (SMEs) are estimated to comprise 87% of all firms operating in Nigeria (Babatunde and Laoye, 2011). In an earlier study, Ihua (2009) reported that the percentage contribution by SMEs to the total number of enterprises in Nigeria is about 97 percent.

2.1.3 Supermarkets

According to oxford dictionary, a supermarket is a self-service shop offering a wide variety of food, beverages and household products, organized into sections. The basic appeal is the availability of a broad selection of goods under a single roof, at relatively low prices. Supermarkets make up for their low margins by a high volume of sales, and with of higher-margin items bought by the customers. There are several supermarkets found with Gombe state. Some found within Gombe metropolis include: Makay supermarket located along Biu road, sabon layi, San Hussain supermarket located by cross round-about, opposite Gombe line motor park, Fusaha ventures, located at Buba shongo estate, Gombe and Yayu stores, located Kids street complex, GRA amongst others.

2.2 Review of Empirical Studies

This section provides some of the empirical evidence relating to the subject of investigation. For instance, Okonkwo and Ekwueme (2022) studied the influence of cashless policy on small scale businesses in Ogoni Land of Rivers State, Nigeria. Findings reveal negative significant effect of the introduction of cashless policy on the processes and growth of small scale businesses in Ogoni land. The study of Adedeji and Oluyemi (2021) examined the impact of cashless policy on small businesses in selected states in Nigeria. The study found that the cashless policy has led to an increase in the use of electronic payment channels, but small businesses face challenges such as high transaction fees and limited access to financial services.

Similarly, Ogbeide and Atanbori (2019), Adegbaju and Oladeji (2020) conducted a

study on the perceived benefits and challenges of the cashless economy for small and medium enterprises in Nigeria. The study found that small businesses perceive the cashless economy as a means to reduce the risks of handling cash, but they face challenges such as the high cost of acquiring and maintaining electronic payment systems, Limited access to financial services and low level of financial literacy.

Thus, Ezeoha and Akamobi (2020) reviewed the impact of cashless payments on small and medium enterprises in Nigeria. The study found that while the adoption of cashless payments has increased, small businesses face challenges such as limited access to financial services, low levels of financial literacy, and the high cost of electronic payment systems. Accordingly, Acha, Kanu & Agu, (2017) presented a study on “Cashless Policy in Nigeria: The Mechanics, Benefits and Problems”. The study employed both the Ex-Post Facto and the survey method. The Electronics Transactions used include ATM, POS, Web (Internet), Mobile payment, NIBSS Instant Payment, and NEFT. The findings showed that despite many established advantages, several variables militate against the success of this policy.

Kket and Egu, (2016) in their study “Evaluating Nigeria Cashless Policy Implementation” investigated through questionnaires if the cashless policy is a myth or reality. The survey research method was employed in this study. The study revealed that social infrastructures in power and telecommunications need improvement and expansion and the need to generate more awareness to encourage the unbanked to embrace banking culture. Williams, (2023) studied cashless policy and customers'

satisfaction: a study of commercial organization in Ogun State, Nigeria” The findings of the study disclose that cashless policy contributed significantly to customers’ satisfaction in Ogun State. Also, the study revealed that cashless policy donated significantly to customers’ satisfaction through electronic channels.

Alao and Sorinola, (2019) empirically studied the impact of mobile banking on service transfer in the Nigerian Commercial Organization concluded the use of questionnaire. His findings show that mobile banking develop organization service delivery in a form of transactional suitability, savings of time, quick transaction alert and save of service cost which has recover customer’s relationship and satisfaction.

In their latest study, Grzelczak and Pastusiak (2020), who examine the cashless payment and economic growth in selected Central, Eastern, and Western European countries in the years 2005 to 2018 find that card and e-money payments have a significant positive relationship to economic growth in the Western European countries. Lau et al. (2020) test the nexus between cashless payments and economic growth in 15 OECD countries from 2007 to 2016. The study employs a random effect model to calculate the relationships. Interestingly, the result of this paper does not in line with the previous studies by other scholars. The authors find that only debit card payment has a positive impact on economic growth. In contrast, credit card and e-money payments are not related to economic growth. Muchiri (2018) studied mainly concern about the “usage pattern of mobile money by SMEs in Kenya”. They discovered that 861 out of 865 SMEs utilize mobile money to pay bills,

supplies, salaries, and other expenses, and they do so in significant amounts

Based on the reviewed literature, the study hypothesized that: Cashless policy has significant impact on the transactional operation of SMEs.

2.3 Theoretical review

With the need for this study, some models and theories were reviewed.

2.3.1 Technology Acceptance Model (TAM) Theory

The Technology Acceptance Model theory was postulated by Davis (1989) and states that Perceived Usefulness and Perceived Ease of Use are the main drivers of technology and determines an individual's intention to adopt a technology. This theory supports how cash handling practices influence financial performance. According to Bátiz-Lazo (2018), the intention to use serves as mediator of the actual adoption of technology. According to TAM, the decision to adopt a technology is based on two evaluations: follows the four stages, explained as follows according to Bátiz-Lazo (2018). Stage one is where the external variables such as individual user beliefs or differences with Information Technology. Their evaluation is reflected in Perceived Usefulness (PU) and Perceived Ease of Use (PeU). Whereas perceived usefulness is a user perception that using the new system would increase his/her performance in the organization and perceived ease of use is the extent to which using the new system would require minimal effort on a user's behalf (Tilakaratna, 2016). Stage two is attitude which is a consequence of the user's beliefs of using a technology drives the user's attitude towards accepting/rejecting the

technology. Stage three is intention where the attitude predicts the desirability of the user using the system and the extent of them using it. Stage four is actual use which is the user's intention to determine how well they would actually use the system. The adoption of technology depends on personal behaviour and external environment. People perceive that by using technology, they will obtain more benefits without doing much physical and mental effort (Tilakaratna, 2016). The research supports the TAM use antecedents has significantly influence the acceptance and adoption of the various cashless policy channels by super market operators in Gombe state.

2.3.2 Transactions Cost Economics Theory

The Transaction cost economics theory was postulated by Williamson (1981) and states that transaction costs arise every time a product or service is being transferred from one stage to another, where new sets of technological capabilities are needed to make the product or service. It further states that the transaction costs related to the exchange of resources with the external environment could be reflected by environmental uncertainty, opportunism, risks, bounded rationality, core company assets. These factors above will all potentially increase the external transaction costs, where it may become rather expensive for a company to control these factors. This theory supports the influence transaction costs on the financial performance. Firms intending to adopt cashless payments must choose between two options that is to purchase a cashless payment system from the vendors or to build its own cashless payment system to reduce its operational costs. The first option is considered as "a market based" mechanism in which

organizations try to find the best product in the market to suit their needs. This option shows that the transaction costs include the costs of finding information on cost and acceptability of best payment system for the firm. The second option can be called “vertical integration” in that all costs of building the payment platform press on the organization through hierarchical means (Williamson, 1993). In adopting the cashless policy channels, super markets operators in Gombe metropolis consider the cost implication and technical requirements relative to its importance. Transaction channels are acquired from vendors which is market based and cost effective.

2.3.3 Roger’s Diffusion of Innovation (DOI)

The DOI theory was propounded by E.M Rogers in 1962. Diffusion of Innovations seeks to explain how innovations are taken up in a population. As expressed in this definition, innovation, communication channels, time, and social system are the four key components of the diffusion of innovations.

In this study the new Cash-less policy of the Central Bank of Nigeria is perceived as new technology and an innovation to the existing cash handling policies in Nigerian economy. As an innovation, the researcher tries to find out the willingness of the population to adopt to this improved system. The introduction of Cash-less policy by CBN which emphasizes the use of POS, ATMs E-banking and other mediums of transactions that does not encourage physical cash is an idea, practice or project perceived as new by individuals in Nigeria, which according to Rogers (2003), is an innovation. Therefore, for Cash-less policy to properly diffuse within the social system, proper communication channels, time and social

acceptance need to be developed in order to share the advantages of this new technology. The diffusion of innovation theory posits that potential adopters evaluate an innovation based on innovation attributes such as relative advantage, compatibility, complexity (ease of use), trial ability, and observability. All the attributes were found to be positively related to its rate of adoption, while the perceived complexity of an innovation is negatively related to its rate of adoption (Rogers, 1995). Finally, the five constructs that determine the adoption of new technology (Cash-less policy) in the society according to Rogers (2003) are relative advantage, compatibility, complexity, trialability and observability and it is upon some of these constructs and the factors that determines effective implementation of the Cash-less policy that the researcher developed his research questions and analysis.

2.3.4 The Theory of Payment System Efficiency and Central Bank Monopoly

The proponents of this theory Claudia and Grauwe (2001) and Marco and Bandiera (2004) argued that, the central banks gradually lose their monopoly position in the provision of liquidity combined with its subsequent small size which makes it hard to control the term interest rates. They further argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system. Thus, to maintain the central bank cardinal role of currency issue, regulation and control of cash volume in the economy, its monopolistic position must be enhanced and strengthened. The gaps which the cash based system create buttressed the need for a paradigm shift in monetary policy and

payment system, hence the need for a cashless policy.

3.0 METHODOLOGY

The method used was qualitative research approach. The qualitative method explores the subject using case studies, expert opinions, paper surveys, observations, online surveys, interview of industry players, existing literatures etc. The interview questions were structured to reflect the four themes drawn from the research questions.

The population is made up of forty-five (45) super market operating in Gombe metropolis (Gombe state ministry of trade and investment). Three (3) Owners/ Managers of Major supermarkets within Gombe Metropolis were selected by purposive and convenience sampling and interviewed between the month of August and September, 2023. The choice of the

supermarkets was restricted to Gombe metropolis due to its high commercial activities and the researcher's limited resources.

3.1 Conducting the Interview

Three (3) respondents agreed to be interviewed. Letters were written and delivered by hand together with the interview themes and guides explaining the objectives of the project, the role of the participants, the process and their rights before, during and after the interview, the demand on their time, and the benefits of the research endeavours to their organizations. The interview proceedings were tape recorded after securing permissions from participants. The interviews of each of the participants lasted between 20 and 30 minutes. Field notes were also taken to support the tape recording. The following were the participating supermarkets:

Table 1: Participating Supermarkets:

S/N	NAME	LOCATION/ADDRESS	NATURE OF BUSINESS
01	Makay supermarket ltd.(Respondent A)	Along Biu Rd, sabon Layi, Gombe	Whole sale and retail on consumer and household goods
02	San Hussain Supermarket (Respondent B)	Opp. Gombe line, cross round about, Gombe	Whole sale and retail on consumer and household goods
03	Fusaha Ventures (Respondent C)	Buba Shongo Estate, Gombe, Gombe state	Whole sale and retail on consumer and household goods

3.2 Techniques of data analysis

Based on the responses and feedback from the respondents, data from the four themes emerged, providing bases to analyze the findings using thematic and narrative analysis.

4.0 Interview Findings and Interpretation

Findings from the interview conducted are presented and interpreted in the table below

Table 2: Interview Questions and Discussion of Findings

S/N	THEME QUESTION	RESPONSE	INTERPRETATION
1	Kindly give us your understanding of the cashless policy	Respondent A: It is CBN reform of phasing out cash based transaction through electronic payment system. Respondent B: It is government directive to stop cash payment and encourages cashless transaction. Respondent C: It is CBN policy to withdraw much cash in circulation and encourage digital payment.	Respondents were well informed of the cashless policy reform. They also have knowledge of various electronic payment platforms.
2	How have debit and credit card transactions impacted on your operational performance	Respondent A: they have impacted positively on the volume and value of transactions. Most customers used debit cards to pay for goods purchased. Respondent B: card transactions are very high. Very convenient payment channel. Respondent C: to a large extent. A few of our customers still pay cash. I am much comfortable with card base transactions.	There was consensus among respondents that there is increased volume and value of card transaction. The ease of operation, convenience, accessibility, quick transaction consummation was benefit enhancers for accepting and using credit and debit cards. Card base transactions are common.
3	How efficient and effective are internet online transactions to your business?	Respondent A: quite acceptable despite the isolated cases of fraud and fishing activities. Although internet banking need sophisticated gadgets to enhance usage. Respondent B: quite acceptable and enjoyable, although unresolved fraudulent cases still subsist. Requires expensive gadgets to use effectively. Respondent C: 100% innovative and adoptable. Pockets of fraudulent activities are still recorded. Secured for large volume transactions. network glitches issues.	Concern in an environment with high illiteracy levels and occasional report of fraud and fraudulent activities, the general acceptance of online banking is still evolving. Minority concern on cost of electronic gadgets to operate. More secured for large transaction. Need to improve network challenges and enhance security features to mitigate fraudulent and fishing activities.
4	How efficient is mobile banking transactions to your business?	Respondent A: Mobile banking is use as alternative when card payment fails. Easy, convenient and low acquisition cost. Respondent B: Evolving, especially unstructured supplementary service data (USSD). Has relatively low transaction limit. Record of high volume, but not necessary high value transaction. Respondent C: very ok. Prefer mobile transfers on banking apps rather than USSD. Transaction cost is also user friendly.	Respondent were unanimous in positing that mobile transactions were evolving cutting across all customers' segments. Mobile banking record high transaction volumes, but with limited value due to default limit. Transaction cost were user friendly and in fact negligible.
5	How do POS transaction impact on transaction convenience in your business	Respondent A: Exceptional! Deployment of independent POS such as GPAY, Palm pays Mobile point etc. Have enhanced usage. Respondent B: very ok. Easy to operate and cost effective to acquire, network downtime and technical glitches that reduce turnaround time for transactions need redress. Respondent C: Appalled with occasional network glitches and disputed transactions. Transaction cost is ok.	Very widespread in use. Convenient. Occasional Network challenges, technical glitches, power supply and other infrastructural challenges continue to surge like a recurring decimal. All four respondents advocated for better infrastructure.

5.1 Conclusion

This study examines the impact of cashless policy on SMEs, evidence from selected supermarkets in Gombe metropolis, Nigeria. The findings of the research revealed that the cashless policy has impacted positively on the operational performance of supermarkets in Gombe state. The adoption of electronic banking channels like debit and credit cards, online banking, mobile banking and POS have significantly increased the transaction value of supermarket in Gombe

metropolis, eased their transaction processes and mitigated the risk associated with cash based transactions. However, significant challenges like network glitches, technical issues and poor infrastructure have been noted to limit its applications. Other issues like, fraud and fraudulent activities, apathy and low level of educational awareness were also identified as factors limiting the adoption electronic payment channels amongst supermarket owners.

5.2 Recommendations

In view of the research findings, the following recommendations are made:

- 1 The CBN need to continue to ensure compliance through moral suasion, public awareness and other initiatives aimed at promoting a cashless economy. There is need to continuously educate super market owners on the benefit from the transition to cashless economy which include increased efficiency, cost savings and access to new markets
- 2 Security features of E-channels need to be enhanced to address Concerns raised by supermarkets owners on fraud and fraudulent activities.
- 3 Transaction cost for electronic transactions need to be kept low to encourage continuous usage by customers and Business owners.
- 4 Government need to enhance the infrastructural base and enabling environment in addressing the concerns and challenges raised by the selected supermarkets owners to achieve effective and efficient e-payment system

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The Role of Self-Efficacy on the Relationship between Entrepreneurial Orientation and Entrepreneurship Venture Creation among Nigerian Graduates

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Dates:

Received: 13 Aug., 2023

Accepted: 17 Sept., 2023

How to cite this article:

Shehu, R.N., Hazlina, N.A., Musa, B.M., Suleiman, A., & Mbursa, M.S. (2023). The Role of Self-efficacy on the Relationship between Entrepreneurial Orientation and Entrepreneurship Venture Creation among Nigerian Graduates. *Creative Business Research Journal* 3(2), 37-50

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Abstract

Sequel to the rising challenges of unemployment and the inability of most Nigerian graduates to secure jobs upon graduation, this phenomenon has contributed to rising insecurity problems and its accompanying consequences on the socio-economic well-being of the country. Therefore, with the evidence in this research showing attempt by some past studies to probe the phenomena, only a few investigated the mechanism of entrepreneurship and its implications on venture creation (VCR) activities. Therefore, this exploratory research studied the influence of self-efficacy (SEF) on the relationship between individual's entrepreneurial orientation (IEO; innovativeness, risk-taking, proactiveness) and VCR activities among Nigerian graduates. Conducting the study using the formative approach with 291 survey responses, the result of Partial Least Square Structural Equation Modeling (PLS-SEM) showed that the indirect relationship between IEO and VCR through SEF was found to be positive and significantly related. This implies not all instances of IEO will result to VCR through SEF, because IEO can directly leads to VCR. The limitation of the study was based on design that weakens generalization. However, future studies considering a longitudinal assessment or extending the population by splitting the graduates based on specialization and nature of venture undertaking were proposed. The study advanced the IEO model to enhance VCR literature theoretically and practically. Therefore, graduate entrepreneurs pursuing self-enterprising careers are advised to maximize the magnifying roles of SEF and IEO, while concerned stakeholders are advised to intensify these attributes and complement them with supporting facilities needed to cushion the implementation of VCR activities.

Keywords- *Entrepreneurship venture creation; Graduates; Entrepreneurial orientation; Self-efficacy*

1.0 Introduction

It is now obvious and becoming more complex that employers of labour can no longer provide jobs that will accommodate all graduates of tertiary institutions in Nigeria (Fosu, 2021). This follows the increasing number of graduates that are produced from various institutions of learning which have been multiplying over the years (Ameh & Aluko 2018), and its accompanying effects in the present labour market (Amos & Alex 2014). This, therefore, has implication on unemployment levels, poverty, insecurity, and low economic growths that have persisted over the years (Kolade 2018; Nzeagwu 2020; Bin Othman, Nazariah, & Mohammed 2019). For instance, it was determined that no fewer than 25 million graduates are projected to be unemployed (Fosu, 2021). This is because the proportion of Nigerian youths alone amounted to 64% of the 200 million estimated population (Mohammed et al., 2019; NAN, 2020; Saanyol, 2021). Unfortunately, about 33.5% of this population were reported to be unemployed in the year 2020 (Agency Report 2020), as against 2017, 2018 and 2019 that the rates were 18.8%, 23.1% and 23.1%, respectively (Sanyaolu 2019; Stephen 2019). As a result, lowering underemployment from 28.60% to 22.80%, which brought a total unemployment and underemployment rates to 56.10% in 2021 (Owoeye, 2021). This makes it one of the reasons in which most nations are now thrilled to achieve sustainability through self-reliance (Neneh 2020), and some societies have devised own alternatives through self-employment (Odewale et al. 2019).

One of the ways the Nigerian government addressed this is by preparing undergraduate students to take entrepreneurship education courses (Alarape 2008; Ikebuaku and

Dinbabo 2018; Onuma 2016). This was meant to develop their entrepreneurial capabilities to pursue self-reliance, which was complemented with some incubation training programs like the Graduate Entrepreneurship Fund (GEF), the Skills Acquisition and Entrepreneurship Development (SAED) programs, etc.

Therefore, with the understanding that for people to become self-employed, they need to embark on some entrepreneurship activities (Simoes, Crespo, & Moreira 2016), these activities also requires a medium of implementation through the creation of ventures (Dahlqvist & Wiklund 2012). This means enterprising individuals pursuing entrepreneurship will be required to establish businesses through the venture creation (VCR) process. This process have been elucidated in Gatewood et al.(1995), depicting some of the start-up actions in VCR through gathering market information (GMI), estimating potential profit (EPP), finishing groundwork on products and services (FGPS), developing the structure of the company (DSC), and finally, setting up business operations (SBO). In addition, Baron (2007) added that the implementation process depends on a link between cognitive skills and behavioural traits. However, the literature advancing this also argued individual exposure to entrepreneurial orientation (EO) variables involving innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy (e.g., Bolton & Lane, 2012; George 2011; Miller 2011).

In this regard, Lumpkin and Dess (1996) attributed the act of new entry as symbol of entrepreneurship while considering the EO as mechanism behind the entry. So, in attempt to understand the process from a nascent background e.g., graduate's entrepreneurs, the social cognitive carrier

theory (SCCT) was utilized to understand the implications of educational and occupational interest development, entrepreneurial actions, self-employment goals, choice-making, satisfaction and subsequent well-being of the individuals (e.g., Lent and Brown 2008; Wendling and Sagas 2020).

Therefore, it was against this background that this study was designed to explore the mechanism of effect through self-efficacy on the relationship between EO and VCR among selected Nigerian graduates. In this regard, a research question was developed to guide the study: To what extent self-efficacy (SEF) positively mediates the association between individual's entrepreneurial orientation (IEO) and entrepreneurship venture creation (VCR) among Nigerian graduates?

2.0 Literature Review

The current literature showed that some scholars expressed venture creation (VCR) as a product of planning, organizing, and the establishment of an enterprise (Shook, Priem, & McGee 2003; Wiklund et al. 2019). However, previous understanding indicates that VCR is established through an interplay between an individual's cognitive skills and behavioural traits (Baron 2007). Therefore, since these resources are fundamental in the implementation of entrepreneurial actions, they are also imperative in the entrepreneurial process (Diakanastasi, Karagiannaki, & Pramataris 2018). As a result, making the VCR to depend on two events involving the identification of opportunities and the actions of people during the VCR process (Shook et al. 2003). As such, this research was conceptualized in line with literature depicting start-up actions through some processes in VCR (e.g., Baron, 2007; Gatewood et al. 1995), the individual's

entrepreneurial orientation (IEO) expressed in Anderson et al. (2015); Bolton and Lane (2012), and the mechanism of effect through self-efficacy (SEF) as contained in Lent and Brown (2019); Rogers, Creed, and Searle (2009) etc.

However, the idea was established in line with the understanding that the IEO model have been acknowledged to enhance understanding of the entrepreneurial process (Bolton & Lane 2012; Lumpkin & Dess 1996, 2001; Miller 2011). Similarly, the cognitive factor of the SCCT (e.g., self-efficacy; SEF) was utilized to foster understanding of the determinants of entrepreneurial action, self-employment goals, educational and occupational interest development, satisfaction and well-being of individuals etc., (Rogers et al. 2009; Segal et al. 2002; Wendling & Sagas 2020). Accordingly, Bandura (2009), Fatoki (2014) described this cognitive factor as people's belief in their abilities (skills) to do something that will influence important aspect of their lives.

On the other hand, Gatewood et al. (1995) forwarded literature expressing some of the start-up activities in the formation of new companies. According to the authors, the first is gathering market information (GMI), which describes how information is sourced from potential customers, suppliers, and other competitors. The second is estimating potential profits (EPP), which focused on sales and revenue projections. The third is finishing groundwork for products (FGPS), which covers the technical aspects of products and branding. The fourth is developing structure of the company (DSC), which covers activities of the firm's budgeting, vision, and mission plans. While the last step is setting up business operations (SBO) that covers routine activities of the firm involving the identification of business

matched with actions. This was considered relevant in line with the debates suggesting that skills are responsible for transforming intention into behavioural actions (e.g., Neneh 2019; Weiss, Anisimova, & Shirokova 2019), which varies distinctively in the practice of entrepreneurship (Meoli et al. 2020). This can be seen more obviously in previous studies like Kannadhasan et al. (2018) that assessed the mediating effect of self-efficacy on social capital and venture creation among Indian entrepreneurs. Their result showed that self-efficacy fully mediates the link between social capital and venture creation. Accordingly, Puni et al. (2018) examined the mediating role of entrepreneurial self-efficacy on the relationship between entrepreneurship education and entrepreneurial intention among Ghanaian students. The result showed that entrepreneurial self-efficacy mediated the association between entrepreneurship education and entrepreneurial intention of the students towards venture creation.

On the contrary, the results of Piperopoulos and Dimov (2019) showed that high-level self-efficacy was found to be responsible in lowering student's entrepreneurial intention on theoretical entrepreneurship courses that doubles for increasing the student's entrepreneurial intention on practical entrepreneurship programs. More so, the findings in Mcgee et al. (2019) varied with this evidence because entrepreneurial self-efficacy and entrepreneurial orientation were found to be positively related with venture performance in two distinctive ways (i) founders of ventures that are driven by entrepreneurial self-efficacy were found to have a satisfactory performance on their new firms but diminishes overtime (ii) firm owners driven by entrepreneurial orientation were found to have significant impact on their new venture performance as time passes.

Therefore, it is on this note that this study intends to bridge the inconsistencies of findings from some previous research conducted in similar area of investigation. As such, the following statement of hypothesis was proposed (*H1*): Self-efficacy mediates the positive association between individual level entrepreneurial orientation and venture creation activities among Nigerian graduates.

3.0 Methodology

Consistent with Sekaran (2003) and Stockemer (2019), this study used a cross-sectional survey to collect data from the research participants that were randomly selected from a published list containing the units of analysis in GEF (2020). The data was generated with the aid of a research questionnaire that was administered by self between April and June 2021.

The collected data was sorted in Statistical Package for Social Sciences (SPSS-26), and this was accompanied with the support of Warp PLS-7.0 software for running the partial least square structural equation modeling (PLS-SEM) technique. The measurement model was analyzed with Factor-Based PLS algorithm through default Stable 3, while the structural model was assessed in the Warp 3 PLS algorithm through the PLS Mode M Basic technique.

4.0 Result and Discussion

The research model is presented in Figure 2, and it was analyzed using the validation criteria specified in Hair et al. (2019), Ramayah et al. (2018), and Sarstedt et al. (2019a). This includes checking for collinearity between constructs, significance/relevance of the hypothesized path, the adjusted R-squared (R^2), effect size (f^2), and predictive relevance (Q^2) of the research model. It was found that the research model did not encounter problems

of multicollinearity because the VIFs of the observed variables e.g., VCR (2.863), IEO (2.447) and SEF (2.854) were all found within the benchmark for ideal (3.3) and also lower than the conservative (5.0) when applying the criteria in Hair et al. (2019), and Kock (2020, 2022).

More so, the result of hypothesized mediating effect was found to be positive and significant ($\beta = 0.38, p < 0.05$) with a path coefficient that was complementary when applying the criteria in Zhao, JR, and Chen (2014). This is because the direct path between IEO and VCR ($\beta = 0.36, p < 0.05$), IEO and SEF ($\beta = 0.75, p < 0.05$), and SEF and VCR ($\beta = 0.50, p < 0.05$) were all found to be positive and significantly related. As such, conforming with the criteria in Aguinis, Edwards, and Bradley (2017), and Hair et al. (2017).

Consequently, the result of the model's prediction via the explained variance (R^2) was found to be 0.654. This evidence is considered large when applying the criteria in Cohen (1992), and Kock (2020), while the result of the model's predictive relevance ($Q^2 = 0.657$) indicates that the

model has a large predictive relevance of the PLS-path. Finally, the effect size ($f^2 = 0.278$) for mediation was found to be a small effect when applying the criteria in Cohen (1992), and Kock (2020). Additional information on the model's output and assessment can be seen Figure 2 and Table 1, respectively, while fitness quality indices of the research model can be seen in Fig. 3.

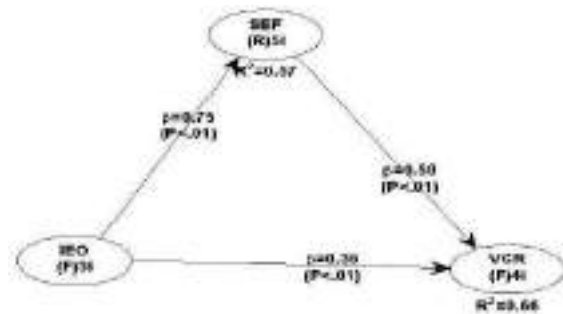


Figure 2: Structural model's result

Source: PLS-SEM Output

Accordingly, Figure 8 presents result of the model's fitness showing all the indices were found to be satisfactory in accordance with the criteria in Kock (2020).

Model fit and quality indices (extended set)	
Data model analysis algorithm: PLS Regression	
Classic indices	Additional indices (indicator cov. matrix fit)
Average path coefficient (APC)=0.539, P<0.001	Standardized root mean squared residual (SRMR)=0.078, acceptable if <= 0.1
Average R-squared (ARS)=0.611, P<0.001	Standardized mean absolute residual (SMAR)=0.058, acceptable if <= 0.1
Average adjusted R-squared (AARS)=0.508, P<0.001	Standardized chi-squared with 65 degrees of freedom (SCHS)=0.594, P<0.001
Average block VIF (AVIF)=2.294, acceptable if <= 5, ideally <= 3.3	Standardized threshold difference count ratio (STDCR)=1.000, acceptable if >= 0.7, ideally = 1
Average full collinearity VIF (AFVIF)=2.721, acceptable if <= 5, ideally <= 3.3	Standardized threshold difference sum ratio (STDGR)=1.000, acceptable if >= 0.7, ideally = 1
Tolerance GeF (GeF)=0.664, small >= 0.1, median >= 0.25, large >= 0.35	
Symonsen's paradox ratio (SPR)=1.000, acceptable if >= 0.7, ideally = 1	
R-squared contribution ratio (RSCR)=1.000, acceptable if >= 0.5, ideally = 1	
Statistical suppression ratio (SSR)=1.000, acceptable if >= 0.7	
Nonlinear bivariate causality direction ratio (NLBCDR)=1.000, acceptable if >= 0.7	

Figure 3: Estimates of the model's fitness and quality indices.

Therefore, in line with Hayes and Scharkow (2013), the structural model presented in Figure 7 showed presence of mediation because the indirect path was found to be positive and significant ($\beta = 0.38, p < 0.05$). This is similar result obtained on the direct path between IEO \rightarrow VCR ($\beta = 0.36, p < 0.05$). As a result, the type of mediation is said to be complementary when applying the criteria in Hair et al. (2017), and Zhao et al. (2014). This means the hypothesized

relationship i.e., IEO \rightarrow SEF \rightarrow VCR was supported. Therefore, the research model can be interpreted as; SEF acquires only a part of the indirect effect and total effect, which is in same way the direct paths also acquired. As an implication, the proposed hypothesis (H1) which states “self-efficacy mediates the positive association between individual level entrepreneurial orientation and venture creation activities among Nigerian graduates” will be accepted.

Table 1: Path analysis result with mediating effect

Hypothesis	Paths	Path Coefficients	Standard Error	t-value	p-value	95% Confidence Interval	Effect Size	Decision
H1	IEO \rightarrow SEF \rightarrow VCR	0.376	0.039	2.343	<0.001	[0.022 0.247]	0.278	Supported
H1a	IEO \rightarrow SEF	0.752	0.052	14.459	<0.001	[0.650 0.854]	0.565	Supported
H1b	SEF \rightarrow VCR	0.501	0.054	9.249	<0.001	[0.395 0.607]	0.387	Supported
H1c	IEO \rightarrow VCR	0.364	0.055	6.571	<0.001	[0.255 0.472]	0.269	Supported

Note: (IEO = Individual's entrepreneurial orientation, VCR = Venture creation, SEF = Self-efficacy)

Source: PLS-SEM Output

Note: p-values are one tailed

Discussion

This study explored the implication of entrepreneurial orientation (IEO) on venture creation (VCR) through the mediating role of self-efficacy (SEF) among Nigerian graduates. The population of study was extracted from graduates that have completed incubation training under the GEF/NYSC intervention program. In essence, measuring their start-up actions on the activities leading to VCR, that doubles as a means of attaining self-reliance for the units of analysis. Therefore, by applying the formative method using the reflective-formative type II approach, the research model was validated using the two stages technique (e.g., Ali et al. 2018; Sarstedt et al. 2019a).

However, internal consistency was measured using Cronbach's alpha, Dijkstra's

Rho_A, and composite reliability as suggested in Sarstedt et al. (2019a). The reliability results were all found within the boundaries of 0.70 and 0.90, which are considered satisfactory when applying the criteria in Hair et al. (2019). This means the items were not found to be redundant and they received a desirable level of responses. In addition, the research model was found to have a satisfactory convergent validity because all the validated items were having average variance extracted (AVE) greater than 0.50. By employing the criteria in Hair et al. (2019), it means each of the construct explained more than 50% of the indicator's variance from their respective items.

Prior to achieving the measurement model at stage 2, a redundancy analysis was performed as recommended in Kock and Lynn (2012). However, the regression

results were found to be satisfactory because each of the regressed components between $VCR \rightarrow VCR_{glo}$ ($\beta = 0.94, p < 0.05$) and between $IEO \rightarrow IEO_{glo}$ ($\beta = 0.80, p < 0.05$) were found to have convergent validity scores above 0.70. As a result, they are considered satisfactory when applying the criteria in Hair et al. (2019), which proved that the research model did not suffer from problems of multi-collinearity.

Consequently, the structural model in Figure 2 showed that the hypothesized mediating effect was found to be positive and significant ($\beta = 0.38, p < 0.05$), with a path coefficient that was complementary. This was achieved because the path coefficient of the direct effects was also found to be pointing the same direction in each path i.e., $IEO \rightarrow SEF$ ($\beta = 0.36, p < 0.05$). By implication, it means not all instances of IEO will lead to VCR through SEF because IEO can also influence VCR directly, and vice versa. As a result, supported the initial hypothesis (*H1*) that states “self-efficacy mediates the positive association between individual level entrepreneurial orientation and venture creation activities among Nigerian graduates”.

Consistent with this evidence, the study discloses that the indirect relationship between individual’s entrepreneurial orientation and venture creation activities was positively and significantly mediated through self-efficacy. However, the mediating effect was found to be a complementary type when applying the criteria in Zhao et al. (2014). Furthermore, the research model also showed that proactiveness (PROAC; $\beta = 0.37, p < 0.05$) was found to be the major antecedent of IEO with the highest statistical prediction on graduates’ VCR activities, while its counterpart in VCR, setting up business operations (SBO; $\beta = 0.75, p < 0.05$) was

found to be the major indicator with the highest influencing role on graduates’ start-up activities. Accordingly, Figure 2 also showed that the relationship between IEO and SEF ($\beta = 0.75, p < 0.05$) was found to be the most influential on the sequence of events leading to VCR.

V Conclusion and Recommendations

This study advanced understanding of entrepreneurial orientation (IEO), self-efficacy (SEF), and venture creation (VCR) activities from the nascent perspectives. It was conducted using the formative approach and provides a framework that guides the actions of individuals on the steps for implementing entrepreneurial activities in practice. Like for developing economies such as Nigeria, the activity also doubles for addressing some of the socio-economic challenges (poverty, unemployment, insecurity) that has been responsible for undermining the country’s economic development. As such, prospective graduates opting to pursue career in entrepreneurship are enjoined to undertake VCR activities using their IEO characteristics in the light of SEF. Secondly, they are also encouraged to develop persistence and confidence for the implementation of this entrepreneurial action, which should be driven by the graduate’s levels of proactiveness and setting up business operations. Therefore, tertiary institutions are advised to intensify these attributes on their students, while the government should complement this effort with some supporting interventions to cushion the implementation process. However, even as the study provides new insights and also, confirms other potential knowledge in this area of research, it also presents some limitations that piloted direction for future research.

For instance, this study did not take cognizance of the role of support in undertaking VCR among nascent entrepreneurs, or partitioning the population of study to understand how graduates respond to VCR under different circumstances. More so, the research focused mainly on assessing graduates that were currently undertaking the VCR activity, which also limited the chances of understanding their cognitive orientation towards the activity. As a result, limits the researcher's ability to generalize findings. Therefore, future researchers are advised to take cognizance of support and its accompanying effect on the relation between IEO and VCR. Equally, future researchers are advised to improve the design by testing the framework longitudinally to understand the response of graduates on VCR during mobilization and upon completion of training programs. Hence, they may consider partitioning the population of study based on the entrepreneurial training of the graduates. This will also add credence to the understanding of VCR from a nascent background.

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Teamwork and Organizational Performance: A Conceptual Review

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Dates:

Received: 13 Sept., 2023

Accepted: 18 Oct., 2023

How to cite this article:

Adam, A. M., Mbasua, Y. A.,
& Shehu, R. N. (2023).
Teamwork and
Organizational Performance:
A Conceptual Review.
*Creative Business Research
Journal* 3(2), 51-57

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Department of Business
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Abstract

This conceptual paper reviewed related literature to explore the relationship between some characteristics of teamwork (TW: synergy, open communication, collaborative effort, shared objectives, mutual trusts) and organizational performance (OP). Literature mapping was employed to generate information in related journal articles, book chapters, and some past theses using content analysis technique. Evidence from the literature synthesis showed that teamwork has an influencing role on organizational performance especially on the medium-scale business sectors that were reviewed. Therefore, the study proposed the following statement of proposition that TW is positively related to OP. However, the study suggested future research to confirm this statement by empirically testing the relationship in the context of small and micro businesses. In addition, the study has implication for practice and suggested owner-managers of businesses to actively promote effective TW by fostering an environment where open and honest discussions will be encouraged. Secondly, leadership training programs should be encouraged among owner/managers of businesses to empower team leaders with the skills needed to enhance team activities. This can be achieved by utilizing the various stages of team development processes highlighted in Tuckman's and Belbins theory of team development.

Keywords: *Teamwork, Organizational performance; Synergy, Collaborative effort, Shared objectives, Open communication*

1.0 Introduction

In today's dynamic business landscape, organizations are diversifying their operations to meet evolving consumer's needs. Developing teamwork is now becoming crucial for sustaining business success and competing favorably in the

evolving marketplace (Abdulle & Aydintan, 2019). Therefore, team play a pivotal role in various endeavors by enhancing the likelihood of success when people collaborate closely (Abuzid& Abbas, 2017). This is because every team member contributes his own quarter to the achievement of organizational goals, and this leads to improved performance.

Although, it will be imperative to note that the formation of teams in the workplace have long become an integral part of human endeavors (Munezero, 2017). This follows the understanding that most formal organizations have a well-established structure like it exist in the manufacturing sectors where there are various departments in the account and finance unit, legal counsel unit, marketing unit, human capital development unit, logistics handling, production unit, assembly unit, dispatch and distribution units, purchase, and supply, etc. Each of these units has a composition of people with relevant skills needed to coordinate the activities of their respective units. The process used to accomplish specific task in these units is what scholars termed as teamwork effort (e.g., Khan & Mashikhi, 2017).

However, the management of group activities in an organization requires an evaluation system to check other sub-system's activities and ensure accountability is achieved among the stakeholders concerned. According to Askari, Asghri, Gordgi, Asgari, Filpe, and Azar (2020), the collection of individual's attributes encompassing their skills, abilities, and resources are among the important tools teams employ to achieve common objective. Equally, Cook (1998) emphasized that while organizations can perform tasks with individuals, exceptional achievements often result from teamwork. Meaning teamwork

not only underpins effective management but also enhances organizational performance. To this end, team members must prioritize their organization's image over personal desires by fostering a sense of purpose and shared responsibilities because this will have a transformative impact on business activities, while poor teamwork can only lead to detrimental consequences. Therefore, identifying and retaining ideal team members who enhance company performance is critical to effective working of an organization (Abuzid & Abbas, 2017). Given its significance, most human resource approaches emphasize teamwork to benefit from collaborative group effort (Askari et al. 2020; Meuse, 2009).

Although, the distinction between "team" and "group" is relatively blurred. While both terms have been subjects of research, they possess distinct qualities (Bery, Waiganjo, & Njeru, 2015), a group is composed of two or more individuals that collectively carryout specific organizational activity while a combined group work is what constitute a team. Contemporary studies have highlighted the unique characteristics of teams, including synergistic effects, shared objectives, mutual trust, open communication, and collaborative decision-making (Munezero, 2017). Teamwork is increasingly vital for organizational success, as demonstrated by the National Bureau of Statistics (NBS, 2023) reporting collaborative teamwork in the manufacturing sector. For example, bread bakeries contributed significantly to Nigeria's GDP in 2020, driven by efforts to enhance performance in a competitive environment. Efficiency, closely linked to human capital (labor), is a key motivator for organizations seeking to maximize resources and results.

Undoubtedly, organizations that foster teamwork tend to be more productive than those relying on individual efforts, even with a large workforce (Khan, 2008). Therefore, following understanding that this area of investigation has not received research attention in recent times, this study was conducted to build a new body of knowledge from previous literatures that have probed the relationship between teamwork and organizational performance. In essence, it was designed to investigate the impact of teamwork on organizational performance.

1.1 Objective of the Study

Consistent with the aim of this study in exploring the role of teamwork characteristics and organizational performance, the study utilized existing literature to propose a conceptual framework depicting the relationship between teamwork (TW) and organizational performance (OP).

1.2 Scope of the Study

The context of this investigation was drawn from some previous literatures probing the relationship between teamwork and organizational performance. The composition of variables is made up of independent (teamwork) and dependent (organizational performance) variables, and the period the study was conducted is between 2022 and 2023 academic session of Gombe State University.

2.0 Literature Review

This section provides empirical evidence on the effect of team work and organizational performance which was drawn from the body of existing knowledge to support the research proposition “teamwork is positively related organizational performance” and conceptual model developed.

2.1 Conceptual Framework

According to Khan (2008), conceptual framework brings out the concept of the study including its application and usefulness to the study. The variables in this research were categorized into dependent and independent variables. The independent variable (IV) is teamwork (TW) while the dependent variable (DV) is organizational performance (OP). Therefore, in line with the some literature, West (2012) contemplated that teamwork is now considered one of the crucial steps for achieving organizational objectives. As such, it helps in improving performance by coordinating the activities of the owner-managers and their subordinates (Crawford & Lapine, 2013). A typical scenario of this nature can be seen more practical in the activities of some corporate entities like Promasidor Inc., Adama beverages, Innoson motors, etc., which have been penetrating the consumer markets for goods using the teamwork initiative. Accordingly, Talib, Rehman and Qureshi (2013) expressed the implications of teamwork and competitive advantage of the firm. This can also be seen more practical in the banking systems which have developed a tactical management approach to meet their targets using teamwork (Anekwe, Chizoba, & Akaegbobi, 2021). However, the authors maintained that good team-innovative behavior can lead to enhanced quality service delivery in the financial sector. In a broader perspective, Khan (2017) reported the significance of teamwork in yielding a competitive position for the Western and European economies. This showed that teamwork is key to achieving organizational performance and therefore, this study argued the proposition that teamwork is positively related to performance.

2.2 Theoretical Framework

Businesses fall in different models, but the bottom line is that there is competition among them (Ball, 2013). Good businesses tend to use strategies that are aimed at enhancing productivity. One of the best ways to boost performance is by encouraging teamwork in the workplace. Some researchers have argued that teamwork is an integral tool that aids continuous improvement in work operations (Banker et al. 1996). Therefore, the purpose of this research was to determine the effect of employee's teamwork practices on organizational performance. As such, the study utilizes the premise of some theories explaining the role of team efforts in an organization and how such teams enhance performance. This includes:

2.2.1 The Tuckman's Teamwork Theory

This theory was proposed by Bruce Tuckman in 1965 and it outlines four stages of team development process involving Forming, Storming, Norming, and Performing. Tuckman expressed the Forming stage in accordance with the team members seeking to understand their roles and purpose. The Storming stage involves conflict management processes where members attempt to fit in and understand their tasks. The Norming follows with the establishment of rules and roles under the guidance of a team leader. Finally, the Performing is when members focus on tasks and relationships to boost morale of the team. As such, the theory emphasizes that team's progress through these stages and that enduring teams improve over time.

2.2.2 The Belbin's Theory of Team Roles

Belbin's 1981 theory presents nine distinct roles that each team member should embody: Plant-Innovator, Specialist, Completer-Finisher, Resource Investigator,

Shaper, Coordinator, Monitor Evaluator, Team Worker, and Implementer. Belbin's concept is based on the idea that individuals possess diverse skills, and effective teams should have members with different strengths. For optimal outcomes, team leaders should allocate roles aligned with members' strengths rather than attempting to address weaknesses. This approach enhances overall team performance and productivity by capitalizing on individual strengths and improving collaboration and communication. In essence, Pholi et al. (2020) opined that the theory is aimed at promoting the utilization of skills and specializations of individuals as vital components of a team's composition. This is because in a typical organizational setting like in the manufacturing sector that is made up of distinct departments such as finance, logistics, legal, production, marketing, and distribution etc., the requirement for a team member is to have relevant skills needed to accomplish their respective departmental functions. In addition, this also has implications for the overall performance of the organization.

Belbin's theory offers valuable insights into how team leaders can strategically manage team composition to maximize productivity. That is by recognizing and utilizing each member's unique skill set. Leaders can therefore create more effective and efficient teams that contribute to a positive work environment and improved organizational performance.

2.3. Empirical Review

Abdulle and Aydintan (2019) investigated the effect of teamwork on employee performance in some selected private bank in Somali using the analysis of variance (ANOVA). The result showed that all the items under teamwork (i.e., trust, cohesiveness, spirit, and knowledge sharing

among members) were found to have positive and significant impact on performance. Accordingly, Wanyeki et al. (2019) studied the impact of teamwork on employee performance among faculty Members in kenyatta university. The finding showed that teamwork has a positive relationship with the performance of the individual employee. Similarly, Abuzid and Abbas (2017) investigated the impact of teamwork effectiveness on organizational performance vis-à-vis role of organizational support and team leader readiness in public service institution in the kingdom of Saudi Arabia. The study applied confirmatory factor analysis (CFA) as well as structural equation modeling. The research findings showed presence of a positive association between organizational support and team leader's readiness on organizational performance.

Phinaet el. (2018) explored the effect of team work on employee's performance in some selected medium scale enterprises in Anambra State. The result of the study showed that team work and employee's performance were having a positive and significant association among the enterprises studied. Furthermore, Afolami (2020) examined the impact of teamwork on organization performance using First City Monument Bank as a case study. The result showed that teamwork cohesion is positively and significantly related on organizational performance. Therefore, they concluded that the performance of organization is a subset of operating performance while teamwork is a subset of unit performance and teamwork cohesion gives employees a sense of possession and promotes cooperation.

Table 1: Summary of some empirical studies reviewed.

Author(s)	Dependent Variable	Independent Variable	Theory/Model	Methodology/Context	Perspective	Findings	Suggestion for future Research
Abdulle and Aycharan (2019)	Employee's Performance (EP)	Teamwork (TW)		Survey using ANOVA technique among Somali banks	Employees in the banking sector of somali	Found positive and significant relationship between TW and EP	
Wanyeki et al. (2019)	Employee's Performance (EP)	Teamwork (TW)		Regression technique among staff in Kenyatta University	Faculty members of Kenyatta University	Found positive relationship between TW and EP	Recommended institutions to adapt the research frame work to hence workers productively.
Abuzid and Abbas (2017)	Organizational performance (OP)	Teamwork effectiveness (TE)	Effective teamwork model	Structural Equation modeling technique among public Institutions in the Kingdom of Saudi Arabia (KSA)	Employees of the public sector in the KSA	Found positive association between organizational support and team leaders on OP	Suggested analyzing personal dimensions, capabilities, and skills of team members
Phina et al. (2018)	Employee's performance (EP)	Teamwork (TW)	HRM-performance linkage models	Structural Equation modeling technique among SMEs in Anambra state	Literature syntheses	Found positive and significant relationship between TW and EP	Suggested organizations to recognize team effort and reward them accordingly
Afolami (2020)	Organizational performance (OP)	Teamwork (TW)		Regression analysis among staff of commercial bank in Nigeria	Employees of first bank of Nigeria plc.	Found OP and TW positively and significantly related	Suggested future researches to re-examine the relationships analyzed

Source: Literature mapping (2023)

In the light of the foregone, it can be deduced that most of the studies reviewed found a positive and significant relationship

between teamwork and organizational performance. Therefore, this present study argued that teamwork is positively related to

performance based on the evidence in literature consultation.

3.0 Methodology

This section presents the methodology used in conducting the research. It was structured based on the research design, nature of data, sampling, and data analysis technique.

3.1 Research Design

Literature synthesis was first carried out to identify studies that have probe the relationship between teamwork and organizational performance. This was followed with a literature mapping to generate relevant information from both online and print-out journals, book chapters, and dissertations using content analysis technique. Both the research design adopted, and the process of data collection used has been expressed in Sekaran (2003).

4.0 Result and Discussion

Based on the evidence from the literature synthesis and empirical studies reviewed, substantial numbers of the studies have found the relationship between teamwork and performance to be positively and significantly related. For instance, Table 1 showed that from the period of 2017 to 2021, majority of studies (e.g., Abuzid& Abbas 2017; Abdulle&Aydintan, 2019; Wanyeki et al. 2019; Phinna et al. 2018; Afolami 2020) that have probed this association were conducted in different context under different settings and using different population elements. Thus, most of the evidence unfolding from these studies showed that teamwork has a positive and significant impact on employee/organizational performance. This, therefore, provided one of the bases of arguing the proposing the proposition that “teamwork is positively related to organizational performance”.

5.0 Conclusion and Recommendation

Consistent with evidence in this research, some recommendations can be put forth to enhance teamwork and consequently boost organizational performance in various walks of live. Firstly, owner/managers of companies should actively promote effective team communication by fostering an environment where open and honest discussions will be achieved. Secondly, leadership training programs should be implemented to empower team leaders with the skills necessary to manage and guide their teams through the various stages of development. This is in addition to recognizing and leveraging individual team members' strengths, as highlighted in Belbin's Theory of Team Roles, which can lead to more cohesive and productive teams. Furthermore, an employee's motivation should be a priority, with rewards and recognition systems put in place to stimulate team members' effort. Therefore, organizations should continuously assess and refine their teamwork strategies to adapt to changing dynamics and maintain a positive impact on organizational performance.

Finally, since it was observed in this study that effective teamwork is not only about cooperation but also about communication, motivation, and leadership roles, the study underscores the pivotal role of teamwork as one of the fundamental factors that influences organizational performance especially in the medium-scaled business sectors. As such, future studies are encouraged to empirically test this relationship to understand its implications on the micro and small business enterprises. In addition, the owner/managers of organizations should also foster a culture of effective teamwork encompassing team communication, team motivation, and team

leadership in an attempt to achieve the best organizational performance (e.g., See, Munezero, 2022).

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Effect of Sales Promotion Strategies on The Performance of Telecommunication Companies in Nigeria

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Dates:

Received: 23 Sept., 2023

Accepted: 15 Oct., 2023

How to cite this article:

Rabiou, A. U., Usman, A. S., & Tijjani, M. (2023). Effect of Sales Promotion Strategies on the Performance of Telecommunication Companies in Nigeria. *Creative Business Research Journal* 3(2), 58-64

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Abstract

The use of sales promotion strategies is prevalent in the mobile telecommunications industry in Nigeria. This study aimed to investigate the impact of sales promotion on customer performance in the Nigerian mobile telecoms market. The findings revealed that promotional offers and discounts were the most effective sales promotion strategies in driving customer performance. The study recommends the use of consumer-oriented sales promotions such as discounts and coupons to encourage customer loyalty, companies should use business-oriented sales promotions such as trade shows and seminars to increase brand awareness among businesses. Again, develop sales force promotions such as contests and incentives to motivate employees. Finally, companies should create engaging and informative social media campaigns to increase customer engagement and sales..

Keywords- *Promotion, Sales, Performance, Organization, Telecommunication, Companies, Nigeria*

1.0 Introduction

The study is to investigate how sales promotional strategies, such as advertising, pricing, and branding, impact the performance of telecommunication companies in Nigeria. The mobile telecommunications industry in Nigeria is a dynamic and competitive market. Companies in this industry use various sales promotion techniques to attract and retain customers. However, little research has been done to identify which techniques are most effective in this context Ahmadu (2023). This study aims to address this gap by investigating the impact of different sales promotion

techniques on customer behaviour and satisfaction in the Nigerian mobile telecoms market. Additionally, the study explores the social media marketing and customer performance in driving sales in this country. Previous research has focused on developed markets and not on the unique characteristics of the Nigerian market, such as the high level of competition and the role of informal retail channels Odua (2022).

Objectives of the study

The main objective of this study is to examine the effect of sales promotional strategies on performance of mobile telecommunication companies in Nigeria with reference to MTN Nigeria. While the specific objectives include:

- i. To examine the impact of consumer-oriented sales promotion on performance;
- ii. To evaluate the impact of business-oriented sales promotion on organizational performance; and
- iii. To examine the impact of sales force promotion on organizational performance
- iv. To investigate the role of social media marketing in promoting sales in the Nigerian telecoms industry.

2.0 Literature Review

2.1 Concept of sales performance

According to Simintiras & Schilke (2018) sales performance as a multidimensional construct that includes both quantitative and qualitative aspects. Quantitative aspects refer to measures of sales productivity, such as sales volume and sales growth. Qualitative aspects refer to more subjective measures, such as customer satisfaction, market share, and competitive advantage. It's important to consider both qualitative

and quantitative aspects when evaluating sales performance. Mahat et al. (2014) views sales performance as the extent to which sales people achieve their assigned sales goals, which are typically determined by sales revenue, margin, and volume targets. They also explain that sales performance can be measured at both the individual and team level, and that it can be influence by a number of factors, including the sales person's selling skills, motivation, and support from the organization.

Mahat et al. (2014) states that there are a number of factors that can affect sales performance, including:

The salesperson's selling skills: This include their knowledge of the product, their ability to communicate with customers, and their ability to close deals.

The salesperson's motivation: This includes their level of self-efficacy, their goal orientation, and their level of intrinsic and extrinsic motivation.

The salesperson's job satisfaction: This includes their feelings of satisfaction with their job, their pay, and their career prospects.

Concept of sales Promotion strategies

Homburg et al. (2020) opined sales promotion strategies as the activities aimed at persuading customers to make a purchase, usually involving a temporary price reduction, a gift or premium, or an incentive. Ramaseshan & Haubl (2002) viewed sales promotion as a market-initiated stimulus designed to provide extra value or incentives to a target audience for a limited period to encourage trial, purchase, or continued purchase. Sales promotion-is defined as a key ingredient in marketing campaigns, consist of a collection of incentives tools mostly short term, designed to stimulate

quicker or greater purchase of particular products or service by consumers or the trade, (Kotler and Keller, 2019). Sales promotion is defined as a direct inducement that offers extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating “immediate” sales. The definition dwells much on extra inducement beyond basic offer, acceleration tool and target different parties.

The American Marketing Association (2019) defines sales promotions as media and non-media marketing pressures applied for a predetermined time frame to different target audience, thus consumers, retailers and wholesalers in order to stimulate trial, increase consumer demand and improve product viability. Armstrong & Kotler (2019) defines sales promotion as any incentive to buy, designed to stimulate the purchase of a product. Sales promotions also refers to in-store promotions such as two-for-the-price of one, 10% off, free gifts, redeemable coupons, competition or money back for returning bottle top and self-liquidating premium. Conventional marketing wisdom holds that the major strength of sales promotion is that they can persuade people to try the brand. It is also being argued that some brands use perpetual sales promotion. Herbert Krugman (2007) opined sales promotion strategies as a tool for communicating product, price, and distribution information, and offering incentives to obtain quicker or greater purchase of particular products.

Therefore, based on the above literature, it is reasonable to conclude that sales promotion is a marketing strategies that is designed to attract a customer to take a specific action such as creating a purchase that usually occur for adequate period of time to help create a sense of necessity. In other word

sales promotion is promotional activities other than personal selling, advertising, publicity/public relation, and direct marketing that stimulate interest, trial, or purchase by end users final consumers

2.2 Impact of Sales Promotion on Organizational Performance

The effect that sales promotions have on the organizational performance according to Herbert Krugman (2007) are:

i. Building brand loyalty: Sales promotion helps to build brand loyalty by giving the seller the chance to draw a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix.

ii. Encouraging off season buying: Sales promotion has also encouraged off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season.

iii. Encouraging purchase of large size unit: Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer e.g. the use of premiums, product warranties etc. stimulate consumer purchase in larger quantities.

iv. Generating trials among non-users: Trials among non-users of a product are generated through invitation of potential purchasers to try the product without cost or little cost with the hope that they will buy the product.

Categorically, sales promotion has been seen to centre on customer relationship management, free gifts, free sample, and price discount. If an organization

successfully gear sales promotion techniques, it will not only push large purchase but it will also boost the sales performance of a company, consistently leading to the realization of the declared objectives

2.3 Types of sales promotion

There are four main types that anchor sales promotion which are consumer oriented promotion, business oriented promotion, trade oriented sales promotion, and sales force-oriented promotion (Evelyn, 2019).

Consumer-oriented sales promotion

The promotion is targeted on to the final user of the product or the consumer of a service. Due to the nature of services, inseparability, the end user has to be in direct contact with the service provider to benefit from the sales promotion. The main objectives of sales promotion is to, trial and or repurchase, increase consumption enhancing advertising and other marketing efforts (Evelyn, 2019). Consumer sales promotion (along with other consumer targeted marketing communication) are pull promotional activities designed to encourage demand by end users or customers that will pull products through the distribution chain. The scholar agree on the view that customer focused sales promotion activities are directed at the end users, in a bid to induce demand for the product or service eg giveaways, coupons, loyalty programmes, instant purchase reduction, etc.

i. Business oriented sales promotion

The promotion is targeted to channel distributor's members. The main objectives being to maintain trade support for established or new brands encourage retailers or wholesalers display and promote brand, brand retailers or wholesaler inventories. Kotler and Keller (2019) states

that when using intermediaries, trade sales promotion aid in "pushing" products through the distribution chain by encouraging channel members to stock and sell to end users. The manufacturers in most instances direct trade promotion to the retailers eg trade discounts or incentives for business-to-business (B2B) customers, coupons, etc.

ii. Trade-oriented sales promotion

This type of promotion focused on creating incentives for distributors and retailers to sell a company's products. For example, a company might offer a rebate or discount to a distributor or retailer if they meet a certain sales target. This type of promotion is important because it helps to build relationships with these key plays in the distribution channel.

iii. Sales force-oriented promotion

This type of promotion is designed to motivate and reward the sales team. This can include things like contests, bonuses, and recognition programs. The goal is to keep the sales team motivated and encourage, so that they will be more effective at selling the company's products.

iv. Sales Promotional Techniques

Approaches used by brands to increase sales. Kotler and Keller (2019), the following sales promotion techniques such as: Advertising, Discounts and coupons, Product Placement and Sponsorship, contests and giveaways, offering a prize or reward to generate interest in a product or service, brand ambassadors, loyalty programmes,

2.4 The Effectiveness of Different Promotional Strategies

The most common promotional strategies and how effective they tend to be include:

- i. Discounts: One of the most popular and effective strategies. People love saving money.
- ii. Loyalty programmes: A tried-and-true way to keep customers coming back for more.
- iii. Freebies: Giving away free samples or gifts can drive interest and increase sales.
- iv. Limited-time offers: Creates a sense of urgency and encourages people to act fast.
- v. Product placement: Create positive associations between the product and the show or movie and increase brand awareness/recognition.
- vi. Brand ambassadors: Can help increase brand credibility and trust, reach a wider audience through the ambassador's following. It can create a more personal and authentic connection with customers.

2.5 Theoretical Review

This study was predicated on the theory of Elaborated Social Identity Model of Persuasion (ESIM) to explain the impact of sales promotion techniques in telecommunication companies.

Levine & Campbell. (2019) posits that persuasive messages can influence group memberships by either emphasizing a shared social identity between the persuader and the target audience, or by making the target audience feel distinctive from others. The model also considers MTN's credibility and the level of involvement of the target audience can impact the effectiveness of the persuasive message. MTN can use a variety of strategies to achieve these goals, such as emotional appeals, logical arguments

2.6 Empirical Review

Three recent empirical reviewed provided insights into this topic. For example, a study by Williams and Johnsons (2019) found that sales promotions increased sales in the short term but had no significant impact on long – term customer loyalty. In contrast, a study by Adams et al. (2019) found that sales promotions were effective in both the short and long term, with discounts and loyalty programmes being the most effective techniques. However, these studies were conducted in developed markets with more mature mobile telecoms industries. Chidiebere et al. (2020) concluded that brand promotion has positive relationship with customer loyalty among telecommunication firms in Port Harcourt with an influence of organizational culture.

3.0 Methodology

The study utilized descriptive research method and a survey to elicit relevant information. The survey method was used based on the views of Oppenheim (2020) who posits it relatively easy to administer and can be developed in less time and more also it can be administered remotely via online, mobile devices, mail or telephone. The population of this study was carved out of the focused group. In understanding this study, it employs the secondary sources of data collection.

4.0 Discussions of findings

It was observed that Information collected in June, 2023 from one hundred and fifty key clients' subscribers' respondents from Abuja City obtained products and service from the mobile telecoms company were analyzed to obtain the information. Following the interview conducted, it was noticed that Marketing Department at MTN Nigeria is formed with strong team of experts constitute of professional market researchers and market officers all working together

towards ensuring the subscribers customer are satisfied. The findings of this study suggest that:

- i. Price promotions are more effective than non-price promotions in driving sales.
- ii. Urban customers are more responsive to price promotions than rural customers.
- iii. The effectiveness of price promotions may vary across different demographic groups.

5.0 Conclusion

This study suggests that price promotions are more effective than non-price promotions in driving sales in the mobile telecoms industry. However, this finding is limited by the fact that our sample was primarily composed of urban customers, which may not be representative of the entire population. Future research should explore how price promotions impact sales in rural markets and across different demographics.

Recommendations

In view of the above discussion and findings, the following recommendations will be useful to telecom companies in Nigeria:

- i. Should use consumer-oriented sales promotions such as discounts and coupons to encourage customer loyalty.
- ii. Should use business-oriented sales promotions such as trade shows and seminars to increase brand awareness among businesses.
- iii. Should develop sales force promotions such as contests and incentives to motivate employees.

- iv. Should create engaging and informative social media campaigns to increase customer engagement and sales.

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Financial Leverage and Financial Performance: Evidence from Listed Cement Manufacturing Companies in Nigeria Exchange Group

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Dates:

Received: 3 Sept., 2023

Accepted: 28 Oct., 2023

How to cite this article:

Abdulhamid, J., Ibrahim, A.,
Danbauchi, E. S., Hamza, H.
D., Bala, A., & Salisu, I. M.
(2023). Financial Leverage
and Financial Performance:
Evidence from Listed
Cement Manufacturing
Companies in Nigeria
Exchange Group. *Creative
Business Research Journal*
3(2), 65-76

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Abstract

The study examined the effect of financial leverage on the performance of cement manufacturing companies listed in the Nigeria exchange group. The debt to equity ratio (TDER) and debt-to-asset ratio (TDAR) were used as proxies of leverage while financial performance was measured by return on asset (ROA) and return on equity (ROE). The study used conceptual and context research, where related studies/literatures were reviewed and analysed. The study found that TDAR has a negative and statistically significant effect on ROAs but insignificant negative effect on ROE. TDER was found to have significant negative effect on ROE, while TDAR has a negative effect on ROAs of these companies. The management of these companies should minimize the use debt in their capital structure in order to maximize ROAs, the management should also be very careful while using debt to finance assets, because it can affect ROE of the firm, also the management of these companies should have an optimum proportion of debt in financing their assets, so that they can maximise the value of their firm by maintaining lower cost of capital and enjoying higher ROA, and lastly the management of these organisations should also concentrate much on the equity and retain earning, so that they can maximise the value of their shareholders by maintaining higher ROE

Keywords- *financial leverage, financial performance, return on asset, return on equity, debt to equity ratio, debt to total assets ratio*

1.0 Introduction

Various Studies shows that companies listed in the Nigerian exchange group play an important role in economic

development such as Khan and Siddiqui (2023), Ajmera (2019), Ibe and Pibowei (2022). The contribution of the cement industry is very positive not only for the manufacturing industry but also in the economic development of the world at large, the industry contribute to the Gross Domestic Product (GDP), create employment opportunities for hundreds of thousands of people, and generate huge amount of revenue for the government in the form of taxes. It attracts domestic as well as foreign investors from different countries to another. It also presented the projected increase in cement demand. Most of the increase over the next few decades will occur in the emerging and developing countries, which already account for more than 80% of global production. China alone now produces more than the world produced 10 years ago. India is the country most likely to see the biggest increase. Currently, India's per capital consumption is only one-six to that of China (Bildirici, 2019).

Performance of firm is the measure of the extent to which a firm's actions are done towards the achievement of its goals, such as profitability, maximisation of the wealth of its shareholders, turnover of sales or assets, efficiency or effectiveness in the utilisation of its material and physical resources, Hassan *et al.* (2022). In some studies, financial leverage affects firm performance, where concluded that highly leveraged firms suffer worse performance. There results also highlight that leveraged firms perform better when they have sufficient collateral. Therefore, concluded that there is a negative relationship between financial leverage and firm performance Gharsalli (2019). Results in some studies also demonstrate that firm performance is more affected by financial leverage, that is financial leverage have negative relationship with firm performance

Bui (2020). This is in line with the study of Gharsalli (2019).

A company's financial mix is how it finances its overall operations and expansion. Particularly retained earnings, short-term debt, long-term debt, equity capital, and preferred shares are all included in it (Wu, 2019). The management of businesses must give careful focus to issues regarding financial matters. This is due to the fact that firms' decisions on the use of various sources of funding result in various capital structures, which may have various effects on a firm's performance (Mayor, *et al.* 2020).

However, some studies show that financial leverage have negatively relationship with firm performance Das, *et al.* (2022) Which is in line with the study of Gharsalli (2019) and Bui (2020). Another study shows found a negative but insignificant relationship between leverage and corporate performance (Ali, *et al.*, 2022). In other hand, leverage has a positive significant relationship with corporate performance, suggesting that as a firm's leverage increases, so does its firm performance Budiharjo (2020). This is contrary to that of Gharsalli (2019) And Bui (2020) as it shows a positive relationship. A study carried out on the covid 19 pandemic emphasised that financial leverage has a positive impact on business performance during the pandemic. This shows positive relationship of financial leverage and firm performance Kim (2022). With respect to the above studies, it is clearly showing that there is a relationship that exists between financial leverage and firm performance; either it is a positive or negative relationship.

Despite all the achievement listed by the recent studies, in Nigeria, performance of cement companies have been declined over time, and some have even delisted from the

NSE in the last decade, high start-up capital and operating cost are said to have led to the closure of companies such as Eastern Bulkcem and Ibeto Group. On the other hand, some companies were acquired by sister companies, such as Lafarge's acquisition of Ashaka Cement PLC. The cause of failure may also lay in poor capital structure decisions. Investors have lost both wealth and confidence in the stock market because of this situation Mayor (2020).

Companies are forced to choose between debt and equity because are the only major sources of finance (Chandrasekaran *et al.* 2023). Dividing the capital structure in to debt and equity is a traditional concept. Therefore, how much is in debt and how much is in equity is an important question for financial managers. It seems that certain factors need to be considered before deciding on organisation's capital structure. A properly structured debt to equity could lead to an increase in the cost of capital, which in turn could increase the enterprise value (Aziz, & Abbas, 2019). Companies has varying degree of debt, determining the optimal combinations for improving managerial performance remains an unresolvable mystery in corporate finance theory and financial literature. A company's performance is measured by its ability to generate optimum ROAs and maximises shareholder value and wealth (Ayange *et al.* 2021).

However, in the course this study it is realised that there is a mixed finding from the related studies, some are showing negative effect of financial leverage while some are showing positive effect between the two. Therefore, this study is mainly to come up with a conceptual paper that can comment on the majority, so that the management of these companies can know what to adopt in specific as well as the

decision makers. Therefore, the study examines the effect of financial leverage on the performance of these companies.

1.1 Objective of the Study

The aim of this study is to examine the effect of financial leverage on financial performance of manufacturing companies listed in the Nigerian exchange group. The specific objectives are listed below;

- i. To examine the effects of total debt to total assets ratio (TDAR) on return on assets (ROA) of listed manufacturing companies on Nigeria exchange group (NGX)
- ii. To examine the effects of TDAR on return on equity (ROE) of listed manufacturing companies on NGX
- iii. To examine the effects of total debt to total equity ratio (TDER) on ROA of listed manufacturing companies on NGX
- iv. To examine the effects of TDER on ROE of listed manufacturing companies on NGX

2.0 Literature Review

The study drew the concept of financial performance, financial leverage, empirical review from the related topics as well as the theoretical review.

2.1 Concept of Financial Performance

Financial performance is a term used to describe the extent to which an entity is doing; based on set principles. It is a measure of assessment of the firm's ability to utilize its assets in the generation of profits as well as wealth maximisation. It is also a subjective measure of how well a firm can use assets from its primary source (Olagunju *et al.* 2022). It is appropriate to state that profitability is the strong element of a business performance. It is obvious that Cement companies struggle with the best

combination of funding sources to enhance profitability (Anyakwu, *et al.* 2020).

2.1.1 Return on Asset (ROA)

Return on Asset (ROA), is a company's net income divided by its average total assets. The ROA formula appears to give organisations the flexibility to use their assets to generate ROE. The ROA is one of the earnings metrics used to measure a company's performance. The ROA measures the efficiency with which a company utilises its investment in assets to generate profits (Olagunju *et al.* 2022). Net worth is less favourable than ROE in measuring a company's performance. This is due to factors such as variations in asset, composition between companies or between different industries and sectors. This is because, in general, some capital-intensive industries, such as automakers and utilities, tend to report lower ROAs compared to companies in service industries, such as accounting firms, and software development firms. Some capital-intensive companies look like manufacturing company may require more expensive equipment compared to a service company, which increases the nominal value of the company's assets. Therefore, when using ROA to determine a company's performance, it is important to consider peer analysis before drawing conclusions. A company's capital structure can have a significant impact on its return on capital. Therefore, when conducting peer research, analysts may consider adding interest and tax charges to net income (Hassan, *et al.* (2022).

2.1.2 Return on Equity (ROE)

Return on Equity (ROE) is a financial measure that measures a company's profitability on shareholder investment or equity capital. The ROE is generally

considered to be the most appropriate measure of profitability in accounting terms and is the most preferred measure by investors when evaluating a company's profitability. When using this ratio, it is best to consider average equity in the denominator for the period under consideration, as equity can change throughout the period. Within and across industry groups, ROE is strongly influenced by the capital structure and financial liabilities of the companies involved. Similarly, imperfect market conditions, the higher the financial leverage of long-term debt, the higher the return on investment (Hassan, *et al.*, 2022). In another word ROE is a measure that tells investors how efficiently a company (and more specifically management) is using the money it raises from its shareholders. In other words, ROE measures the firm's profitability on equity Furhmann (2022) in (Adebeli, (2023).

2.2 Concept of Financial Leverage

Financial leverage refers to the amount of debt a firm has over equity in its capital structure Wu (2019). firm will have to make a choice of either the debt or the equity as an option however, making choices between these two major sources of financing available to a firm is referred to as capital structure or financing mix. In this digital world, investment opportunities and financing options have increased resulting to an increase of growth in the dependency of firms on the capital market. If a firm is to mobilise the needed funds, then it can be sourced from various sources. Each of these sources has its own inherent plus and minus. The choice of a particular source will therefore, depend in a number of factors like cost of capital, conditions attached, the current financial level of indebtedness of the firm etc. (Chandrasekaran, & Munawer, 2023).

2.2.1 Total Debt to Total Assets Ratio

Debt to Equity ratio, this ratio indicates a company's long-term debt service capacity. This ratio compares total liabilities to total assets. In the financial industry, total debt is usually defined as the sum of both short-term debt (STD) and long-term debt (LTD) Ehiedu et al., (2022). This ratio shows the percentage of assets funded by debt. A higher value for this ratio indicates that the firm is trading with higher risk (Hassan, *et al.* 2022). Debt financing gives companies access to financial resources, which ultimately affects his FP. Oranefo, & Egbunike, (2022) in (Hassan, *et al.* 2022).

2.2.2 Total Debt to Total Equity Ratio

Debt-to-equity ratios close to 1 indicate that debt and equity provide approximately equal amounts of capital to the owners. If this particular cement company were found to have higher debt levels than the industry average, it would expose the company to greater financial risk Ibe, & Pibowei, (2022). A company with a high debt to equity ratio may be able to provide its shareholders with a higher risk-adjusted return than other companies with a lower debt to equity ratio when higher. With relatively high debt levels and companies facing higher obligations, there is a risk that they may not be able to meet those obligations or respond to new opportunities as quickly as their peers (Ibe, & Pibowei, 2022).

2.3 Empirical Review

Abubakar and Mohammed (2021) the paper investigates the impact of financial leverage on the financial performance, using panel data from the annual reports of six listed construction/real estate and natural resources firms in Nigeria, covering the period 2005-2019. Descriptive statistics are used in data presentation, while fixed effect model with

robust heteroskedasticity and autocorrelation consistent standard errors was applied in analysing the effect of financial leverage on the financial performance. Results indicate that short-term debt ratio has significant negative impact on the financial performance: long term debt ratio has a positive and significant impact on the financial performance and total debt equity ratio has no significant effect on the financial performance. The authors conclude that debt financing will be hindered improvement in the financial performance of firms' proxy by ROA.

Also, in Aggreh et al. (2022) the study examined how debt structure is shaping the financial performance of listed construction firms in Nigeria. Debt structure was measured with total debt to asset ratio, total debt to equity ratio and noncurrent debt to asset ratio while the proxy for financial performance was ROA. Ex-Post Facto research design was deployed on a population of eight (8) construction companies listed on the Nigerian Exchange Group (NGX) at the end of December 2021. Purposive sampling technique was deployed to select six (6) companies with complete financial reports over the review period as the sample size of the study. Secondary data were obtained from annual reports of the sampled firms from 2012 to 2021. In addition to the descriptive analysis, the Fixed Effect approach of Panel Least Square was used to carry out the regression analysis in the study. The findings include: total debt-to-asset ratio has a significant negative effect on the return on assets of quoted construction firms in Nigeria ($\beta_1 = -1.205775$, p-value = 0.0000); the total debt-to-equity ratio has no significant negative effect on the ROAs of quoted construction firms in Nigeria ($\beta_2 = -0.001072$, p-value = 0.0542).

However, Doan (2020) the paper gives first empirical evidence from Vietnam, an emerging country, on the impact of financing decision on firm performance in Vietnam. The study uses data of 102 non-financial firms listed on Ho Chi Minh Stock Exchange (HOSE) in the 2008-2018 periods. Generalized method of moment (GMM) is employed to overcome drawbacks of the model to assure stable and efficient findings. In this study, return on assets (ROA) is utilized to measure firm performance. Further, financing decision is measured by three indicators: total debt to total asset (TDTA), long-term debt to total asset (LTDTA), and short-term debt to total asset (STDTA). The paper reveals that firm performance is significantly correlated with financing decision. The findings confirm that the increase in debt use decreases firm performance. The findings of the study provided a direct confirmation that the increase in debt use decreases firm performance without providing independent results from each dimension and also concentrated on only ROA in measuring performance.

In Sylvester and James (2022) also the paper examined the nexus between financing mix and performance of listed manufacturing firms in Nigeria. Secondary data sourced from the published annual financial statements of the selected firms were utilized. The study covered the period between 2006 and 2021. A theoretical framework was brought in to examine the issue of financing mix with a view to establish the theoretical underpinning of this research. The multiple regression method of data analysis was utilized. The expose factor research design method was adopted. Five proxies were adopted to represent the two regress and three regressors. It was discovered that equity financing had low impact on ROE and high impacts on ROA.

Meanwhile, debt financing had high significant effect on both financial performance surrogates-ROE and ROA. However, Debt/equity financing has minimal adverse impacts on the Nigerian manufacturing sector. Hence, the study concludes that, the inability of the Nigerian manufacturing subsector to opt for proper financing mix is likely one of the causes of under-performance of these firms in Nigeria.

The study discovered that equity financing had low impact on ROE and high impacts on ROA. Debt financing had high significant effect on both financial performance ROE and ROA, and Debt/equity financing has minimal adverse impacts on the Nigerian manufacturing sector. However, the study utilizes multiple regression in analysing the data were several studies employed the same method. Therefore, this study utilizes conceptual review and make comment base on the findings of the existing literature.

Another study of Ayange et al. (2021) reveals that lack of precise methodology to determine the capital structure mix on firm performance has generated a lot of mixed results. Empirical studies from emerging nations revealed a scarcity of empirical findings on the measures with a significant impact on firm performance. This paper examines capital structure measures on manufacturing firm's performance in Nigeria. Using annualized panel data for a sample of 15 quoted firms from diverse sectoral classifications from 1999-2018. The study excludes the financial firms due to the uniqueness of their capital structure and the strict legal requirements for their financing choices. This study focuses on non-financial firms. Capital structure measures book value and market value of the firm. Results indicate that performance proxy by ROE, and Tobin's Q, significantly influence debt

financing while ROA negatively influences debt financing.

In Olaoye and Adesina (2022), the empirical research aimed at establishing the effect of capital mix on the financial performance of ten chosen manufacturing firms among companies listed on the Nigerian Exchange (NGX) for twelve years period, 2009 to 2020. Secondary data were extracted from the audited accounts and reports of the chosen firms. This research employed descriptive and inferential statistical analyses for data estimation. The results of this work reveal that debt in relation to DER has insignificant adverse effect on ROA of the selected firms. Contrarily, DER has a direct significant effect on ROE. Total debt to total assets (TDTA) has positive but insignificant effect on all the financial performance indicators. The study also found that debt has negative negligible effect on all the dependent variables. Therefore, the above study is in line with that of (Ayange, et al. 2021)

In addition, Orji (2021) examines the effect of Debt Financing on Performance of Firms in Nigeria. The study measured debt financing using the variables of long-term debt financing (LTDF), short term debt financing (STDF) and preferred stock financing (PSF) while Firms Performance on the other hand was measured using ROE. Three hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using OLS Regression Model. The research design used is Ex Post Facto design and data for the study were obtained from the NSE Fact book, Annual Reports and Accounts. The findings of the study show that Debt Financing has significant and positive effect on Firms Performance in Nigeria at 5% significant level. The study concludes that

debt financing has improved firm's performance over the years.

As well the study of Hassan (2022) also examines the nature of relationship between financial leverage and financial performance of selected listed consumer-goods firms in Nigeria. Degree of financial leverage is explained by overall profitability, return on equity and ROAs of consumer-goods firms in Nigeria. The research design used for this study is the experimental research design. The study is focused on the listed companies in the NGX within the period 2010 to 2020. The study adopted descriptive statistics and inferential statistics of techniques of data analysis. The study found that any increase in the leverage of a firm in its debt capital mix, the return on asset of the firm is negatively impacted. It was concluded that debt to finance of the selected firms yielded a positive impact on the ROAs for the firms, whereas significant negative impact of a higher debt to equity mix on the returns on equity of the firms.

Therefore, the study reveals that any increase in the leverage of a firm in its debt capital mix, the ROAs of the firm is negatively impacted as well as higher debt can lead to the negative impact or effect on ROE. This shows inconsistency in findings shows positive relationship. The current study exists to provide consistent finding for the better decision on financing method.

2.4 Theoretical Review

The study is guided by the Trade-Off Theory of Capital Structure introduced Modigliani and Miller (1958) suggested that businesses decide on their capital structure by weighing the benefits of borrowing, most notably tax savings against the drawbacks including bankruptcy costs of borrowing. This trade-off suggests that there is a target leverage that maximizes the firm's value.

However, based on the study measured financial leverage using TDAR and TDER that is ability of a company in using debt in financing its assets and priority of debt over equity which the theory explain that it depends on the benefit. The theory concentrates on the existence of a target, mandates that any divergence from the target leverage be corrected that id deviation from performance standard which are ROA and ROE. A company with a high debt to equity ratio may be able to provide its shareholders with a higher risk-adjusted return than other companies with a lower debt to equity ratio when higher. With relatively high debt levels and companies facing higher obligations, there is a risk that they may not be able to meet those obligations or respond to new opportunities as quickly as their peers (Ibe, & Pibowei, 2022). The dynamic form of the trade-off theory explicitly takes into consideration the leverage ratio on adjustment behaviour, which occurs when the price of deviating from the target outweighs the price of adjusting toward that target. Where the study concludes that total debt to asset ratio have significant negative effect on ROAs of these companies, and total debt to asset ratio have insignificant negative effect on ROE. However, total debt to equity ratio has significant negative effect on ROE, and total debt to equity ratio has negative effect on ROAs of these companies.

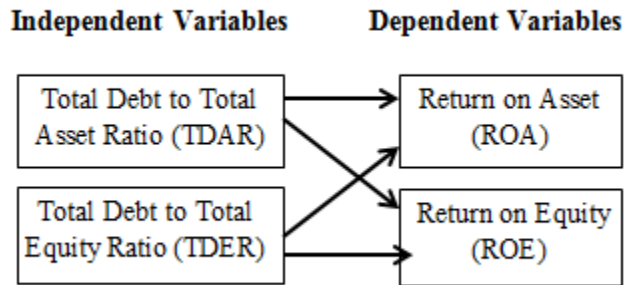
The Pecking order theory was founded by Donaldson (1961), Myers (1984) and Myers and Majluf (1984). Donaldson (1961) surveys 25 large United States companies, and found that the financing behaviour and choice of the management of those companies favour the use of retained earnings over external financing sources, unless internal sources of funds are not available. Myers (1984), and Myers and Majluf (1984) referred the financing

behaviour reported by Donaldson (196) as 'Pecking Order'. Myers (1984) and Myers and Majluf (1984) argued that information plays a pivotal role on financing decision of managers and investors. They maintained that managers' exhibit market timing behaviour in their financing decisions, i.e. they will be reluctant to issue equity if they feel that it is undervalued by the market, and investors too are aware that managers will be reluctant to issue new equity when it is under-priced. Thus, both managers and investors react according to information available to them i.e. information asymmetry. Based on foregoing, if managers tend to issue under-valued equity, the wealth will be transferred to the investors against the shareholders' benefits and wealth (Abubakar, 2017a; Mohammed, 2010). Following this, retained earnings and debt will receive priority over external equity. Myers (1984) called this the 'pecking order theory' of financing. The theory postulates that companies prefer to finance new investment first with retained earnings, second with debt, and by issuing new equity as last resort.

2.1 Conceptual Framework

This study explored the effects of financial leverage and performance of manufacturing companies in Nigeria. The independent variable is financial leverage, which has been used to proxied by total debt to total asset ratio (TDAR) and total debt to total equity ratio (TDER). However, the dependent variable is financial performance expressed as a ROA and ROE. Based on the literature so far, a theoretical framework for the effects of financial leverage and performance can be constructed using debt-to-equity ratio and that of ROA and ROE as follows:

Fig 1: Conceptual Framework



Source: Adopted from Ibee and Pibowei, (2020).

3.0 Methodology

Conceptual and content research was used in this study. This methodology allows the study to observe and analyse existing information on a particular topic. Conceptual research is not doing any practical experiments. Therefore, previous surveys, studies, and case studies published in current journal articles related to the study were analysed Brodie *et al.* (2019). Therefore, the effects of financial leverage on the performance of cement manufacturing companies in Nigeria were analysed. Conclusions were then drawn based on the reviewed, observed and analysed literature.

4.0 Conclusion and Recommendation

Considering different mode of financing is very important these days, as it can affect the organisation positively and negatively in its operation. The main objective of any business organisation is to maximize the value of its shareholders, which can only be possible when its try to maximise the return of the company by minimising the cost of its operation. However, this study determines the effect of financial leverage on the financial performance of companies listed in the Nigerian exchange group. Therefore, the study reviewed recent studies and based on the majority conclude that; financial leverage has a significant negative effect on the financial performance of companies in

Nigeria. In specific, TDAR have significant negative effect on return on assets of these companies, and TDAR have insignificant negative effect on return on equity. However, total debt to equity ratio has significant negative effect on return on equity, and total debt to equity ratio has negative effect on ROAs of these companies. However, the higher the company is levered the lower its performance. Based on the result of the study the researcher makes the following recommendations:

- i. The management of these companies should avoid using debt funds in financing their assets in order to maximize ROAs.
- ii. The management should also be very careful while using debt to finance assets, because it can affect ROEs of the firm.
- iii. The management of these companies should have an optimum proportion of debt in financing their assets, so that they can maximise the value of their firm by maintaining lower cost of capital and enjoying higher return on asset.
- iv. The management of these organisations should also concentrate much on the equity and retain earning, so that they can maximise the value of their shareholders by maintaining higher ROE.

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Effect of Credit Risk Control on Loan Performance of Microfinance Banks

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Dates:

Received: 3 Sept., 2023

Accepted: 20 Oct., 2023

How to cite this article:

Abdulhamid, J., Ibrahim, A.,
Abubakar, A. A., & Salisu, I.
M. (2023). Effect of Credit
Risk Control on Loan
Performance of Microfinance
Banks. *Creative Business
Research Journal* 3(2), 77-83

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Abstract

The study examines the effect of credit risk control on the loan performance of microfinance banks. The specific objectives of the study are: to determine the effect of client appraisal on loan performance of the microfinance banks, to determine the effects of credit risk control on loan performance of the microfinance banks, to determine the effects of collection policy on loan performance of the microfinance banks. The study used conceptual method where related studies are reviewed and analysed. client appraisal, credit risk control, and collection policy have significant effect on the loan performance of microfinance banks. in addition the study drawn the following recommendations: the management of microfinance banks should be mindful in appraising their clients so that to know their ability of repaying the requested loan, the management of microfinance banks should also consider credit risk measures or control such as collateral and others listed in the study in order to give financial protection to the banks, the management of the microfinance banks should also have a credit limit or collection policy depending on the nature and ability of the business that requested the loan

Keywords- *Client appraisal, Credit risk control, Collection policy, Microfinance banks*

1.0 Introduction

Lending activity to individuals, Small and Medium-scale Enterprises (SMEs), and industries is vital in the race to economic progress, particularly in a developing economy like Nigeria. The financial industry is one of the driving factors of a country's economic growth. Microcredit acts as a conduit for obtaining these official credits. (Afolabi *et al.* 2020). One of the most significant financial inclusion strategies for anyone excluded from the mainstream

financial system is microfinance. It gives anyone who is excluded access to a variety of financial services.

In the world, microfinance is expanding quickly and is successful in nations like Nigeria, India, Bangladesh, Pakistan, Latin America, Africa, and the Middle East Barguelli & Bettayeb (2020), through a variety of high-quality financial services and the encouragement of entrepreneurship, this new financial approach helps to improve economic activity in a nation and promotes the economic and social integration of the marginalized population (including women, youth, and rural populations), helping to advance economic development globally (Barguelli & Bettayeb 2020). Many economies have worked to create the conditions for microfinance, and it is frequently seen as a dual instrument or tool for eradicating poverty in poor countries and promoting peace in post-conflict situations (Karsch & Deek 2019).

In a nutshell, by enabling millions of people and businesses to obtain credit services, microfinance institutions (MFIs) play a crucial role in all financial sectors. These microfinance banks are threatened by an increase in non-performing loans (Moshi, 2020).

Most of the money that microfinance institutions make comes from the interest on the loans they give to its customers, who are small and medium-sized business owners (Enoch, *et al.* 2021). Therefore, having effective credit risk management is a need for any microfinance bank to remain in operation and maintain sustainable development. This is crucial to the stability and sustainability of microfinance institutions in Nigeria. The level of risk involved is determined by the products provided by different banks. These products could consist of long- and short-term loans,

letters of credit, and other guarantees (Anounye, *et al.* 2020).

A performing loan is one that is not scheduled to default, whereas a delinquent loan is one that is approaching default or in arrears but hasn't actually done so yet. A person or business that defaults on a debt obligation may experience financial difficulties. Loan performance is the profitability rate, or an investment rate of return, for a variety of loan products. Default is viewed by the lender as a sign that the borrower will probably be unable to make future payments. A loan entails the gradual transfer of financial assets between the lender and the borrower, like all debt instruments. (Ndichu, *et al.* 2021).

Nevertheless, despite all of the above-mentioned contributions of microfinance banks, the loan performance of microfinance banks has been consistently subpar. which have the potential to bankrupt them if not properly managed. It is well known that the majority of microfinance institutions in Nigeria are dealing with serious loan default issues, which undoubtedly hinder their ability to grow and pursue sustainable development, as credit risks rise, their detrimental effects on the success and survival of microfinance institutions rise as well (Anounye, *et al.* 2020). Today's financial organizations are failing primarily due to poor credit management. Microfinance Banks lack the resources and knowledge necessary to run an effective credit management system. Bank stability and profitability are based on effective credit management, whereas poor credit quality is the main driver of subpar financial performance as well controlling and collecting payments from consumers is part of credit management. Reduced capital ties to debtors will result from good credit management. Good Credit Management

methods, such as terms and conditions, early invoicing, and debt monitoring, will also reduce the likelihood of bad debts (Enoch, *et al.* 2021).

Therefore, it should be noted that effective credit management practice is not a perfect way to eliminating human errors in handling credit risks. When borrowers default in the repayment of loans, the consequence is that the cost of collection of loans may increase and the lenders stand the chance of losing their principals and interests (Anounye, *et al.* 2020).

1.1 Objectives of the Study

The aim of this study is to examine the effects of credit risk management on the loan performance of microfinance banks in Gombe metropolis. The specific objectives of the study are:

- i. To determine the effects of client appraisal on loan performance of microfinance banks.
- ii. To determine the effects of credit risk control on loan performance of the microfinance banks.
- iii. To determine the effects of collection policy on loan performance of the microfinance banks.

2.0 Literature Review

2.1 Concept of Loan Performance:

A loan that is performing well is not on the verge of defaulting, whereas a loan that is overdue is on the verge of defaulting or is in arrears but hasn't technically defaulted. Failure to meet debt obligations can result in a person or business experiencing financial difficulties. Loan performance is the profitability rate, or an investment rate of return, for a variety of loan products (Ndichu, *et al.* 2021). Failure to repay a loan is referred to as a default. If the debtor is

unable or unwilling to pay their loan, default may happen. The collateral protects a lender from a default by a borrower, which is defined as any borrower who fails to make timely principle and interest payments as required by a loan commitment. For instance, in a normal mortgage loan transaction, the real estate being purchased with the loan acts as collateral. The ownership of the property passes to the bank in the event that the buyer defaults on the loan as stipulated in the mortgage loan agreement (Mudey & Wekesa 2020).

2.2 Concept of Credit Risk Control

Credit risk is the likelihood of a debt default, to put it simply. (Afolabi, *et al.* 2020). Regardless of the type of the business, credit risk management is one of the most crucial operations in any institution and cannot be ignored by any economic enterprise that uses credit. Good credit management is essential to a financial institution's stability and continued profitability, and falling credit quality is often to blame for poor financial performance and condition. As with any financial institution, the biggest risk in microfinance is lending money and not getting it back (Adhiambo, 2020).

2.2.1 Client Appraisal

The term "client appraisal" is sometimes used interchangeably with "credit policy information," which refers to the clients' credit ratings, repayment and default histories, as well as their previous and current credit arrangements. Before any of its operators are given credit, there should be sufficient client data collected. As managing the credit process depends on correct and timely information, this is done in an effort to reduce losses. Despite the abundance of public Credit Policy Information, a subjective assessment is still required.

Despite the fact that automated information systems can aid in decision-making, the majority of credit decisions ultimately involve the use of informed judgment (Mudey & Wekesa 2020).

2.2.2 Credit Risk Control

This is sometimes referred to as credit policy standards and consists of previous borrowers, market conditions, the guarantor process, and the individual's credit rating. It is one of the decision-making elements that directly affects your ability to invest in trade credit. When establishing credit policy criteria based on specific credit applicants, Credit Policy Information, credit analysis, credit limitations, and default rates should all be taken into consideration. Credit policy criteria can either be stringent or loose, which has an impact on organizational profit. When a company's credit policy standards are rigorous, it loses a lot of clients, but when those rules are lenient, it gains more (Mudey & Wekesa 2020).

2.2.3 Collection Policy

It relates to the maximum amount, the demand for a financial statement, the usage of collateral, and a credit report and is also referred to as a credit limit. When determining this limit, the research should carefully consider the predicted sales volume and the customer's financial soundness. This is the maximum credit line that the business will ever extend to customers. A borrower's credit limit may be raised once they demonstrate prompt and complete repayments. Having many credit lines with a high credit limit may hurt a person's overall credit rating. Credit bureaus frequently report on the interactions that other companies have had with your consumer, but you can also get access to this information by getting in touch with those companies directly or through a credit

bureau. Your bank can choose to perform a credit check (Mudey & Wekesa 2020).

2.3 Empirical Review

In Enoch *et al.* (2021) investigates Banks struggle with the issue of having insufficient data when evaluating loan applications to screen potential borrowers. The relevant information needed to evaluate the commitment of the entrepreneur and the likelihood of the business is challenging to interpret or even absent. This creates risk for the banks. Therefore, it is of paramount importance to give much consideration to credit management first before embarking on lending. In this research, we used both primary and secondary sources. We adopt a multistage sampling method by selecting a set of 21 respondents from a population of 52 credit officers. Questionnaires were used to collect data from the respondents while descriptive and inferential statistics were used to analyse the data collected and in testing the hypotheses. Specifically, we used simple percentage and regression analysis. We used the software SPSS (Statistical Package for Social Science) to implement the statistical techniques mentioned above. The results showed that microfinance banks need to strengthen their credit risk control measures to increase their profitability. This is because if properly adopted it helps to decrease the percentage of payments defaults. Credit management is important in improving the financial performance of microfinance banks and this is attributed to the fact that sounds and grounded credit management (client appraisal) allowed the bank to be efficient and have the availability of liquidity.

Also, Mudey and Wekesa (2020) investigated the effect of credit policy on loan performance of microfinance institutions. This study took a descriptive survey design using a comprehensive

questionnaire prepared by the researcher to help to obtain data in order to answer the research questions. The researcher used descriptive analysis, percentages and frequencies to analyse the results from the questionnaires using Statistical Package for Social Science (SPSS version 22). According to the findings, it was clear there was a positive correlation between the independent variables, credit policy procedure, Credit Policy Information, Credit Policy Standards, Credit Limit and dependent variable Loan Performance. The correlation analysis between each of the independent variables with the dependent variable (loan performance) produced the correlation coefficients of 0.833, 0.547, 0.704 and 0.785. 704. From the findings it was established that loan extension is one of the primary sources of profitability to microfinance institutions however with high risk of having non-performing loans if care is not taken before giving out loans. From the study findings it was concluded that microfinance institutions need to formulate credit policies to enable the management of credit risks and increase loan performance.

In addition, Nkwasiwe and Katsigaire (2023) study the determinant effect of credit risk Identification on financial performance SACCOs in Ibanda municipality. The study anchored of an objective; to determine the effect of credit risk Identification on the financial performance of SACCOs in Ibanda municipality. The researcher used a positivism paradigm as well as a cross sectional descriptive survey design with quantitative approaches of data collection and analysis. The study population comprised of employees of SACCOs in Ibanda municipality. In this study credit supervisors and loans officers were the key respondents. A sample of 90 respondents was used determined with the help of Yamane (1967) formula. Data was majorly

collected using a questionnaire as a tool for quantitative data collection and analysis was done used a data management tool SPSS (Version 23) where descriptive and correlational statistics were derived to find out the relationship between the two variables under the study. The study results indicated a moderate significant positive relationship between credit risk Identification and financial performance of SACCOs.

In Anounye et al. (2020) the study investigated the role of credit risk management on loan performance in microfinance banks in Ota, Ogun State, Nigeria. The study adopted survey research design and data were collected through a well-structured questionnaire. Purposive sampling technique was adopted, and a sample size of two hundred respondents was drawn from the selected banks in Ota. Data were analysed through the aid of statistical package for social sciences (SPSS), and linear regression was used as a statistical tool for analysis ($R=.455$; $R^2=.207$ and $R\text{ Adj.}=.202$). From the results above, the study revealed that there is a significant relationship between credit risk evaluation and loan performance. The study concludes that proper credit evaluation in microfinance banks is necessary. Therefore, the study recommends that the board and management of microfinance banks in Nigeria should ensure that the implementation of the appraisal process is strictly adhered to without compromise when evaluating risks inherent in loans to their clients.

Therefore, all the studies listed above uses quantitative method of analysis to arrive at the findings and also consulted financial statements and issuing questionnaires to obtain information needed. While the study used conceptual method, which is qualitative in nature by reviewing the existing studies in

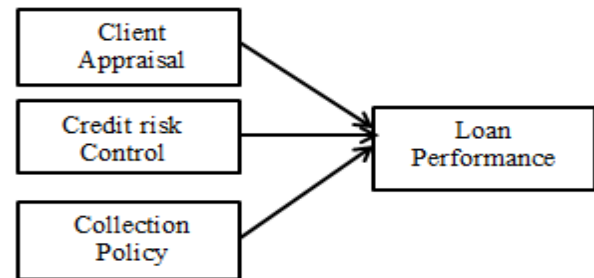
the related topics in order to obtain either there is effect of credit risk management on the loan performance or not.

2.4 Theoretical Framework

2.4.1 Credit Risk Theory: According to the Credit Risk Theory, there are ways to reduce or eliminate the risk that a borrower won't be able to repay a debt because he can't handle his obligations. Therefore, the risk involved is that the lender will not get the principal and interest, which will cause disruptions in cash flows and increase the cost of collection. In order to reduce the lender's credit risk, the lender may perform a credit check on the prospective borrower. The amount of interest the debtor will be required to pay will therefore depend on the risk involved in this case. This is inferred from the fact that defaulting on current debt payments is the main cause of credit risk. The presumptions of this theory are also congruent with this research given that credit risk analysis, a component of credit risk management, has a major impact on the performance of loans made by microfinance banks. In the credit risk theory, the standard assumption is that a loan is considered to be defaulted (or non-performing) when the client is past due at least 90 days (3 months) and critics include Financial losses due to the failure of a credit risk model. A long period of time between a loan application, its approval, and issuance. Credit scoring models may provide completely different scoring results, complicating the lending process (Mudey & Wekesa 2020).

Therefore, this study is guided by the credit risk theory which is more relevant and explained in deep the variables under consideration in the study.

2.5 Conceptual Framework



Source: Enoch *et al.* (2021)

Methodology

The study used conceptual method where related studies are reviewed and analysed. The conceptual study is unlike the empirical study where some experiments and quantitative analysis are carried out. It is only analysing the existing literature on related topics and as well comment on the majority from the outcomes.

Conclusion and Recommendations

The study investigated the effect of credit risk control on the loan performance of microfinance banks. Therefore, the study found from the literature that there is a significant effect of credit risk management on the loan performance of microfinance banks. However, client appraisal, credit risk control, and collection policy have significant positive effect on the loan performance of microfinance banks. In addition, the study drawn the following recommendations based on the findings:

- i. The management of microfinance banks should be mindful in appraising their clients so that to know their ability in repaying the requested loan.
- ii. The management of microfinance banks should also consider credit risk measures or control such as collateral and others listed in the study in order to give financial protection to the banks.

- iii. The management of the microfinance banks should also have a credit limit or collection policy depending on the nature and ability of the business requested for the loan.

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Entrepreneurial Learning Behaviour: Its Power in Entrepreneurial Intention of Polytechnic Students

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Dates:

Received: 21 Sept., 2023

Accepted: 29 Oct., 2023

How to cite this article:

Abuluya, M. D., Dakung, R. J. (2023). Entrepreneurial Learning Behaviour: Its Power in Entrepreneurial Intention of Polytechnic Students. *Creative Business Research Journal* 3(2), 84-97

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Abstract

The entrepreneurial intention of students who are at the verge of graduation is a precondition for transforming job-seeking mind-set to entrepreneurial career. Considering the impact of job-seeking mind-set in recent times, Nigeria's unemployment rate has soared as high as 33%. The scotch of unemployment on national economies and quality of life has far-reaching negative multiplier effects. Based on this, the study therefore, integrates the dimensions of entrepreneurial learning behaviour (ELB), to predict entrepreneurial intentions (ENI) as a model to reduce the unemployment predicament. Four objectives were stated to guide in testing hypotheses of the study. A sample of 531 polytechnic students were surveyed in Nasarawa state, Nigeria. Quantitative method and cross-sectional design were adopted; structural equation modelling (Analysis of Moment Structural-AMOS 22 software) was used for data analysis. The results revealed that meaning-oriented learning behaviour was positively and significantly related with entrepreneurial intentions, whereas, emergent, planned, instruction-oriented learning behaviour were not. It was recommended that polytechnic authorities in Nasarawa state should inculcate entrepreneurial learning behaviour (particularly, meaning-oriented learning) into their entrepreneurship education curriculum as this has the proven power to trigger self-motivational mind-set of the students to improve the existing relationship between ELB and ENI.

Keywords- *Entrepreneurial Learning Behaviour, Entrepreneurial Intention, Entrepreneurial Activities, Polytechnic Students*

1.0 Introduction

Entrepreneurship is an essential driving force in wealth creation and formidable economic growth and development around the world (Global Entrepreneurship Monitor-GEM, 2022). Entrepreneurship is usually driven by entrepreneurial activities which are implemented by individuals who exploit opportunities for venture creation to address societal problems like unemployment. In view of this, statistics reveal world's scores of entrepreneurship activities countries as: U.S.A. 42.88, Germany, 41.05, United Kingdom-UK 35.8, and Israel 34.25; while Nigeria scores 14.11, Morocco 14.32, Rwanda 14.96, and South Africa 15.12 (International Monetary Fund-IMF, 2023). These scores by different countries are triggered by entrepreneurial intentions (ENIs) of individuals in these nations. A precursor looks at these scores also suggests that EI of individuals in Nigeria is low. This is supported by the findings of GEM in 2015 (being last report to date that captured Nigeria) that the EI of individuals is low (female 47%, male 52%) compared to other African countries (Kabir *et al.*, 2021). A resultant effect of decline in EI is usually reflected in unemployment, which is rated in these countries as: 3.67%-U.S.A., 2.94%-Germany, 3.83%-UK, and 3.9%-Israel; and 33.3%-Nigeria, 11.11%-Morocco, 24.3%-Rwanda and 34.63%-South Africa (IMF, 2023; NBS, 2022). These statistics clearly indicates that the unemployment rate in Nigeria is high. Even though scholars still reckon Nigeria as a highly entrepreneurial activity country (Dakung & Munene, 2016), this unemployment is still very high. This is more pronounced among graduates of polytechnic as they are placed at a 40.9% unemployment level (NBS, 2022), and this has been attributed to their inability to

develop their entrepreneurial intentions (Aga, 2023; Iyortsuun *et al.*, 2020).

The entrepreneurial intention (EI) of students is crucial in influencing graduate unemployment rate. Entrepreneurial intention is viewed as the significant factor in determining whether an individual would start any business activity (Yang & Niyomsilp, 2022). Furthermore, Sim *et al.*, (2023) asserted that all entrepreneurial activities begin with entrepreneurial intention without which no entrepreneurship will exist. This means that stimulating the entrepreneurial intention of teeming polytechnic students portends so much for entrepreneurship to thrive. However, this has hardly translated into positive reality. As a result, scholars have blamed this situation on the low decision of students to venture into business (Dakung *et al.*, 2017); failure to nurture the entrepreneurial intention of students (Aga, 2023; Oni & Mavuyangwa, 2019); and the job-seeking mind-set rather (Yonla *et al.*, 2020). Also, more recently attention has centred on the late development or inculcation of entrepreneurial intention in students which is attributed to a shortage of institutional interventions to help students develop the desire to pursue an entrepreneurial career (Bozman, *et al.*, 2022). Besides, Syhnan & Kello (2022) suggest that without stimulating the entrepreneurial intention of students, the depraved unemployment situation will continue to prevail. This, posing a great concern for stakeholders, has informed the need to conceptualise a model to explain the entrepreneurial intention of polytechnic students using entrepreneurial learning behaviour.

Entrepreneurial learning behaviour (ELB) is seen by scholars as acquiring knowledge that leads to apparent business activities, formation of character, habits, and the

manifestations of attitudes to survive over time. In other words, ELB implies how students behave while studying entrepreneurship, which differs from entrepreneurial behaviour (i.e., actual business activities or entrepreneurial activities) as proceeded from intention (Ajzen, 1991; Krueger, 2017). Its components considered include meaning-oriented learning, instruction-oriented learning, planned-oriented learning and emergent-oriented learning behaviour through which students utilise to achieve entrepreneurial learning goal (Van-Gelderens *et al.*, 2005). Meaning-oriented learning enables students to develop the behaviour of engaging in deep learning and understanding. Emergent-oriented learning helps students with the behaviour to learn from unplanned situations and opportunities. Instruction-oriented learning behaviour provides students with the capabilities to utilise instructions. Planned-oriented learning behaviour offers students the ability to map out personal skills and knowledge in achieving entrepreneurial goal. On this note, Kusumererwa, *et al.*, (2020) found a relationship between these dimensions and entrepreneurial intention. In a related phenomenon, Zhang *et al.*, (2019) found entrepreneurial learning to impact on entrepreneurial intention. Similarly, Pinillos & Roldan (2022) found that a deep learning approach explains students' entrepreneurial intentions after having taken the entrepreneurship course. Susetyo & Lestari (2014) also found in their study on Indonesian students that through entrepreneurial learning, students developed an interest in entrepreneurship. For Kamariah *et al.*, (2015), exposing students to entrepreneurial orientation and entrepreneurial learning, influenced their mind-set and intention. Also, Samo & Mahar (2016) indicated that entrepreneurial

learning can foster attitude and behavioural control towards development of entrepreneurial intentions.

So far, extant studies have established connection between entrepreneurial learning behaviour and entrepreneurial intention (Pinillos & Roldan, 2022; Samo & Mahar, 2016; Susetyo & Lestari, 2014). Also, Kusumererwa *et al.*, (2020) demonstrated that more of the dimensions of entrepreneurial learning behaviour were significantly related with entrepreneurial intention. Also, Zhang *et al.*, (2019) made similar finding between entrepreneurial learning behaviour and entrepreneurial intention. An assessment of these findings has indicated that using meaning-oriented, emergent-oriented, instruction-oriented and planned-oriented learning behaviours to evaluate entrepreneurial intention is relatively sparse. This prompted the study among polytechnic students of Nasarawa state, where such studies are non-existent.

2.0 Theoretical Framework

Complex adaptive system Theory (CAST) of Dooley (1997) is used as an underpinning theory to demonstrate how semi-autonomous agents that interact in co-dependent ways to produce system-wide patterns that can influence behaviour of each agent (students). In this study, how students respond to learning from their institutions suggests a complex activity (Ibidunni *et al.*, 2021) which assumes that the essence of undergoing entrepreneurship education class is to form a learning behaviour that is consistent with actual emergence of entrepreneurial practices. The CAST is known for joint phenomenon utilising internal diversity of features such as multiple interacting agents, formulation of complexity, continuous adaptation, self-organising, and equally have emergent

properties (Knight, 2021). The multiple agents in a complex system are made up of the students, lecturers, ideas and the environments, and are always behaving and adjusting interdependently, for the purpose of stimulating entrepreneurial intention. Similar to the opinion of Turner & Baker (2020), adaptive capacity for creativity and innovation gets more complex with higher levels. For example, the lecturers and the polytechnics at one level act as building blocks for the students at other levels, and the system gets more complex as other stakeholders are involved. Though, CAST can help in harmonising the dimensions (meaning, emergent, planned and instruction-oriented learning) of entrepreneurial learning behaviour, but how to lead to intention is missing, hence the need to introduce entrepreneurial event model.

Entrepreneurial Event Model (EEM) by Shapero & Sokol (1982) is used as a supporting theory. EEM describes a framework for determining intention for entrepreneurship which advocates that before starting a new business, individuals must perceive the idea as reliable (Davids, 2017). Additionally, there may be some sorts of upsetting event arising from neutral, negative and/or positive experiences. Neutral events may take the form of graduating from the polytechnic, negative events may include lack of jobs, while positive events may include receiving an inheritance, venture capital or loan from a stakeholder (Krueger *et al.*, 2017; Krueger *et al.*, 2000; Shapero & Sokol, 1982). These experiences are able to trigger an intention in the minds of students based on perceived desirability, perceived feasibility and propensity to act influence the intention to pursue entrepreneurship career. Perceived desirability is the extent students develop

interest and attraction towards entrepreneurship, shaped from the learning behaviour (Syahran & Kello, 2022). Also, perceived feasibility indicates the degree to which students evaluate themselves with regard to whether they have the skill and capability necessary to run a business (Krueger, 1993; Shapero & Sokol, 1982). This correlates with understanding entrepreneurial learning behaviours because when students acquire fair knowledge about a business, Godsey & Sebor (2010) affirm they possess the necessary skills that enable them feel entrepreneurship is a feasible event. More so, propensity to act is the readiness or willingness of a student to execute plans. This component has been associated with internal locus of control and according to Rotter (1966, as cited in Davids, 2017), it is the perception of one's ability to influence the events around one's lives. Therefore, students with an appropriate level of propensity to act may develop successful entrepreneurial intention, to initiate new business and develop it.

3.0 Methodology

3.1 Research Design

Among the key approaches involved in designing a research structure; quantitative, qualitative and/or mixed methods (Creswell, 2014), the quantitative approach was adopted from the positivist point of view. To achieve this, a time horizon plan of cross-sectional survey design was used so that all participants were surveyed at a specific moment in time. This survey design follows a standard format of inquiry which helped to confirmed or disconfirmed hypothesised relationships. In view of this, the study also adopted the individual unit of analysis by focusing on final year polytechnic undergraduate students as they were asked to respond to instrument concerning their

learning behaviours and intention experiences from entrepreneurship education course. Also, the non-contrived setting was adopted to avoid any interference with the respondents' classes during data collection.

3.2 Research Population, Sample Size and Sampling

In conducting a scientific inquiry, the characteristics of the population are key to a successful survey. The population for this study consisted of 531 number of final year Management students selected from polytechnics in Nasarawa State who offered entrepreneurship courses. The population was used as sample size to prevent wrong inference against the tendencies of systematic and sampling bias in the data (Kathori, 2014). In this case, the stratified sampling technique was used (each of the 3 polytechnics making a stratum), while census survey method was adopted as the means of selection in each polytechnic to reach the 531 respondents.

3.3 Data Collection Instrument and Measurement of Variables

The instrument of collecting data for this study was by questionnaire. The questionnaire started with a cover letter addressed to students on the essence of the exercise. It is composed of two sections: A - for background information; B - for constructing an entrepreneurial learning behaviour scale (meaning-oriented learning, instruction-oriented learning, planned-oriented learning and emergent-oriented learning). In developing the questionnaire instrument, the variables were operationalised to a more understandable terms. In this regard, entrepreneurial intention is conceptualised as a conscious mind-set to bring about immediate business establishment. Also, entrepreneurial learning

behaviour is operationalised as the means or approaches an individual undertakes to study a given situation in order to flourish or survive in a complex situation.

In measuring the variables of the questionnaire instrument, an entrepreneurial intention scale was adapted from the Entrepreneurial Intention Questionnaire developed by Linan & Chen (2009) as recently used by Sanda *et al.*, (2021). Furthermore, entrepreneurial learning behaviour scale was modified from Kusemererwa *et al.*, (2020) scale of internal learning behaviour. The questionnaire was reviewed by expert panel of three researchers from the field of management. Additionally, the questionnaire was subjected to scrutiny in controlling for Common Method Bias using both subjective and objective means (Taseen *et al.*, 2017). On the subjective means, the questionnaire's wordings were made simple and equally underwent expert judgement. Likewise, anonymity of respondents was ensured. Conversely, the objective validation of the instrument was done through statistical testing of certain validity and reliability tests in the results section.

3.4 Method of Data Analysis

The major statistical tool of analysis used in this study was the structural equation modelling with the aid of AMOS package. AMOS is part of Structural Equation Modelling (SEM), which is one of the two SEM methods, Covariance based (CB-SEM) alongside Variance Based Partial Least Square (PLS-SEM) employed when assessing unobservable or latent constructs (Hair *et al.*, 2017). While the CB-SEM (AMOS) version 22 package was used for the main data analysis, SPSS version 26 was utilised for certain descriptive analyses. More so, validity and reliability of the measures were tested and achieved through

the calculation of the average variance extracted (AVE), and convergent validity and composite reliability. AVE calculated is expected to be above 0.50 (Bagozzi & Yin, 1988) while composite reliability is expected to be above the recommended threshold of 0.70 (Hair *et al.*, 2010). For discriminant validity, comparison was made to check whether the square root of the average variance extracted (AVE) is larger than the correlation among each pair of constructs (Fornell & Larcker, 1981). Achieving all of these and acceptable fit indices make the measurement model statistically reliable and valid. Generally, $EI = \beta_0 + \beta_1MLB + \beta_2ELB + \beta_3PLB + \beta_4ILB + \epsilon$ is developed as the analytical model of the study. Where; EI is entrepreneurial intention, MLB is Meaning-oriented behaviour, ELB, PLB, ILP is emergent, planned, instruction-oriented behaviours, while β_0 is constant and β_1 to β_4 is coefficients of the independent variables.

4.0 Analysis and Discussion

4.1 Analysis

The results of data collected from the survey are presented to simplify information of participants by extracting meaningful empirical evidence to foster understand ability. In this case, the data presentation is grouped in sections as questionnaire administration/response rate, missing values and profile of respondents. Also, the assessment of measurement model; reliability, validity, and correlation; structural model and test of hypotheses are presented and interpreted accordingly.

4.1.1 Rate of Responses, Missing Values and Respondents' Profile

During the field survey, 531 (100%) copies of the questionnaire were administered to respondents and 519 (96.4%) response rate was achieved. This then implies that 3.6% of

the questionnaire were not valid or not returned as the case may be. Klagge (2018) described above 70% response rate as excellence; thus, a 3.6% non-response rate cannot affect sample representativeness, as well as the generalisability of results. Therefore, a 96.4% response rate is adequate to prevent sample biases. With this, it is important to check for missing values in the datasets as one of the rudimentary processes to correct data analysis. Using the multiple imputation method, the variables, the valid data cases (that is, sample), and the values altogether indicated cases of no missing values. Furthermore, the demographic profiles of participants probed three questions. The first, reveals that female students (56.1%) responded more than male (43.9%) in the survey. Also, the age bracket of 21-25 years responded the most (58.3%), followed by 26-30 years as 39.5%. The last indicates that marital status of the respondents are mostly 88.7% singles. Overall, the characteristics of these participants show they constitute the right focus to the study, suggesting their opinions hope to provide useful information in the study. On this note, the assessment of the study models becomes necessary.

4.1.2 Measurement Model

The measurement model of this study model was developed to assess factor loading, validity and reliability of the indicators. Evaluating factor loading is important in AMOS analysis as it results in Confirmatory Factor Analysis (CFA) necessary to achieve a good model. Consequently, a CFA process was continued until good fit indices were attained. This resulted in the measurement model with a total of 15 items out of 22. On account of satisfactory fits achieved, assessments of model validity and reliability are made to ascertain the accuracy of structural model.

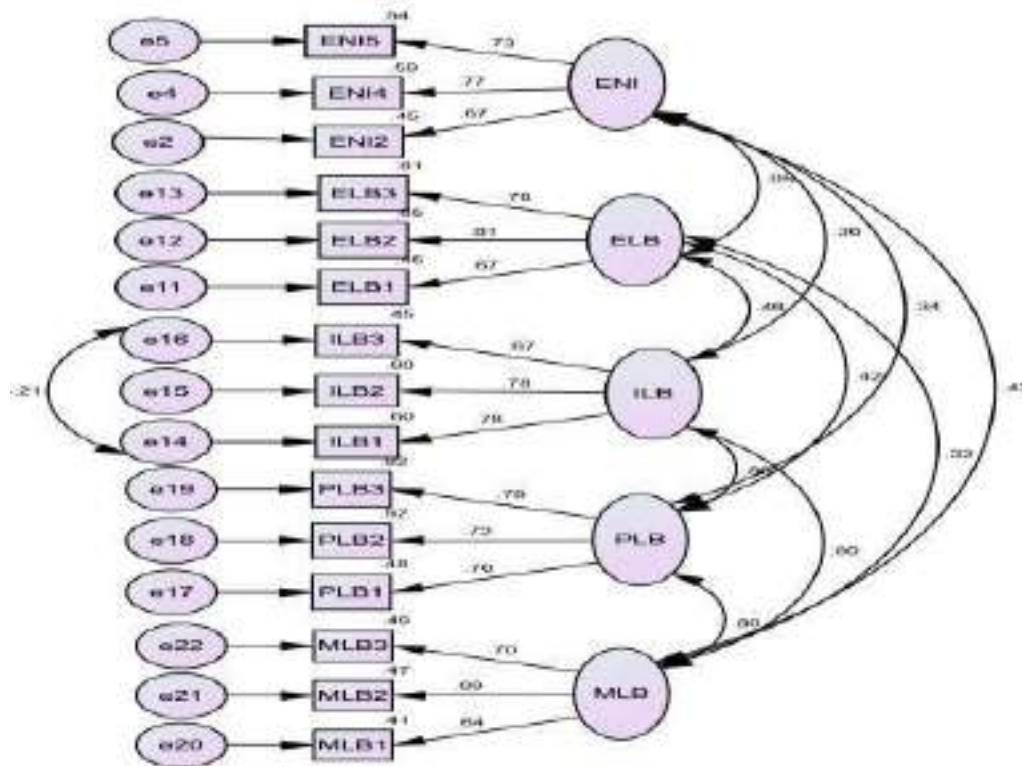


Figure 1: Measurement Model

4.1.3 Assessments of Composite Reliability, Convergent and Discriminant Validity, and Correlation

The assessment of Composite Reliability (CR) evaluates the internal consistency of a latent construct. A value of CR > 0.6 is the rule thumb to achieve composite reliability for a construct. Convergent validity assesses the level at which different items or constructs of a questionnaire can unite to achieve a singular objective based on a suggested threshold of ≥ 0.5 (Hair *et al.*, 2010). On the other hand, discriminant validity measures how the indicators of several constructs are truly different from each other, to avoid auto-correlation build up. Consequently, both the discriminant and convergent validity are the elements of construct or congruent validity which assess how well a result obtained from the measure fits a model.

Table 1: Convergent Validity

Construct	Factor Loading	AVE	CR
Meaning-Oriented Learning Behavior			
MLB1	0.70	0.50	0.717
MLB2	0.69		
MLB3	0.64		
Emergent-Oriented Learning Behavior			
ELB1	0.67	0.57	0.789
ELB2	0.81		
ELB3	0.78		
Planned-Oriented Learning Behavior			
PLB1	0.70	0.54	0.781
PLB2	0.72		
PLB3	0.79		
Instruction-Oriented Learning Behavior			
ILB1	0.78	0.56	0.788
ILB2	0.78		
ILB3	0.67		
Entrepreneurial Intention			
ENI2	0.67	0.52	0.768
ENI4	0.77		
ENI5	0.73		

The Construct, Factor Loading, Average Variance Extracted (AVE) and composite reliability (CR) for convergent validity are reported in table 1. The assessment of

convergent validity indicates factor loading of the items used 0.64 and above. Furthermore, the AVE values are 0.5 and above. Also, the composite reliability values are 0.717 to 0.799, greater than threshold of

0.6 or 0.7 as suggested by Hair, *et al.*, (2019). This implies that the composite reliability and convergent validity are established.

Table 2: Discriminant Validity Based on Fornell & Larcker

Variables	MLB	ELB	PLB	ILB	ENI
MLB	0.707				
ELB	0.272**	0.756			
PLB	0.614**	0.346**	0.738		
ILB	0.623**	0.407**	0.673**	0.745	
ENI	0.474**	0.099**	0.421**	0.408**	0.724

Table 2 displays the square roots of AVEs (in bold) and correlation (non-bolded) values of MLB, ELB, PLB, ILB and ENI for comparison. The values in bold represent the AVE while values are Pearson correlation coefficients. It can be seen that all the square roots of AVEs are greater than the correlation coefficients, and equally exceeded the threshold of 0.5 fulfilling both the necessary and satisfactory conditions for

achieving discriminant validity (Hair *et al.*, 2010; Fornell & Larcker, 1981). This, in addition to the satisfactory fit indices of GFI, AGFI, CFI, TLI, SRMR, RMSEA, Chi-square value and significant probability level obtained (see table 3), the research model is dependable. Furthermore, the correlation values which evaluate the strength and direction of relationships all indicate positive linear outcomes.

Table 3: Model Fit Summary

Indices	Chi-Square	Degree of Freedom	Probability Level	GFI	AGFI	CFI	TLI	SRMR	RMSEA
Standards Adopted									
$N > 250, 12 < m < 30$	Minimal value	Identified	Significant P-value	> 0.80	> 0.80	> 0.80	> 0.92	$\leq 0.08, CFI > 0.92$	$\leq 0.07, CFI \geq 0.90$
Measurement/ Structural Model	285.784		Expected	0.932	0.900	0.931	0.907	0.044	0.072

Note: m is the number of observed variables; N is the number of observations or sample size. Goodness of Fit Index (GFI); Adjusted Goodness of Fit Index (AGFI); Comparative Fit Index (CFI); Tucker-Lewis index (TLI); Standardized Root Mean Square Residual (SRMR); Root Mean Square Error of Approximation (RMSEA)

Sources: Kline (1998); West *et al.*, (2012); Field Survey Output

4.2 Structural Model

A structural model tests the relationships among latent variables and their disturbances or error terms (Arbuckle, 2014). The structural model was developed

from the measurement model by linking the latent variables with direct path arrows and introducing error terms to the endogenous variables for hypotheses testing as showed in figure 2.

Figure 2: Measurement Model

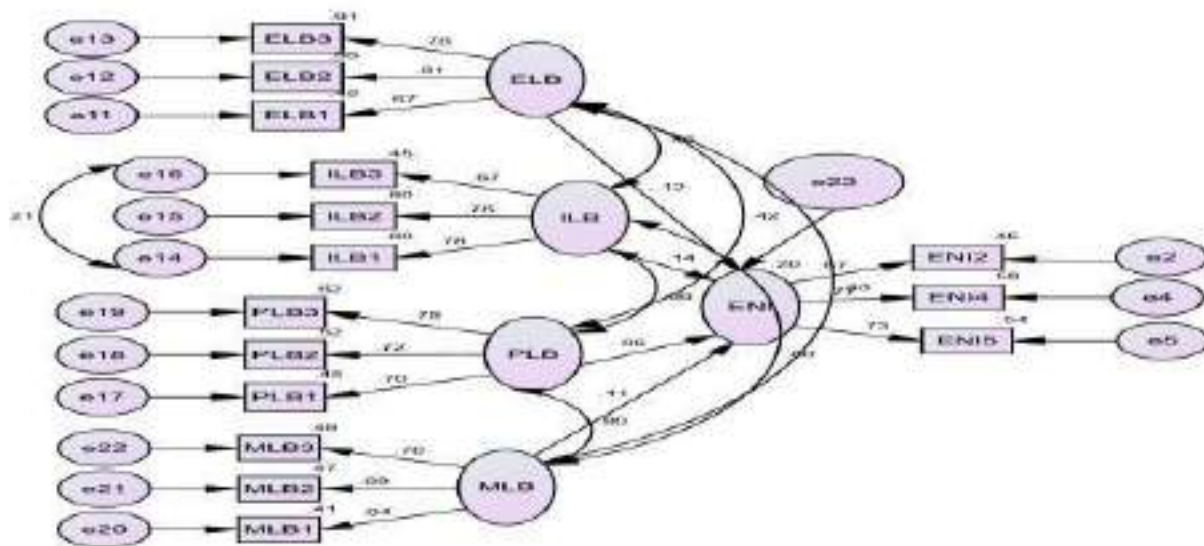


Table 4: Summary of Hypotheses Results

Relationship	Estimate	S.E	CR(T)	P-Value	Decision
Ho1: ENI ← MLB	0.412	0.181	2.749	0.005	Rejected
Ho2: ENI ← ELB	-0.122	0.069	-1.900	0.057	Fail to Reject
Ho3: ENI ← PLB	-0.064	0.186	-0.378	0.705	Fail to Reject
Ho4: ENI ← ILB	0.142	0.168	0.810	0.418	Fail to Reject

4.3 Discussion

The result of hypothesis one which examined the relationship between meaning-oriented learning behaviour (MLB) and entrepreneurship intention (ENI) reveals a $\beta = 0.412$ and a P-value of 0.005 respectively; the t-value 2.749 was found to be greater than the threshold of 1.96 for a two-tailed test (Hair et al., 2011). Hence, it was concluded that there is a positive and significant relationship between meaning-oriented learning behaviour and entrepreneurship intention among polytechnic students in Nasarawa State. This result implies that as students engage in MLB there is the tendency to develop ENI by 41.2%. Furthermore, when the students understand the underlying meanings of

whatever they learn in entrepreneurship education course, they can do the needful to become an entrepreneur. When the students go in search of practical meanings to some issues in the entrepreneurship course, their interests are attracted to starting a new business within the next 12 months. Likewise, when students reach out to learn certain business meanings from entrepreneurs who own the kind of business they desired to begin, they can seek support from friends and family members to start a business.

As scholars established a positive and significant link between learning behaviour and entrepreneurial intention (Lopez *et al.*, 2021; Pinillos & Roldan, 2022; Susetyo &

Lestari, 2014); Kusemererwa *et al.*, (2020) noted that meaning-oriented learning behaviour matters for self-employment practice among youths in Uganda unlike instruction-oriented learning behaviour. Arising from these, indicates that what triggers the students' learning behaviour toward building entrepreneurial intention is the ease of how they find information and instructions that support their intended businesses. Vanthournout *et al.*, (2014) associated the meaning-oriented learning behaviour to resulting in deep learning habit, different from surface learning character students focus mainly on processes and intentions of learning. Similarly, van-der-Wal-Maris *et al.*, (2018) linked the meaning-oriented learning behaviour to self-regulated process, where students eagerly construct their knowledge regarding entrepreneurship development. Similarly, current study finds alignment with adaptive systems theory and planned behaviour which made already established facts that intention predicts actual behaviour (Ajzen, 1991). In all of these, the ease of accessing the information matters much in fostering the students' learning behavioural processes and powering up their entrepreneurial intentions.

Moreover, the result of test of hypothesis two established a negative and insignificant ($\beta = 0.122$, $P = 0.057$, $t\text{-value} = -1.900$) nexus between emergent-oriented learning behaviour (ELB) and entrepreneurial intention. This implies that even if students' favourite entrepreneurship topic is opportunities discovery, and they always adapt to new learning situation and business experiences; these would not make them start a new business within a year's time, or do anything to be an entrepreneur. This same result applies to hypothesis three on the link between planned-oriented learning behaviour (PLB) and entrepreneurial

intention. By implication, engaging students to prepare learning plans on how to do business, enabling them summarise their daily achievement in entrepreneurship class, or making them develop learning plans based on feasibility studies; would not arouse their intentions to entrepreneurship in a year's time. These findings are not consistent with that of Kusemererwa *et al.*, (2020) who found ELB and PLB crucial in developing the entrepreneurship of Ugandan students. Though, difference in settings may be responsible for the differing outcomes of both studies, current finding also fallouts from the theories of complex adaptive systems of emergent properties (McMillan, 2008), and entrepreneurial even model of propensity to act (Shapero & Sokol, 1982) according to plans.

Hypothesis four result demonstrated a positive and insignificant ($\beta = 0.142$, $P = 0.418$, $t\text{-value} = 0.810$) result between instruction-oriented learning behaviour (ILB) and entrepreneurial intention. This suggests, even when students are made to learn from instruction of what people prefer in business, or make them seek the information source of a particular kind business, as well as study business cases in entrepreneurship classes; they cannot develop entrepreneurial intention. This finding aligns with that of Kusemererwa *et al.*, (2020) as they did not see ILB very useful for the entrepreneurial intentions of students in Uganda. Probably, students do not get sufficient instructions from entrepreneurship course and role models that would have enabled them perceive entrepreneurship as a feasible event (Godsey & Sebor, 2010; Shapero & Sokol, 1982).

5.0 Conclusion and Recommendations

The findings of this study have established that the crux to develop the entrepreneurial intentions of polytechnic students lies to a

large extent in articulating meaning-oriented learning behaviour in them. This enables the students to regulate their learning processes and develop personal drive for entrepreneurship. Consequently, a deep understanding of the entrepreneurship course, seeking of practical meaning to concepts in entrepreneurship, and learning from entrepreneurs; would influence the students to begin their businesses within a year, by doing the needful and seeking supports from families and friends. Additionally, in spite of the constraints of using cross-sectional design and focusing on one state in Nigeria, the study has its positive implications. It calls on the Polytechnic authorities and students to dwell largely in the practice of meaning-oriented learning behaviour which powers intention; unlike emergent, planned and instruction-oriented behaviours. Although, focusing on the final year students in this study raises a concern on late inculcation of entrepreneurship which accounts for some of the insignificant results. More so, theoretical refinement is possible from the study's findings particularly on why current results are supported and not. The academic policies on better understanding of entrepreneurship education and active entrepreneurial intentions are imminent. Based on these, the integration of early-oriented learning behaviour and meaning-oriented learning behaviour to achieve entrepreneurship intention is recommendation for further studies.

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Assessing the ERG-Theory of Motivation on Employee Performance at Abimkss Agro-Allied and Integrated Farms Ltd.

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Dates:

Received: 10 Sept., 2023

Accepted: 29 Oct., 2023

How to cite this article:

Major, B., Isyaka, S. M., & Kwaskebe, C. A. (2023). Assessing the ERG-Theory of Motivation on Employee Performance at Abimkss Agro-Allied and Integrated Farms Ltd. *Creative Business Research Journal* 3(2), 98-106

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Abstract

This study assesses the Alderfer's Existence needs, Relatedness needs and Growth needs Theory of Motivation on employee performance at Abimkss Agro-Allied and Integrated Farms Limited. A quantitative research approach questions were distributing to the targeted number of respondents in Abimkss Agro-Allied and Integrated Farms Limited. Due to the small size of the total population, the entire employee population (16) employees of the company were interviewed using a structured questionnaire. The numerical Rating Scale (of 1-5) was used to analyse the employee's satisfaction level with the company in relation to ERG Theory of motivation. The findings reveal that there is strong relationship between Existence needs and Relatedness needs and employee performance but there is weak relationship between Growth needs and Employee performance. The study recommended that Abimkss Agro-Allied and Integrated Farms Limited should provide safety measures, enhance communication, and continuous learning opportunities to enhance Employee performance.

Keywords- *Need Theory, Motivation, Employee Performance*

1.0 Introduction

Motivated employees play a vital role in the success and growth of any organization (Chaudhary & Sharma, 2012). As such, understanding the factors that drive employee motivation and subsequently enhance their performance has become a significant area of research and practice in the

field of organizational behaviour. One of the notable theories of motivation is the ERG theory, developed by Clayton Alderfer (1969) as an expansion of Abraham Maslow's hierarchy of needs theory. The ERG theory suggests that people have three core needs: Existence, Relatedness, and Growth (Mangi *et al.*, 2015). By addressing these needs, organizations can effectively motivate their employees and improve their overall performance. In order to drive the success of an organization, motivation has a significant role. Chintallo and Mahadeo (2013) revealed that all organizations, including the public or private sector encounter the issue of employee motivation. A study on the application of ERG theory of motivation on employee's productivity in Ashaka Cement Company by Ayangeadoo and Salisu (2017) shows a significant positive relationship between Adelfer's Existence and Relatedness Needs and employees of Ashaka Cement Company, but weak relationship between the Growth Needs.

Established in 2020, Abimkss Agro Allied and integrated Farms Ltd was officially registered and incorporated under the Nigerian Companies and Allied Matters Act 2020 as a private company limited by shares in July 2022 to carry out agriculture related business-like crop farming, livestock farming, trading of agriculture products and other agriculture related business. The company owns a medium sized integrated farm in the Birshi Gandu area of Bauchi metropolis.

The dependent variable in this assessment is employee performance. It refers to the measurable outcomes or results achieved by the employees at Abimkss Agro-Allied and Integrated Farms Ltd. This was assessed through various performance indicators such as productivity, quality of work, meeting

targets, customer satisfaction, or any other relevant metrics used by the organization to evaluate employee performance.

The independent variable in this assessment is ERG theory, developed by Clayton Alderfer, is a motivation theory that categorizes human needs into three levels: existence, relatedness, and growth (Mangi *et al.*, 2015). It suggests that individuals are motivated by the desire to satisfy these three sets of needs, and the frustration or satisfaction of these needs can impact their motivation levels and subsequently their performance (Atkinson, 1966). The scope of this research involves a comprehensive investigation of the applicability of ERG Theory of Existence needs, Relatedness needs and Growth needs on employee performance at Abimkss Agro-Allied and Integrated Farms Ltd.

1.2 Statement of the Problem

While the ERG theory of motivation has been used in assessing employee performance and job satisfaction in various sectors, such as health, education, and agriculture, amongst others, very little is known about the application of the ERG theory in the agriculture sector in Nigeria. Particularly in the context of Abimkss Agro-Allied and Integrated Farms Ltd., there was no study on assessing the ERG theory of motivation on employee performance. Through this assessment, valuable insights can be gained regarding the effectiveness of the ERG theory in addressing the motivational needs of employees at Abimkss Agro-Allied & Integrated Farms Ltd. and other agricultural organizations. This research aims to support evidence-based decision-making within the organization and contribute to the existing body of knowledge on motivation and performance in the agricultural sector. By conducting this research at Abimkss Agro-Allied &

Integrated Farms Ltd., the study provides specific and practical implications for both the organization and the broader agricultural industry. The potential benefits include improved employee satisfaction, engagement, and overall performance, leading to increased productivity and organizational success.

1.3 Objectives of the Study

The primary objective of this paper is to assess the extent of the ERG theory of motivation on employee performance at Abimkss Agro-Allied & Integrated Farms Ltd. The specific objectives include:

- i. Examine the extent to which existence needs influence employee performance.
- ii. Assess the effect of relatedness needs on employee performance.
- iii. Examine the degree to which growth need bring about employee performance.

1.4 Research Question

- i. Does existence need affect employee's performance?
- ii. Do related needs affect employee's performance?
- iii. Do growths needs bring about employee's performance?

2.0 LITERATURE REVIEW

2.1 Theoretical Foundations: Maslow's Hierarchy of Needs & ERG Theory

2.1.1 Maslow's Hierarchy of Needs:

Abraham Maslow's hierarchy of needs theory (Maslow, 1943) is one of the most well-known and influential theories in the field of motivation. According to this theory, individuals have a hierarchy of needs that must be satisfied in a certain order. The hierarchy consists of five levels: physiological needs, safety needs, social needs, esteem needs, and self-actualization needs (Buhler, 1971). Maslow proposed that

individuals are motivated to fulfill the basic physiological needs first, such as food, water, and shelter, before moving up the hierarchy to satisfy higher-level needs such as social belongingness and self-esteem.

However, the hierarchy is not rigid, and individuals can strive to satisfy multiple needs at different levels simultaneously. Maslow also proposed that once a need is satisfied, it no longer serves as a motivator, and individuals move on to pursue the next level of needs. Maslow's theory provides a framework for understanding the different levels of needs that individuals have and how they influence motivation (McLeod, 2018).

2.1.2 ERG Theory:

Clayton P. Alderfer (1972) is an American psychologist who extended and reformulated Maslow's theory. As a matter of fact, his theory can be considered as a variant of Maslow's theory. However, contradictory to Maslow, his theory was developed specifically for explaining work behavior in organizational settings (Steers *et al.*, 1996). Alderfer argued that the five need categories in Maslow's theory could be merged into three main categories, being "Existence", "Relatedness", and "Growth". Hence, the name of the theory (ERG) is adopted from the combination of the first letter of each need category (Hume, 1998).

The need of "Existence" refers to all forms of basic material and physiological needs required to maintain human existence. For example, the need for eating and drinking and other material needs in the work setting, like the need for pay, fringe benefits, and physical safety (Schneider and Alderfer, 1973). "Relatedness" is the need for meaningful interpersonal relations in the work settings with superiors, peers, and subordinates.

However, the basic quality that distinguishes the relatedness needs from existence needs is that one cannot satisfy the relatedness apart from others, thus it cannot be satisfied without mutuality (Schneider and Alderfer, 1973). „Growth“ needs are associated with the development of one’s potential (Steers *et al.*, 1996). Schneider and Alderfer (1973: 491) argued that *“satisfaction of this category occurs when a person engages problems which call upon him to make the most of his capacities and to build up new capabilities.”*

Although the ERG theory may seem to have much in common with the work of Maslow, his work has some substantial differences. Alderfer agreed with Maslow that when people satisfy their lower needs, they tended to move up the hierarchy from “Existence” needs, to “Relatedness” needs, and finally to “Growth” needs. However, unlike Maslow’s hierarchy, Alderfer argued that all different levels of needs may be activated and operated in a given person at the same time (Huczynski and Buchanan, 2001). Therefore, any category of needs can be activated without the condition of fulfilling the other needs. In other words, the individual can be motivated by his desire for money (an Existence need), interpersonal relations (a Relatedness need), and by recognition (a Growth need) simultaneously (Brooks, 2003). Accordingly, the order of the needs may differ from one person to another according to his preferences and own framework.

The flexibility of the ERG theory enables it to explain a wider range of human behavior. For example, why some people seeks to satisfy their needs for achievement or recognition or can achieve a high level of self-actualization although they may have a very low salary. Furthermore, Alderfer’s ERG theory suggests that there is also a frustration-regression sequence, as when a

higher-level need remains unfulfilled and it appears difficult to be fulfilled, the individual may regress to lower-level need which will drive his behavior. For example, if an individual cannot satisfy his growth needs, frustration regression occurs, causing the individual to focus on fulfilling his relatedness or existence needs (Steers *et al.*, 1996).

Overall, ERG theory can be considered as a refinement of the hierarchy need theory; it helps the management to understand its employees’ behavior and to realize that their employees have a set of needs that can be satisfied simultaneously. Accordingly, they can increase employees’ motivation by understanding the nature of the relationship between these needs; for example, if the management cannot satisfy the growth needs of their employees, they should redirect they efforts toward the other two need categories, then steps must be taken to fulfil the growth needs again (Samson and Daft, 2002).

However, few researchers have attempted to examine the ERG theory (Steers *et al.*, 1996; Luthans, 1995). For example, Okpara (1996) investigated the level of job satisfaction among 600 Nigerian managers and found that pay (an Existence need) had a significant positive impact on managers’ job satisfaction, and thus their job performance. In a similar study, Arnolds and Boshoff (2002) investigated the relationship between need satisfaction and job performance of 304 top managers and 213 frontline employees in the banking, retail, security and legal industries in South Africa. They found that higher-order needs, such as growth needs, can motivate both top managers and front-line workers and thus increase their job performance through increasing their self-esteem. Moreover, Rauschenberger *et al.* (1980) have examined

both Maslow and ERG theories and show a high positive coloration between the different need categories of both theories. This disconfirms the dominance concept of the hierarchy theory and, at the same time, supports the ERG theory that any category of needs can take priority over the others despite the fulfillment of the others.

2.1.3 Integration of Maslow's Hierarchy of Needs and ERG Theory

The ERG theory builds upon Maslow's hierarchy of needs by providing a more flexible framework for understanding motivation (McLeod, 2007). While Maslow's theory focuses on a linear progression through five levels of needs, the ERG theory recognizes the simultaneous existence of different needs and the potential for regression.

The integration of these theories provides a comprehensive understanding of how individuals are motivated and the impact of different needs on their behavior and performance. By recognizing the different needs at play, organizations can design strategies and interventions to address and satisfy these needs, thereby enhancing employee motivation and overall performance.

The theoretical foundation of Maslow's hierarchy of needs and the ERG theory provides a basis for understanding the motivation.

Table 1 Maslow and ERG Categories

Maslow Categories	ERG Categories
Physiological	Existence
Safety—interpersonal	
Belongingness (social)	Relatedness
Esteem—interpersonal	
Esteem—self-confirmed	Growth
Self-actualization	

(Schneider, Benjamin & Alderfer, Clayton P., 1973)

3. Methodology

To assess the impact of the ERG theory of motivation on employee performance at Abimkss Agro-Allied & Integrated Farms Ltd, both qualitative and quantitative data were used.

To help in gaining a comprehensive understanding of the subject matter and identifying any gaps in the existing research, existing literatures on ERG theory, employee motivation, and factors influencing performance were reviewed.

Questionnaires were designed that includes both closed-ended and open-ended questions related to ERG theory, employee motivation, and performance. The questionnaire covers various aspects of the ERG theory, including existence, relatedness, and growth needs. The research questions were administered to a sample of employees at Abimkss Agro-Allied & Integrated Farms Ltd. Many statisticians concur that a sample size of 100 is the minimum one need for meaningful results. However, if the population is smaller than that, one should aim to survey all of the members. To ensure that the sample size is representative of the entire employee population, all 16 employees of the company were interviewed.

Collected data were analysed using the Likert scale (Likert, 1932). 1 being the lowest numeric rating score while 5, the highest rating score. Rating scale questions are widely used in customer satisfaction and employee satisfaction surveys to gather detailed information. In this case, the numerical rating scale was used to assess the employee's satisfaction level with the company in relation to ERG Theory of motivation.

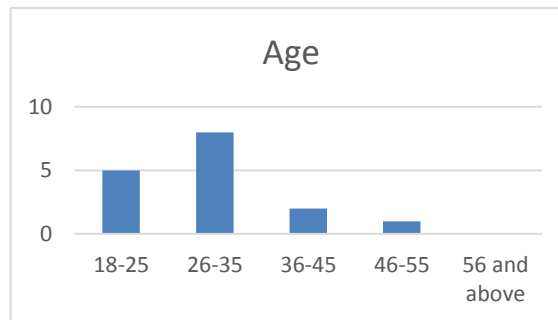
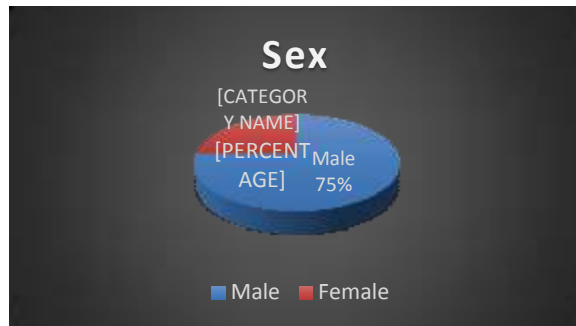
4.0 Findings

4.1 Demographic Information

Based on the demographic information provided, out of the 16 respondents, 75% are

male and 25% are female. This shows a higher representation of males in the survey compared to females.

Fig. 1: Sex Distribution of the Respondents Fig. 1: Age Distribution of the Respondents



Source: Field Survey, 2023

In terms of the age of the respondents, the study also shows that 5 are between the ages of 18 and 25, 8 are between the ages of 26 and 35, 2 are between the ages of 36 and 45, and only 1 is between the ages of 46 and 55. For length of employment at Abimkss Agro-Allied & Integrated Farms Ltd., 4 respondents (25%) have been employed for less than 1 year, 6 respondents (37.5%) have been employed for 1-2 years, 3 respondents (18.75%) have been employed for 2-3 years, and 3 respondents (18.75%) have been employed for more than 4 years.

From this analysis, we can observe that the majority of the respondents are males. In terms of age, the largest age group is between 18 and 25 years old. In terms of length of employment, the majority of the respondents have been employed for 1-2 years.

Based on these demographic patterns, it would be interesting to explore any potential correlations or differences in the assessment of the ERG theory on employee performance among different demographic

groups. This can provide insights into whether gender, age, or length of employment influence employees' perceptions of the ERG theory at Abimkss Agro-Allied & Integrated Farms Ltd. To conduct this analysis, the actual assessment data would need to be provided.

4.2 Assessment of the ERG Theory of Motivation

To analyze this data, we calculated the average ratings for each statement and examined the distribution of responses.

4.2.1. Existence Needs:

To analyze this data using a Likert rating scale, we assigned numerical values to each response option (Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, Strongly Agree = 5). Then, we can calculate the mean score and the median score to understand the overall perception of the respondents regarding the organization's provision of adequate resources to fulfill their basic survival needs.

For this question on existence needs, the Likert scale responses and their corresponding numerical values are as follows:

- a) Strongly Disagree: 1
- b) Disagree: 2
- c) Neutral: 3
- d) Agree: 4
- e) Strongly Agree: 5

To calculate the mean score, we multiply the numerical value of each response option by the number of respondents who selected that option, sum them up, and divide by the total number of respondents.

Mean Score =

$$(0*0) + (3*2) + (4*4) + (7*4) + (2*5) / 16$$

$$\text{Mean Score} = (0 + 6 + 16 + 28 + 10) / 16$$

$$\text{Mean Score} = 60 / 16$$

$$\text{Mean Score} = 3.75$$

The mean score of 3.75 suggests that, on average, the respondents agree that the organization provides adequate resources to fulfill their basic survival needs.

For existence needs, the survey results indicate that the average rating for statement (i) with regards to the ability of the organization to provide adequate resources (e.g., competitive salary, benefits) to fulfill their basic survival needs is 3.75 indicating a moderate agreement. From the study, the majority of the respondents (9 out of 16) agrees or strongly agrees that the organization provides adequate resources to fulfill their basic survival needs. However, there are a significant number of respondents who are neutral or disagree with this statement (7 out of 16). The average rating (3.56) on the statement whether the organization promotes work-life balance,

which helps the employees meet their personal obligations effectively, indicates a moderate agreement. Half of the respondents (8 out of 16) agree or strongly agree that the organization promotes work-life balance. However, there are also a significant number of respondents who are neutral or disagree with this statement (8 out of 16).

4.2.2. Relatedness Needs:

The average rating for the statement on whether Abimkss Agro-Allied & Integrated Farms Ltd. promotes a feeling of **trust, friendship**, and collaboration among employees is 3.94, indicating a moderate agreement. The majority of respondents (11 out of 16) agrees or strongly agrees that the company culture fosters feeling of trust and collaboration among employees. However, there are a few respondents who are neutral or disagree with this statement (5 out of 16). Employees at Abimkss Agro-Allied & Integrated Farms Ltd. place significant importance on forming positive relationships with their colleagues and supervisors. Strong support systems, teamwork, and effective communication emerged as key factors influencing relatedness needs. The average rating for the statement on whether the employee perceives a supportive working environment that emphasizes teamwork and mutual respect is 3.38, indicating moderate agreement. Most respondents (9 out of 16) agree or strongly agree that they perceive their coworkers as supportive and helpful in achieving work goals. However, there are also a significant number of respondents who are neutral or disagree with this statement (6 out of 16). The study revealed that employees who reported higher levels of satisfaction with their related needs also demonstrated increased productivity and engagement in their roles.

4.2.3. Growth Needs:

For growth needs, the average rating for the statement on whether the organization offers opportunities for career advancement and professional development is 3.88, indicating moderate agreement. The results show that the majority of the respondents (10 out of 16) agree or strongly agree that the organization provides opportunities for career development and advancement. However, there are a few respondents who are neutral or disagree with this statement (6 out of 16). The findings showed that a substantial number of employees at Abimkss Agro-Allied & Integrated Farms Ltd. are motivated by growth and development opportunities. They expressed the desire for challenging assignments, skill enhancement programs, and career advancement avenues. On whether the respondents feel personally challenged and encouraged to explore new skills and knowledge, the average rating is 3.38, indicating moderate agreement. From the responses obtained, most respondents (11 out of 16) agree or strongly agree that they feel challenged and engaged in their work. However, there are also a few respondents who are neutral or disagree with this statement (5 out of 16). Employees who indicated higher satisfaction with their growth needs reported higher levels of job satisfaction and productivity.

5.0 Conclusion / Recommendation

Overall, the results found that while a majority of employees have a generally positive perception of their job satisfaction, motivation levels appear to vary more widely among the respondents. This may indicate the need for further investigation into factors influencing motivation levels in order to identify potential areas for improvement, such as implementing strategies to enhance motivation for those employees who reported low or very low

motivation. These findings provide valuable insights into employee perspectives on employee performance and motivation at Abimkss Agro-Allied and Integrated Farms Ltd. With a good portion of employees expressing their dissatisfaction with certain aspects of their existence, such as the safety measures in place, addressing these concerns could enhance overall employee performance at Abimkss Agro-Allied & Integrated Farms Ltd. For relatedness need, strengthening team-building activities, promoting collaboration, and enhancing communication channels can further improve employee performance while providing continuous learning opportunities, personalized career development plans, and mentorship programs can maximize employee performance in the areas of growth need.

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The Effect of Leadership Styles on Employee Retention in Nigerian Banking Sector

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Dates:

Received: 28 Sept., 2023

Accepted: 23 Oct., 2023

How to cite this article:

Tijjani, M., Musa, B. M., Rabiou, A. U. (2023). The Effect of Leadership Styles on Employee Retention in Nigerian Banking Sector. *Creative Business Research Journal* 3(2), 107-114

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Abstract

Employee retention is a major concern of the Nigerian banking sector today because of increased employee turnover. Therefore this study assessed the effect of leadership styles on employee retention in Nigerian banking sector. The study made use of secondary sources of data collected. The study also revealed that Transformational leadership is associated with higher levels of employee retention than transactional leadership. Empowering and supportive leadership styles are linked to increased employee satisfaction and retention. Leaders who model ethical behavior and create a culture of ethical conduct can increase employee loyalty and retention. Additionally, the study recommend that management should train and develop leaders in transformational leadership practices, emphasizing inspiration, empowerment, and ethical behavior, prioritize employee development and provide opportunities for growth and skill development and encourage effective communication between leaders and employees, and create a culture of transparency and trust

Keywords- leadership styles, Employee Retention, banking sector

1.0 Introduction

Employee retention is one of the most critical issues facing managers in organizations as a result of the shortage of skilled manpower, economic growth and high employee turnover (Michael, 2008). Whereas it is imperative for organizations, through the employment process, to attract and retain quality employees to the organization, it is more important for managers to devise strategies with which to retain the talented employees in the service. Retaining quality staff is important for purposes of keeping loyal

customers as well as avoiding the costs of replacing the staff. In the current competitive environment, the leaders have to steer their organizations in the competitive business environment. Ng'ethe (2012). They will handle the challenge if they value employees as assets and as the ones to give their organizations the competitive advantage. This competitive advantage will be guaranteed if the core employees are retained for as long as possible so that continuity of good performance is assured. This paper looks at the relationship between leadership style and staff retention in organizations. To this, most people entered into organizations and remained for a very long time, sometimes for the duration of their working life. But as job mobility and voluntary job changes began to increase dramatically, employers found themselves with the problem of employee turnover and a matching management tool known as employee retention began to be developed. (McKeown, 2002). Retention is a voluntary move by an organization to create an environment which engages employees for long term turnover (Michael, 2008). Retention of human resources refers to the attempts to ensure that employees stay in the organization and that voluntary turnover is minimized. The main purpose of retention is to prevent competent employees from leaving the organization as this could have adverse effects on productivity and service delivery. Chiboiwa, Samuel, Chipunza (2010). Michael, (2008) contends that retention allows senior and line managers to attract and effectively retain critical skills and high performing employees. The objective of retention policies should be to identify and retain committed employees for as long as is mutually profitable to the organization and the employee (Sutherland, 2000). Managers in organizations adopt different leadership styles depending on

their orientation. The manager's orientation may be influenced by culture, education system that the manager went through, or the organizational environment. Any leadership style adopted by a particular manager has a way it impacts on staff motivation, performance and organizational commitment; which in turn may influence employees' decision either to leave or stay with the organization. Retaining employees is important to the continuing success of any organization, because of the skills corresponds with relationship-oriented management style. One would assume that adoption of theory Y would help employee retention.

Objective of the Study

This research intends to assess the leadership styles on employees' retention in Nigerian banking sector while the specific objectives include:

- i. To examine the influence of transformational leadership styles on employee retention in the Nigerian banking sector.
- ii. To examine the effect of transactional leadership styles on employee retention in the Nigerian banking sector.
- iii. To examine the importance of servant leadership styles on employee retention in the Nigerian banking sector.
- iv. To examine the role of laissez-faire leadership in the Nigerian banking sector.

2.0 Literature Review

2.1 Concept of Leadership

Literature has underlined leadership as crucial element in the organizational behavior landscape, whereby it is one of the flexible impacts of individual and organizational

interactions Obiwuru *et al.*, (2011). And Ng'ethe *et al.* (2012), leadership is the human factor that binds a group together and motivates it towards achieving goals and transforming the group's potential into reality. It is also a process whereby an individual is being persuaded or an individual persuades someone to do something that they might not want to do Bratton, Grint and Nelson, (2003). Ng'ethe *et al.* (2012) also describe leadership as a relationship that occurs by which one person is able to influence the behavior of other people in which the leader is able to use their human influence to make people achieve a certain goal. Armstrong (2012) describes leadership as the "ability to persuade others willingly to behave differently". Leadership is about inspiring people to put their best into achieving a result, getting their commitment and motivating them to achieve a desired goal and result Armstrong and Stephens (2005). All of the definitions of leadership have been able to establish an element of influence and persuasiveness from one person to another which can be termed leader to follower. The relationship that occurs between the leader and the other people they influence is said to be a determining factor for employee retention and a factor that determines an employee's length of stay in an organization Ribelin (2003). Ng'ethe *et al.* (2012) influence does not necessarily connote the power or control the leader has over the followers to make them achieve a goal, influence means the leader's action that affects the follower's behavior and actions towards achieving a goal. This implies that a leader does not only inspire his followers through words but the actions of the leader play an important role in inspiring followers toward the attainment of a goal. The rapidly changing global environment has made the need for effective

leaders a necessity in today's work organization Nanjundes, waraswamy and Swamy (2014). This is important because the level of a leader's effectiveness will not only help the organization in the retention of its employees but it will also ensure that the organization is sustained in the changing world of business

2.2 Leadership Styles

MacGregor (1978) Transformational Leadership Leaders who inspire and motivate their team to achieve a common vision and encourage innovation. Max Weber (1985) Transactional Leadership Focused on rewarding or punishing team members based on performance and adherence to rules.

Robert (1977) Servant Leadership Leaders who prioritize the needs of their team members and aim to serve and support them. Armstrong (2012) leadership style is the approach used by managers to exercise their leadership function. It is said to be a particular behavior applied by a leader to motivate his or her subordinates to achieve the objectives of the organization Ng'ethe *et al.* (2012). Leadership style plays an important role in the organizations of today. Leadership style is the way and manner in which a manager or supervisor chooses to act towards his employees or subordinates and the way the leadership function is being carried out by them Mullins (2000). Armstrong (2012) suggests that no one leadership style is better than the other but that styles are dependent on some factors. Such factors include the organization type, nature of the task, characteristics of the individuals in the leader's team, the group the leader leads as a whole and more importantly the personality of the leaders. Adair (2003) also states that it is dangerous to suggest that one leadership style is more appropriate than another in a given situation.

He suggests that the leadership style adopted will be in relation to the situation at hand. This suggests that there's no one leadership style that is considered best. Leaders should be able to know how their leadership skills influence the followers as it has an impact on the followers being supportive of them or not Sethuraman and Suresh (2014). This can have an impact on employee behavior to support their leaders; followers or employees who do not have support for their leaders can be prone to dissatisfaction which could arouse an intention of an employee to leave. Khan, Asghar and Zaheer (2014) indicate that leadership styles can affect an employee's job satisfaction level and job satisfaction is an outcome of leadership. Welty Peachey, Burton and Wells (2014) suggest that leadership style can be negatively associated with the intention of an employee to leave an organization. This suggests that leadership behavior or style can mitigate an employee's desire and intention to leave an organization. This is because according to Vandenberghe and Bentein (2009), before an employee considers leaving an organization, such an employee will first assess the position of his/her relationship with the organization. Welty Peachey et al (2014) could include the level of attachment of the employee to the organization and the leader; in the case where this relationship is lessened or negatively affected, then the employee has the tendency to leave such an organization.

2.3 Employees Retention

The concept of employee retention emerged with regularity in 1970's and early 1980's because prior to this, most people entered into organizations and remained for a very long time, sometimes for the duration of their working life. But as job mobility and voluntary job changes begun to increase dramatically, employers found themselves

with the problem of employee turnover and a matching management tool known as employee retention begun to be developed (McKeown, 2002). Retention is a voluntary move by an organization to create an environment which engages employees for long term S.O Michael, (2008). Retention of human resources refers to the attempts to ensure that employees stay in the organization and that voluntary turnover is minimized. The main purpose of retention is to prevent competent employees from leaving the organization as this could have adverse effects on productivity and service delivery. Chiboiwa, Samuel, Chipunza (2010). Michael (2008) contends that retention allows senior and line managers to attract and effectively retain critical skills and high performing employees. The objective of retention policies should be to identify and retain committed employees for as long as is mutually profitable to the organization and the employee (Sutherland, 2000).

2.4 Role of Leadership Styles and Employees Retention

One of the critical roles of management is to create a work environment that will endear the organization to employees. It also includes influencing these employees' decision to be committed and remain with the organization even when other job opportunities exist outside the organization (Michael, 2008). Price (2001) observed that the role of leadership and supervisor is crucial in staff retention, and argues that employees leave managers not companies. Spector (1997) organizations can no longer afford to leave the responsibility for keeping well performing employees in the hands of the Human Resource Departments. Responsibility and accountability for retaining talent need to move out to the front lines and into the hands of leaders. Leaders

and their skill in building a climate of retention, a culture that speaks to employees in a way that encourages them to stay, will be an organization's best defense against unwanted turnover. Leaders are therefore the secret weapon in keeping valued talent longer. a two-way communication is regarded as a core management competency and a key management responsibility. Leaders should adopt a style that would establish and confirm their leadership authority by means of appearing competent and trustworthy. Effective leaders should guide members in a manner that allows them to contribute to the achievement of the group's overall goal. Mat (2008) Ng'ethe (2012) argue that employees are more likely to remain with an organization if they believe that their managers show interest and concern for them, if they know what is expected of them, if they are given a role that fits their capabilities and if they receive regular positive feedback and recognition. The quality of relationship an employee has with his or her immediate managers elongates employee stay in an organization. Netswera. Rankhumise, Mavundila (2005) cited in Michael, (2008). Gwavuya, (2011) affirms that incompetent leadership results in poor employee performance, high stress, low job commitment, low job satisfaction. Research conducted on the state of South African Training industry indicated that management style was the most prominent retention factor in South Africa (Armstrong, 2010). Chew (2004) found in their research that majority of the employees in organizations surveyed planned to remain with their organizations at least for the next five years because of the prevailing culture of management care. Muindi (2010) observed that leadership behavior has a positive influence on organizational commitment.

2.5 Empirical Reviews

Bernard Muhangi Wakabi (2013) in his studies established that leadership style significantly influences intention to leave of staff and hence there is need to embrace a leadership style that promotes staff retention. Also, Nwokocho, Izidor and Iheriohanma, (2015) in their studies argued that employees' retention and performance can be achieved through the adoption of appropriate leadership styles that will align business strategies with employees' motivation and morale. Similarly, Fatemeh Hamidifar (2013) in her study found that the dominant leadership styles were transformational and transactional and employees were moderately satisfied with their job. The results show that different leadership style factors will have different impacts on employee job satisfaction components.

2.6 Theoretical Review

There are several theories that can be applied to explain the assessment of leadership styles on employee retention in an organization: Douglas McGregor (1960) theory X and theory Y proposes two contrasting views of human motivation and Management. Theory X – assumes that employees are inherently lazy and unmotivated, and must be controlled and coerced to perform. Theory Y assumes that employees are intrinsically motivated and capable of self-direction, and that a participative management style is more effective. McGregor argued that theory Y was more effective in fostering employee encouragement and performance, and it remains influential in organizational behavior and management theory. Similarly, Bass, (1985) opined that emphasis should be on inspiring and motivating employees through vision, passion, and development.

3.0 Methodology

This article is based purely on literature review. It adopts an exploratory design trying to establish what is available in the literature concerning leadership styles and employee retention. There is sufficient literature on leadership styles, staff and retention. This paper is meant to establish the dominant views from empirical studies about how leadership styles influence employees' decisions to stay or leave the organization.

4.0 Findings and Discussion

The study revealed the following findings:

- i. Transformational leadership positively impacts employee retention in Nigerian banks. Employees under transformational leaders are more motivated and committed to their organizations.
- ii. Transactional leadership has a moderate influence on employee retention. It is effective in certain situations but may not be sufficient on its own for long-term retention.
- iii. Servant leadership is positively associated with higher employee retention rates. Servant leaders foster a culture of support and cooperation within the organization.
- iv. Laissez-faire leadership is generally detrimental to employee retention. Lack of guidance and support can lead to disengagement and higher turnover rates.

5.0 Conclusion and Recommendations

The study concludes that Transformational leadership is a valuable leadership style for

enhancing employee retention in the Nigerian banking sector. It fosters a positive work environment and increases employee engagement, Transactional leadership can contribute to employee retention in the Nigerian banking sector, but it may not be as effective as transformational leadership, Servant leadership is crucial for employee retention in the Nigerian banking sector, as it creates a supportive and nurturing work environment, Laissez-faire leadership is detrimental to employee retention in the Nigerian banking sector and should be minimized or avoided. The study makes some policy recommendations as follows:

- i. Encourage and develop transformational leadership skills in bank management. Provide leadership training programs to promote transformational leadership qualities among managers.
- ii. Combine transactional leadership with other leadership styles, such as transformational leadership, for a more comprehensive approach. Monitor and adapt transactional leadership methods to align with employee needs and expectations.
- iii. Promote servant leadership principles among banking leaders. Recognize and reward leaders who demonstrate servant leadership qualities.
- iv. Discourage laissez-faire leadership practices within the banking sector. Implement clearer expectations and performance standards for leaders to prevent this leadership style.

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An Assessment of the Effect of Entrepreneurship Education on Job Creation in Gombe State

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Dates:

Received: 2 Oct., 2023

Accepted: 30 Oct., 2023

How to cite this article:

Michael, M. M., Hamza, H. D. (2023). An Assessment of the Effect of Entrepreneurship Education on Job Creation in Gombe State. *Creative Business Research Journal* 3(2), 115-127

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Department of Business Administration

Abstract

Entrepreneurship education is necessary for gainful self-employment and self-reliance in making resourcefulness of the people which to a great extent, relates to the level of quality of the purposeful development of education in Gombe state. The study investigated how our graduates are getting along about employment, job creation and entrepreneurship development. Three research questions guided the study. The questionnaire titled the effect of entrepreneurship education on Job Creation on a 4 Likert scale of 1 to 23 items was used for data collection from three higher institutions in Gombe State. The data was analysed using population t-test and the results were tested at 0.05 level of significance. The results revealed that level of skills acquired after completing entrepreneurship course are significantly very highly. The findings also demonstrate that exposure of undergraduate students to entrepreneurship education will stimulate entrepreneurial drive-in students which is a significant factor in job creation for poverty alleviation. The study recommended that prominence should be placed on practical vocational trainings as well as technical education while the provision of basic infrastructures, such as electricity, technological equipment of laboratories, qualified teachers for quality teaching and workshops to support the teaching of entrepreneurship courses should be given the utmost priority, similarly, some relevant government agencies should engage in periodic sensitizing students on their statutory mandates.

1.0 Introduction

Job creation is critical to the development of the society and is fundamental in reducing poverty, especially in developing

economies like Nigeria. The World Bank prioritized job creation in terms of its quality and availability, especially for the 3.7 million young people expected to reach working age every month globally from 2020-2030, (World Bank, 2023). The rate of job creation is seen as one of the most important indicators of a nation's well-being and one of the most pressing problems in developing economies is the creation of quality jobs as depicted by Result in Education for All Children (REACH, 2023) in which out of the 5 billion people who made the working age population, 84% live in developing countries, mostly working in the informal sector. Global Economy Outlook (2023) posits that unemployment will continue to be a challenge due to the slower-than-required economic growth and the inability of the economy to absorb the 4 to 5 million new entrants into the Nigerian job market every year.

Unemployment is one of the macro-economic problems which every government is expected to monitor, regulate and ensure that it is kept at the minimal level, as every economy is characterized by both active and inactive populations. The labour force, which is the economically active ones, are referred to as the population willing, available and able to work, including those actively engaged in the production of goods and services as well as those who are unemployed. The International Labour Organization (2022) looks at the unemployed as number of the economically active population who are without work but available for and seeking for work, including people who have lost their jobs and those who have voluntarily left work. The World Bank (2023) explained that unemployment refers to a situation where people who are willing and capable of working are unable to find suitable paid employment (Olaleye & Omotayo, 2019).

Entrepreneurship education has received the much-needed attention on a national level but much need to be done. Several attempts have been made through research, mounting of entrepreneurial courses and programmes in both institutions of learning and entrepreneurship research agencies for the purpose of developing both entrepreneurship spirit and culture among the populace. These attempts include the establishment of the National Directorate of Employment (NDE), National Poverty Eradication Programme (NAPEP), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Youth Empowerment Scheme (YES), Npower scheme as well as the establishment of the national committee on job creation (Ogundele et al., 2019). Underlying Gsuccessful in equipping them with desirable skills and competences required for job creation and self-employment (Kolawole & Omolayo, 2016). Therefore, this paper seeks to examine the effect of entrepreneurship education on job creation in Gombe state.

Objective of the Study

1. To examine the effect of Career Intention on Job Creation in Gombe state.
2. To evaluate the effect of Poverty Alleviation Programmes on Job Creation in Gombe State.
3. To evaluate the Effect of Gainful Self Employment on Job Creation in Gombe state.

Hypotheses

H0₁: career intention has no significant effect on job creation among undergraduate students in Gombe State.

H0₂: Poverty alleviation programs has no significant effect on Job creation among undergraduate students in Gombe State

H0₃: Gainful self-employment has no significant effect on in Gombe State and poverty alleviation among undergraduate students in Gombe State

2.0 Literature Review

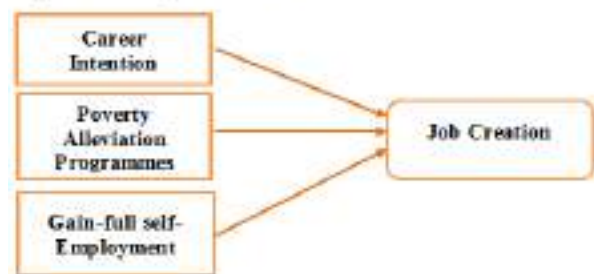
2.1 Concept of Entrepreneurship Education

Entrepreneurship education has been described as a formal structured learning that inculcates in students the ability to identify, screen and seize available opportunities in the environment in addition to skill acquisition (Jones & English, 2014). Okifo and Ayo (2013), defined entrepreneurship education as the type of education designed to change the orientation and attitude of the recipient. In the process, the student acquires skills and knowledge to enable him set up and manages a business enterprise, be self-productive and alleviate poverty. Onuma (2019) asserted that it is a form of education that provides programmes which are designed to produce competent and skilled manpower for the various sectors of the economy. According to Igwe et al (2013), it is a specialised training given to students of technical education to acquire abilities and capabilities for self-employment rather than paid employment.

Scholars such as Yahya, 2011; Fayolle, et al., 2016; and Sofoluwe, 2017; Hameed et al. (2022) are of the opinion that the overall objective of entrepreneurship education in the university system is continuously foster entrepreneurship culture among students and faculty with a view of not only educating them but also supporting students of the system towards establishing and also maintaining sustainable business ventures. According to Kolawole and Omolayo (2016) the primary focus of entrepreneurship education is to develop entrepreneurship skills and attitude or qualities necessary for successful entrepreneurship.

Entrepreneurship education according to OECD (2022) is an indicator program that can be described as a training that stimulates learners to better their lives by generating value through the creation or expansion of economic activities, identification and exploiting new products, processes or markets. While on the other hand, the major challenge affecting entrepreneurship education is inadequate funding of which has negatively affected the implementation of entrepreneurship curricular, a fact that is attested to by National Universities Commission (NUC), National Board for Technical Education (NBTE), and National Commission for Colleges of Education (NCCE) (Gabadeen & Raimi, 2012). A bigger problem slowing down the progress of entrepreneurship education particularly in Gombe State is students' erroneous perception that entrepreneurship education as a general course is forced on them by government just to increase their academic workload.

Figure 1: Conceptual Framework



2.2 Conceptual Issues and Review

2.2.1 Concept of Education

The term education originated from a Latin word “*Educatum*” which means an act of teaching or training. Education seeks to develop and nourish the innate good qualities and draw out the best in every individual. This means educating an individual is an attempt to give some one desirable knowledge, understanding, skills, interests, attitude as well as to engage in

critical thinking. The World Bank (2023) defined education as a human right, a powerful driver of development as well as one of the strongest instruments for reducing poverty and the most important factor to ensure equity and inclusion. The Federal Ministry of Education (2014) defined education as an instrument par excellence for effective national development, geared towards self-realization, better human relationship, individual and national efficiency, effective citizenship, national consciousness, national unity as well as towards social, cultural, economic, political, scientific and technological progress. Taiwo (2017) sees education as the means through which individuals acquire adequate and appropriate knowledge, skills, attitudes and values known as cognitive, psychomotor and affective behaviours to be able to function optimally as a citizen. Invariably, education is a means of preserving, transmitting and improving the culture of any society. Mitchell (2015) regards education as a key to training individuals towards a reliable state of mind since it is an act that has a formative effect on the mind, character or physical ability of the individual. Likewise, Fafunwa (2013) asserted that education is the aggregate of all the processes by which the child or young adult develops the abilities, attitudes and other forms of behaviour which are positive to the society in which he lives. It is a powerful instrument devised by man for improving his lot which entails inculcating the right attitudes, values, norms, abilities and skills in an individual to enable him to be a functional member of the society (Reynolds, 2018).

2.2.2 Concept of Entrepreneurship

Entrepreneurship is believed to be full of uncertainties as it is ridiculous to overlook the soaring likelihood of disappointment (Fan-Osuala 2021). Ndifon, Usoro and

Edem (2014) posited that it involves a specialized training as a source of employment generation. This is because entrepreneurial activities have been found to be capable of making positive impact on the economy of a nation and on the quality of life of the people (Adejumo, 2022). It is the act of being an entrepreneur which is seen as one who undertakes innovations and transforms them into economic goods and services, However, not all entrepreneurs can launch their businesses, and fewer can grow enough to breed the labour market (Deen & Gupta, 2021; Ayandike, Emeh & Ukah, 2012).

Accordingly, Nwangwu 2017; Oviawe 2019; Omolayo 2016 define entrepreneurship as the process of bringing together the factors of production: land, labour and capital to provide goods and services for public consumption. Entrepreneurship is the acquisition of skills and ideas for creating employment for oneself and others. Aina and Salako (2018) posits that entrepreneurship can be described as the willingness and ability of an individual to seek out investment opportunities and take advantage of scarce resources to exploit the opportunities profitably. The study further sees it as the process of creating something new with value by devoting the necessary time and efforts, assuming risks and at the end receiving resulting reward. Furthermore, Ezegbe et al. (2013) regards entrepreneurship as the art and process of planning, organizing and co-ordinating human and material resources skilfully towards the achievement of a business goal while Dickson et al. (2018) and Salami, (2011) identifies two forms of entrepreneurship; Opportunity – Based Entrepreneurship: This occurs when an entrepreneur perceives a business opportunity and chooses to pursue it. Such

entrepreneurs recognize economic slowdown as the perfect time to pursue new market opportunities. In addition, recession tend to favour the naturally innovative temperament of entrepreneurs. Necessity – Based Entrepreneurship: This occurs when an entrepreneur is left with no other viable option to earn a living. It is borne not as a choice but compulsion which makes him or her choose entrepreneurship as a career.

The National Policy on education made it clear on the need for functional education; education to be relevant, practical and based on the acquisition of appropriate skills and development of competencies, as equipment for the individual to live in and contribute to the development of the society (Rudhumbu et al., 2016); Aladekomo, 2014). Entrepreneurship has been recognized as an important and sustaining aspect of any economy (Dickson et al., 2018). Entrepreneurship is more than simply starting a business as it contributes in immeasurable ways towards creating new jobs, wealth creation, poverty reduction and income generation for both government and individuals.

2.3.2 Entrepreneurship Education and Job Creation

Job creation often refers to government policies, private sector activities and programmes intended to reduce unemployment. Job creation may take a variety of forms such as lowering taxes and reducing stringent regulations to make hiring less expensive. On the other hand, government may hire workers for direct labour to build roads or bridges. Job creation is no doubt, a pressing topic in Nigeria, it takes centre stage with policy makers at all levels of governments and stakeholders struggle with the fact that despite several years of professed annual growth, unemployment remains high (Igwe, et al.,

2013; Global Entrepreneurship Monitor, 2023). Job creation is critical to development and fundamental for reducing poverty in Nigeria as Umar (2021) sees job creation as the process of providing new jobs especially for people who are unemployed, the process of providing own job or the process of making jobs available for others. In the context of this study, job creation refers to the process by which the number of jobs in the economy increases the provision of new opportunities for employment especially for those who are unemployed. (Federal Ministry of Labour and Productivity, 2020; Shafiu, et al., 2020).

2.3 Empirical Review

2.3.1 Entrepreneurship Education and Career Intention of Students

Qin and Chen (2023) examine how the government's policymaking and national entrepreneurship culture regulate entrepreneurship-based job creation, from National expert survey of the Global Entrepreneurship Monitor, the study compiled 417 observations from 39 European and North American countries between 2002 and 2020 and proved the partial mediation effect of entrepreneurial behaviour on the relationship between individuals' entrepreneurial intention and job creation while suggesting that institutional changes should be mobilised to relieve the pressures on small business owners.

Tajpour and Hosseini (2021) asserts that entrepreneurship education seeks to change the mindset and attitudes of people in order to equip them with the various skills that are needed to successfully plan, launch and manage their own businesses.

Ibe (2018) stated that entrepreneurship education could be conceptualized as the type of educational process geared towards

equipping students with creative and innovative ideas that will enhance self-employment and job creation. Entrepreneurial individuals establish jobs for themselves and employ other people to work for them thereby reducing the level of unemployment. Entrepreneurship education is a purposeful intervention by teachers in the life of the student to survive in the business world. The process of entrepreneurship education equips students with the necessary knowledge, capabilities, skills and attributes that are needed in establishing a new business.

Ekpo and Edet (2011) explore the impact of entrepreneurship education on career intentions of 500 students drawn from two universities in Akwa Ibom and Cross River states. Frequency counts, percentages and population t-test were the statistical technique used in analysing the data collected for the study. Results from the study revealed that majority of the respondents (undergraduates) prefer to be in the employment of others, which is an indication of high preference for remunerative jobs. In the same vein, Obianuju et al., (2016) investigate the influence of intentional entrepreneurial skill acquisition on job creation in Benin City. Pearson's Product Moment Correlation was used to analyse the data. The study revealed that acquisition of entrepreneurial skills is an indispensable means of making jobs available.

2.3.3 Entrepreneurship Education and Poverty Alleviation

Buba et al (2018) defines poverty in terms of social exclusion perspective, as a multidimensional occurrence in which not only economic forces, but the interaction of both demographic and socio-cultural forces that result in deficiency or lack of basic amenities, assets or income.

Ogundele et al (2019) investigates the intensity of entrepreneurship training and education as strategic tools for poverty alleviation in Nigeria. Simple regression analysis was used to test hypotheses of a sample of 312 respondents. The result revealed significant contribution of entrepreneurship training and education on poverty alleviation through youth empowerment. With regard to self-productivity,

Sofoluwe et al (2013) investigates the prospect of repositioning entrepreneurship education as a strategy for boosting human capital development and employability of 150 federal tertiary students in Lagos State. The result of the study indicated that there exists a significant relationship between entrepreneurship education, employability, wealth creation, youth empowerment, economic development, technological progress and competitiveness of labour. This will aid the acquisition of skills and competence that will adequately prepare graduates to take up self-employment in form of job creation as career option, thereby alleviating poverty and contributing to the overall development of Gombe State and Nigeria at large.

Determining the relationship between Entrepreneurship Education and the role of the University in informing Career choices for Employability, Hassan et al.,(2021) posits that career choice is a significant issue in the developmental live of youths because it is reported to be associated with positive as well as harmful psychological, physical and socio-economic inequalities that persist well beyond the youthful age into an individual's adult life (Bubic & Ivanissevic, 2016). The authors referred to the intrinsic dimension as a set of interests related to a profession and its role in society. Extrinsic refers to the desire for social recognition and security

meanwhile the interpersonal dimension is connected to the influence of others such as family, friends, and teachers. Therefore, intrinsic factors relate to decisions emanating from self, and the actions that follow are stimulated by interest, enjoyment, curiosity or pleasure and they include personality traits, job satisfaction, advancement in career and learning experiences while extrinsic factors revolve around external regulations and the benefits associated with certain occupations (Shoffner et al., 2015).

2.4 Theoretical Framework

2.4.1 The Trickle-down Theory of Poverty Reduction

Poverty reduction by means of economic development is a very important idea of the Neo-classical economists with the assumption that more jobs will be created and the poor will benefit from them as the economy develops. After World War II, many developing countries adopted this policy, while double aims of economic development and poverty alleviation was not realized simultaneously. After drawing lessons from the unsuccessful application of this theory in developing countries, the World Bank advanced a new strategy to poverty reduction known as the trickle-down theory. Its key idea is that the developing countries should adopt a labour-intensive strategy aimed at increasing employment so

as to help the poor and move the economy towards development (Zakwai, 2016). The theory advocates that within given enterprises, the production mode should have more use of labour than machines so that those who are unemployed would find work to do. By this approach, the trickle-down theory of poverty reduction links poverty reduction to employment and then to economic development. For an entrepreneur to earn a profit that is seen as positive one undergoes risks and therefore, this study adopts the theory as the basis that leads to poverty reduction through employment strategies by the entrepreneur.

3.0 Methodology

This study adopted the Correlational research design in establishing the relationship between two or more variables in relation to the population. The Population of the study consists of all final year students of the Federal College of Education, The Federal University (Kashere) and Gombe State University (GSU). The sample size was calculated using Krejcie and Morgan (1970) sample size determination table. In estimating the sample size, 95 percent confidence level was used. The population for the study therefore is two thousand five hundred and four (2,504) while the sample population is 333 respectively. Table 1 is showing the distribution of the population.

Table 1: Sample Distribution of Questionnaires

S/N	Institutions	Population	Sample Size	Percentage (%)
1	Gombe State University	942	123	37.6
2	Federal College of Education	1,023	133	40.9
3	Federal University of Kashere	539	77	21.5
	TOTAL	2,504	333	100%

Source: *Author's Computation (2023).*

Mean and standard deviation was used to answer research questions and the results will be interpreted using criterion measure as follows: 2.50 will be regarded as a bench mark for decision criterion. Any attribute from 2.50 and above will be presumed satisfactory while attributes below will be presumed unsatisfactory or inadequate.

4.0 Data Analysis and Discussion of Results

This section presents the result of the analysis of data collected and to test the null hypotheses that guided the study. Altogether, 333 copies of questionnaire were administered to the respondents, however, a total of 291 questionnaires were properly returned and completed adequately. This therefore represents a response rate of 87%.

Table 2: Socio-demographic Distribution of Respondents

Variable	Description	Frequency	Percentage
Gender	Male	167	57.4
	Female	124	42.6
	TOTAL	291	100
Age	16-20	50	17.2
	21-25	60	20.6
	26-30	140	48.1
	31-35	21	7.2
	Above 36	20	6.9
	TOTAL	291	100
Year of Study	300 level	115	39.5
	400 level	128	44
	500 level	48	16.5
	Total	291	100
School	FUK	72	24.7
	GSU	110	37.8
	FCE(T)	109	37.5
	Total	291	100

Source: Author's computation, 2023

Table 2 depicts that 124 respondents represented by 43% were females while 167 respondents (57%) were males, most of the respondents are within the age bracket of 26-30 as they are 140, while the distribution of respondents based on year of study portrays that most are in 400 level and based on institution, the table shows that 110

respondents (37.8%) are from Gombe State University, 109 respondents (37.5%) are from Federal College of Education (T) Gombe and 72 respondents (24.7%) are from Federal University of Kashere respectively.

4.1 Descriptive Data Analysis

Table 3: Mean and Standard Deviation of Respondents on the Effect of Career Intention

S/N	ITEMS		SD	Dec
1	I have identified available career options through entrepreneurship education.	3.8	.024	A
2	I have gained a good understanding of economics and free enterprise to start and sustain a new business.	3.3	.039	A
3	I know about the practical details needed to start a business	3	.048	A
4	Entrepreneurship Education provides necessary training skills required in meeting the country's man power needs.	2.9	.06	A
5	Developing business ideas will be easy for me.	3.8	.04	A
6	Entrepreneurship Education provides the training that will inspire creativity and innovation in identifying business opportunities.	3	.06	A
7	Entrepreneurship Education gives opportunity to utilize ones potentials.	3.3	.03	A
8	I can identify creative ways to get things done with limited resources.	3.2	.07	A
9	Entrepreneurship Education enhances the type of training and support for building a career in small and medium scale business.	2.6	.06	A
10	Entrepreneurship Education leads to the development of indigenous entrepreneurship and increase utility of local resources.	2.4	.05	R
	N=291			

Key: N = Number of respondents, = mean, SD = Standard Deviation, Dec. = Decision.

Result presented in Table 3 showed the mean and standard deviations of respondents on the roles of Entrepreneurship Education in job creation for sustainable national development in Gombe State. The items had an overall mean rating of 3.1 with the overall mean standard deviations of 0.048

respectively. This result showed that the items are the roles of entrepreneurship education in job creation for sustainable national development in Gombe State especially in the identification of available career options through entrepreneurship education

Table 4: Mean & Std. Dev. of Respondents on the challenges of Entrepreneurship Education

S/N	ITEMS		SD	Dec
11	Lack of perseverance on the part of the student is one of the inhibitors to entrepreneurship education	2.76	.06	A
12	I Absence of self-confidence on the part of the student is one of the problems of entrepreneurship education.	3.11	.05	A
13	Lack of mental ability on the part of the students hinders entrepreneurship education.	3.00	.04	A
14	Inability of the student to communicate well hinders entrepreneurship education	3.33	.04	A
15	A lot of students do not consider entrepreneurship class as an ideal place to learn about how to start a business.	3.22	.02	A
16	Students lack access to grant or capital to start up after graduation.	3.67	.03	A
	N=291			

Table 4 presents the mean and standard deviations of respondents on the challenges of Entrepreneurship Education affecting job creation for sustainable national development. Result showed that items had an overall mean rating of 3.18 with an overall mean standard deviation of 0.04 respectively. This result showed that the items and especially, students

not considering entrepreneurship class as an ideal place to learn about how to start a business as well as the lack of access to capital or grant after graduation are the main challenges of entrepreneurship education affecting job creation for sustainable national development in Gombe State.

Table 5: Mean and Std. Dev. of Respondents on the Roles of Entrepreneurship Education

S/N	ITEMS		SD	Dec
17	Being an entrepreneur would give me financial freedom through self-employment.	3.22	.05	A
18	Being an entrepreneur would give me great satisfaction	3.12	.03	A
19	The standard of living of people can be improved through job creation.	3.11	.03	A
20	A clear understanding of entrepreneurship education and the correct application of skills to create jobs can greatly influence self-empowerment for better living.	3.34	.04	A
21	Lack of entrepreneurship skills is responsible for the high rate of poverty in the society.	3.56	.04	A
22	People would be better off financially as entrepreneurs than engaging in paid jobs.	3.46	.06	A
23	Entrepreneurs live up to expectation as bread winners of their families.	3.78	.02	A
24	I cherish entrepreneurship as a family tradition.	3.56	.05	A
25	Being an entrepreneur improves one's quality of life.	3.56	.03	A
26	Being an entrepreneur would give me financial freedom through self-employment.	3.22	.03	A
N=291				

Result presented in Table 5 showed the mean and standard deviations of respondents on the roles of Entrepreneurship Education on poverty alleviation of undergraduate students. The items had an overall mean rating of 33.93 with the overall mean standard deviations of 0.038 respectively and depicting the roles of Entrepreneurship Education on poverty alleviation through a clear understanding of entrepreneurship education and the correct application of skills to create jobs can greatly influence self-empowerment for better living while showing that lack of entrepreneurship skills is responsible for the high rate of poverty in the society.

4.2 Hypotheses Testing

H0₁: There is no significant relationship between career intention and job creation among undergraduate students in Gombe State.

Table 6: Career Intention and Job Creation.

Variables	X	Std.	t-cal	t-crit.	Sig
Career Intention	1.2	6.6	1.6	1.8	.000
Job Creation	2.3	1.14			

From table 6, t-calculated (1.6) is less than t-critical (1.8) at 5% level of significance. This implies that, the relationship between career intention and job creation was not statistically significant. The null hypothesis which stated that there is no significant relationship between career intention and job creation was rejected.

H0₂: There is no significant challenge between poverty alleviation programs and Job creation among undergraduate students in Gombe State

Table 7: Poverty Alleviation Programs and Job Creation among undergraduate students in Gombe State

Variables	X	Std.	t-cal	t-crit.	Sig
Poverty Alleviation	1.3	0.711	2.8	1.6	.000
Job Creation	2.4	1.15			

The result revealed that, t-calculated (2.8) is greater than t-critical (1.6) at 5% level of significance. This implies that there is no significant challenge between poverty alleviation programs and Job creation among undergraduate students in Gombe State. Therefore, the null hypothesis which

stated that there is no significant challenge between poverty alleviation programs and Job creation among undergraduate students in Gombe State was accepted.

H03: There is no significant relationship between gainful self-employment and job creation among undergraduate students in Gombe State

Table 8: Self-Employment and Job Creation

Variables	X	Std.	t-cal	t-crit.	Sig
Self-Employment	1.3	0.710	2.5	1.6	.001
Job Creation	2.4	1.15			

Table 8 shows that t-calculated (2.5) is greater than t-critical (1.6) at 5% level of significance. This implies that there is a positive relationship between gainful self-employment and job creation among undergraduate students in Gombe State.

5.0 Conclusion and Recommendations

The study was designed to examine the skills undergraduate students acquire after completing an entrepreneurship education course and also to determine the relationship that exist among the entrepreneurship skills of students and their entrepreneurial career intention, self-productivity and poverty alleviation as its purpose. The findings revealed that undergraduate students acquire entrepreneurship skills after completing an entrepreneurship education course. The finding also demonstrates that there is a high and positive relationship between entrepreneurship education and poverty alleviation. The findings are in line with Hameed et. al, (2022); Ogundele, Akingbade and Akinlabi (2019); Akpomi, (2018) which revealed that entrepreneurship education is a strategic tool for poverty alleviation in Nigeria and that lack of entrepreneurship skills among youth is responsible for the high rate of poverty in the society.

Therefore, this paper concludes that the skills undergraduate students acquire after completing courses in entrepreneurship education significantly influences their entrepreneurial career intention, self-productivity and poverty alleviation.

Based on the findings and conclusions drawn, the following recommendations have been made; Educators should demonstrate high level of commitment to the teaching of entrepreneurship education. The overseeing officers of the affairs of the Universities should ensure that Lecturers assigned to teach entrepreneurship education are specialists in the field. Experts with practical experience in entrepreneurship from the industry could also be engaged on full or part-time arrangement. Finally, the Federal government support agencies such as the NDE, SMEDAN as well as Bank of Industry (BOI) should engage in periodic visit to Universities for the purpose of sensitizing students on their statutory mandates and how the agencies can assist willing entrepreneurs in facilitating job creation and self-employment that will culminate to national development.

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Effect of Political Environment on the Performance of Small Medium-Scale Enterprises in Gombe State, Nigeria

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Dates:

Received: 2 Oct., 2023
Accepted: 30 Oct., 2023

How to cite this article:

Adamu, H. S., Abubakar, A. A., Yohanna, Y. (2023). Effect of Political Environment on the Performance of Small Medium-Scale Enterprises in Gombe State, Nigeria. *Creative Business Research Journal* 3(2), 128-138

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Abstract

This paper assessed the effect of political environment (government policies, political stability and government support program) on the performance of small and medium scale enterprises of Gombe State. The objective of the study is to determine the relationship between political environment and efficiency of small-scale enterprises in Gombe State. The study utilized different related literatures sourced from current journal articles, textbooks, and previous research of scholars that are related to the study. Some of the preliminary findings showed that all the factors in political environment have a significant effect on the efficiency of SMEs' performance. Therefore, the study recommended that organizations should be environmentally conscious and constantly monitor and conduct environmental scanning to enable them to have a better understanding of the business environment that in turn, affects their performance.

Keywords: *Political environment, SMEs Performance, Efficiency*

1.0 Introduction

Small and medium-scale enterprises (SMEs) have been discovered to be a major force in a nation's economic expansion (Schmiemann, 2019). Their contributions to the economic growth of any nation cannot be disregarded. According to Mutula and Brakel (2016), both developed and developing nations consider small and medium-sized firms (SMEs) as the primary driver of economic growth and as a key element in fostering private sector partnership and development. They have aid in job creation and are frequently regard as being crucial to the development and

innovation of dynamic economies. The formation of strong Small and Medium Enterprises (SMEs), which will afterwards develop to become significant actors in the growing economy, can lead to economic growth and development in Africa. Small and medium-sized businesses (SMEs) are contributing more and more to the national and global economies. Owoeye (2021) asserts that SMEs are flexible and quick to adapt to changing market demands, which helps to diversify economic activities that significantly contribute to import and export

Small and medium-sized businesses play a key role in the overall development of the economy through fostering their degree of competitive resistance, productivity growth, and external benefits to the economy. However, once this level is reached, efforts are focusing on getting the government involved and supporting the country's social benefits. A scenario where in the implementation of institutional changes and direct government financial support for Small and Medium Enterprises (SMEs) can promote economic development and growth. Advocates of Small and Medium Enterprises (SME) support also frequently assert that these businesses are generally more productive than larger businesses. Some of the proponents like Ngige (2016), Graafland and Bovenberg (2020) believe that the growth of small and medium-sized businesses (SMEs) increases employment more than the growth of larger businesses since SMEs are seeing to be more labor-intensive than larger businesses (Mark & Nwaiwu 2015). In Nigeria, the unemployment rate is currently expanding in a geometric progression at an alarming rate of 33.3% (Owoeye, 2021). The economy is struggling more and more to keep up with the declining Nigerian economy. The reason is that Nigeria's economic potential is constrained by many structural issues,

including inadequate infrastructure, tariff and non-tariff barriers to trade, obstacles to investment, lack of confidence in currency valuation, and limited foreign exchange capacity. Many experts have urged the development of an environment that will allow small businesses to flourish, they cited Asian "Tigers" like Malaysia, China, South Korea, Indonesia, Singapore, and Thailand, where both the government and citizens work together to support successful and long-lasting small and medium scale enterprises in their nations. These countries recognize the importance of small and medium scale industrial development.

The contribution of SMEs to the economy remains small in Gombe State, despite the efforts and contributions of both the former and current administrations to support this sector. This is seen in the state's GDP, revenue, unemployment, and efforts to reduce poverty. The unemployment rate is extremely high in this state, and many people still live in poverty. The rate of poverty in Gombe state as at 2019 was 62.31% and in 2020 was 74.6% respectively (WB, 2020). Iromaka (2016) identified a significant barrier preventing SME advantages from being realized as a shortage of credit. Despite the different issues that arise in the construction of small firms, small and medium enterprises are essential to the development of the Nigerian economy. Resulting to poor government policies on tariffs and incentives, bribery and corruption, the absence of entrepreneurial development centers, and the poor state of Nigeria's infrastructure, Graafland and Bovenberg (2020) concluded that, the output of SMEs does not significantly contribute to the country's economic growth performance. Perhaps, this study aims to investigate how the political environment affects the performance of Small and Medium Scale Enterprises

(SMEs) in Gombe State, Nigeria. The major purpose of this study is to determine the effect of political environment on the performance of small and medium scale enterprises in Gombe State.

1.3 Aim and objectives

The study aims to investigate how the political environment affects the performance of Small and Medium Scale Enterprises (SMEs) in Gombe state.

The objectives of the study are as follows :

- i. To examine the relationship between political stability and SME performance in Gombe state.
- ii. To investigate the impact of government policies on SMEs in Gombe state.
- iii. To explore the challenges that SMEs face in the political environment of Gombe state.

2.1 Literature Review

2.2 Small and Medium Scale Enterprises (SMEs)

Small businesses are the foundation of free enterprise in this nation, and the majority of its thriving industries today fall into this category. Small business owners and entrepreneurs are frequently used interchangeably. According to Ngige (2016), a small business owner is not always an entrepreneur, but an entrepreneur can also be a small business owner. People's views on what constitutes small businesses vary widely. The study define what a small and medium scale business is using definitions provided by certain Nigerian organizations in light of the inconsistent and conflicting views on small business. According to the Central Bank of Nigeria's (CBN) lending guidelines number 25 of 1991, any business with a working capital under five million

naira is consider small-scale. Additionally, CBN (2020) defines a small and medium scale firm as any enterprise with yearly sales and turnover of less than N500, 000 and fewer than 10 employees. The Companies and allied matters Act (CAMA) No.1 of 1990 section 37 (2) sees a small business as a company whose Net Asset is not more than one million Naira. Ngige goes on to say that a tiny firm today might not be small tomorrow, and it might not be a small business to someone else. The problem is that some companies in our nation today are classified as small and medium-sized corporations. As a result, small business owners should receive enough attention to promote productivity.

Small and medium-sized businesses (SMEs) do not have a standard definition. According to Agbim (2020) the standards for classifying an enterprise as small, medium, or large depend on whether the nation is a developed or developing one. For instance, a tiny business in one nation might be a major enterprise in another. Therefore, SMEs in Nigeria are organizations with a total employed capital of not less than N1.5 million, but not exceeding N200 million, including working capital, but excluding cost of land, and/or with a staff strength of not less than 10 and not more than 300, according to the Small and Medium Industries Equity Investment Scheme.

2.3 Political Environment

The operating environment for business organizations is intricate, dynamic, and has a broad impact on those organizations. Eruemegbe (2015) one challenge that entrepreneurs encounter in their daily operations is their inability to forecast the political landscape. The environment is made up of predictable

and unpredictable variables that were rich and poor, homogeneous and diverse, complicated and simple. The author holds the view that changes in the business environment are related to production factors and that these environmental influences may be stable over time. Eruemegbe (2015) asserts further that political stability affects planning; for instance, no organization wants to open a branch office in a nation where trade relations are not well defined and stable. Porter (1980–1985) contends that a firm's capacity to position and distinguish itself in a particular setting is one of the fundamental components of a firm's competitive advantage. Despite the warnings to stay away from political violence, political antagonism, especially in Congo, Sudan, and Nigeria may not completely disappear (WB, 2020). The external environment is a variable outside of the firm's control that affects its decision on course of action, organizational structure, and organizational procedures. The risk emerging from the political environment, according to Agbim (2020) is a measure of the possibility that the organization's profit may have positive impact either directly or indirectly. Different individuals and groups are responsible for generating different types of political tensions and heat. All of these dangers have the potential to escalate into violence against the business's assets and staff (Mark & Nwaiwu, 2015). Additionally, environmental changes continuously place new demands on a company's ability to perform. In order to keep up with these changes, businesses frequently develop and put into practice methods that recognize and alter how items put together and distribute them to customers.

When conducting an environmental scan, the political climate is a key factor to take into account. This relates to the time before laws are passed when business, society, and the government engage (Baines 2017). Political environmental analysis is a crucial stage in understanding the business environment because it enables businesses to identify potential legal and regulatory influences that may affect their sectors and gives them the opportunity to thwart such effects and change the law. It is important to keep in mind that, if managed well, business-government relations can be a source of long-term competitive advantage, allowing businesses to outperform rivals in their industry (Graafland & Bovenberg, 2020). This is possible if businesses can effectively manage their relationships with the government and regulatory bodies. However, there are elements that have an impact on the business enterprise ability to operate in a favorable environment, power shifts, unfriendly government policies, double taxation, insufficient and ineffective infrastructure. It is impossible to encourage company survival in an environment where enterprises must pay 79 different types of taxes, as was recently widely reported by Nigerian media.

2.3.1 Government policy and Regulation

Policies are rules that are made by organizations, to achieve their aims and goals. Policies are made by individuals, groups, companies, and even governments to carry out their plans. While regulations are rules that are made to make people comply and behave in a certain manner. According to Nayya (2016) a regulation has the effect of a law and is

considered as a restriction that is imposed by authorities, to make people follow the desired code of conduct. Regulations are administrative in nature and allow for smooth operations in an organization or a department whereas policies are general in nature and made to help an organization achieve its goals. Regulations are made by the executive branch of the government whereas policies are made by individuals, organizations, and even governments. Regulations are restrictive in nature and impose sanctions upon people and companies whereas policies are unwritten but help in guiding the organizations to achieve their long term goals. Governments change but the basic foreign policy of a country remains the same (Nayya, 2016).

2.3.2 Political Stability

Political instability is a crisis situation within the country that can be caused by a variety of reasons: government incompetence, economic problems, high crime rates, and so on. Political instability can also be caused by conflict or, conversely, to become the basis of the conflict itself. A condition characterized by uncertain or volatile political circumstances, such as conflicts, governance issues, or changes in government. Political instability can impact business environment in the region (Erkut, 2021). Frequent changes in governments (or attempts to do so), internal dissensions and labor disputes and involvement in border clashes with neighboring countries may also contribute to the political instability of countries.

2.3.3 Government Support Programs

One of the main purposes of government assistance programs is to encourage SMEs to develop and improve their productivity through outside and within the Nigerian

context, research on government support indicates a positive outcome. The increased failure rate of SMEs, on the other hand, suggests the opposite consequence. To address these issues, the Nigerian government has established several agencies to assist SMEs. Keep in mind that not all aid from the Federal Government reaches small businesses directly. Some of them go to the States and Local Governments, charitable groups, and higher education institutions. These organizations then distribute the monies or use them to give local technical or educational help. The FGN helps fund businesses through a variety of government-backed organizations or agencies. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2020) came into existence in 2003. The mission was to stimulate, monitor, and coordinate the creation of initiatives and policies to help small businesses expand. SMEDAN, on the other hand, has been largely ineffectual. Despite repeated demands from civil society groups under the Freedom of Information Act, SMEDAN has refused to give detailed information about the training program's implementation and recipients. SMEDAN is in charge of incentivizing, monitoring, and coordinating the growth of MSMEs in Nigeria. SMEDAN also assists MSMEs in obtaining credit and other sources of capital as part of its responsibilities (SMEDAN, 2020).

The CBN does not lend money directly to SMEs. However, there are several programs through which the CBN lends money to government-run development financing institutions. These institutions lend the funds to commercial banks. Through this, SMEs can borrow at cheap interest rates. The CBN's 220 billion Naira intervention fund (the "Fund"), for example, allocated monies

to each of Nigeria's 36 states and the Federal Capital Territory to guarantee that governors have the resources they need to help SMEs in their areas (CBN, 2020). The MSME Development Fund was launched on August 15, 2013, with CBN's share capital of N220 billion. The Fund was established in recognition of the significant contributions of the Micro, Small, and Medium Enterprises (MSME) sub-sector to the economy and the existing huge financing gap. Ten (10) percent of the Fund has been devoted to developmental objectives such as grants, capacity building, and administrative costs. In contrast, ninety (90) percent of commercial components have been released to Participating Financial Institutions (PFIs) at 2% for on-lending to MSMEs at a maximum interest rate of 9% per annum. The Nigerian Export-Import Bank is tasked with assisting in the export of goods and services from the country. A NEXIM loan is available to businesses engaged in export-related operations. The Bank of Industry's mission is to provide long-term funding to Nigeria's industrial sector. Agriculture, agro-processing, information and communication technology, oil and gas, solid minerals, and the creative industries are all focus areas. SMEs are the engine that propels the country's industrial growth and development. To help the sector develop, the government should focus on fostering it by making low-interest funding more accessible to its players (Obike, 2021).

2.4 Conceptual Framework

The conceptual framework shows the relationship between the independent variable (political environment; government policies and regulation, political stability, government support program, trade agreement, labor laws) and the dependent variable (SME's performance).

Figure 2: Conceptual Framework



Source: Ramasubramanian et al. (2020)

2.5 Empirical Review

Mark and Nwaiwu (2015) conducted research on how Nigeria's political climate affect corporate performance. A summary research design was employed in this study. Business performance was assessed based on company profitability from 1999 to 2013 while political environment was gauge by the level of political instability and lack of violence. Data analysis was carry out using SPSS and regression techniques. The outcome demonstrates that the political environment significantly affects corporate performance. In fact, the findings showed a connection between the political climate and organizational performance.

Subsequently, Graafland and Bovenberg (2020) investigate whether government regulation crowds out intrinsic motivation to improve environmental performance of small- and medium-sized enterprises (SMEs). Motivation crowding is the phenomenon by which external pressures reduce intrinsic motivation. Empirical evidence of motivation crowding by environmental regulations is therefore still lacking. This paper fills both research gaps. Using a dataset of 2,373 SMEs from 12 European countries, the findings show that government regulation enhances environmental performance directly but

harms it indirectly by crowding out intrinsic and extrinsic motivations of business leaders. It only stimulates environmental performance for companies exhibiting low motivation.

Moreover, Razumovskaia *et al.* (2020) aimed at developing a cognitive—econometric model for assessing the effectiveness of the current governmental policies to support enterprises in Russia in the context of pandemic propagation. Using the Granger test and correlation analysis, we formed a system of key indicators that characterizes the economic development of SMEs (small and medium-sized enterprises) in Russia. Based on the revealed causal relationships and correlation coefficients, a model describing the impact of public policy support instruments on SME economic development was built using cognitive modeling. By means of the additive convolution method, the correlation coefficient between the Russia Small Business Index (RSBI) and the COVID-19 prevalence rate was used to predict the 2020 year-end RSBI value. Regarding the RSBI index forecast, the effectiveness of instruments of the state support for SMEs was evaluated. The originality of the research results was determined by the econometric methods applied to empirically assess the effectiveness and degree of impact of governmental measures on the operation of SMEs under conditions of uncertainty.

However, Appiah *et al.* (2020) examined the impact of external business environment on SMEs willingness to invest in the Ghanaian oil and Gas Sector. Using binomial logistic regression analysis was analyzed, primary data from 245 SMEs from Ghana during the period between-2015-2016. The study found that SMEs that had ready access to finance, reliable electrical supply, require technical

qualification, no competition from foreign companies, well informed on Oil and Gas investment opportunity were more likely to invest in Ghanaian oil and gas sector. We also find that corruption perception, political stability and training support in the capacity building had no significant influence on SMEs willingness to invest.

Similarly, Doan *et al.* (2020) investigates the effect of economic uncertainty on the performance of small and medium enterprises (SMEs) over the period 2007–2016. This paper also examines the effects of ownership structure on the relation between Economic Uncertainty and firm performance. We find that an increase in economic uncertainty is negatively associated with the performance of SMEs. Our results also reveal that increased economic uncertainty is associated with a lower performance level for state-owned SMEs, whereas foreign-owned SMEs can better mitigate the negative impact of on their performance than domestic-owned firms.

Additionally, Agbim (2020) determine the contribution of government policy and Financial Inclusion (FI) to the financial and non-financial performance of SMEs in South Eastern Nigeria. The study adopts qualitative methodology. The interview guide was pre-tested for reliability and validity. The study data were generated from purposively selected one hundred and twenty respondents. The audio recorded interview was transcribed and subjected to thematic content analysis. Findings: SMEs that received support from the government recorded marginal financial performance and improved non-financial performance. Also, SMEs that adopted FI strategies and devices experienced improvement in both their financial and non-financial performance. However, SMEs that

combined government, friends and family supports, and FI strategies and devices recorded better improvements in their financial and non-financial performance.

Subsequently, Alabi *et al.* (2019) evaluates the impact of government policies on business growth of small and medium enterprises that operates in six states that made up the South-west geopolitical zone of Nigeria. The study adopted descriptive ex-post facto type and involved both primary and secondary data. The researcher used stratified sampling technique for determination of exact sample population to use for the study. Structured questionnaires were used as the main tools data collection. Both the descriptive and inferential analytical techniques of the SPSS packaged were used to analyze the data obtained from the respondents. The result of this research shows that there is a significant relationship between government policy and business growth of Small and Medium Enterprises (SMEs) in South Western Nigeria. These results indicate the need for the Nigeria government to formulate and implement policies that will help ensure the optimal performance and subsequent survival of small scale businesses in the country.

Additionally, Chittithaworn *et al.* (2019) examined the elements that contribute to the success of SMEs in Thailand. The influential factors that they emphasized were management and expertise, conducting business and collaboration, goods and services, resources and finances, strategy, and the outside environment. Ordinary least square (OLS) used to collect data from questionnaires and used to measure or test the hypothesis that studied. There is evidence that macro factors correlated favorably with SMEs' commercial success.

2.5 Theoretical Review

2.5.1 Power Theory

The poverty power thesis places poverty within the framework of societal political power. The idea holds that poverty is a natural corollary of any situation in which a small number of people hold significant political power and manipulate the economic system to serve their own self-serving interests. It asserts that poverty will persist as long as the poor do not effectively exert pressure on the government to redistribute political power in the society in their favor. This is essentially a Marxian conception of an exploitative property system where opportunities, income, and riches are distributed using the machinery of state power. The accumulation of riches in a small number of people's hands while the vast majority lives in poverty is a result of the same historical trend. Given the propensity of those lacking economic power to pursue political influence in order to gain illicit money, power theory seems more applicable to developing countries.

2.5.2 Dualism Theory (Underpinning)

To meet specific study goals, this study will employ the idea of economic dualism. The idea of multiple societies in developing nations like Nigeria is implicit in ideas about economic structure and structural transformation. A common idea in development economics is dualism. It shows how the gap between the rich and the poor, the formal and unofficial sectors, and the traditional and modern sectors is widening. Dar, et al. (2017) assert that the following main arguments support the idea of dualism: The coexistence of two conditions—one superior and controlled (the official sector), the other inferior and unregulated (the informal sector) is a persistent phenomenon. The interaction between the formal and informal sectors achieves little to nothing to lift the informal sector; therefore,

coexistence is not a transitional practice. It might finally push it down to encourage the informal sector's underdevelopment.

3.0 Methodology

The study Effect of Political Environment on the Performance of Small and Medium Scale Enterprises (SMEs) in Gombe State employed a variety of connected literatures and other sources, including textbooks and previous research by scholars. To review the literature and form a conclusion, the study used content analysis technique.

4.0 Discussions of Findings

The results showed that the Gombe state's SMEs perform poorly because of the political climate. The literature review also showed that the effectiveness of small-scale enterprises is dependent on and sensitive to the political climate. This suggests that political instability may be the cause of the inefficiency of small businesses. Another discovery is that the political climate affects and contributes to customer satisfaction. This agrees with Razumovskaia *et al.* (2020) theories, which contend that environmental characteristics and customer happiness are related. A stable political environment promotes work satisfaction and employee retention in an organization.

5.0 Conclusion

Effectiveness and customer satisfaction are essential to the overall success of any SMEs (private or public), and no organization succeeds anywhere in the world when these factors are present. Therefore, based on the data, we draw the conclusion that the political environment and the performance of SMEs in Gombe State are related. It implies that there will be customer discontent and employee turnover in a corporation if the subject of political

instability and crises is not address or taken seriously by the firm.

5.0 Recommendations

After examining the political environment with regard to a few selected small and medium-sized businesses in Gombe state, it is abundantly clear that a positive and stable political climate is essential for the growth and development of SMEs. The majority of small business owners however are unaware of the need of a stable political environment or both manufacturing and trade organizations. Based on the aforementioned, we suggest that:

- i. Environmental awareness increases entrepreneurship's effectiveness and success. Entrepreneurs need to be aware of how the political landscape is changing.
- ii. To sustain consumer happiness, when conducting environmental scanning, proper monitoring will be required.
- iii. In an environment with a volatile political environment, employee retention will not guaranteed. We advise firms to adjust to changes in the external business environment.

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Assessing the Effect of Employees' Diversity on Organizational Performance Among Staff of Federal Teaching Hospital Gombe

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Dates:

Received: 14 Sept., 2023

Accepted: 23 Oct., 2023

How to cite this article:

Mahmud, F. H., Bala, A., & Shehu, R. N. (2023). Assessing the Effects of Employees' Diversity on Organizational Performance among Staff of Federal Teaching Hospital Gombe. *Creative Business Research Journal* 3(2), 139-146

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Abstract

This pilot study investigated the influence of employee diversity (age, gender) on organizational performance within the context of staff in the Federal Teaching Hospital Gombe (FTHG). The study utilized primary data which was collected using a questionnaire that was randomly distributed to 55 respondents. Data was analyzed with the aid of STATA 13 software and the findings showed that both age and gender diversities were found to have negative and insignificant effects on organizational performance. Meaning there is impending need for the healthcare institutions like FTHG to continually assess and understand the role of age and gender diversity among their workforce in attempt to maximize their positive influence on organizational performance. While these results provide valuable insights into the relationships studied, further research is encouraged to extend the study by population and test the relationship using inferential statistics to provide a basis of generalization

Keywords: *Employees' Diversity, Age, Gender, Organizational Performance*

1.0 Introduction

In an increasingly globalized and interconnected world, organizations are constantly evolving to adapt to the dynamic and diverse nature of their workforce. Diversity has emerged as a significant driver of organizational success, shaping not only the composition of employees but also the overall performance of the institution (Davis 2018). According to Patel (2019), employees' diversity refers to the presence of employees from various backgrounds, including but not limited to differences in age, gender, race,

ethnicity, religion, sexual orientation, disability, and cultural heritage, within an organization. Managing this diversity is a critical challenge for modern organizations, as it can influence not only employee satisfaction, but also the bottom-line performance metrics of an institution (Turner 2020).

Therefore, as workforce demographics continue to evolve, organizations, including healthcare institutions like the Federal teaching hospital Gombe (FTHG) are increasingly recognizing the importance of diversity management as a strategic imperative. Hornby (2005) cited in Ogbo, et al. (2014) opined employees' as the totality of the people working in an organization. Employees' diversity is defined as the multitude of the individual differences and similarities that exist among the people working in an organization Kreitner and Kinichi (2004) cited in Ogbo, (2014). The definition is chosen because it underscores three important issues about managing employees' diversity, namely that there are many different dimensions or components of employees' diversity.

This implies that employees' diversity pertains to everybody in the organization. Thus, it is not an issue of demographic characteristics such as age, race, or gender (Thomas, 2006:4). But, it pertains to the host of the individual differences and similarities that make all the workers in the organization unique and different from the others. Employees' diversity is not synonymous with the differences of the workers. Rather, it encompasses both differences and similarities.

Organizational performance index suggest that, diversity management should capture practices that involve understanding and appreciating interdependence of humanity, culture, and the natural environment;

practicing mutual respects for employees qualities and experiences that are different from our own; but understanding that employees' diversity includes not only ways of being but also ways of knowing; and recognizing that personal, cultural and institutionalized discrimination creates and sustains privileges for some, while it creates and sustains disadvantages for others; and building alliances across differences in order for people to work together to eradicate all forms of discriminations (Harold & Kumar 2012). Thus, organizational performance is the extent to which the organization is achieving its goals and objectives (Osaze & Anao, 2000.)

The researcher was confronted with the below problems which triggered the study. Knowledge regarding employees' diversity being an asset to an organization is at infancy stage in Nigeria, more importantly diversity management and its positive effect on organizational performance has little priority in our organizations. Therefore, the purpose of this paper is to examine and test the demographic diversity of gender, and age on organizational performance. Hence, two constructs or independent variables (Age and Gender) were tested against one dependent variable i.e., organizational performance using path analysis model.

Objectives of the study

The main objective of this study is to examine the effect of employees' diversity on organizational performance in relation to Federal Teaching Hospital Gombe (FTH). While the specific objectives include:

- i. To assess the effect of age on organizational performance of Federal Teaching Hospital Gombe (FTH).
- ii. To analyze the effect of gender on organizational performance of Federal Teaching Hospital Gombe (FTH).

2.0 Review of Related Literature

Organizational performance can be enhanced by general and inclusive work environment, determined by both firm competitiveness and firm financial position (Gittel and Seidner 2010). Organizational performance is all about the financial stability, efficiency and effectiveness of any organization and achieving organizational goal on time by using available resources, where financial stability means keeping organization financial condition sound and good, effectiveness is all about meeting customers 'demand on time and yielding them full satisfaction and efficiency stands for using all available resources in organization in their best ability and way (Walter and Vincent 2018). Ardhaniswari diah ekawati (2014), define organizational performance as a common measured method which measure rating of industry, production level of organization and effectiveness of the organization.

2.1 Concept of Employees' Diversity

Employees' Diversity in an organizational set-up means having diverse employees working together for a purpose. Diverse employees mean people with different gender, race, age, ethnic group, religion, citizenship, and sexual orientation, physical and mental condition. Diversity management is a business strategy whereby organizations use best practices to achieve a diverse and inclusive workforce (Carnevale & Stone 1994). Employees' diversity in an organization connote employees from diverse areas having different religion, culture, skills, education, attitude, ethics and communication. Employing diverse employees will help in solving problems related to communications and skills availability in organizations. Environment of inclusion is required for Diversity management such that there is a feeling of

appropriate participation in the organization by using their (employees) unique qualities. There is a need to understand the backgrounds and attitude of the employees and how decision-making in diverse environment get affected by their behavior and beliefs in order to manage employees' diversity effectively at the work place. Brickson (2000) mention that diverse employees meet the requirements of changing environment. Horwitz (2005) state that proper management of employees' diversity at employees' helps in reduction of all the problems and grievances and help in increasing creativity, opportunity. Bizri (2017) opine that Diversity Management have positive impact on employees' feelings which will result in engagement at work and affective commitment to the organization, which in result bring out that employees will be positively impacted. In hospitality industry where a number of diversified employees work together their learning mechanism become stronger. Diversified employees' lots of learning opportunities with them, learning organization helps in overall development of employees (Hossain et al. 2020).

2.2 Gender Diversity

Gender, which is one of the primary dimensions of diversity, is defined as the psychological disparities and experience that socially or culturally attached to being female or male in an organization. Also stated gender diversity has also the most impact on groups in employees' and society. For instance, the research conducted in high-tech industries evidenced that talents generated by gender diversity in an organization becomes priceless advantages which can be explained by better problem-solving abilities and dealing with complex issues and less susceptible in group thinking. More precisely, proposed that gender

diversity is positively associated with organizational performance. Specifically, [5] stated that gender diversity in organizations board of directors has important implication for organizational performance.

Further, reviewed that present research links gender demographic group representation in an organization is the implication for organizational performance and hence companies should encourage employees to take the advantages of their differences and use for greater innovation and problem-solving capabilities. For instance, as stated gender diversity in service industry particularly produces positive effect on employee productivity. On the other hand, gender discrimination indicates lack of career advancement in academic medicine and top management and executive position.

2.3 Age diversity

Within the business environment, a company may recognize individuals of different age groups. The organization's treatment of the aging population in all imaginable aspects has become a common factor. Diversity of rising age has become part of many organizations. Several studies (e.g., Barrington & Troske, 2001; Algahtani, 2013) have shown that more old workers are as active, profitable, and skilled as young people are. A heterogeneous employee age group would thus be more innovative, diverse, and productive than a homogeneous age group (Williams & O'Reilly III, 1998).

2.4 Empirical Reviews

The study explores the effect of employees' diversity management on the organizational performance of Federal Teaching Hospital Gombe. Organizations today recognize the importance of managing diversity effectively to enhance performance. This literature review presents key insights from relevant studies that shed light on the

relationship between employees' diversity management and organizational performance.

Von Bergen et al. (2019) conducted a comprehensive review of literature on employees' diversity and its influence on organizational outcomes. They found that when diversity is well-managed, it can lead to improved employee morale, innovation, and decision-making, all of which contribute to enhanced organizational performance. Herring (2009) examined the role of diversity management in the healthcare sector. Her study revealed that healthcare organizations that prioritize diversity management often experience better patient outcomes and increased staff retention, both of which have a positive impact on organizational performance. Stewart and Krings (2017) conducted a case study in a healthcare setting, focusing on the impact of diversity management. Their research indicated that healthcare organizations that actively engage in diversity management tend to have more inclusive cultures, resulting in higher employee satisfaction and improved patient care quality.

Nbat et al (2021) in their studies: impact of diversity on organizational performance in hotel organizations revealed that if diversity management is done in the correct manner and on right basis by considering all its challenges and problems raised by it, then for sure it will increase organizational performance and will be beneficial for organization.

Abdulahkim and Shimelis (2021) stated in their studies: the effect of diversity management on organizational performance where they concluded that organizational diversity management constructs or dimension (Age, gender and religion) are positively related with organizational performance. Hence, diversity management

can positively influence employee productivity, satisfaction, creativity and innovation and better decision making there by fostering organizational performance.

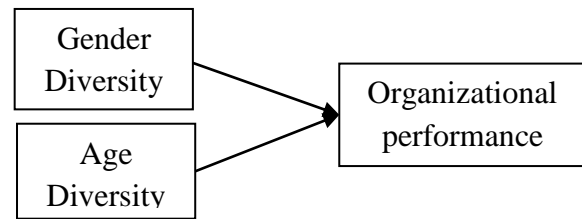
2.5 Theoretical Review

Social Identity Theory: developed by Tajfel and Turner (1979), posits that people categorize themselves and others into various social groups based on shared characteristics (e.g., race, gender, and ethnicity). They derive their self-concept and self-esteem from their group memberships. In organizations, this theory can help explain how individuals' identification with diverse social groups affects their attitudes, behaviors, and perceptions within the employees'. This study can use this theory to examine how employees' social identities and group memberships influence their experiences of diversity and their effects on organizational performance. It can also shed light on potential conflicts and group dynamics related to diversity

The approach used in this study is social exchange theory approach. George Homans (1989) is the developer of social exchange theory. Main concept served by social exchange theory is the concept that social behavior is the result of exchange theory. Cost can be reduced and benefits can be maximized by the exchange concept. A society commonly relies on the concept of take and give, every individual has their own priority and requirements, all cannot be equal. Social exchange theory helps in determining these relations and maximizing benefits from them. This study also involves interaction among employees, how they interact with each other, how they take advantage from others and reduces their risk. Thus, the theory serves as the underpinning theoretical foundation for the present study.

Conceptual Framework

Independent Variables Dependent Variable



Source: Adapted from Nbat et al (2021)

3.0 Methodology

The pilot study examines the effect of employees' diversity on organizational performance with reference to Federal Teaching Hospital Gombe. The study uses a descriptive research design and survey method was employed to generate relevant information for the study. This method was utilized in line with the recommendations in Wyse (2012) which opined that survey is relatively easy to administer and can be developed in less time. The population of this study was carved out among staff of Federal Teaching Hospital Gombe cutting across the Administration Department, Nursing Services, Medicine, and Laboratory Departments. Twenty (20) respondents were selected using simple random sampling to collect responses using a research questionnaire.

4.0 Result and Discussion

The total number of 60 questionnaires distributed and 55 were retrieved with a given response rate of 92%. This was described below in the measures of central tendency (mean) and dispersion (standard deviation) which gives the insight on how to understand both the central value of responses and how much they deviate from that central value, providing insights into the consensus and variability in participants' opinions for each question.

Table 1: Descriptive Statistics

Question #	Agreed	Disagreed	Neutral	Strongly Agreed	Strongly Disagreed	Total	Mean	Standard Deviation
Q1	12	8	10	15	10	55	3.00	1.20
Q2	10	15	8	12	10	55	2.65	1.34
Q3	14	6	10	15	10	55	3.05	1.15
Q4	18	5	6	15	11	55	3.36	1.22
Q5	13	11	9	12	10	55	2.93	1.08
Q6	14	9	8	13	11	55	3.00	1.22
Q7	11	13	7	14	10	55	2.78	1.24
Q8	12	8	11	14	10	55	3.00	1.20
Q9	16	7	6	13	13	55	3.16	1.27
Q10	10	14	9	12	10	55	2.65	1.29
Q11	13	10	8	12	12	55	2.96	1.23
Q12	15	8	9	11	12	55	2.91	1.21
Q13	9	12	10	14	10	55	2.65	1.29
Q14	16	6	7	13	13	55	3.11	1.32
Q15	11	10	10	12	12	55	2.78	1.18

Source: Field Work, 2023

From Table 1 above, it can be observed that each column represents a question from the questionnaire. The numbers in each row indicate the frequency of responses for each option (Agreed, Disagreed, Neutral, Strongly Agreed, and Strongly Disagreed). Total represents the sum of responses for each question. Mean represents the average response for each question, calculated by assigning numerical values to the Likert-scale options (e.g., 1 for Disagreed, 2 for Neutral, etc.) and calculating the mean. Standard Deviation measures the dispersion or spread of responses around the mean. It provides an indication of how many individual responses vary from the average.

Table 2: Model Fit Statistics

AIC	213.470
BIC	228.642
-log(L)	101.735
Number of obs.	55

Source: Stata 13

Table 2 provided model fit statistics (AIC, BIC, -log (L)) suggesting that the statistical model under consideration has reasonable goodness of fit and complexity relative to the dataset, with lower values indicating better fit. The AIC (Akaike Information Criterion) value is 213.470, which suggests that this statistical model has reasonable explanatory power and complexity relative to the dataset. The BIC (Bayesian Information Criterion) value in this case is 228.642, which provides an alternative measure of the model's goodness of fit and complexity.

Table 3: Regression Result

Org. Performance	Coef.	Std. Err.	z	P> z
Age	-0.125	0.052	-2.413	0.016
Gender (Female)	-0.582	0.321	-1.814	-0.07

R-squared: 0.372 (McFadden's R-squared)

F Statistics: 0.001

Number of Groups: 5 (Agreed, Disagreed, Neutral, Strongly Agree, Strongly Disagreed)

The effect size (f^2), coefficient of determination (R^2), and the predictive relevance of the model (Q^2) were not computed due to the low number respondents in the pilot survey.

4.0 Discussion of Findings

This study aimed to analyze the effect of employees' diversity on organizational performance in the Federal Teaching Hospital Gombe. The diversity of the employees involves age and gender diversity. The study found that gender and age were having a negative and insignificant effect on organizational performance. Suggesting that the factors under employee's diversity studied in this context were not found to be positive predictors of organizational performance in FTHG. This evidence varied with the findings in Eagly and Wood (1991), Kochan et al. (2003), Leonard and Devine (2003), Emiko and Eunmi (2009), Weiliang et al. (2011), and Raaza-Naqvi et al. (2013) etc. It is assumed that an important gender equity partnership would also mean that workers would prefer to work with the opposite gender as long as they can do their work professionally and effectively. Similarly, the finding also differed with the evidence in Barrington and Troske (2001), Wegge et al. (2008), and Algahtani (2013) in terms of age diversity.

5.0. Conclusion and Recommendation

The study recommended the need to encourage a more diverse workforce to create diversity awareness and enhance organizational performance. In addition, future research is encouraged to extend the study by population and test the relationship using more inferential statistics that will provide basis of generalization.

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Effect of Micro Finance Banks of Micro-Businesses Development among Women Entrepreneurs in Gombe Metropolis

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Dates:

Received: 6 Sept., 2023

Accepted: 28 Oct., 2023

How to cite this article:

Babayo, L. C., Hamza, H. D.,
& Salisu, I.M. (2023). Effect of
Micro Finance Banks of Micro-
Businesses Development
among Women Entrepreneurs
in Gombe Metropolis. *Creative
Business Research Journal*
3(2), 147-155

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Abstract

The paper investigates the effect of microfinance banks of micro businesses development among women entrepreneurs in Gombe metropolis. The specific objectives are to determine the effect of microfinance credit on the development of micro businesses among women entrepreneurs in Gombe metropolis, to determine the effect of micro finance savings of the development of micro businesses among women entrepreneurs in Gombe metropolis. The study is a conceptual analysis of recent studies and drawing out the results based on the major recent reviewed paper. The study revealed a positive impact of microfinance credit of the development of micro businesses among women entrepreneurs in Gombe metropolis, there is also a positive impact of micro finance savings of the development of micro businesses among women entrepreneurs in Gombe metropolis. The following recommendations were made: Policy makers should put more effort by creating ways of giving out micro loans to the micro businesses among women entrepreneurs in Gombe metropolis, so as to provide independency among women, also micro businesses of women entrepreneurs in Gombe metropolis should find a room of making micro savings in order to have means of benefiting from future opportunities.

Keywords: *micro credit, micro savings, women entrepreneurs, and micro businesses, Gombe metropolis*

1.0 Introduction

Enterprises vary in size, structure and complexities but are generally characterized by the utilization of resources

towards the attainment of predetermined goals. Generally, enterprises are categorized as *micro business* organizations. Micro enterprises typically include street vendors, petty businesses etc. some enterprises are operated on a basis of short-term goals while some on long-term goals. Micro business is not expected to provide regulatory requirement and largely are operated in the informal sector of the economy especially in developing economies like Nigeria in contrast micro enterprises are large in size and required formal structure and can be affected by business environmental factors (Tambunan, 2019). The roles of *micro businesses* cannot be over emphasized and are the back born of every economy as well as important in determining the sustainability of every economy. They also help in providing self-dependency and employment generation to some extent (Thapa, & Chowdhary, 2022). It is widely stated in the literature that *micro businesses* in developing countries are important socially and economically for a number of reasons, which include: (i) their wide dispersion across rural areas and therefore they are very important for rural economic development; (ii) their ability to absorb a significant large number of workers; (iii) their role as a place for entrepreneurship and business skill development, especially in rural areas; and (iv) as a source of business opportunities for women (Tambunan, 2019).

One would have expected that considering the low level of industrial development in Nigeria and her counterparts, scholars and business practitioners in these developing and underdeveloped countries would be keen in developing theories that would enhance industrial development in their societies, using peculiarities of their societies (Mpi, 2019). Entrepreneurship Development is the key tool for poverty reduction and also play an important role for

increasing gross domestic product in developing countries like Nigeria. Women are the backbone of family and communities; they provide care, support, and nurturing to their families. the role of women in Nigeria is still under represented while in most of the emerging economy's role of women is increasingly being redefined, women in Nigeria sadly are still faced with cultural and religious taboos despite the fact they compromise and contributing strongly to the national economy though mostly informally. Despite being significant contributors still they are facing financial issues to invest in to businesses.

In Nigeria, a state like Gombe State is endowed with abundant natural resources, among which are arable land, mineral resource, human resource etc. This inspires the locals to engage in small and medium enterprises (SMEs) activities or operations, making the State the commercial centre or hub of the Northeast (Bala, 2022). Entrepreneurs can achieve economic independence individually or in collaboration that can generate employment opportunities for others by taking initiatives to establish and run an enterprise. Women entrepreneurs are confident, innovative and creative (Thapa & Chowdhary 2022).

According to small and medium enterprises development agency of Nigeria (SMEDAN) The number of micro enterprises across the country dropped by about two million between 2017 and 2021, the Small and Medium Enterprises Development Agency of Nigeria stated that the country's MSMEs reduced from about 41 million in 2017 to 39 million in 2021, as this was due to the impact of COVID-19 and other challenges on small businesses nationwide. However, SMEDAN disclosed that According to the 2021 MSME Survey, there are 39 million

MSMEs while majority where micro businesses in Nigeria. This is a significant drop from 41 million MSMEs reported in the 2017 survey report. The major reason for the drop in the number of MSMEs could be traced to the COVID-19 pandemic, the challenges MSMEs have in accessing funds to start or grow their enterprise and the problems of globalization. He also noted that the contribution of MSMEs to Nigeria's Gross Domestic Product dropped by 3.5 per cent in 2021, therefore, MSMEs accounted for 6.2 per cent of external trade in the same year. Nigeria is home to over 36.9 million MSMEs, comprising 96.7% of all businesses in Nigeria. 67% of these businesses are youth-owned. MSMEs contribute over 45% to the country's gross domestic product (GDP), with 98.8% of them in the micro cadre. They account for nearly 90% of the jobs in the country. Therefore, as MSMEs grow, they create more jobs, which lead to prosperity for more, and less insecurity across the country. With business climate reforms, our job is to unlock the constraints faced by these businesses and support them by making it progressively easier for MSMEs to start and grow their businesses so they can thrive and scale. Industrial development in Nigeria and her counterparts, scholars and business practitioners in these developing and underdeveloped countries would be keen in developing theories that would enhance industrial development in their societies, using peculiarities of their societies (Mpi, 2019).

Microfinance bank provides both financial and non-financial facilities, such as small business facilities and training to the active poor customers in the society with the sole aim of aiding economic development through the diversification of entrepreneurial activities. Over the time microfinance has come to include a broader range of services

(credit, savings, insurance, etc.) and have come to realize that the poor and the very poor that lack access to traditional financial institutions require a variety of financial products (Khan, 2020).

Microfinance provides an opportunity for low-income earners, including women to improve their economic and social status. Besides economic empowerment, microcredit carries with its numerous other benefits for women, including better control of their reproductive health as well as reduced vulnerability to domestic violence. Better incomes make women less vulnerable to gender-based violence (GBV) perpetuated by their partners. Microfinance plays a crucial role in socio-economic empowerment of women by promoting suitable conditions for them to move from positions of marginalization within households, to one of greater roles in decision-making at the community, national and international levels (Munthali, & Chitwere, 2023).

However, despite all the achievements above the development of MSMEs among women entrepreneurs is not impressive for the development of micro businesses among women entrepreneur in Gombe metropolis, Because of low patronage from the customers of such businesses due to economic hardship, government policies, strict borrowing condition, and lack of access to the micro loans. In another hand, the reviewed literature shows gaps that includes; mixed findings, using similar method in data collection and data analysis and many studies were conducted in Nigeria.

1.1 Objective of the Study

The aim of the study is to assess the effect of microfinance banks on micro businesses development among women entrepreneurs

in Gombe metropolis. However, the specific objectives of this study are as follows;

- i. To examine the effect of microfinance credit on the development of micro businesses among women entrepreneurs in Gombe metropolis.
- ii. To examine the effect of micro finance saving on the development of micro businesses among women entrepreneurs in Gombe metropolis.

2.0 Literature Review

The study developed the concept of dependent and independent variables, empirical review that relates to the study and conceptual frame work.

2.1 Concept of Micro Business Development

Micro Businesses are small businesses that are financed by microcredit, a small loan available to people who have no collateral, credit history, savings, or employment history. The modest loans are often sufficient to get a small local business off the ground. These businesses serve a vital purpose in improving the quality of life for people in developing countries, and generally provide a product or service in their communities. Micro business only help improve the quality of life for business owners, but they also add value to the local economy. They can boost purchasing power, improve income, and create jobs. A micro business usually operates with fewer than 10 people and is started with a small amount of capital advanced from a bank or other organization.

Currently micro sized enterprises are defined by their size. The Small and Medium Industries Equity Investment Scheme (SMIEIS) in Nigeria, defines small and medium enterprises (SMEs) as “enterprises with a total capital employed of

not less than N1.5 million, but not exceeding N200 million, including working capital, but excluding cost of land and/or with a staff strength of not less than 10 and not more than 300”. The benefits of micro businesses cannot be overemphasized they include; contributions to the economy in terms of output of goods and services, and creation of jobs at relatively low capital cost. It is a vehicle for the reduction of income disparities thus developing a pool of skilled or semi-skilled workers as a basis for the future industrial expansion; improve forward and backward linkages between economically, Socially and geographically diverse sectors of the economy provide opportunities for developing and adapting appropriate technological approaches and also offer an excellent breeding ground for entrepreneurial and managerial talent (Khan, 2020).

2.2 Concept of Microfinance Products

2.2.1 Micro Credit

Following the severe drought and famine, many non-governmental organizations (NGOs) started to provide micro credit along with their relief activities although this was on a limited scale and not in a sustained manner. But these loans were not based on proper needs assessment and no mechanism was in place to monitor their effectiveness (Abera & Asfaw 2019).

Micro - credit is highly valued by many countries in the world as an important means to raise the income level of low-income people. Chen (2020) Micro-Credit is one of the key microfinance services which offer small loans to poor people to improve their existing small- Micro credit started as government and non-government organizations motivated scheme. Scale businesses or to establish new ventures. Hameed *et al.* (2021) Microcredit is one of

the important microfinance services which offers small loan to improve existing small-scale business of poor people or establish a new. Microfinance institutes provide credit to poor women and these women invest this credit in microenterprises which generate income and enhance decision making power. Therefore, micro-credit has positive role to enhance social as well as economic empowerment of women community (Ayanle *et al.*, 2022). Micro-credit is the most well-known service provided by microfinance programs in the market. The most important aspect of micro finance is credit. According to the current literature, a suitable quantity of credit improves the performance of entrepreneurial activities. Moreover, credit helps poor entrepreneurs, because it is well acknowledged that credit improves productivity, investment, and income. Micro-credit is an influential financial service of microfinance for the development of micro enterprises.

2.2.2 Micro-Savings

Micro-savings is another financial service provided by microfinance programs which allows market participants, particularly poor entrepreneurs throughout the world, to save some money on monthly basis. Entrepreneurs can use their savings to obtain a loan that is based on their savings, allowing them to increase productivity of their enterprises. Therefore, savings are beneficial in increasing entrepreneurial activities of poor entrepreneurs. Both savings and credit have a substantial impact on enterprise growth and performance in Pakistan. Furthermore, according to a research done in Tunisia, savings as a service provided by microfinance institutions has a favourable impact on micro business sustainability. Micro-savings is an influential financial service of microfinance for the development of micro

businesses (Jalil, 2021). Micro Saving is the amount saved by the poor people in the microfinance bank account (Hameed, *et al.*, 2021) Micro saving based on saving accounts, which increases the saving. It is one of the microfinance services which enable people to save their assets with the help of weekly saving and also to contribute to group saving Microfinance institutes provides the opportunity of individual and group saving.

2.3 Empirical Review

2.3.1 Micro Credit and Development of Micro Business among Women Entrepreneur

The study on a topic Effect of microfinance Banks on the Performance of Selected Women-Owned Enterprises in Makurdi Metropolis, Benue State, Nigeria. The Findings of the study revealed that microfinance loan services have significant effect on the performance of women-owned enterprises in Benue State. Also, another study revealed that micro credit has a positive effect on the development of women entrepreneur (Mazakaza & Odoyo 2022).

Base on another study, the conclusion shows that micro loan has an impact on the improvements of women entrepreneurs before and after receiving lending. It also revealed that the women businesses could raise their assets, income and household expenses after receiving loans from the MFI (Shkodra, *et al.*, 2021).

Also, it was revealed according to Fabian & Okpanaki (2022) that it was evidenced from the result that soft loan financial strategy has a positive and weighty effect on the growth of women entrepreneur's businesses. The study finding agrees with who found that assisted businesses recorded higher sales and higher return on investment when

compared to the unsupported ones. This implies that the soft loans granted to women entrepreneurs by microfinance banks are helping in the growth of their businesses provide better access to loans than the

Munthali and Chitwere, (2023) Khan (2020) reveals that the high interest rates charged by micro-credit providers is also an issue that was discovered that impacts on business development and discourage women entrepreneurs to apply for credit. They described that the strict borrowing condition lay on the credit in micro finance institutions contributed in decreasing the number of women that have interest in entrepreneurship which have negative impact on the economy. According to Yousfani, *et. al.* (2019), women who are recipients of microcredit do not start a business. Normally, the loan is borrowed but due to numerous rudimentary matters borrowers are unable to start up business. The main constraints of failure of entrepreneurship through small finance were found the low limit of the loan amount, lack of basic entrepreneurial knowledge, and vulnerable micro and macro business environment. Currently, the amount that is given to females for starts up venture is quite small hence the establishment of a business is not possible.

2.3.2 Micro Savings and Development of Micro Business among Women Entrepreneurs

According to Diaka and Asenge (2019) The study shows that microfinance saving services have significant effect on the performance of women-owned enterprises in Benue State. (Thapa, Chowdhary, 2022), Oluka, *et al.* 2023) Also concluded on women's business indicators are positively affected by taking savings from microfinance institutions.in addition Microfinance bank saving services had

significant positive effect on the productivity of entrepreneurs.

Kamara and Kamara (2023) Reveals that micro savings enhanced the savings habit of the sector as little revenue recipients who were unable to save with the commercial or traditional banks are offered a big opportunity to save. This has aided in reinvestment of the capital saved. Microfinance bank saving services had significant positive effect on the productivity of entrepreneurs. Shipefi (2022) According the study established that there is a significant relationship between MFIs savings and SMEs' growth.

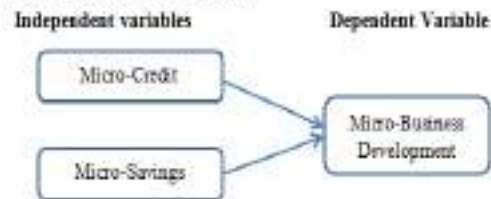
2.4 Theoretical & Conceptual Review

The theory of empowerment has been found relevant to this study. As a term, empowerment originates from American community psychology and is associated with the social scientist Julian Rappaport (1981). Empowerment is a means through which government and other stakeholders train and motivate individuals to develop a zeal and passion of becoming independent thereby having financial and economic freedom, this is in line with the main construct of this study (Micro savings and micro credit) provided by microfinance institutions to help individual establish businesses for self-reliance and social cohesion

Effect of micro finance and development of micro businesses among women entrepreneurs is analyzed where the micro finance is proxies by micro credit and micro savings as independent variables in the study. In other hand development of micro businesses among women entrepreneurs serves as the dependent variables in the study Diaka and Asenge (2019). However, conceptual diagram is built using the micro

credit, micro savings and development of micro businesses as follows;

Fig. 1: Conceptual Framework



Modified conceptual diagram adopted from that of Deska and Asenge (2019)

3.0 Methodology

The study was conducted by undertaking a brief overview of the literature; journals, related articles and related website were used in carrying out the research to assess how microfinance has had an impact on micro businesses among women entrepreneurs in Gombe metropolis. Focus was on existing literature that had a focus on microfinance and women entrepreneurs that is conceptual analysis.

4.0 Conclusion & Recommendation

The study determined the effect of microfinance credit on the development of Micro business among women entrepreneurs in Gombe metropolis. Micro business lays a vital role in economic development at large not only to women entrepreneurs. The study therefore, based on the majority conclude that micro credit has positive impact on the development of MSMEs among women entrepreneurs in Gombe metropolis, also micro savings has a positive impact on the development of Micro business among women entrepreneurs in Gombe metropolis. Therefore, the more micro finance banks issue credit to women entrepreneurs, the more their business performance is increasing in Gombe metropolis. Never the less, the study came out with the following

- i. Policy makers should put more effort on by creating ways of giving out micro loans to the Micro business of

women entrepreneurs in Gombe metropolis, so as to reduce the level of unemployment and provide independency among women.

- ii. MSMEs of women entrepreneurs in Gombe metropolis should find a room of making micro savings in order to have means of benefiting from future opportunities.

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An Assessment of the Effect of Communication on Employees' Performance of Fazim Global Concept in Gombe Metropolis

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Dates:

Received: 25 Aug., 2023
Accepted: 14 Oct., 2023

How to cite this article:

Jaafaru, F. M., Ibrahim, A., & Bala, A. (2023). An Assessment of the Effect of Communication on Employees' Performance of Fazim Global Concept in Gombe Metropolis. *Creative Business Research Journal* 3(2), 156-163

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Abstract

Communication is considered an essential tool for organizational performances and growth. This study examined the effect of communication on employee performance of Fazim Global Concept Gombe, Nigeria. The study was achieved by assessing the significant relationship between forms of communication and employee performance based on data from 40 staff of Fazim Global Concept. The data were collected using a questionnaire. For all the forms of communication, the average scores were greater than 3.5. This result of the findings indicates there is an effective communication between the staff, all with an average of good or very good. The result of the study indicates that communication play very significant role in improving employees' performance of Fazim Global Concept Gombe. That is both upward and downward communication has significant effect on employees' performance of Fazim Global Concept Gombe.

Keywords: *Employee, Performance, Downward, Upward, and Communication*

1.0 Introduction

Communication is commonly defined as the act of conveying messages using various methods, including both spoken and unspoken expressions (Al-Tokhais, 2016). In the realm of business, effective communication plays a crucial role in improving the overall functioning of different enterprises. It facilitates smooth coordination between employers and employees, as well as between businesses and their customers (Stavros, 2020). Successful business communication yields benefits such as better organizational management, increased employee dedication, heightened profitability, and consequently, an improved overall organizational performance. Proficiency in speaking,

listening, and comprehending both verbal and nonverbal meanings is vital for managers to foster efficient communication within organizations. This skill set is essential for bolstering performance and fostering business growth. Kabazarwe Winnie (2010).

Foundational business communication skills are typically acquired by observing skilled individuals and emulating their behaviors. It's worth noting that business-related information holds little significance unless it is effectively conveyed to various stakeholders within an organization. Hence, communication in business can be seen as the comprehensive process of sharing business-related information among employees or between different stakeholders (Stavros, 2020). Effective communication not only cultivates teamwork but also enhances employee performance, leading to a reduction in turnover rates and redundancies. Conversely, weak business communication erodes employees' self-assurance, resulting in detrimental effects on both their productivity and the overall performance of the business entity (Bernstein, 2017).

Organizations lacking proficient communication methods seldom attain superior performance in comparison to those that excel in effective business communication. Esteemed business academics, like Al-Tokhais (2016), have noted that the primary objective of business communication within organizations is to foster positive relationships encompassing employees, shareholders, business partners, and more. Nevertheless, despite the significance of business communication in enhancing employee performance, many of these researchers have identified an oversight in this aspect, serving as the

foundation for the present investigation (Bernstein, 2017).

Despite the strong focus placed on achieving optimal performance, numerous organizations have struggled to meet established benchmarks due to inadequate communication. Consequently, these organizations encounter a range of difficulties that lead to a disconnection between communication and employee performance, resulting in detrimental consequences such as flawed decision-making and the inability to achieve objectives. In this context, employees confront challenges in decision-making processes, where crucial matters necessitating the sharing of ideas and information, or consulting all employees and management, are predominantly handled by the management alone. This situation adversely impacts both employee performance and the overall functioning of the organization.

Employee Performance is defined as how well a person executes their job duties and responsibilities. Many companies assess their employees' performance on an annual or quarterly basis to define certain areas that need improvement and to encourage further success in areas that are meeting or exceeding expectations.

The Employees of Fazim Global Concept are faced with poor communication problem which leads to poor decision making challenge where management makes decision on matters which require sharing ideas and information or consulting all employees and management in the organization which in turn is affecting the employees' performance and the organization as a whole. Organisation should address those issues through opening channels of communications. According to Nakayana (2000), to operate effectively,

organization must communicate accurately with those who keep them running (that is their employees).

Fazim Global Concept Gombe is one example of the business entities whose performance is outstanding recently. This therefore attracted the researcher to conduct research at company so as to assess the effect of horizontal, upward and downward communication between various ways in which communication is affected their employee performance of Fazim Global Concept Gombe.

The aim of the study is to examine the effect of communication on employee performance at Fazim Global Concept Gombe via the following objectives:

1. To examine the effect of downward communication on employee performance of Fazim Global Concept in Gombe Metropolis.
2. To ascertain the effect of upward communication on employee performance of Fazim Global Concept in Gombe Metropolis.

2.0 Literature and Empirical Review

According to John Wenburg and William Wilmot, in their book "Communication Studies An Introduction to Communication" Stating that communication is an effort made by someone to obtain meaning. Communication is not always written and oral, communication can also be done using body language (Darwis *et al.*, 2021). The most important thing about communication is not how we communicate or what media we communicate with, but how someone can understand the information conveyed by the sender of the message. As humans, we certainly will not be separated from communication (Darwis *et al.*, 2021).

Communication is very important to improve the smooth running of office activities. Below is a description of the importance of communication in the office. Establishing a feeling of unity and allegiance among: Subordinates and superiors, Subordinates within their teams; Managers and superiors; Employees with the workplace, Communication has the potential to amplify employees' enthusiasm and passion for their tasks, Communication has the potential to enhance employee morale and adherence to rules, It enables employees to gain a clear understanding of leadership-established policies, regulations, and provisions. It facilitates swift access to information required by employees, Communication can enhance employees' sense of accountability, It fosters mutual comprehension and regard among coworkers, It also encourages employees to cultivate a cooperative mindset, Communication serves as a tool for managing irrelevant information, Functions as a collaborative tool for working jointly. To initiate communication endeavors, the initial step involves dispatching pertinent information to the intended recipients. Communication involves certain essential components. Sender: The sender is the individual who imparts a message to the receiver of the communication (message recipient). The sender should strive to articulate their thoughts clearly so that the receiver can easily comprehend the intended message. Message: Messages can take various forms, including directives, instructions, recommendations, or announcements, conveyed through writing, visuals, or alternative formats. The content of the message must be lucid, enabling the recipient to grasp the conveyed information. Receiver: The receivers, or communicants, should possess the ability to interpret the content conveyed by the sender. Feedback:

Feedback, or responses, are reactions elicited from the communicant or the recipient of the message. This feedback enables the sender to gauge the extent to which the message has been comprehended by the communicant. When feedback is present, it signifies the establishment of two-way communication.

2.1 Downward Communication

Downward Communication involves the direct transfer of information from higher-ranking personnel to various subordinates within the organization (Rukmana et al., 2018). In this context, information travels from upper management to employees occupying positions of lower authority. Messages in downward communication are disseminated from the upper echelons of the organizational hierarchy down to the lower levels. Within this communication framework, employees have the opportunity to exchange knowledge and information with other superiors situated across different tiers of management. Osborne & Hammoud (2017) suggest that engaging in interactions and sharing thoughts with the most skilled and experienced managers or superiors serves as a catalyst for motivating employees to achieve higher levels of performance within the organization. Hence it was hypothesized that there is a significant relationship between downward communication and employee performance.

2.2 Upward Communication

This form has been commonly defined by numerous business researchers as the method of conveying information from subordinates to their managers or superiors within an organization (Al-Tokhais, 2016; Wang, 2011). Research reveals that in upward communication, vital messages and information flow from lower tiers to higher echelons along the established hierarchy of a

specific organization (Odein, 2015; Rukmana et al., 2018). Upward communication is typically employed when subordinates seek input or information from their superiors. Studies indicate that upward communication plays a role in eliciting decisions from the top leadership or management of an organization. The various dimensions of upward communication enhance the collaboration between employees and top management or superiors. Research indicates that within any business entity, upward communication allows employees to openly express their opinions or sentiments regarding job-related matters and other pertinent issues in the workplace (Tian et al., 2020). This significantly influences their capacity to perform effectively in their diverse tasks and responsibilities. Hence it was hypothesized that there is a significant relationship between upward communication and employee performance.

2.3 Employee Performance

Employee performance is generally characterized as the conduct demonstrated by an employee during the execution of a specific task delegated by the employer. It also pertains to the results yielded by an individual worker within an organization. According to Fuertes et al. (2020), employee performance is tied to the accomplishments of each employee aligning with the distinct guidelines, policies, or anticipations of the organization or employer.

As stated by Jiang et al. (2020), employee performance characterizes the competencies and capacities of individual employees within an organization. In such instances, highly skilled and proficient employees often display elevated proficiency and dedication to their roles, resulting in superior employee performance compared to those with fewer skills and expertise.

Nevertheless, scholars emphasize that factors beyond skills, competence, expertise, or professionalism also contribute to the level of employee performance. Effective organizational communication stands out as one of the crucial elements impacting employee performance and productivity. As affirmed by Fuertes et al. (2020), exceptional employee performance plays a pivotal role in delivering high-quality services to customers and enhancing the organization's profitability. These advantages stemming from improved employee performance tend to establish a sustainable competitive advantage over the long term.

The enthusiasm and dedication of employees are commonly heightened when fellow employees or managers within the organization are effectively fulfilling their respective roles. The manner in which the organization engages with and communicates to its employees significantly contributes to enhancing employee performance, serving as a wellspring of motivation and the acquisition of fresh insights and abilities (Jiang et al., 2020).

2.4 Communication and Employee Performance

As per Otoo (2016), the most proficient leaders or managers are those who possess a comprehensive grasp of various communication facets and their overarching impact on an organization's structure and environment. Acquiring an understanding of the significance of business communication empowers managers to enhance communication dynamics within the organization, yielding positive outcomes, particularly in terms of employee productivity and performance. Oidine (2015) asserts that effective communication serves as a dependable conduit that aids employees in fulfilling their organizational

responsibilities. To boost productivity within an organization, managers must actively foster unhindered communication across different departmental units.

It falls upon managers to distinctly convey organizational goals and objectives to employees and other stakeholders, serving as a source of inspiration and motivation for the workforce. Jiang et al. (2020) also posit that effective communication plays a pivotal role in cultivating trust between employees and the upper leadership, thereby encouraging optimal job performance among the former. Sustaining a satisfactory level of effective communication between managers and employees enables the former to effectively oversee and monitor the progression of various activities undertaken by the workforce. Otoo (2016) recommends prioritizing an unobstructed flow of information throughout the entire organizational workforce, as this contributes to the achievement of diverse strategic goals and objectives.

According to Oidine (2015), communication extends beyond mere speech, listening, and writing; it encompasses individuals engaging, comprehending, and exchanging knowledge and ideas on diverse matters. Multiple research efforts have demonstrated that successful communication empowers managers to effectively communicate objectives to both internal and external stakeholders of the organization.

2.5 Empirical Review

2.5.1 Upward Communication and Employee Performance

Upward communication encourages employees to communicate directly with upper management. This creates a sense of value in employees since they realize that upper management cares about their input,

especially when they make changes in response to employee suggestions.

2.5.2 Downward Communication and Employee Performance

Downward Communication facilitates the delivery of performance feedback from managers to their subordinates. Managers can provide constructive feedback on employees' strengths, areas for improvement, and overall performance. Advantages of downward communication to employees' performance include organizational discipline, some efficiencies, goal explanation and ease of delegation.

3.0 Methodology

The study adopted a survey design that involved using a questionnaire to collect data from the staff of the company. The influence of business communication on employee performance was measured based on a Likert scale of 5 constructs (1-5) that included: Strongly disagree, Disagree, Not sure, Agree, Strongly agree.

Data was collected using the design structured questionnaires where respondents were required to fill with the help of the researcher. Data collected sorted and grouped into tables. The collected data was analyzed, interpreted and discussed. The presentation of findings was interpreted

basing on the researchers understanding of the concepts under this study and the findings finally presented in the report analyzed using questionnaires.

3.2 Population Size

The population characterized Top Management, Middle Management, and Lower level Management of staffs at Fazim Global Concept Gombe.

3.3 Sample Size

Data was collected from a sample of 40 participants comprising of top management, senior staff and junior staff.

4.0 Results and Discussion

4.1 Test of Hypothesis One

Table 1 shows the downward communication assessment based on opinions of the staff. The mean values in Table 1 were all above 3.5 which clearly indicated that the staff agreed or strongly agreed to all the statements about their downward communication. The results confirmed a significant relationship between downward communication and employees' performance. This was an indication that the different aspects of downward flow of information tend to boost employees' performance in an organization

Table: Assessment of Downward Communication

Items	Number of Responses				
	1	2	3	4	5
Easy flow of information from my superior improves my job performance	0	1	5	26	8
My views and ideas are given attention by my manager	1	1	4	25	9
I derive motivation from communicating with the top management team	0	2	5	23	25
I have knowledge on the nature of my tasks as provide by my manager	1	3	5	22	8
My manager ensures that I have a continued access to essential information	0	2	3	24	11
I access essential information from my manager	1	2	9	25	8

4.4 Test of Hypothesis Two

Table 2 shows the upward communication assessment based on opinions of the staff. The mean values in Table 2 were all above 3.5 which clearly indicated that the staff agreed or strongly agreed to all the statements about the upward

communication. The results obtained after cross tabulation indicate that there is a positive correlation between upward communication and employee performance therefore implying that the upward communication enhances the employees' performance.

Table 2: Assessment of Upward Communication

Items	Number of Responses				
	1	2	3	4	5
I provide quick feedback to my superior concerning any request for particular explanations	1	1	4	25	9
I request information from my manager about different work issues	1	2	5	24	8
Top management makes decisions based on our request for particular information	1	2	6	23	8
Attending to my needs on time improves my performance	2	3	5	23	7
I am always appreciated for offering certain information	0	3	3	25	9
I discuss with my superiors on what to change in the organization	1	2	4	24	9

5.0 Conclusion and Recommendations

The research affirms the influence of business communication on the overall job performance of employees within an organization. The distinct forms of communication, particularly horizontal communication, upward communication, and downward communication, significantly shape the extent of employee dedication to their roles. This underscores the substantial impact that various forms of communication have on both employee performance and the long-term growth of the organization. The study was conducted at Fazim Global Concept in Gombe State, Nigeria, involving a sample of 40 company staff. The findings indicate that effective communication is established among the staff, with an overall average rating falling in the "good" to "very good" range. This suggests that the proficient communication observed is likely to bolster the company's performance.

The following recommendations are necessary to improve how communication affects employee's performance

1. Business entities are advised to maintain effective information dissemination throughout the organization in order to enhance downward communication among employee effectiveness and foster long-term business profitability.
2. It can be suggested that managers should aim to strike a balance between upward communication and other determinants of employee performance. By doing so, management can identify the most influential factors contributing to organizational success and incorporate them into the strategies for achieving organizational goals.

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Effect of Electronic Banking Service Quality on Customers Satisfaction in the Nigerian Banking Sector

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Dates:

Received: 17 Aug., 2023

Accepted: 23 Oct., 2023

How to cite this article:

Shariff, B. M., Usman, S., Bala, A., Ishaku, M., & Yemen, Y. (2023). Effect of Electronic Banking Service Quality on Customers Satisfaction in the Nigerian Banking Sector. *Creative Business Research Journal* 3(2), 164-173

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Department of Business Administration

Abstract

The paper examined the Effect of Electronic Banking Service Quality on Customer Satisfaction in Nigerian banking sector. The study adopted conceptual research and content analysis, where related literatures on the study were reviewed and analysed. The study reviewed the existing literatures in order to identify the effect of electronic banking service quality on customers' satisfaction in Nigerian banking sector. Also the study determines the effect of electronic banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) on customer satisfaction in Nigeria banking sector. The study found that electronic banking service quality has effect on customer satisfaction. And electronic banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) have positive effect on customer satisfaction. The study drawn the conclusion based on the majority of the reviewed literature. Therefore, the researcher recommends that; the management of banks in Nigeria should keep on improving their electronic banking service quality hence it has effect on customer's satisfaction. The management of banks in Nigeria should focus on the determinants of the electronic banking service quality by introducing more training and development programmes to their staff, in order to satisfy their customers effectively and efficiently.

Keywords: *Electronic Banking, Service Quality, Customer Satisfaction, Nigerian Banking Sector*

1.0 Introduction

The major mission and purpose of any business organization is satisfying customers with respect to their various needs

and wants. In Nigeria, banks customers seek for safety of their savings. Customers demand efficient, fast and convenient services. Many customers today want banks that offer them services that will meet their particular needs and support their business goals. For instance, a business man wants to travel without carrying cash for security reasons. The central bank of Nigeria has emphasized the need for banks to provide more efficient services to their intending and potentials customers. Therefore, the introduction of electronic banking system is expected to play an important role in the delivery of efficient and effective services and customer satisfaction (Ijeoma, et al, 2020). Satisfaction is a judgment that follows a consumption experience. Satisfaction is the consumer's judgment that a product/service provided (or is providing) a pleasurable level of consumption-related fulfillment (Nwaze 2019). A customer will only keep on buying goods or services that use to make him satisfied, he spent his money just in order to get satisfied. Therefore, it is irrational for him to buy or pay money for a product or service that will not make him satisfy his/her need. Satisfaction is the measure of how products or services supplied by a company meet or surpass customer expectation (Nwekpa, et al, 2020).

The application of electronic banking and implementation of electronic devices in the banking industry has become a subject of fundamental importance and concern to all banks operating within Nigerian territory and indeed a prerequisite for local and global competitiveness in order to satisfy customers. Ijeoma, et al, (2020) Organizations in the move toward new quality concept and customer satisfaction need to assess their service quality (Beshir et al 2020). During consumption, customers experience the product performance and

compare it to their expected product performance level. Satisfaction judgments are then formed based on this comparison (Nwekpa, et al, 2020).

However, in modern world economy today it is essential for each and every country to adopt technological changes in its economic activities so also the financial system of a given nation, adopting electronic banking system to banking industry is inevitable in order to make a country's economy and financial system to be strong as well as the industry in specific. Electronic banking services (e-banking) allow customers to access the online financial services on mobile phone, ATM with an internet connection etc, and it is fast, secure, and convenient to manage cash from wherever the customers they are from (Beers 2019). Electronic banking has enable banking institution to compete more effectively in the global environment by extending their services beyond customer expectations. In today's world most of the financial activities in government, businesses and individual perspectives are highly relayed on electronic banking system, most cases in their buying and selling, payment of charges, salaries, and taxes etc, in general, the impact of technology is not limited to the financial services industry. Application of information and communication technology policies, processes, and implementation methods in banking services has become a critical and timely issue for all banks, as well as a necessary prerequisite for global and regional banking competitiveness (Raji, et al. 2021).

E-banking banking services should be structured on the basis of the needs, expectations, wants and experience of the clients according to the following standards; firstly, electronic banking services should be user friendly to the banking customers,

secondly, electronic banking services should be highly speedy in processing customer's command (Ijeoma, et al, 2020). To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service. Almost all banks have come forward to use Internet Banking both as transactional as well as an informational medium. The registered internet banking users can now perform common banking function such as; Transferring funds to any part of the world such as fixed deposits, Checking the balance, Downloading and printing statements, Opening various accounts, Payment of bills, Payment of credit cards, Stop payment of cheques, Reporting lost cards etc, (Rajasulochana, 2022).

Electronic services have emerged as the major pillar for Nigerian banks due to their ability to boost speed, performance, and efficiency. Rajasekhar (2022) Electronic banking services provide greater accuracy and reliability in financial service provision, resulting in increased effectiveness and efficiency in the banking organization overall, due to the low frequency of human error connected with them. Online banking has been extensively used in Nigeria as a value-added service to improve customer happiness while cutting operational expenses. Since e-banking services are the important services to get more competitive advantages, all financial institutions need to have a proper implementation and the knowledge relating to service quality of e-banking, (Pheap, et al. 2022).

Despite the fact that the benefits of contemporary technology linked to information systems are generally recognized in many sectors, there are few scientifically confirmed studies that quantify the advantages of current technology related

to information systems (administrative, financial, and industrial) in respect to customer satisfaction, (Rajasekhar, 2022). There is no recent research that was conducted in north east region on the topic Effect of Electronic Banking Service Quality on the Customer Satisfaction. So also most of the researchers they have used primary source of data collection and this paper used secondary method of data collection, As a result, the goal of this research is to see whether clients in the Nigerian banking sector are content with e-banking services, and used service quality as dimension of e-banking service providers to satisfaction or dissatisfaction of customers.

The competitive environment of banks has necessitated procedures for the measurement and enhancement of service quality provided in order to enhance the trust and satisfaction of customers and to increase market share (Ahmed, 2020). In the present work, the main study problem lies in the need to determine e-banking service quality dimensions (Accessibility, Convenience, Security, Charges/Fees and Speed), in the Nigerian banking sector.

1.1 Objectives of the Study

The aim of the study is to examine the effect of Electronic Banking Service Quality on Customer Satisfaction in Nigerian banking sector. The specific objectives of the study are:

- i. To examine the effect of Electronic Banking service quality on customer satisfaction in Nigerian banking sector.
- ii. To determine the effect of e-banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) on customer satisfaction in the Nigerian banking sector.

2.0 Literature Review

The conceptual model explained the relationship between Effects of Electronic Banking on Customer Satisfaction in Nigerian Banking Sector. The independent variable is Electronic Banking and was proxy by electronic banking service quality dimensions (Accessibility, Convenience, Security, Speed and Charges/Fees). Ahmed, (2020) However, the dependent variable is customer satisfaction. Based on reviewed literature, a conceptual framework for the relationship between electronic banking and customer satisfaction can be built as follows using electronic banking service quality dimensions; Accessibility, Convenience, Security, Charges/Fees, and Speed.

2.1 Customer satisfaction

Customer satisfaction is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy within organizations; customer satisfaction ratings can have powerful effects. They focus on employees and the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, these problems can affect sales and profitability. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective (Ijeoma, et al, 2020).

Therefore, identifying the significant determinants of satisfaction with e-banking service on customer loyalty is an important topic due to fast growth and high competition in this field (Pheap, et al. 2022). Today's most successful companies are raising expectations and delivering performance to match, these companies

embrace total customer satisfaction. They track their customers' expectations, perceived company's performance and customer satisfaction (Nwekpa, et al, 2020).

2.2 Electronic Banking

The banking industry has been continuously upgrading its operation by making use of technology. With the advancement of this technology, banks have implemented various systems to carry banking transactions easily and quickly. Sharma, et al, (2020) The development of an information and communications revolution in the financial and banking sectors produced a shift in the goals and strategies of banks some decades ago. In recent years, this change has continued. The introduction of new forms of information technology (IT)-based services has prompted banks to provide "electronic banking services," often known as e-banking, in addition to traditional banking services. There are new concepts and ways for providing services to customers based on information technology, such as assessing consumer pleasure and profitability (Rajasekhar, 2022).

Electronic banking is financial institution device with high level of credibility, compatibility between electronic gives bank clients an edge to carry out banking transactions, either through financial or nonfinancial banks website (Ijeoma, et al, 2020). Electronic banking system is an electronic oriented payment mechanism that allows customers' accounts to be credited electronically within 24 hours. It is the ability to pay electronically for goods and services purchased online are an integral part of ecommerce and an essential infrastructure for ecommerce models. One of the major reasons for the widespread of e-commerce transactions is perhaps the rapid development and growth of various electronic banking systems. The banking

services provided via the Internet are varied. The advent of electronic banking has had a considerable impact on customers' use of bank services (Rajasekhar, 2022).

2.3 Conceptual Model

Rajasulochana, (2022) Hence, service quality was taken up the study purpose specifically in terms of the e-banking services with respect to customer satisfaction which lead to the development of different models that helped in measuring e-services in service sector and other allied services sectors.

2.4 E-banking service Quality Dimensions:

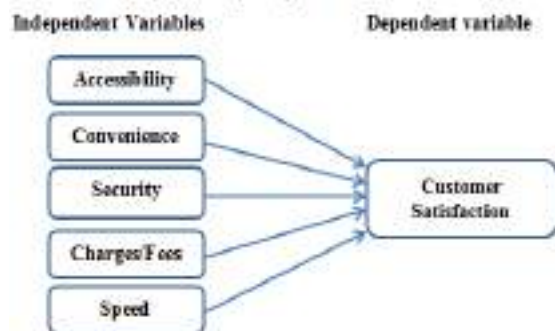


Figure 1: Conceptual Framework of the Study; adopted from (Beshir 2021)

2.5 Service Quality

Services are intangible and invisible interactions between a provider and a user that affect the users' condition. Many scholars defined quality as a judgment resulting from an evaluation process in which customers compare their expectations with the service they perceive to have received. Service quality is essential in the banking industry, since it ensures high levels of customer satisfaction, making it a key to competitive advantage. Services quality, in the banking industry can be defined as a measure of how well the level of service provided meets customer expectations, resulting from a comparison between customers' prior expectations about the service and their after perceptions of the

actual experience of service performance (Sewaka et al, 2023).

The dimensions of service quality are briefly discussed below as in the journals of; (Pheap, et al. 2022), and (Akarara & Emmanuel, 2019).

Accessibility: Accessibility, known as the process to obtain information from online service based on many factors such as content format, user's devices, software, internet connection, and environment condition Web accessibility is in relation with the content, the way to enable users with disabilities to access the website, for instance, in order to make users with disabilities access to information or services online, web developers use a text as pictures in the content of the website through screen reader.

Convenience: Convenience is the use of a system without difficulty or mental effort for users. As explained, the most important factor, which has a positive influence on the use of e-banking, is the convenience of using the online services. When the system of online banking service could run as well, customers keep using the online services next time. If the online services look complexity for its functions that make customer hard to understand how to use it, customers will return to traditional services. Convenience is the degree to which e-banking services are user-friendly for customers. When customers easily search and navigate to any functions on ATM or mobile application, customers are satisfied.

Security: Security, known as the degree to which customers believe their bank accounts are protected or safe from hack, unauthorized access to personal users data. Security of the e-banking with good functional performance, which the detail of customers transactions is securely kept as

financial records, could make customers satisfied. Security issue is widely considered as the most significant barrier for e-banking adoption.

Speed: Speed, known as the efficiency in terms that the customer's transactions are quickly completed. Speed in the context of information technology as the time those e-banking system responses to the command of users, waiting for the transactions to be done or complete. Inefficient host server and high resolution graphics could influence on the speed of the e-banking services. When command of users and their transaction could be done in a short time, customers are satisfied with the e-banking service. Therefore, it can be hypothesized that speed has a positive effect on customer satisfaction.

Charges/Fees: Charges/fees refer to the amount of money that customers have to pay for products and services to acquire the ownership or exchange. The context of business, fee charge is observed that it has a close relationship with the quality. When the customers get the products/services as they expected, compared to fee charges or price, customers will be satisfied and reuse that product and service.

2.6 Empirical Review

2.6.1 Electronic Banking and Customer Satisfaction

Rajasulochana, et al, (2022) Electronic banking implies provision of banking products and services through electronic delivery channels. Customer satisfaction and service quality are interrelated. Aims of the study are to examine how service quality of internet banking influence on customer satisfaction of Indian Overseas bank, Canara bank, Panjab national bank, ICICI and HDFC banks. An exploratory survey was conducted to investigate the impact of

internet banking services quality on customer satisfaction in Karnataka Region. Convenience sampling was used and various kinds of internet banking customers were approached various parts of Karnataka. Data collected from a sample of 192 internet banking customers from Bangalore, Mysore, Mangalore, Hubli and Ballari. The results implicated that the internet banking service quality on all the dimensions have significant impact on the customer satisfaction of internet banking customers. Each of the dimensions namely efficiency, system availability, fulfillment, privacy, contact, responsiveness and contact are contribute 71% to the overall customer satisfaction in internet banking in Public and Private banks.

Sharma, et al, (2020) measures the impact of E-banking service quality on customer satisfaction. Primary data method is used to collect data by using the interview method over 504 respondents. The random sampling technique has been taken up for the survey by keeping due care for the availability and easiness of the customers. The Multiple regression technique has been employed to measure the effect to service quality dimension on the customer satisfaction. The paper examines the relative strength of each dimension affecting customer satisfaction. It has been found that the overall regression model has been a reasonable fit and there is a statistically significant association between service quality dimension and customer satisfaction.

Akarara, et al, (2019) Electronic banking services are provided by virtually all the Deposit Money Banks (DMBs) within Yenagoa metropolis, with the aim of decongesting the banking hall and providing convenient and satisfactory services to customers. Yet, bank customers experience delayed services, as the banking halls and

ATM stands are always crowded. This study therefore, investigated the impact of e-banking service quality on customer's satisfaction in Yenagoa metropolis. Survey data was collected from 186 customers (respondent) of the 15 DMB, in the study area. Both correlation and regression analyses were used to analyze the data. Findings showed that customers are relatively satisfied with quality of e-banking services (accessibility, convenience, speed and security). The result showed that accessibility, convenience, speed and security have significant positive impact on customers' satisfaction.

Ayinaddis et al, (2023) In this ever-growing competitive banking industry, understanding the effect of electronic banking service quality on customers' satisfaction and loyalty is the secret to being competitive and successful in the sector. The primary purpose of this research was to examine the effect of electronic banking (E-Banking) service quality on customer satisfaction in Ethiopia's emerging banking industry. The results confirmed a significant effect of the variables responsiveness, reliability, security and privacy, speed, and convenience on customer satisfaction. Similarly, customer satisfaction with the electronic banking service quality has a significant effect on customer loyalty. System availability, easiness to use, and service charge, on the other hand, have no statistically significant impact on customer satisfaction.

Rajasekhar, (2022) The primary goal of this research paper is to investigate factors that may influence customer satisfaction in E-banking services, as well as to evaluate major factors such as service quality, customer loyalty, customer perceived value, and CRM as they relate to customer satisfaction in E-banking services. Furthermore, the study seeks to comprehend

the relationship between recognised criteria and consumer happiness. To quantify customer satisfaction, a structured questionnaire was employed with a sample size of 351 respondents and tested using descriptive statistics, percentages, ANOVAs, correlations, and multiple regressions. The findings of the correlation research revealed that there is a substantial association between CRM and Customer Value, as well as between Customer Loyalty and Customer Satisfaction, and that Customer loyalty and service quality components of E-banking Services have a greater favourable rating towards Customer Satisfaction.

Beshir, (2020) The objective of this study was to examine the direct effect of e-banking service quality dimensions on both customer satisfaction and customer loyalty of Commercial Bank of Ethiopia (CBE) in Bahir Dar. Quantitative research approach with explanatory research design was employed. Using convenience sampling technique, the data was gathered through already tested questionnaire from 380 E-banking service users of Commercial Banks of Ethiopia as respondents, in Bahir Dar Town. Seven service quality dimensions; efficiency, reliability, responsiveness, easiness, product portfolio, privacy and cost, derived from the SERVQUAL model with support of literature review were selected as forecasters of customer satisfaction and loyalty in E-banking. Structural Equation Model (SEM) and Confirmatory Factor Analysis (CFA) were used to analyze data. Research findings indicated significant impact of efficiency, responsiveness, easiness, privacy and Commission on Satisfaction and the significant impact of Satisfaction on loyalty in selected commercial banks in Ethiopia.

Ijeoma et al, (2020) This study was carried out to examine the impact of electronic banking on customer satisfaction in commercial banks in Imo State. The study used primary data; the instrument used in gathering the primary data was questionnaire. The statistical tool of analysis is the Pearson Product Moment Correlation Techniques. The result revealed that there is positive relationship between electronic banking and customer satisfaction in United Bank for Africa Plc, Access Bank Ltd and Keystone Bank Ltd.

Buddhika, (2020) Most of the modern banking institutes practice electronic banking practices for their operations instead of traditional banking practices. Considering the information gathered from professionals, it is observed that Sri Lankan e-banking services are not in a satisfactory level. Researchers proved that there are some different thinking patterns of Sri Lankans regarding e-banking. The purpose of the study aimed at studying the reasons why some customers use e-banking systems whereas others do not. Accordingly, the purpose of this study is to investigate the impact of e-banking on customer satisfaction in private commercial banks in Galle district of Sri Lanka.

3.0 Methodology

This study used conceptual and content analysis. The methodology allows the researcher to observe and analyzes the already present information on a given topic. Conceptual research does not involve conducting any practical experiments. Therefore, the previous papers/studies and case studies found in text books and current journals/articles that are related to the study, Effects of Electronic Banking Service Quality on Consumer Satisfaction in Nigerian Banking sector were analysed. Thereafter, conclusion was drawn base on

the reviewed, observed and analysed literature.

4.0 Conclusion and Recommendations

The study evaluated the Effect of Electronic Banking Service Quality on Customer Satisfaction in Nigerian Banking Sector. Going by the specific objectives the study had analyzed; the effect of electronic banking service quality and customer satisfaction in Nigerian banking sector. The study also determines the effects of e-banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) on customer satisfaction in Nigerian banking sector. However, based on the majority of the reviewed literature this study revealed that there is a significant effect of e-banking service quality and customer satisfaction in Nigerian banking sector. So also the study found that electronic banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) have positive effect on customer satisfaction in Nigerian banking sector. These findings are consistent with the findings of several previous research studies.

Therefore, the study concluded that Electronic Banking Service Quality has Effect on Customer Satisfaction in Nigerian banking sector. Furthermore, it is concluded that electronic banking service quality dimensions (accessibility, convenience, security, speed and charges/fees) has positive effects on customer satisfaction in Nigerian banking sector.

However, based on the findings the study recommends on the following;

i. Customers are the most important stakeholders of banks. Electronic banking service quality plays a very significant role on influencing the customers' satisfaction and decision of customers. Therefore

Deposit money banks they should keep on improving their electronic banking service quality hence it have effect on customer's satisfaction.

ii. Deposit money banks in Nigeria they should have to be effective and efficient on improving electronic banking service quality hence it has positive effect on customer satisfaction. They should focus on each of the determinants of the electronic banking service quality dimensions, including (accessibility, Convenience, security, speed, and charges/fees) in order to enhance customer satisfaction. And they should have to introduce more training and development programmes to their staff on electronic banking service quality in order to satisfy their customers effectively and efficiently.

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