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Entrepreneurial Capability and Performance of Enterprises: Systematic Review

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ABSTRACT

The study examined the relationship between entrepreneurial capability and performance of enterprises from the systematic literature review perspective. The study concluded that several parameters were used to capture entrepreneurial capability. The study also concluded that entrepreneurial capability studies tends to be skewed towards quantitative research techniques. Furthermore, there is dearth of recent empirical studies on the relationship between entrepreneurial capability and performance of enterprises in Southwest Nigeria. The study recommends harmonization of entrepreneurial capability parameters for unanimous implication of entrepreneurial capability on the performance of enterprises. Furthermore, the study recommends that there is need for empirical studies that considered mixed method research techniques. The study also recommends the need for studies that empirically determine the relationship between entrepreneurial capability and performance of enterprises in Southwestern Nigeria.

Keywords: *Entrepreneurial capability; Performance, Systematic Literature review; Nigeria*

I. Introduction

Recently in Nigeria, report shows that micro and small scale 'enterprises contribute insignificantly (poor performance) to the Nigeria's economy in terms of enterprises' productive output, enterprises' sales turnover and an increase in Gross Domestic Product (GDP) growth rate (Micah, 2019). Furthermore, in Nigeria, MSMEs have performed below expectation due to a combination of problems which may be essential to the operators or from their external environment, including infrastructural deficit and frequent public policy changes. Besides, in Nigeria, there is the outstanding issue of more inclusive participation in the sub-sector by a growing youth population, who require re-orientation to effect optimal migration from a jobs-seeking mentality to one of jobs-and-wealth creation (NBS-SMEDAN, 2017). However, financial challenges and the absence of infrastructure in some cases have been attributed to the poor contributions of micro and small-scale enterprises to the GDP of Nigeria (Umar, Alasan, & Mohammed, 2020). There are other challenges facing micro and small-scale enterprises in Nigeria such as lack of political stability, lack of funds, training centres, government policies, finding and retaining skilled employees, lacks of time, and inadequate supports from different sources.

However, entrepreneurial capability of enterprises is indispensable to study, this is because the performance of enterprises is anchored on their entrepreneurial capability (Oyeku, Oduyoye, Karimu, Akindoju, Togunde, & Elemo; 2020; Cao, Kang, & Lim, 2017; Torres & Jasso, 2017). Meanwhile, there

have been studies on entrepreneurial capability and performance of enterprises from both developed countries and developing countries (Oyeku *et al.*, 2020; Oyeku, Oduyoye, Elemo, Akindoju, Karimu, & Unuigbe, 2015; Oyeku, Oduyoye, Ashikia, Kabuoh & Elemo, 2014). However, little systematic literature study is known on the influence of entrepreneurial capability on the performance of enterprises, hence, this is the need for this study.

The remaining aspect of this study is arranged thus: review of literature, methodology, conclusion and recommendations.

II. Review of Literature

This study systematically reviewed literatures on the relationship between entrepreneurial capability and performance of enterprises from the Global North and Global South.

Oyeku, Oduyoye, Karismu, Akindoju, Togunde, Elemo, (2020) examined the effect of entrepreneurial capability on entrepreneurial success. Nine thousand, four hundred and fifty (9,450) registered small and medium enterprises (SMEs) with statutory bodies in Lagos State is the sample population for the study. Proportionate stratified random sampling technique was used to select sample size of 381 Questionnaire was used for data collection. Entrepreneurial capability measures are entrepreneurial orientation and entrepreneurial self-efficacy while measures for entrepreneurial success are profitability, market share, net asset growth, sales growth and government policies reflecting both financial and non-financial measures. Fifty selected SMEs are used in a pilot study to pretest the research instrument. Analysis of data from the pilot study gives Cronbach's Alpha values of 0.664, 0.795 and 0.85 for entrepreneurial orientation, entrepreneurial self-efficacy and entrepreneurial success respectively. The result of the regression analysis indicated that entrepreneurial capability has a strong positive relationship with entrepreneurial success ($R = 0.475$). The coefficient of determination R^2 is .226, suggests that 22.6% of the variation (or changes) in entrepreneurial success of selected SMEs in Lagos State is explained by entrepreneurial capability. The value of $F(1,208) = 60.605$, $p<.05$, demonstrates that entrepreneurial capability statistically and significantly predicts entrepreneurial success. This is a clear indication that entrepreneurial capability significantly influences entrepreneurial success in Lagos State. The coefficient of entrepreneurial capability is statistically significant ($t = 7.785$, $p <.05$). The regression model explaining the results is given by: ENT_SU = -5.065 + 0.624ENT_CAP. Based on the findings, the null hypothesis (H04) which states that entrepreneurial capability has no significant effect on entrepreneurial success is rejected. Despite the robust analysis carried out in this study, however, the study is weak in the method of data collection, perhaps, the report of the study would have been more robust if it has included qualitative method in data collection, leading to mixed method. Likewise, the scope of the study is limited, this can be broadened to capture different locations as included.

Cao, Kang & Lim (2017) explored the relationship between entrepreneurial capability, dynamic capability and corporate performance in Chinese SMEs. The dimensional structure and scale of entrepreneurial capability, dynamic capability of enterprise and corporate performance are proposed to analyze the reliability and validity of entrepreneurial capability, dynamic capability and corporate performance in Chinese SMEs. A questionnaire survey was adopted to collect data, and it is assumed that the entrepreneurial capability of Chinese SMEs exerts a significant influence on the dynamic capability of an enterprise, while the entrepreneurial capability of Chinese SMEs exerts significant influence on corporate performance, in order to investigate the path model of the influences that entrepreneurial capability and dynamic capability exert on corporate performance. Both SPSS and AMOS were adopted for analysis, and the results indicate that entrepreneurial capability has a significant influence on the dynamic capability of an enterprise; an enterprise's integration and reallocation capability and reform and innovation capability have a significant influence on corporate performance, an enterprise's organizational learning capability exerts no significant influe nce on corporate performance. An entrepreneur's capability of seizing opportunities has significant influence on corporate performance, and an entrepreneur's innovation capability has a significant influence on the financial performance of enterprise, but has no significant impact on market performance. However, this study biased towards quantitative research technique, meanwhile, better view of this study perhaps

be projected if elements of qualitative research techniques were introduced to support the quantitative research technique used.

The implication of robust analysis carried out by Cao, Kang & Lim (2017) is that the relationship between entrepreneurial capability and corporate performance, and the relationship between entrepreneurial capability and corporate performance are verified so as to provide an important theoretical basis for improving corporate performance of enterprises. Therefore, fully utilizing and improving entrepreneurial capability can improve the dynamic capability of an enterprise and further improve corporate performance. Despite the robust analysis carried out in this research, it is methodologically biased towards quantitative research techniques which can be better positioned if qualitative method is introduced. The broader view of the results of the study would have been reported if qualitative research method is introduced. This indicate a significant gap that can be further researched.

Torres & Jasso (2017) studied the entrepreneurial capabilities and innovation in firms from late industrialising countries: a case study of a Mexican firm. Primary data was used through the use of questionnaire administered on the selected number of Mexican enterprises. The study analyses the role of entrepreneurial capabilities (EC) in the process of innovation of firms from late industrialising countries. Mixed method was used in data collection such as interviews, direct observation and analysis of company documents. The article characterises the emergence and growth of a Mexican firm with regard to the complexity and configuration of those capabilities, since the time when it was founded as a small distributor of products, until it acquired technological and organisational capabilities for the design and production of medical care devices. The argument is that as a firm gradually undertakes more complex activities, 'entrepreneurial capabilities' evolve and, in that process, individual entrepreneurial capabilities become collective capabilities internalised in the firm's routines. However, this study is dearth of other firm's experiences with different initial conditions of entrance and within different sectorial and economic contexts required in order to advance knowledge about the characteristics and the role of the EC in the evolution of the firms.

Li, & Ye (2017) argued that entrepreneurs divide entrepreneurial capability into static capability and dynamic capability to deal with social environmental risks, entrepreneurs can enhance dynamic capability through organizational learning. Primary data was collected with the use of questionnaire. From the analysis of the data collected, and concluded that entrepreneurial capability is negatively related to government service experience and research experience. Meanwhile, the characteristics of enterprises selected for this study was obscured and needs to be uncover.

Wang Yan-Zi, Bai Ling & Li Qian (2016) argued that entrepreneurial capability includes the capability of identifying opportunities, relationship network capability, capital operating capability, strategic management capability, and innovation capability. The used case analysis to obtain the following results: entrepreneurial capability promotes the growth of entrepreneurial enterprises by affecting the business growth strategy. Meanwhile, the study did not justify the characteristics considered for the selection of case used this study.

Lv, Lai, & Liu (2015) studied entrepreneurial capability scale and new venture performance: The Moderating Role of Entrepreneurship education. The study presents a model involving four distinct elements of entrepreneurial capability: passion and self-achievement, integrity and commitment, leadership and management, and active learning and analysis. By conducting studies across several cities in China, this study develops and validates a 30-item entrepreneurial capability scale to capture the four dimensions, then uses the new scale to examine the antecedent and consequence of entrepreneurial capability. Findings from the study showed the positive relationship between prior experience and entrepreneurial capability, and between entrepreneurial capability and new venture performance. Entrepreneurship education in university moderates the positive effect of entrepreneurial capability on new venture's management performance. The resultant instrument provides researchers with a useful measurement tool for evaluating entrepreneurial capability. The study scope of this study is limitless and evaluation techniques is not feasible. However, it will be more robust if the scope of the study is properly defined.

Yang (2014) explored the relationship between entrepreneurial capability and corporate performance; questionnaire survey was used in data collection. The relationship between entrepreneurial capability and corporate performance in this study was encoded with the use of quantitative research method using questionnaire survey, however, significant number of firms were selected for this study and data collected were analysed inferentially. The study summarized five entrepreneurial abilities, which are relational capability, organizational capability, strategic capability, learning capability and innovation capability. The findings from the study indicated that entrepreneurial capability has a significant positive correlation with corporate performance in SMEs. The study is biased towards quantitative research techniques because qualitative research techniques was not considered and the sampling techniques is not explicitly stated however, it will be more robust if mixed methods were deployed in a study like this. This study did not consider firm level unit of analysis. More importantly, the sampling procedures in the study was obscured because the selection of the firms for this study is not scientifically justified because the author silenced on it leading to questionable results of the study. The identified gaps in this study can further be researched for better positioning and scientific reports of importance of entrepreneurial capability and corporate performance.

Dai Liang-Tie & Ge Wei-Li (2012) put forward the relationship model of enterprise's static capability, dynamic capability and entrepreneurial capability using quantitative analysis with the aid of questionnaire administered on selected enterprises in the study area. Inferentially, the study found out that entrepreneur's capability of seizing opportunities, relationship capability and management capability have mutual influence on organizational capability, and all of them can exert an influence on an enterprise's dynamic strategy and promote the enterprise's growth and performance. However, the study design is faulty because the sampling procedures was not clear, hence, proper sampling procedure is needed for this type of study.

Zhang Gen-Ming & Chen Cai (2010) analyzed the relationship between an entrepreneur's capability of seizing opportunities, capability of allocating resources, capability of integrating resources, innovation capability, capability to take risk, learning capability and the enterprise's competitive advantage, The study established a theoretical model to investigate the influence of entrepreneurial capability on the enterprise's competitive advantage. Questionnaire was used for data collection and also used a structural equation model to verify the theoretical model. The study investigated the specific impacts of an entrepreneur's capabilities on the competitive advantage of enterprises according to the calculation results. Findings from the study showed that entrepreneurial capability is significantly influencing the competitive advantage of the enterprises. Despite the scholastic inferential analysis of the study, however, the study would have been more robust if elements of qualitative research techniques were introduced to the study.

He Xiao-Gang & Lin Gu-Yan (2009) used entrepreneurial capability as a starting point to investigate its influence on the expansion capability of entrepreneurial enterprise and corporate performance. Entrepreneurial capability was measured through the following indicators: strategic capability, management capability, relationship ability, innovation capability, the capability to seize opportunities, and learning capability. Entrepreneurial capability as incorporated into the theoretical framework of enterprise competition. Based on questionnaire survey, the logical relationship between entrepreneurial capability and the enterprise's core competence, competitive advantage and corporate performance were tested, and it as considered that entrepreneurial capability not only promotes the competitive advantage of the enterprise but also serves as a source of core competence. Quantitative data was used in this study because it administered questionnaire on the selected respondents. Furthermore, both descriptive and inferential statistics analysis were used in this study. Findings from the study showed that entrepreneurial capability is positively related to an enterprise's diversified business expansion strategies and corporate performance, and stronger entrepreneurial capability is conducive to business expansion and improving enterprise benefits. The study is limited to quantitative research technique, meanwhile, findings from this study would have been more robust if qualitative research techniques is introduced. Hence, further studies need to look into that. Despite the superb indicators used to measure entrepreneurial capability in this, it is not properly position because

respondents were not given the opportunity to report their perceptions as regard the entrepreneurial capability indicators. More importantly, the study would have been more robust if qualitative research method were introduced to showcase the nitty-gritty of the study especially the aspect of core competence indicated in the study.

Li Bao-Xin & Yue Liang (2008) showed a close correlation between entrepreneurial capability and corporate performance in Chinese SMEs. Primary data was collected through the use of questionnaire administered on Chinese enterprises. The analysis of the study was done with both descriptive and inferential statistics. The results of the study showed that innovation capability of entrepreneurs has a significant influence on corporate performance, and making use of an entrepreneur's innovation capability is conducive to improving corporate performance. The study further stated that the capability to develop, learn, analyze and undertake pressure is the key to improving the dynamic capability of enterprise. Especially for SMEs, an entrepreneur's learning capability plays an important role in promoting the dynamic capability of enterprise. The study concluded that SMEs can implement organizational learning and integrate resources to improve operational management capability and further improve dynamic capability. This was corroborated by previous studies. Yu & Hao (2008) argued that entrepreneurs acquire knowledge needed by individuals and enterprises by learning from experience, education systems and social networks. The implication is that they need to first upgrade personal entrepreneurial capability, then spread knowledge and construct the enterprise-level dynamic capability; this indicates that an entrepreneur's learning ability can promote dynamic capability. However, the study methodology was not robust enough because the research design was not explicit including the selection of the Chinese enterprises.

Jiao Hao (2008) considered that the dynamic capability strategy has a positive impact on performance, adopted the survey data of Chinese enterprises, and used the institutional equation model based on the least squares method to verify the positive effect of dynamic capability strategy on organizational performance. Findings from the study showed that there is a significant positive correlation between dynamic capability and performance. The study is limited in the research methods by not using appropriate sampling selection techniques, therefore, further studies may consider that.

Li Bao-Xin & Yue Liang (2008) explored the relationship between entrepreneurial capability and corporate performance of SMEs. Quantitative research techniques were used in this study. The findings from this study indicated that there is a linear relationship between entrepreneurial capability and corporate performance in Chinese SMEs. An entrepreneur's innovation capability has an important impact on corporate performance, and giving full play to entrepreneur's innovation capability can help improve corporate performance. The gap in this study is that data collection process was not clear and the study basically focused on quantitative research method, further study needs to be more explicit in the data collection processes and also deployed qualitative research in support of quantitative research methods.

Keh, Nguyen & Ping Ng (2007) examined how entrepreneurial orientation (with cores dimension of risk taking, acting proactively and innovativeness) affects information acquisition and utilization as well as the performance of SMEs. The study observed that entrepreneurial orientation was a significant predictor of information acquisition and information utilization while information acquisition was a strong predictor of information utilization. Information acquisition was however, not a mediator of the relationship between entrepreneurial orientation and firm performance whereas information utilization was a partial mediator in the relationship between entrepreneurial orientation and firm performance. Information Utilization demonstrated a significant and positive effect on firm performance.

Poon (2006) examined relationships among three self-concept traits, entrepreneurial orientation, and firm performance using survey data from 96 entrepreneurs by applying path analysis to test the direct and indirect effects of the trait variables on perceptual measures of firm performance. Entrepreneurial orientation – operationalized to reflect the dimensions of innovativeness, pro activeness, and propensity to take risks - was used as the mediating variable for explaining the relationship between self-concept traits and firm performance. The results indicated that internal locus of control was positively related to firm performance, and entrepreneurial orientation did not play a

mediating role in this relationship. In contrast, generalized self-efficacy had no direct effects on firm performance; however, it influenced firm performance positively through its effect on entrepreneurial orientation. Finally, self-attributed achievement motive was not significantly related to entrepreneurial orientation or firm performance. Research technique adopted was not sufficient, however, it will be appropriate if further study may integrate both qualitative and quantitative research method for clarity of purpose.

Frese, Brantjes & Hoorn (2002) conducted a study on the psychological success factors of small scale businesses in Namibia: the role of strategy process, entrepreneurial orientation and the environment using cross-section research design approach and structured questionnaire to obtain data from entrepreneurs located at suburban industrial areas of Windhoek operating in manufacturing, construction, trade, service sectors-selected at random from list of SMEs (minimum of one year in business, minimum of one employee and maximum of fifty (50) registered with the Namibian National Chamber of Commerce and Industry, Yellow pages, recommendation by other SMEs and random walk procedure. The established a positive relationship between entrepreneurial orientation and all the three success measures while perceived environmental difficulty was found to have a clear moderator effect on the relationship between the entrepreneurial orientation and two economic success measure size and growth whereas there was no such effect with subjective success measure. The study did not carry out comparative study. Further studies need to know nature of the enterprises that is driving the relationship among the variables considered. It could be micro, small or medium enterprises, may be not all of them. As it is now, it is difficult to know which is which is driving the relationship among the scale of the enterprises.

Madhoushi, Sadti, Delavari, Mehdivand & Mihandost (2001) studied the relationship between entrepreneurial orientation, knowledge management and innovation performance using random sampling technique to select 365 SMEs who are at least ten years old from the SMEs operating in the industrial zone of Mazandaran, Iran. The study found a positive relationship between entrepreneurial orientation and innovation performance as well as positive relationship between entrepreneurial orientation and knowledge management. Knowledge management was found to be a mediator between entrepreneurial orientation and innovation performance. Findings from this study would have been more robust if qualitative research technique were introduced.

III. Methodology

Systematic literature review was done on the issue of “entrepreneurial capability and performance of enterprises”. In the process of literature sourcing, Key indicators were used on Google Scholar such as “entrepreneurial capability and performance of enterprises” from 2017. The report from the google scholar search shows ample number of recent literatures, a reasonable number of literatures showed up and the accessible literatures were used for this study.

IV. Conclusion and Recommendations

The study concludes that several studies have been carried out on entrepreneurial capabilities and performance of enterprises. Some of the studies considered entrepreneurial capability from the perspective of capability for acquiring resources; capability for taking risks and leadership. Other studies considered entrepreneurial capability from the perspective of passion and self-achievement; integrity and commitment; leadership and management; and active learning and analysis; capability of identifying opportunities; relationship network capability; capital operating capability; strategic management capability; innovation capability; static capability; dynamic capability; relational capability; organizational capability; strategic capability; learning capability; capability of allocating resources: capability of integrating resources; capability to take risk; expansion capability; management capability. The implication is that, there are diverse view on the parameters used by scholars to capture entrepreneurial capability. The study recommends harmonization of entrepreneurial capability parameters for unanimous implication of entrepreneurial capability on the performance of enterprises.

The study further concludes that, virtually, all the studies are biased towards quantitative research method. Perhaps, robust report could be made on the studies if qualitative research method is

integrated to the study, leading to mixed method research techniques. Hence, the study recommends that there is need for empirical studies that considered mixed method research techniques.

The study also concludes that most of the studies on entrepreneurial capability and performance of enterprises are from Global North, meaning that, there is dearth of recent empirical study on the relationship between entrepreneurial capability and performance of enterprises in Southwestern Nigeria. Hence, the study recommends the need for studies that empirically determine the relationship between entrepreneurial capability and performance of enterprises in Southwestern Nigeria.

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Risk Management Practices: A Survey of Micro-Insurance Service Providers in Nigeria

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ABSTRACT

In past few years, there have been significant initiatives to increase low - income people's access to financial services, first with microfinance and then moving on to micro-insurance. Insurance businesses incur inherent risks in serving the low-end market due to the complexity of insurance and the fragility of the target population. This study identifies these risks, explains the measures used by Nigerian insurance companies to mitigate and suggests innovative ways to reduce them. Twelve companies that offer micro-insurance products in Nigeria were selected using purposive sampling method and one hundred and twenty key respondents participated in the survey. Percentages, means, and standard deviations were calculated to aid the description of the data. Pearson Correlations and Chi-Square Tests were performed to determine the level of correlation between the variables of interest. The study revealed that low penetration, limited distribution channels, correlation risks, policy lapse, product design, pricing, adverse selection, and rigid regulatory framework were all risks that micro-insurance providers faced. Use of technology to reduce administration costs, control of moral hazard and adverse selection, rigorous investigation of claims, development of risk measuring models, public awareness campaigns, and constant monitoring of clients are some of the measures being employed to mitigate the risks. To effectively reduce micro-insurance risks, micro-insurance service providers should invest in research and actuarial services to optimize product pricing, develop innovative distribution channels, build technology-conscious partnerships, establish Risk reference bureaus where clients' risk profiles can be shared and exploit new flexible premium payment terms. The National Insurance Commission (NAICOM), the industry regulator, is also urged to help ensure that micro-insurance policies are written in plain language that clients easily understand.

Keywords: *Risk-Management, Micro-Insurance,*

INTRODUCTION

Micro-insurance is a type of insurance that protects low-income people from specific risks in exchange for regular premium payments that are proportional to the risk's likelihood and cost (Bhattamishra & Barret, 2008). It usually refers to insurance services that are largely provided to low-income consumers who have limited access to traditional insurance and other risk-management strategies (Churchill, 2006). Micro-insurance differs from other types of insurance in terms of its scope since it has fewer assets and less volatile premiums. Although low-income earners face risks and economic shocks that are similar to those faced by traditional insurance clients, the low-end market is more vulnerable due to a lack of resources and knowledge, which are unable to mitigate risks as effectively as higher-income participants, and are less prepared to deal with the consequences of perils (Maleika & Kuriakose, 2008). As a result, micro-insurance is their greatest option for restoring financial stability and wealth in the event that risks emerge, Micro-insurance has also begun to emerge as a result of increasing demand for varied micro-financial services. (Butt, 2010).

Risk management is the process of identifying, assessing, and prioritizing risks, then deploying resources in a coordinated and cost-effective manner to reduce the likelihood and/or impact of unfavorable events (Njogo, 2012). It is neither a risk-avoidance nor a risk-eradication idea. Risk management's primary goal is to identify, measure, and, most crucially, monitor an organization's risk profile (Pierro & Desai, 2007). Idiosyncratic (household-specific) and covariate risks (common to all) are two types of risks faced by the poor; Risk pooling (for example, funeral and burial societies), income support (for example, credit arrangements and transfers), and informal insurance or risk-sharing schemes such as grain storage, savings, asset accumulation, and loans from friends and relatives have all been used in the past to combat these risks (Tadesse & Brans, 2012). However, the common forms of risk management (in kind savings, self-insurance, mutual insurance) that were relevant in the past are no longer adequate and feasible (Giesbert & Steiner, 2012) because they have a limited reach and benefits typically cover a small portion of the loss (Churchill, Protecting the poor: A micro-insurance compendium, 2006), provide minimal protection, low returns for households, and are prone to breakdown during emergencies (Pierro & Desai, 2007; Bhattamishra & Barret, 2008).

According to the (World Bank, 2011), 1.2 billion people (20%) live on less than $1 per day (extreme poverty), while another 1.8 billion (30%) live on less than $2 per day (moderate poverty). Only one to three percent of the poor have access to insurance goods of any kind (Tucker, 2007). The lack of formal insurance options does not deter these poor people from trying to reduce risk. In fact, according to (Tucker, 2007), poor city dwellers spend around 9.2% of their income striving to reduce disaster risk without the benefit of insurance. This indicates that micro-insurance services are in high demand but are underserved. According to Rudden, (2022), despite being home to nearly 17% of the world's population, Africa's insurance market accounts for less than 1% of all insured catastrophic losses. Despite the low levels of insurance uptake, large international brokers, insurers, and reinsurers continue to show growing interest and concentration. The value of insurance premiums in Africa reached about 45 billion dollars in 2017. In Africa, low insurance uptake can be ascribed to low income levels. In 2015, South Africa dominated the non-life insurance market in Africa, while Morocco accounted for 23% of the continent's life insurance market. Major Western insurance providers have only recently begun to pay close attention to the rising sub-Saharan African insurance market. Zambia, Nigeria, Ghana, and Uganda had some of the fastest insurance growth rates in Sub-Saharan Africa between 2014 and 2018.

Micro-insurance in Nigeria is still in its early stages, but it is rising. According to the EFInA Access to Financial Services (A2F) in Nigeria 2016 survey, just 0.3 million individuals out of 96.4 million use micro-insurance. A closer examination of the survey results revealed that, while adoption is currently low, 32.1 million persons will be interested in adopting Micro-insurance in the future. This creates a huge opportunity for micro-insurance firms to produce solutions that meet the needs of adult Nigerians. The National Insurance Commission (NAICOM), Nigeria's insurance regulator, has issued guidelines for micro-insurance operations, which provide a standardized set of rules, regulations, and standards for the conduct of micro-insurance business in Nigeria, effective January 1, 2018. These are indicators that Nigeria's micro-insurance business is waking up and taking low-income insurance distribution into consideration. Micro-insurance was defined in the guidelines as insurance designed for low-income people, with low-cost plans issued by licensed institutions, operated according to generally accepted insurance principles, and paid by premiums. Micro-insurance products, it stated, are insurance products that are tailored to the low-income market in terms of cost, terms, coverage, and delivery mode. It also defines the scope of Micro-insurance for operators, noting that the sum insured under a Micro-insurance policy(ies) cannot exceed N2,000,000 per person per insurer.

This study focuses on an aspect of risk management in the context of micro-insurance provision that has not been explicitly addressed by other studies: risk management in the context of micro-insurance service. This research aims to identify the unique risks that micro-insurance businesses face, record how Nigerian insurance companies are dealing with the risks, and provide policymakers with practical solutions for mitigating risks at the firm and industry levels.

LITERATURE REVIEW

Risks Faced by Insurance Service Providers

Moral Hazard

In the context of micro-insurance, moral hazard refers to fraudulent acts in which customers overvalue their assets or make false claims (Churchill, 2007). Moral hazard is common in the micro-insurance industry since clients stand to gain a lot while losing very little (Weiss, 2006). The insurer's ability to check the validity of assets and the diligence that the insured places on insured assets against loss possibilities is hampered by the market's physical distance. Moral hazard jeopardizes the protection of clients and distorts the insurer's financial viability (Dalal & Morduch, 2010).

Regulatory Risks

Micro-insurance regulatory risks vary depending on the country, institutions, and product (McCord, 2011). The delivery methods, intermediate market, registration, and product approvals are usually specified in micro-insurance regulations (McCord, 2011). Although regulation might be advantageous, applying traditional insurance regulations on micro-insurance stifles the sector's growth (Churchill, Insuring the low-income market: Challenges and solutions for commercial insurers, 2007; (IAIS), 2007). While liberal insurance regulation has resulted in the expansion of insurance services, strict legislation has the potential to stifle the growth of the micro-insurance industry. Appropriate legal infrastructure protects policyholders' interests while also reducing institutional risks (Churchill, 2007).

Policy Lapse

(Hayes, 2021), A lapse occurs when a privilege, right, or policy is removed or expires as a result of time or actions. When the person who is to receive the benefit fails to meet the terms or standards set forth in a contract or agreement, the privilege lapses owing to inaction. When an insurance policy expires, it is usually due to one party failing to fulfill its duties or violating one of the policy's provisions; an insurance policy will lapse if the holder fails to pay the premiums.

Inadequate Distribution Channels

All micro-insurance programs face the danger of inadequate distribution channels. Micro-insurance is typically distributed via Microfinance Institutions (MFIs), post offices, Non-Governmental Organizations (NGOs), or firm personnel (Roth, McCord, & Liber, 2007). Micro-insurance has minimal premiums, thus distribution expenses must be kept to a minimum (Mahul & Stutley, 2010). Insurers are frequently constrained by a lack of low-cost distribution channels that can reach the target market of low-income earners. With remoteness, low confidence in insurance products, and low awareness among clients, most insurers collect premiums and settle claims through direct contact between the policyholder and the relevant department within the insurer; however, this method of product distribution poses significant risk (Fischer & Qureshi, 2006).

Pricing

Because of the need to balance prices, costs, sustainability, and affordability, micro-insurance pricing poses major issues. The price charged should cover all claims and running costs while also making a profit. Low-income people acquire insurance if the products are affordable and fulfill their needs (Brown & McCord, 2000). As a result, the premium for micro-insurance policies is frequently lower than the administrative costs, making them unprofitable in the absence of economies of scale. Distribution costs, underwriting expenditures, claims assessment expenses, transaction costs of collecting premiums, and administration costs are all common operating expenses included in the premium (Weiss, 2006).

Adverse Selection

Adverse selection happens when people who are predisposed to risks or have high risk expectations are more likely to buy insurance, meaning that a disproportionate number of high-risk people join an

insurance system (Weiss, 2006), raising the cost of insurance coverage. Because the risk-pooling ideology assumes that a reduced proportion of the insured will incur losses, adverse selection destabilizes the insurance system (Brown & Churchill, 2000). (Hayes, 2021), Adverse selection in the insurance industry refers to the tendency of people with dangerous employment or high-risk lifestyles to buy products like life insurance. In these situations, the buyer is the one with better knowledge (i.e., about their health). To combat adverse selection, insurance companies limit coverage or raise premiums to lessen their exposure to significant claims. Avoiding adverse selection in insurance requires identifying groups of people who are more at risk than the overall population and charging them more money. When deciding whether or not to provide an applicant a policy and what premium to charge, life insurance firms, for example, go through underwriting. Underwriters look at an applicant's height, weight, present health, medical history, family history, career, hobbies, driving record, and lifestyle hazards like smoking; all of these factors have an impact on the applicant's health and the company's ability to pay a claim. The insurance firm then decides whether or not to issue the applicant with a policy and, if so, how much of a premium to charge for taking on that risk.

Product Design

In the context of micro-insurance, product design risk arises because potential clients are exposed to a wide range of risks, none of which can be guaranteed (Roth, McCord, & Liber, 2007; Mbogo, 2010). Consumer expectations are not met by the products created (Brown & McCord, 2000). Furthermore, there is insufficient differentiation between insurance company products, making it difficult for consumers to identify between competitor offerings in terms of product features ((AKI), 2008). The quality of the service is also influenced by the product design. Although micro-insurance clients may not be able to afford high premiums, they require high-quality products, specifically better-quality micro-insurance products (faster claim settlement, fewer exclusions, and broader coverage) in order to be attracted to insurance. According to (Prahalad, 2005), even the poor are brand conscious.

Risks correlation

The degree to which several risk profiles fluctuate in respect to one another is known as correlation. When exposed to the same set of stimuli, correlated risk profiles move in lockstep. The Dow Jones Industrial Average (DJIA) and the Standard & Poor's (S&P) 500 Index, for example, have a high degree of correlation because they are both influenced by the same causes. Uncorrelated risk profiles, on the other hand, react to completely distinct stimuli (for example, a book of ocean marine business and a book of products liability insurance). When uncorrelated risk profiles are integrated, the total volatility is reduced. Risk source, correlation, frequency, and intensity are all factors that influence insurers' ability to supply micro-insurance products. Risks can be catastrophic (low frequency, great economic impact) or non-catastrophic (high frequency, low economic impact) (Maleika & Kuriakose, 2008). Covariant risk poses a significant barrier to micro-insurers in any case (Weiss, 2006).

Micro-insurance is a largely developing-world phenomenon. This is due in part to poor insurance penetration and the fact that government-sponsored social safety plans only cover a small percentage of the population.

Micro-Insurance Risk Management Strategies

Public Awareness

(Churchill, Insuring the low-income market: Challenges and solutions for commercial insurers, 2007), Insurance sales to the poor will be more successful if they are preceded by a financial education campaign that explains how insurance works, what it can and cannot do, and how it works in conjunction with other financial services. To develop an insurance culture, communication and education activities must go beyond sales. It took generations in many industrialized countries for people to turn to insurance to meet their risk-management demands. If micro-insurance providers service their clients' needs in a fair and equitable manner, they can contribute to the development of an insurance culture. Insurance policies must be simple to comprehend, especially in areas where

insurance illiteracy, or illiteracy in general, is prevalent. Customers lose interest in micro-insurance until it is demonstrated to settle losses (the bare minimum need). For a micro-insurance program to work, it must meet a number of criteria, including client comprehensibility and understanding (Morelli, Onnis, Ammann & Sutter, 2010).

Moral Hazard Control

(Maverick, 2021), Risk-taking is the essence of moral hazard. Moral hazard occurs when one party or individual in a transaction takes risks knowing that if things do not work out, the burden of the negative consequences will fall on another party or people. Disservice to the second party might occur during the transaction, in order to facilitate the transaction, or even after the transaction has occurred. Incentive, policies to discourage immoral behavior, and constant monitoring are all options for reducing moral hazards.

Efficient Distribution Channels

Micro-insurance product distribution solutions must be practical, cost-effective, and transparent. Community-Based Groups (CBOs), local community organizations, MFIs, NGOs, and cooperative societies are among the most common distribution channels (Garand & Wipf, 2006). Despite collaborating with others, the insurer pools, controls, and absorbs risk. In the provider model, microfinance institutions and commercial banks directly promote micro-insurance products to potential clients (Maleika & Kuriakose, 2008). When used in low-income, low-margin sectors such as rural locations with dispersed people, this approach has a wide reach in the general insurance market but suffers from high transaction costs (Maleika & Kuriakose, 2008). Funeral homes, direct selling, mobile services, stores, supermarkets, gas stations, and public utility corporations are all suggested by (Osero, 2009) as potential distribution channels for micro-insurance.

Development of Risk Measurement Models

To grow and develop the business, micro-insurance service providers should design a clear and sound micro-insurance policy framework. Firms should keep documentation of existing risk management schemes and micro-insurance procedures used by insurers, as well as adequate data on risk prevalence in certain areas and demographics of their clients (Makove, 2011). Risk measurement models for micro-insurance products and underwriting can also be developed by insurance companies, taking into account the special needs of the low-income market, such as client needs, product design, delivery systems, and even business models.

Thorough Scrutiny of Micro-Insurance Claims and Applicants

Moral hazard is reduced when claims are scrutinized (Dalal & Morduch, 2010). The claims scrutiny criterion must be built into the product design process. One strategy is to employ relationship community structures (Dalal & Morduch, 2010), in which clients are educated about the need of making authentic claims. Adverse selection can be reduced by screening applicants (Siegel, Alwang, & Canagarajah, 2001). Clients who pose a risk are identified and excluded from coverage.

Responsive Regulation

Regulation is a crucial aspect in lowering micro-insurance risks and building trust in the insurance industry (Zingales, 2009). The regulatory framework for micro-insurance should encourage the use of a diverse range of distribution channels (Makove, 2011). Traditional insurance has influenced the development of insurance laws, regulations, and rules. Traditional products are still out of reach for the poor. To improve micro-insurance, errant insurance companies, dishonest brokers, and deceitful clients should face legal action (Morelli, Onnis, Ammann, & Sutter, 2010).

Use of Technology to Enhance Efficiency

(Churchill, 2007), Due to the general information processing aspect of the micro-insurance industry, technology can help it grow. Large insurance companies pushed for the development of sorting, tabulating, and calculating devices long before the computer. Small insurers now have access to these

features as well. Micro-insurers of all sizes must employ smartcards, mobile phones, the Internet, and wireless communications, among other tools, to increase productivity.

Flexible Payment of Premiums

Micro-insurance companies must devise premium payment systems that ensure maximum collection to offset income fluctuation. In addition to bancassurance and mobile money transfers, policyholders should be asked to pay when they have the money, such as at harvest time or when they receive a loan or a government cash transfer (Siegel, Alwang, & Canagarajah, 2001; Gitonga, 2009) (Mbogo, 2009). According to (Maleika & Kuriakose, 2008), there are four models of premium collection, one of which is the premium linked model, in which micro-insurance products are linked to other end products, such as loans. A direct deduction from the policyholder's bank account is used in the automatic premium deduction from savings account model. The interest-premium model, in which premiums are paid from savings account interest, is another possibility. Finally, the door-to-door premium collection model ensures that premiums are physically collected, either by visiting door to door to collect individual payments or by using a group mechanism to collect multiple payments at once. The premium payment process must strike a balance between efficiency, sustainability, and client capacity for micro-insurance to flourish.

Partnering with Other Mediators in the Value Chain

Micro-insurance programs linked to other mediators can help mitigate some risks by reducing distribution costs while boosting outreach, affordability, and economies of scale (Churchill, 2006). To communicate with customers and manage marketing and administration activities, the insurer may engage NGOs, MFIs, agro enterprises, or local banks.

Marketing to a Certain Audience

When evaluating the micro-insurance market, consider the size of the geographical region, the number of possible clients, the culture, and the ability to pay (Churchill, 2007). Adequate market research on micro-insurance aids in determining the prospective market and identifying those parts of the market that have distinct usage and attitude issues. The insights should be used to develop client recruitment strategies (Prahalad, 2005). An insurance firm should foresee and meet the needs of its various clientele in order to develop a strong foothold in various regions. As a result, insurance companies should develop policies that target certain markets.

Price Reviews

In most cases, insurers lack good data to improve accurate pricing, therefore the rates charged may be less than or significantly more than the costs. To solve this issue, insurers can allow for a margin of error and then make modifications once claims are filed (Patel, 2002). (Churchill, 2007) recommends micro-insurers to use actuarial services to make price adjustments on a regular basis.

Methodology

Research Design

In order to determine the micro-insurance risk management strategies of insurance companies in Nigeria, the study used a quantitative descriptive research design (Burns, 2000). A sample survey was carried out among micro insurance firms in Nigeria. Relevant data from annual publication from the National Insurance Commission (NAICOM) and the Nigerian Insurers Association (NIA) were used in support of the sample survey.

Population and Sample Design

The study's population consisted of the 58 insurance businesses that had been registered in Nigeria by February 10, 2021. Twelve companies that offer micro-insurance products were chosen through purposive sampling. Managers who deal with micro-insurance products were among those who

responded with 9 others from their departments making a total of 10 respondents from each company (for a total of 120 respondents).

Measuring Instruments

Questionnaire with five constructs were used to obtain primary data. On a 5-point Likert scale, the identified risks, product design, adverse selection, moral hazard, price, risk correlation, regulatory framework, fraud, premium default, inadequate distribution channels, and limited penetration were measured. Risk management measures currently utilized by organizations on a 5-point Likert scale measured how much they employed the approaches to manage micro-insurance risks. On a 5-point Likert scale, respondents were asked to rate the strategies that can be used (as good practice) to control risks that micro-insurance service providers face in the fifth section. Use of technology to reduce administration and transaction costs, innovative distribution channels, public awareness campaigns, niche marketing, use of sponsors to subsidize costs, flexibility in premium payments, price adjustments, formation of risk reference bureaus, and writing policies in languages understandable in the target market were among the strategies adopted.

Reliability and validity of the Measuring Instruments

The internal consistency of the measurement scales was calculated using the Cronbach alpha coefficient. Cronbach alpha, values of more than 0.7 were found in all of the scales. On the basis of a literature review and discussions with key informants in the Nigerian micro-insurance industry, sufficient proof of content and criterion-related validity was established.

Data Analysis

To aid in the description of the data, percentages, means, and standard deviations were calculated. To determine the level of association between the variables of interest, Pearson Correlations and Chi-Tests were used.

Results

Micro Insurance Company's Profile

Life and savings, health and disability, agriculture and livestock, burial, property, credit/loan protection, and crop insurance are among the micro-insurance products available in Nigeria. (Table1 Appendix) is a composite of respondents' social demographics and data on company profiles. According to the table, 66.7% of respondents are men and 33.3% are women. 70.8% of respondents were in senior management, 13.3% were in middle management, and 15.8% were in junior management. Furthermore, 53.3% of respondents have worked for 5-6 years, 25% for more than 6 years, 14.2 percent for 3-4 years, and 7.5 percent have worked for less than 2 years. Furthermore, 23.3% of respondents work in risk management, 25.8% in underwriting, 27.5% in claims, and 23.3% in other departments like marketing, finance, and so forth. Micro-insurance services were available for less than two years (12.5%), three to four years (15%), five to six years (48.3%), and more than six years (48.3%). (24.2%). The goal of the study was to figure out how likely it was for micro-insurance policies to be renewed and for claims to be paid. 16.7% said the insurance had a 20% probability of renewal or less, 17.5% thought they had a 21-40% chance, 43.3% thought they had a 41-60% chance, and 22.5% thought they had a 60% chance or more. 11.7% of respondents believe that payments of claims have a 20% likelihood or less, 15% believe there is a 21-40% chance, 53.3% believe there is a 41-60% chance, and 20% believe there is a greater than 60% chance of payment.

Micro-Insurance Risks Faced by Insurance Companies in Nigeria

Table4.2 shows the respondents' perspectives on the risks that micro-insurance providers face. It reveals that the majority of the risks encountered by micro-insurance providers are significant. 51.7% of respondents believe Nigeria's strict regulatory structure restricts micro-insurance availability to a large extent, 50% believe micro-insurance is constrained to a large extent by inadequate distribution channels, 39.1% believe micro-insurance service providers have low penetration to a small extent, and

40.9% believe micro-insurance service providers have low penetration to a large extent. Moral hazard (53.3%), policy lapse (45%), pricing (47.5%), adverse selection (49.1%), product design (48.4%), and risk correlation (49.1%) are all major concerns for micro-insurance providers.

The results of the Spearman rho bivariate-correlation study are shown in (Table2, Appendix) The results demonstrate a substantial positive correlation between the duration of the firm's micro-insurance product and insufficient distribution channels, pricing against cost risks, adverse selection, product design issues, risk correlation, and low micro-insurance penetration.

Risk Management Practices of Micro-Insurance Service Providers

All of the respondents agreed that risk management policies were in place at their organizations. Risk management practices used by micro-insurance providers include public awareness campaigns (43.3%), denying claims for self-inflicted losses (40.9%), monitoring of clients' risk profiles (38.4%), constant price reviews (46.7%), use of technology (45%), thorough scrutiny of micro-insurance claims (45.8%), use of actuarial services (45%), excluding high-risk clients' (45.9%), and developments of risk measurement methods. The chi-test results for the association between company's profile such as duration that the company has offered micro-insurance services, chances of renewal, chances of claims payment and some risk management practices of micro-insurance providers such as Conducting campaigns on insurance to boost public awareness, Constant monitoring of client's risk profile, Use of technology to minimize micro-insurance administration costs, Development of risk measurement models, Use of actuarial services to perform risk analysis. The results obtained from each test implies that there is no significant association between micro-insurance company's age and risk management practices, ($p>0.05$).

Risk Management Practices	**Chi-Square**	**p-value**
Public Awareness	26.109a	0.513
Client's risk profile	18.364a	0.892
Technology use	30.504a	0.292
Risk measurement models	21.981a	0.738
Actuarial services	19.209a	0.862

Strategies to Reduce Micro-Insurance Risks

Strategies for micro-insurance risk management, including legislation to allow insurance policies to be written in local languages (63.3%), investment in research and development or actuarial services to assist in product pricing (45.8%), adoption of a flexible premium payment mode (50.8%), adoption of sponsors/partners to offer micro-insurance at a subsidized rate (55.8%), and embracing technology (42.5%). These techniques, according to the respondents, will help to a large extent if implemented. (Appendix- Table 4). The chi-square test for the association between Company's profile and some strategies recommended to reduce micro-insurance risks such as, Legislation should allow micro-insurance policies be written in languages comprehensible to the locals, Insurance firms should invest in research and development or actuarial services to help in pricing of products, insurance firms should adopt the use of partners/sponsors so as to offer micro insurance at a subsidized rate, Insurance firms should adopt selective targeting of geographical areas and clientele demography to reduce adverse selection. The results obtained from each test implies that there is no significant relationship between micro-insurance company's age and strategies recommended to reduce micro-insurance risks, ($p>0.05$).

Micro insurance Risk management Strategies	Chi-Square	P-value
MI policies	17.636a	0.914
Research	29.609a	0.332
Partnership	21.706a	0.752
Targeting	24.663a	0.593

Discussion of Results

Risks Faced by Micro-Insurance Service Providers in Nigeria

Low penetration of insurance services, constrained distribution channels, regulatory risks, and correlation risks are all identified as major risks facing micro-insurance companies in the study. These findings are in line with those of (Weiss, 2006; Churchill, 2007; Makove, 2011). In Nigeria, low penetration is due to a lack of public trust in insurance services. The use of traditional channels that serve the high-end market, according to (Churchill, 2007), is to blame for the distribution channel problems. Maleika and Kuriakose, (2008), on the other hand, link the constrained channels to capitalization and distribution channel regulations. They also went on to say that low-cost micro-insurance products are unattractive to brokerage firms or agents because they pay low commissions. Micro-insurance service providers face a number of regulatory issues, including minimum capital requirements, licensing, distribution channels, and investment rules (Makove, 2011). Correlation of risks has also been identified as a major issue in the supply of micro-insurance services, owing to the fact that the clients who acquire the insurance are those who have a larger risk of loss (Maleika & Kuriakose, 2008). Correlation risks are however addressed as the micro-insurance provider gets more experience in offering the services. Experienced micro-insurance providers, on the other hand, must consider the risk of adverse selection because they tend to attract more clients, raising the selection risk.

Micro-insurance Risk Management Practices of Insurance Firms

Insurance companies control moral hazard risks by denying claims for self-inflicted or aggravated losses, according to the study. However, (Weiss, 2006) advised companies utilizing this method, stating that insurance companies have a difficult time authenticating the care that micro-insurance clients devote to their assets. Furthermore, (Brown & McCord, 2000) warn that many claims in the micro-insurance setting are paid without verification due to the high expenses of conducting inspections, which are partly attributed to the low premium charged and geographic locations. The study indicated that insurance companies perform constant micro-insurance pricing reviews/revisions so as to prevent the danger of cost incurred being more than the price charged or the policy being too expensive to be afforded by the low-end market. In addition, (Patel, 2002) found that insurance companies regularly examine policy rates and build a large margin for error, then make adjustments, upwards or downwards, as claims experience begins to flow in, to reduce the chance of premiums being lower than claims paid. Similarly, (Brown & McCord, 2000) discovered that management information systems are critical for tracking policy premium performance in terms of claim payment. According to the study, insurance companies in Nigeria collaborate with other businesses to reduce risks and capitalize on each other's competitive advantages. For example, (Churchill, 2006) advocated for tying micro-insurance programs to other intermediaries and forming partnerships to reduce distribution costs.

The survey also discovered that insurance companies run public awareness initiatives to promote public awareness of insurance and, as a result, increase penetration. According to (Siegel, Alwang, & Canagarajah, 2001), this strategy increases the penetration of micro-insurance products. The study also found that insurance firms give clients a flexible premium payment terms to avoid non-payment. (Mbogo, 2009) agrees, attributing it to the lack of a consistent income stream among low-income earners, and suggests that premium payment procedures be made more flexible to allow participation. The study shows that Nigerian companies rarely reinsure micro-insurance products underwritten, a fact that (Siegel, Alwang, & Canagarajah, 2001) attribute to the cost inefficiency associated with micro-

insurance policies due to the low premiums. (Prahalad, 2005), in contrast to these findings, believes that all risks should be insured.

Micro-Insurance Risk Management Strategies

To improve in product pricing and risk reduction, insurance companies should invest in research and development and actuarial services. These findings support (Churchill, 2007) recommendation that insurance companies invest in research and development to improve the financial feasibility of insurance products, the number of subscribers needed to make the product profitable, and product price. Researchers recommend that insurance companies run public awareness and education campaigns about Micro-Insurance benefits. (Prahalad, 2005) and (Morelli, Onnis, Ammann, & Sutter, 2010) agree, noting low financial service understanding among bottom-of-the-pyramid participants. The report also urges insurance companies to employ flexible premium payment options, which supports (Ogodo, 2010) findings.

This can be accomplished by investing in more advanced technology and new distribution channels, as well as allowing for more frequent premium payments. In addition, the study found that legislation should allow micro-insurance plans to be drafted in local languages, as (Makove, 2011) has urged previously. In order to reduce claims costs, insurers should form partnerships or seek sponsorship in policies from companies upstream or downstream of the policy insured, according to (Rodriguez & Miranda, 2004); (Roth, Churchill, Ramm, & Namerta, 2005); (Gitonga, 2009). Micro-insurance service providers can subsidize premiums through partial sponsorship. Furthermore, the research revealed that insurance companies must develop alternative distribution channels, such as hiring agents. (Maleika & Kuriakose, 2008) emphasize this point by advising insurers to take advantage of existing distribution channels such as banks, retailers, and microfinance institutions (MFIs). Micro-insurers must adjust their prices to reflect loss or offer discounts, particularly where previously thought-to-be high-risk areas turn out to be low-risk. This is in line with (Churchill, 2007) recommendation that micro-insurance providers make modifications once claims start coming in. To prevent adverse selection, the study suggests that insurance companies adopt selective targeting of geographic areas and clientele demographics. Risk diversification is aided by segmenting the market by certain types of insurance and assessing the incidence of a risk event for a specific population in a given geographic place and time period (Prahalad, 2005). It was discovered that establishing 'risk reference bureaus,' where clients' risk profiles could be shared, was an effective strategy to manage adverse selection risks. According to (Prahalad, 2005), this would be useful information for insurers on high-risk individuals or geographic areas. As a result, insurance companies that provide micro-insurance products to these markets may charge different rates.

Recommendations

Moral hazards, adverse selection, and a rigid regulatory environment are just a few of the problems that micro-insurance companies confront. Researchers recommend that insurance firms institute risk management department that identifies and continuously monitors the risks inherent in micro-insurance service provision. The insurance firm should examine its ability to deal with such risks, their business significance, and use the intelligence acquired or risk assessed to take the right actions indicated by the study. Although actuarial services are utilized by insurance companies to price new policies, there is no evidence that the same services are employed for ongoing risk management. As a result, we urge that actuarial services be used on a regular basis in risk management. This will allow for the tracking of a client's risk profile. Furthermore, to save costs in underwriting policies, corporations should collaborate with other companies and reinsure micro-insurance products. Risk management can be improved by innovative strategies such as the formation of risk reference bureaus and risk-based pricing. According to the study, regulatory authorities should develop policies that promote rather than suffocate the micro-insurance industry. As a result, these regulations should allow for more flexibility in terms of capitalization and distribution channels for the micro-insurance industry. Legislation should be enacted to allow co-insurance of micro-insurance risks, in which different organizations pool their

resources to cover specific risks, and to allow policies to be written in a language that is understandable to the general public.

The fact that the study relies on respondent's opinions to draw its conclusions is one of the study's major flaws. We propose four areas for further investigation. To begin, we recommend that a study be conducted to determine the best regulatory structure for micro-insurance service providers in Nigeria. Second, we recommend conducting research to determine the elements that influence risk management policies used by micro-insurance service providers. Thirdly, we recommend that study be conducted to determine the impact of religious and cultural factors on the use of micro-insurance services in Nigeria. Finally, as our study focused on the supply side of micro-insurance, we recommend that a study be conducted on the demand side.

Conclusions

The findings of this research are significant. Regulators must handle a variety of risks that deter micro-insurance companies from serving the low-end consumer market segment if they are to thrive. These risks include a lack of demand for insurance products (low penetration), a lack of distribution channels, and restrictions that limit distribution and capitalization. Additionally, micro-insurance service providers must improve their use of technology to reduce costs, collaborate with others in the value chain, review their prices on a regular basis (up or down) depending on the circumstances, and use actuarial services to perform risk analysis not only for new products but also for existing products. To be able to offer affordable micro-insurance products, insurance companies can seek additional subsidies from donors and the government.

Finally, the study urges authorities to revisit the regulations that govern micro-insurance service providers' operations in order to better handle capital requirements and distribution channels.

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Analysis of Student Industrial Work Experience on Technological Entrepreneurship Interest in Ekiti State Nigeria

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ABSTRACT

This study examines the effects of student industrial work experience scheme (SIWES) on technological entrepreneurial interest among undergraduate students in Ekiti State. A survey design was adopted to gather primary data for the study. Out of the two fifty (250) copies of questionnaire administered conveniently to undergraduate students in Ekiti state, two hundred and twenty-six (226) copies of questionnaire were retrieved, making 90%. Out of the retrieved copies of the questionnaire, 48% are from ABUAD, 24.8% are from EKSU while 27.9% are from FEDPOLY. The data obtained were analyzed with both descriptive and inferential statistics.

Findings from the study shows that 15.9% acquired Graphic design, 28.3% acquired coding/app development, 24.8% acquired engineering services, 12.8% acquired digital printing and lastly, 18.1% acquired manufacturing skills. Findings from the study also show that: SIWES helps in developing professional skills (t = 62.623; p = 0.000); SIWES exposure helps in developing more interest in skill activities (t = 65.734; p = 0.000); SIWES exposure enhances the way materials are being handled in the workshop (t = 67.982; p = 0.000); SIWES exposure significantly improves workshop performance (t = 84.928; p = 0.000). Also, SIWES experience counts as an added advantage to student's vocational skills (t = 81.048; p = 0.000); SIWES exposure places students at a better chance of successful setting up and managing profitable business (t = 65.056; p = 0.000).

The study concludes that SIWES exposure significantly helps to develop more interest in entrepreneurial activities, because it influences the skills acquired and significantly affect students behaviour in ways that affect technological entrepreneurship interest.

The study recommends that students should maximise the experience effectively and efficiently due to its importance. The study also recommends that SIWES Management Board should inaugurate effective and efficient management policy(ies) that will facilitate optimal utilization of SIWES period.

Keywords: *SIWES, Technological Entrepreneurship Interest, Nigeria*

Introduction

Entrepreneurial activity is an increasing phenomenon in the world which was necessitated by their policies in including Nigeria. Many countries have implemented various entrepreneurial polices resulting to establishment of industrial parks, industrial technology research institute (ITRI) and local industrial clustering which have help entrepreneurial engagement (Lin, Cheng, and Shen 2010) in the location. The importance of entrepreneurial activities in the global business of today have been recognized by Government. This has necessitated support of Government to entrepreneurship in all sphere in the economies.

Entrepreneurship is an act of creating new firms, new products, new processes or services and new markets (Akinyemi and Adejumo, 2018). Also, entrepreneurship involves the establishment, the development, as well as the sustenance of a business enterprise. Entrepreneurship is a major driver of

a sustainable economy of most nations (Dada, 2016). It generates job and wealth creation with a greater effect on economic returns from diverse forms of activities. In recent times, the promotion of technological entrepreneurship as a possible source of job creation, empowerment and economic dynamism in a fast-growing globalized world have attracted increasing policy and scholarly attention. Entrepreneurship occupies a key position in the market economy as it tends to trigger economic growth by stimulating economic activities.

Technological entrepreneurship is a style of business which involves identifying high-potentials, intensive technological commercial opportunities, gathering resources such as talent, capital, managing rapid growth and high risk-taking skills (Dada, 2016). Technology entrepreneurship (TE), also known as technological entrepreneurship, involves the commercialisation of emerging technological discoveries or innovation and the setting up of new enterprises by individuals or corporations to exploit technological innovation (Dada & Oyebisi, 2016). The emphasis on technological entrepreneurship was placed on the possession of innovative skills for the creation of new products, new processes, markets and new forms of organisations (Schumpeter, 1934).

The Students' Industrial Work Experience Scheme (SIWES) is a programme designed to expose and prepare students in the institutions of higher learning for an industry work situation (Usman and Tasmin, 2014), and it opens varieties of opportunities in handling machines and equipment which are usually not available in the educational institutions. Students' Industrial Work Experience Scheme (SIWES) is a skill development programme design to prepare undergraduate students of science/engineering, who are attending Nigeria's tertiary institutions for a transition from an academic environment to a practical environment (Akerejola, 2008). It enables students to acquire technical skills and experiences for professional development in their study. Before the inception of the scheme, there had been a growing concern among Nigerian industrialists that graduates from tertiary institutions lacked adequate practical experience necessary for employment. Furthermore, the scheme exposed students to work methods and prepares them to help fostering synergy, effectiveness and efficiency in the industry. The focus of the scheme is to strengthen employers' involvement in the educational process of preparing students for a practical competitive labour market. The scheme aimed at repositioning students to fill the gap existing between theory and practice. It is relevant to student work programme on skill development, which in turn, impacts directly on entrepreneurial interest and national development.

Statement of Problem

High level of unemployment and inadequate industrial skills among graduates had posed serious concern on policy makers and academicians among others, this necessitated the emergence of Student Industrial Work Experience Scheme. Several studies have been carried out on the importance of SIWES. Ogbuanya et al. (2018) evaluates the effectiveness of SIWES programme in Lagos State. Also, Olaoye et al. (2017) determines the implications of SIWES as a potential for increasing domestic fish supply in Nigeria. Cyril (2012) also examine 'the role of students' industrial work experience scheme (SIWES) on Vocational and Technical Education in Nigeria. However, none of the study carried out determined how SIWES influence technological entrepreneurial intention of undergraduate students in Ekiti State, this is the need for this study.

Objectives of the Study

The broad objective of this study is to analysis the effect of students' industrial work experience on technological entrepreneurial interest among undergraduates in Ekiti state.

The specific objectives are to:

1 identify the technological entrepreneurial skills acquired during SIWES in Ekiti State
2 evaluate the effect of SIWES on technological entrepreneurial interest of undergraduate students in Ekiti State
3 determine the factors influencing technological entrepreneurial interest of SIWES student in Ekiti State

Literature Review

The growing demand for well-trained craftsmen by industries and also the need to produce technical and vocational education graduates with entrepreneurial skills couple with employable skills in the labour market. The need for employable skills necessitates evaluation of SIWES programme in Nigeria, in order to determine the quality of technical vocational education and training. In this case, Technical Vocational Education and Training are the form of education whose primary purpose is to prepare persons for employment in recognized occupations (Okoye and Arimonu, 2016 and Momoh, 2012). Students' Industrial Work Experience Scheme (SIWES) according to Oyeniyi (2011) is a program designed to expose and prepare students of institutions of higher learning for industrial work situation which they are likely to meet after graduation. Industrial Training Fund (ITF) (2002), outlined the following as the specific objectives of SIWES:

i. To provide an avenue for students in institutions of higher learning to acquire industrial skills and experience in their course of study, which is restricted to engineering and technology, including environmental studies and other courses that may be approved;
ii. To expose students to basic methods and techniques in handling equipment and machinery that may not be available in their learning institutions;
iii. To make the transition from school to the world of work easier, and enhance students' contacts for late job placement; and
iv. To strengthen employers involvement in the entire educational process and prepare students for employment in industry and commerce.

In Nigeria, industrial training began with the dependence of industry on technical competencies for the operation and maintenance of its resources. Industrial training or work experience had its origins in practice at the first Nigerian Polytechnic, the Yaba Technical Institute, now Yaba College of Technology, which was founded in 1948. Students were sponsored by Government establishments or Private firms during that period. They returned to work with their employers during the long vacations. In this way, the students had some form of industrial training or work-experience integrated with their learning at the Polytechnic (Uvah, 2004).

The Students' Industrial Work Experience Scheme is a skill training programme designed to expose and prepare students in institutions of higher learning for the industrial work situation in which they are likely to face after graduation. Olugbenga (2009) defined Industrial Training as that form of educational process provided to students of special skill-oriented subjects to enable them to acquire the specific skills and attitude in the subject and also enable them to function properly in the occupation when formally employed and it is done in the real occupational environment. Adams (2007) stressed that SIWES or Industrial Training is an advanced or a formal type of apprenticeship programme which is geared towards skill acquisition and development. Oyedele (1990) noted that the programme helps the students to concretize knowledge and enable them to do the work well. Akerejolu (2008) stated that SIWES is an educational programme where students participate in work activities while still attending school. Mafe (2009) stated that there are two basic forms of learning; education and training, both of which are essential to the productive world of work and the function of the society. Chijioke and Ezema (2010) opined that training is a key factor that enhances the efficiency and expertise of workforce. It is then necessary for schools to liaise with industries where those modern facilities can be found for students to expose to real practical activities.

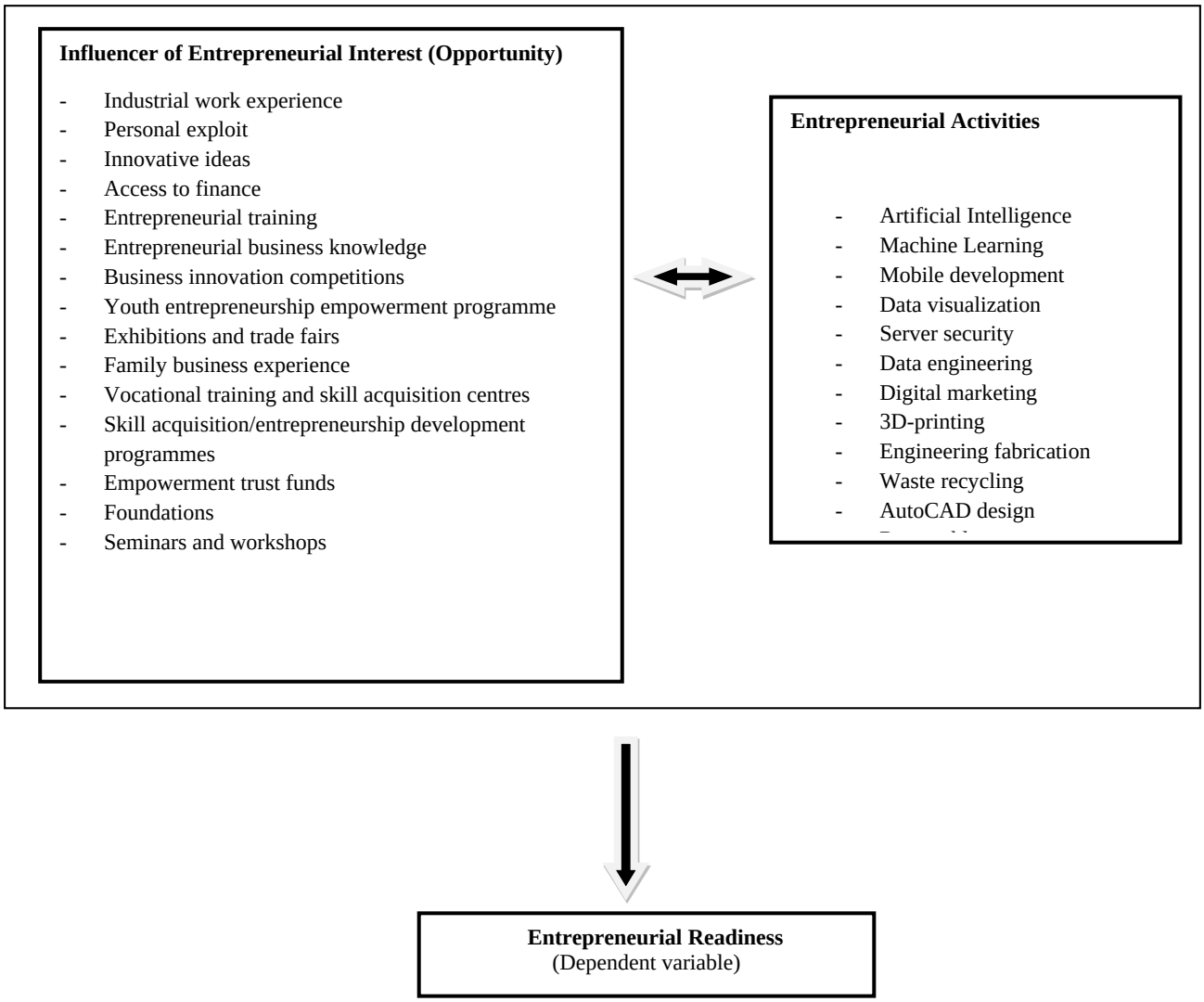

Figure 1: A Conceptual Framework on the Analysis of Students Industrial Work Experience on Entrepreneurial Interest in Ekiti State.

Entrepreneurship

Entrepreneurship is the act of pursuing new ways of doing things in a real context (Lumpkin & Dess, 1996). According to Lumpkin et al (1996), the essential act of entrepreneurship is a new entry. Put succinctly, 'the essential act of entrepreneurship is a process of exploiting opportunities that exist in the environment or that are created through innovation in an attempt to create value' (Brown & Ulijn, 2004). Also, Dana (2001) highlights the fact that 'there is no universally-accepted definition of entrepreneurs or entrepreneurship' in literature. According to Mundra, (2012), entrepreneurship is the engine fueling innovation, employment generation and economic growth. The General Assembly of the United Nations, during its 48th session adopted a resolution - Entrepreneurship and Privatization for Economic Growth and Sustainable Development, they encouraged members to promote and facilitate the growth of entrepreneurship and support local entrepreneurs (Mundra, 2012).

Entrepreneurs are individuals with entrepreneurship ability (Ilo, 1995). Entrepreneurship is defined as the ability to perceive and undertake business opportunities, taking advantage of scarce resource utilization (Schumpeter, 1994). According to Schumpeter, entrepreneurship involves the direct willingness and ability to seek out investment opportunities and to run an enterprise for profit. One of the major tasks of any tertiary institution is to address entrepreneurship and to define the training of graduates. Unfortunately, this task is not fulfilled (Monfaredi Raz, Ghorbani, & Elahi, 2012).

Entrepreneurial Skills

Entrepreneurial skill refers to entrepreneurial competencies which enable an entrepreneur to be successful in his or her field. Entrepreneurship ability is a function of several skills, which must be acquired for one to qualify as an entrepreneur. These skills include the following: creative skill (ability to visualize and identify new problem areas in the society and try to generate new ideas or concepts in that line); innovative skill (ability to generate and apply creative ideas in some specific content to solve identified problem for the benefit of society); managerial skill (ability to define goals and objectives, plan and stipulate strategies to organize, motivate, direct and control resources to attain stated objectives); analytical skill (ability of numeracy, generation and analysis of data for relevant decision making); marketing skill (ability of book keeping and accounting, integrating business logistics to increase sale of goods and services); communicative skill (ability to use relevant language to negotiate, persuade and convince) and career skill (ability to assess self, career planning techniques and self-directed learning); knowledge (computer literacy and business related knowledge); attitudes(sensitivity to needs and consequences and perception) and personality variables (such as achievement, motivation, imagination and entrepreneurial drive) (Idowu 2004; Adepoju & Adedeji 2012; and Caird in Mundra,2012). Creating – (designing, constructing, planning, producing, inventing, devising). These thinking skills are needed for entrepreneurial skill development. In the higher-order thinking skills, the Nigerian education system is yet to be at the creative skills level and that is one of the causes of unemployment. A student who is exposed to a body of knowledge is more disposed to being creative than otherwise. This body of knowledge can either be formal (within classroom milieu) or non-formal (outside the classroom). It is the development of these skills in students that is the main thrust of this study.

Developing Entrepreneurial Skills

Determining what needs to be taught in terms of entrepreneurship education is not an easy task as it requires no formula for what constitutes entrepreneurship (Dana 2001). 'Entrepreneurship development depends on the quality of education provided and the presence of an environment that encourages innovation (Mundra, 2012)'. 'Education is indispensable for entrepreneurship skill development as the multi-dimensional nature of the required entrepreneurial skills originates in education and involves a combination of critical (objective, analytical and logical) as well as creative and empathetic (lateral, imaginative and emotional) thinking (Mundra, 2012)'. This skill development helps in creating an environment which encourages innovation. These innovations catalyse entrepreneurship by providing marketing opportunities which can be converted into wealth.

However, Taatila (2010) highlights the need for learning to take place in a relevant school or business environment, while also detailing the need for real-life case studies based around student-centred and pragmatic pedagogical approaches. Given that entrepreneurship represents an ongoing dynamic cycle of learning, there is somewhat of a gap in the school learning literature on entrepreneurship (Franco & Haase, 2009). Furthermore, Plumly et al (2008) recommended a detailed range of key skill-building areas such as communication, leadership, teamwork, negotiation, strategic planning, basic business law, innovation and technology, and product life-cycle and development.

Today, Nigeria and many other developing countries have shown immense interest in the development of student entrepreneurs through entrepreneurship education and training in vocational institutions and universities, using it as a new strategy in tackling the high rate of unemployment bedeviling their countries. However, for Nigerian Vocational Institutions, especially the Technical ones and Universities to successfully produce the desired quality of student entrepreneurs, there is a need for the effective management of the knowledge assets available to those institutions. This is because the development of the multidimensional entrepreneurial skills explained above could start with the process of identifying, capturing, evaluating, retrieving, and sharing of knowledge.

Risk-Taking Propensity

An individual's risk-taking propensity can be defined as their inclination to accept risk comfortably (Brice, 2002). It is related to achievement motivation discussed earlier. Stewart and Roth (2001) looked

at the risk propensity differences between entrepreneurs and managers in a meta-analysis of twelve studies of entrepreneurial risk-taking propensity. Five of the studies showed no significant differences, with the remaining seven supporting the notion that entrepreneurs are moderate risk-takers.

Entrepreneurial Intentions

Entrepreneurial intention is defined as the intention to start a new business (Krueger and Brazeal, 1994; Zhao et al., 2005), the intention to own a business (Crant, 1996), or the intention to be self-employed (Douglas and Shepherd, 2002; Kolvereid, 1996). Furthermore, entrepreneurial intention is defined as an individual's intention to be self-employed with students' perceived desirability of self-employment, perceived entrepreneurial self-efficacy, and students' self-employment intentions. To succinctly recap, a review of the relevant literature suggested that entrepreneurship education and previous entrepreneurial experience could be of important contributors to the establishment of entrepreneurial intentions through an individuals' desirability and feasibility of entrepreneurship (Fayolle and Degeorge, 2006). In combination, the desirability of a behaviour (attitude toward a behaviour), and feasibility of a behaviour lead to the formation of a behavioural intention (Ajzen, 2006).

Research Methodology

The study used quantitative research techniques for this study. Questionnaire was conveniently administered to two hundred and fifty (250) undergraduate students in selected higher institutions in Ekiti State. The study adopt science, and technology and engineering final year student based on the literature consulted. A five-point Likert scale was used to state the extent to which the respondent agrees or disagrees with the statements in the questionnaire.

The population of the study consist science, and technology and engineering final year student in selected Federal, State and Private institutions in Ekiti State. A total number of two hundred fifty (250) questionnaire was conveniently administered to final students.

Convenient sampling technique was used in selecting State University (Ekiti State University), Private University (Afe Babalola University (ABUAD)) and Federal Polytechnic Ado Ekiti.

In other to achieve accuracy and suitability in presenting collected data, the study uses descriptive and inferential statistics. This involves the use of frequency, percentage and figure while inferential statistics include t-statistics.

Result and Discussion

Socio-Demographic Characteristics of the Respondents

Table 1 explains the socio-demographic characteristics of the respondents. Table 1 shows that out of two fifty (250) questionnaire administered, 48% was administered to students from Afe Babalola University (ABUAD), 24% was administered to students from Ekiti State University (EKSU), and the remaining 28% was administered to students from Federal Polytechnic Ado. Convenient sampling was the justification for the questionnaire administration quota for each of the institutions. Out of the two fifty (250) questionnaire administered, only two hundred and twenty-six (226) were received, making 90.4% of response rate. Furthermore, out of the two hundred and twenty-six questionnaire retrieved, about 48% are from ABUAD, 24.8% are from EKSU while 27.9% are from FEDPOLY.

Table 1 further shows that majority (70.4%) of the respondents are in the age range of 16-22, followed by 25.7% of the respondents that are of the age range of 23-30 while the last (4%) respondents are in the age range of 31-38. This implies that the respondents are still in their prime range of age. Furthermore, the Table 1 shows that majority (61.5%) of the respondents are male while 38.5% of the respondents are female. Concerning the degrees of the respondents, 72.1% of the respondents are on B.Sc. degree, while the remaining 14.2% and 13.7% of the respondents are on their HND and ND degrees respectively.

Table 1 shows the specialty of the respondents. The Table shows that 35.8% have specialty in Engineering, 34.5% of science specialty and the remaining 29.6% has environmental specialty. The implication of this is that, the SIWES students have specialized on the indispensable and necessity specialty to the society.

Table 1 Socio-demographic Characteristics of the Respondents

Characteristics	Frequency	Percentage
Number of Questionnaire Administered		
Afe Babalola University (ABUAD)	120	48
Ekiti State University (EKSU)	60	24
Federal Polytechnic, Ado (FEDPOLY)	70	28
Total	**250**	**100**
Number of Questionnaire Received		
Afe Babalola University (ABUAD)	107	47.3
Ekiti State University (EKSU)	56	24.8
Federal Polytechnic, Ado (FEDPOLY)	63	27.9
Total	**226**	**100**
Age range of the respondents		
16-22	159	70.4
23-30	58	25.7
31-38	9	4.0
Total	**226**	**100**
Gender of the Respondents		
Male	139	61.5
Female	87	38.5
Total	**226**	**100**
Degree of the Respondents		
B.Sc.	163	72.1
HND	32	14.2
N.D.	31	13.7
Total	**226**	**100**
Specialty of the respondents		
Engineering	81	35.8
Science	78	34.5
Environmental	67	29.6
Total	**226**	**100**

Source: Author's computation 2022

Technological Entrepreneurial Skills Acquired During SIWES in Ekiti State

Table 2 shows the technological entrepreneurial skills acquired during SIWES. The Table shows that majority (44.7%) of the respondents indicates that they acquired high level of technological entrepreneurial skills during SIWES, followed by 20.4% of very high level of technological entrepreneurial skills acquired during SIWES. While only 19%, 12.8% and 3.1% of the remaining respondents indicates that the level of the technological entrepreneurial skills acquired during SIWES

is fairly high, low and very low respectively. The implication is that SIWES students from the selected institutions really acquire technological entrepreneurial skills during their SIWES period. But the question is, if they really acquire technological entrepreneurial skills during SIWES, why is it that the level of unemployment is skyrocketing yearly? Perhaps the level of their entrepreneurial orientation and intention is low. However, there is need to research on the relationship between technological entrepreneurial skills acquired during SIWES and entrepreneurial orientation including entrepreneurial intention.

Table 2 further shows the type of entrepreneurial activities the respondents will embark on after graduation. In this case, the Table shows that majority (98.2%) of the respondents will embark on technological entrepreneurship after graduation while only 1.8% of the remaining respondents indicates that they will embark on social entrepreneurship after graduation. My concern is that if majority of the respondents are interest in embarking on technological entrepreneurship after graduation, why do we still have many people looking for job? Perhaps, this could be attributed to the quagmire application of entrepreneurship theory.

Table 2 Technological Entrepreneurial Skills Acquired During SIWES

Characteristics	Frequency	Percent
Level of technological entrepreneurial skills acquired during SIWES		
Very Low	7	3.1
Low	29	12.8
Fairly High	43	19.0
High	101	44.7
Very High	46	20.4
Total	**226**	**100.0**
The type of technological entrepreneurial Activities the respondents will embark on after graduation		
Technological Entrepreneurship	222	98.2
Social Entrepreneurship	4	1.8
Total	**226**	**100**
Other sources of Entrepreneurial skills possessed		
Vocational Training and skill acquisition Centres	61	27
Entrepreneurial mentorship program	15	6.6
Family business experience	26	11.5
Youth Entrepreneurial empowerment program	59	26.1
Industrial work Experience	65	28
Total	**226**	**100**

Author's computation 2022

More importantly, there is low percentage of respondents interested in starting social entrepreneurship after graduation despite its importance to the society. Perhaps, it could be as a result of low level of awareness of social entrepreneurship to the respondents or the needed resources to thrive.

Table 2 further shows the other sources of entrepreneurial skills possessed by the respondents. Majority (28% and 27%) of the respondents acquired their entrepreneurial skills through industrial Work experience; and vocational training and Skill acquisition respectively. Furthermore, the respondents acquired entrepreneurial skills from other sources such as youth entrepreneurial empowerment program (26.1%), family business experience (11.5%), and entrepreneurial mentorship program (6.6%). The implication is that there are other sources of acquiring entrepreneurial skills beyond SIWES,

Figure 4.1 shows the distribution of the respondents by the type of technological entrepreneurship acquired during SIWES. About 29% of the respondents acquired coding/app development skills. Also, 24.8% of the respondents acquired engineering services skills, likewise 18.1% of the respondents acquired manufacturing skills, 15.9% of the respondents acquired graphic design skills while 12.8% of the remaining respondents acquired digital printing skills. The implication is that, the type of technological entrepreneurship acquired during SIWES are diverse; from digital to industry and to services.

Table 3 shows the level of students' exposure to chances of setting up and managing successful business. The Table shows that majority (41.6% and 32.3%) of the respondents agree and strongly agree respectively that students' exposure really determine the chances of setting up and managing successful business.

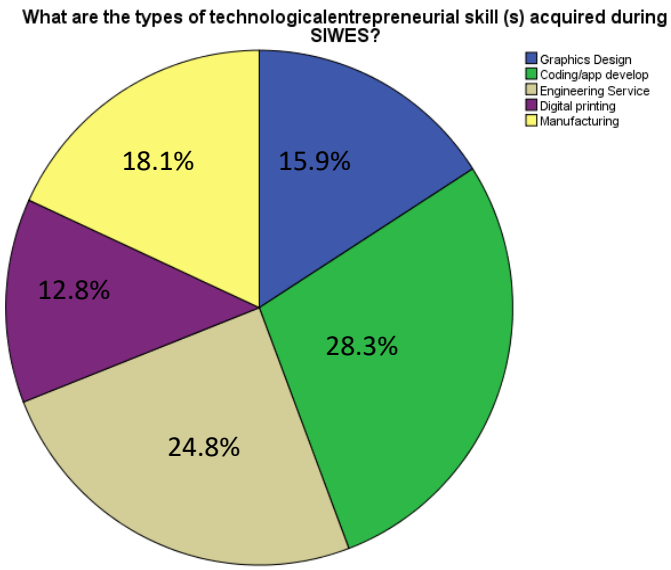

FIG. 1 Distribution of the Respondents by Types of Technological Entrepreneurship Acquired during SIWES

Table 3 The Level of students' exposure to chances of setting up and managing successful business

Characteristics	**Frequency**	**Percent**
Level of students' exposure to chances of setting up and managing successful business		
Strongly Disagree	4	1.8
Disagree	9	4.0
Indifferent	46	20.4
Agree	94	41.6
Strongly Agree	73	32.3
Total	**226**	**100.0**

Author's computation 2022

Although, The Table 3 shows that 20.4% of the respondents were indifferent to the idea of students' exposures and chances of setting up and managing a successful business while only 4% and 1.8% of the remaining respondents disagree and strongly disagree to the idea. The implication is that, exposure of students determines their chances of setting up and managing a successful business.

Table 4 shows the cross tabulation of the type of entrepreneurial activities to embark upon after graduation and other sources of entrepreneurial skill possessed. The Table shows that out of 98.2% of the respondents that involved in technological entrepreneurship, the other sources of their entrepreneurial skills they possess are through: vocational training and skill acquisition centre (27%); entrepreneurial mentorship programme (6.6%); family business experience (10.2%); youth entrepreneurial empowerment programme (25.7%); and industrial work experience (28.8%). The Table further shows that, out of the remaining respondents (1.8%) that are specialized on social entrepreneurship, 1.3% of them acquire their entrepreneurial skills from family business experience, while 0.4% of them acquire their entrepreneurial skill from youth entrepreneurial empowerment programme. The implication of this is that, the respondents acquired their entrepreneurial skills from other sources even beyond SIWES as the case may be. This also means that beyond acquisition of entrepreneurial skills from SIWES, there are other notable sources of acquiring entrepreneurial skills.

Table 5 shows the cross tabulation of SIWES completion and the types of technological entrepreneurial skill(s) acquired during SIWES. The Table shows that 15.9% acquired Graphic design, 28.3% acquired coding/app development, 24.8% acquired engineering services, 12.8% acquired digital printing and lastly, 18.1% acquired manufacturing skills.

Table 4 Cross tabulation of the type of entrepreneurial activities to embark upon and other sources of Entrepreneurial skill possessed

		What are other sources of Entrepreneurial skill you possess					Total
		A	B	C	D	F	
The type of entrepreneurial activities to embark upon	Technological Entrepreneurship	61 (27.0%)	15 (6.6%)	23 (10.2%)	58 (25.7%)	65 (28.8%)	222 (98.2%)
	Social Entrepreneurship	0 (0.0%)	0 (0.0%)	3 (1.3%)	1 (0.4%)	0 (0.0%)	4 (1.8%)
Total		61 (27.0%)	15 (6.6%)	26 (11.5%)	59 (26.1%)	65 (28.8%)	226 (100%)

Keys
A = Vocational Training and skill Acquisition Centres
B = Entrepreneurial mentorship Program
C = Family Business Experience
D = Youth Entrepreneurial empowerment program
F = Industrial work Experience

Table 5 Cross tabulation of SIWES completion and the types of technological

		The types of technological entrepreneurial skill (s) acquired during SIWES?					**Total**
		Graphics Design	Coding/app develop	Engineering Service	Digital printing	Manufacturing	
Have you completed mandatory SIWES	Yes	36 (15.9%)	64 (28.3%)	56 (24.8%)	29 (12.8%)	41 (18.1%)	**226 (100.0%)**

Author's computation 2022

Table 6 shows the distribution of respondents by their sources of fund. The Table shows that majority (42.5% and 32.7%) of the respondents have their sources of fund from family savings and personal savings respectively. The Table further shows that 19% of the respondents source their fund from Bank loan, 4% of the respondents source their funds from Government sources, while only 1.8% of the respondents source their fund from cooperative loan. The implication is that, the entrepreneurial have access to diverse sources of fund whenever they want to embark on their any of the entrepreneurial activities or type(s) as the case may be.

The Effect of SIWES on Technological Entrepreneurial Interest of Undergraduate Students in Ekiti State

Table 7 explains the effect of SIWES on personal qualities and interpersonal skills of participants. Majority (30.1% and 47.8%) of the respondents strongly agree and agree respectively that SIWES has significant effect (t=27.652; p = 0.000) on self-management. The Table further shows that majority (28.8% and 59.7%) of the respondents strongly agree and agree respectively that SIWES significantly enhances self-esteem (t=35.612; p = 0.000). In addition to that, majority (44.7% and 40.7%) of the respondents strongly agree and agree respectively that SIWES significantly enhances sociability (t=42.710; p = 0.000). More importantly, the Table shows that majority (40.3% and 40.3%) of the respondents strongly agree and agree respectively that SIWES significantly enhances consciousness (t=39.785; p = 0.000).

Table 6 Distribution of Respondents by Source of fund

Characteristics	Frequency	Percent
Personal Savings	74	32.7
Family savings	96	42.5
Bank Loan	43	19.0
cooperative Loans	4	1.8
Government Sources	9	4.0
Total	**226**	**100**

Source: Author's computation 2022

Key
SIWES = Student Industrial Work Experience

Table 7 Effect of SIWES on personal qualities and interpersonal skills of participants

Characteristics	Strongly agree	Agree	Disagree	Indifferent	t-test	P-value
SIWES enhances-Self-Management	68 (30.1)	108 (47.8)	0 (0)	50(22.1)	27.652	0.000
SIWES enhances Self-Esteem	65(28.8)	135(59.7)	0 (0)	26(11.5)	35.612	0.000
SIWES enhances Sociability	101(44.7)	92(40.7)	0 (0)	33((14.6)	42.710	0.000
SIWES enhances conscientiousness	91 (40.3)	91 (40.3)	4 (1.8)	40 (17.7)	39.785	0.000

Table 8 shows the relationship between SIWES exposure and entrepreneurial activities. The Table shows that majority (35% and 35%) strongly agree and agree respectively that SIWES exposure helps to develop more interest in entrepreneurial activities. Also, 26.1% of the respondents are indifferent that SIWES exposure helps to develop more interest in entrepreneurial activities while only 2.7% and 1.3% of the remaining respondents disagree and strongly disagree respectively with the idea that SIWES exposure helps to develop more interest in entrepreneurial activities.

Table 8 further shows that SIWES exposure influence the acquired skilled. Majority (59.7%) of the skill acquired during the SIWES exposure is problem solving, follow by inventiveness (27.9%), creativeness (5.8%) and critical thinking (1.3%) skills. The implication is that, SIWES exposure introduced the respondents to various knowledge-based skills that could influence their entrepreneurial activities in both the short and long run.

Table 8 shows that majority (52.7% and 27.4%) of the respondents agree and strongly agree respectively that emerging technologies might have implications on SIWES. Also, 11.9% of the respondents were indifferent with the idea while only 5.8% and 2.2% of the respondents strongly disagree and disagree with the idea that emerging technologies might have implications for SIWES.

Table 9 shows the effect of SIWES on technological entrepreneurial interest of undergraduate students. The Table shows that: SIWES helps in developing professional skills ($t = 62.623$; $p = 0.000$), the implication is that SIWES is significantly influencing professional skill development. Furthermore, the Table shows that SIWES exposure helps in developing more interest in skill activities ($t = 65.734$; $p = 0.000$), the implication is that SIWES exposure is significantly influencing more interest in skill activities development. In addition, the Tables shows that SIWES exposure enhance the way materials are being handled in the workshop ($t = 67.982$; $p = 0.000$), the implication is that SIWES exposure is significantly influencing the way materials are being handle in the workshop. Also, SIWES exposure significantly improves workshop performance ($t = 84.928$; $p = 0.000$), the implication is that SIWES exposure is significantly influencing workshop performance. In another case, the time spent on SIWES does not intensify the skills acquired for entrepreneurial skill ($t = 49.257$; $p = 0.000$), the implication is that the time spent on SIWES is not significantly intensifying the skills acquired for entrepreneurial skill. There is no relationship between SIWES duration and skills acquired for classroom learning ($t = 39.752$; $p = 0.000$), the implication is that SIWES duration is not influencing skills acquired for classroom learning. The Table further shows that the experience of SIWES will remain the same even if it involves shorter duration ($t = 42.870$; $p = 0.000$). The implication is that if duration of SIWES is reduced, the SIWES experience will not be affected.

The Table 9 still shows that skill acquisition will not be better if SIWES duration is increased reasonably ($t = 54.593$; $p = 0.000$). The implication is that skill acquisition will not be better if SIWES duration is increased. The Table shows that students are not influenced on their choice of job through SIWES exposure ($t = 43.509$; $p = 0.000$). The implication is that SIWES exposure did not determine

the choices of job of the respondents. Also, SIWES experience counts as an added advantage to student's vocational skills (t = 81.048; p = 0.000). The implication is that SIWES experience determines students' vocational skills. More importantly, the Table shows that SIWES exposure places students at a better chance of successful setting up and managing profitable business (t = 65.056; p = 0.000). The implication is that SIWES exposure places students at a better chance of successfully setting up and managing profitable business.

Table 8 SIWES exposure and Entrepreneurial Activities

Characteristics	Frequency	Percent
SIWES exposure helps to develop more interest in entrepreneurial activities		
Strongly Disagree	3	1.3
Disagree	6	2.7
Indifferent	59	26.1
Agree	79	35.0
Strongly Agree	79	35.0
Total	**226**	**100.0**
SIWES intensity exposure influence the acquired skilled		
Critical thinker	3	1.3
Creativeness	13	5.8
Self-efficiency	12	5.3
Problem solver	135	59.7
Inventiveness	63	27.9
Total	**226**	**100.0**
Emerging technologies might have implications for SIWES		
Strongly Disagree	13	5.8
Disagree	5	2.2
Indifferent	27	11.9
Agree	119	52.7
Strongly Agree	62	27.4
Total	**226**	**100.0**

Author's computation 2022

Characteristics	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Does SIWES help you develop professional skills?	62.623	225	0.000	1.071	1.04	1.10
SIWES exposure helps to develop more interest in skill activities	65.734	225	0.000	4.186	4.06	4.31
The ways of handling materials in the workshop are enhanced after SIWES exposure.	67.982	225	0.000	4.031	3.91	4.15
Workshop performance improves after SIWES exposure.	84.928	225	0.000	4.270	4.17	4.37
The time spent on SIWES does not intensify the skills acquired for entrepreneurial skill	49.257	225	0.000	3.593	3.45	3.74
There is on relationship between SIWES duration and skills acquired for classroom learning	39.752	225	0.000	3.535	3.36	3.71
The experience of SIWES will remain the same even if it involves shorter duration	42.870	225	0.000	3.429	3.27	3.59
Skill acquisition will not be better if SIWES duration is increased reasonably	54.593	225	0.000	3.934	3.79	4.08
Students are not influenced on their choice of job through SIWES exposure	43.509	225	0.000	3.451	3.30	3.61
SIWES experience counts as an added advantage to student's vocational skills.	81.048	225	0.000	4.066	3.97	4.17
The exposure places students at a better chance of successful setting up and managing profitable business.	65.056	225	0.000	3.987	3.87	4.11

Author's computation 2022

The Factors Influencing Technological Entrepreneurial Interest of SIWES Student in Ekiti State

Table 10 shows the factors influencing technological entrepreneurial activities. The Table shows that majority (59.7%) of the respondents agree that SIWES exposure helps to develop more interest in entrepreneurial activities. In addition, the Table shows that SIWES exposure significantly (t = 34.461; p=0.000) helps to develop more interest in entrepreneurial activities. Furthermore, the Table shows that the respondents agree (59.7%) that SIWES intensity exposure significantly (t = 56.550; p=0.000) influence the acquired skilled. The Table shows that majority (44.2%) of the respondents agree that changing technologies have significant (t = 46.075; p = 0.000) impact on political or economic events. Furthermore, majority (52.7%) of the respondents agree that emerging technologies have significant (t = 42.067; p = 0.000) implications on SIWES. Also, majority (48.2%) of the respondents agree that SIWES are significantly affecting (t = 38.064; p= 0.000) students behaviour in ways that affect technological entrepreneurship interest.

Table 11 shows the factors influencing technological entrepreneurship interest. The Table shows that Industrial work experience is significantly (t = 0.424; p = 0.000*) influence entrepreneurial interest of

the students. Also, entrepreneurial orientation is significantly (t = 0.055; p = 0.000*) influence entrepreneurial interest of the students. Furthermore, the Table shows that emerging technology significantly (t = 0.067; p = 0.000*) influence entrepreneurial interest of the students. Age is significantly (t = 0.075; p = 0.000*) influence entrepreneurial interest of the students. In addition, course of study is significantly (t = 6.869; p = 0.000*) influence entrepreneurial interest of the students. Environmental situation is significantly (t = 0.067; p = 0.000*) influence entrepreneurial interest of the students while family background is significantly (t = 0.064; p = 0.000*) influence entrepreneurial interest of the students. However, the Table shows that about 80% variation (**R^2=0.798)** in technological entrepreneurship interest of students is explained by index factors in Table 11.

Table 10 Factors influencing Technological entrepreneurial

Characteristics	Strongly agree	Agree	Disagree	Strongly disagree	Indifferent	t-test	P-value
SIWES exposure helps to develop more interest in entrepreneurial activities	79(35.0)	135(59.7)	13(5.8)	3(1.3)	12(5.3)	34.461	0.000
SIWES intensity exposure influence the acquired skilled	63(27.9)	135(59.7)	13(5.8)	3(1.3)	12(5.3)	56.55	0.000
Changing technologies have an impact on political or economic events with implications on SIWES	64(28.3)	100(44.2)	5(2.2)	19(8.4)	38(16.8)	46.075	0.000
Emerging technologies might have implications for SIWES	62(27.4)	119(52.7)	5(2.2)	13(5.8)	27(11.9)	42.067	0.000
SIWES influences are affecting students behavior in ways that affect technological entrepreneurship interest.	44(19.5)	109(48.2)	46(20.4)	6(2.7)	46(20.4)	38.064	0.000

Key
SIWES = Student Industrial Work Experience

Table 11 Factors Influencing Technological Entrepreneurship Interest of the Students

Characteristics	Coefficients	Std. Error	t-Value	P-Value
(Constant)	-0.050	0.185	-0.273	0.000*
Industrial work experience	0.022	0.051	0.424	0.000*
Entrepreneurial Orientation	0.062	0.025	0.055	0.000*
Emerging Technology	0.190	0.026	0.067	0.000*
Age	0.022	0.008	0.075	0.000*
Finance	0.086	0.054	1.579	0.115
Course of Study	0.456	0.066	6.869	0.000*
Environmental Situations	-0.061	0.032	0.067	0.000*
Family Background	0.274	0.019	0.064	0.000*

Key
*** P ≤ Significant at 1%; R^2=0.798**

Conclusion

The study concluded that exposure to SIWES is significantly influencing professional skill development; SIWES exposure is significantly influencing the way materials are being handle in the workshop; SIWES exposure is significantly influencing workshop performance. Although, the time spent on SIWES is not significantly intensifying the skills acquired for entrepreneurial skill and there is no significant relationship between SIWES duration and skills acquired for classroom learning. Likewise, the experience of SIWES will remain the same even if it involves shorter duration. Even if SIWES duration is increased reasonably, the skill acquisition will not be better because students are not influenced on their choice of job through SIWES exposure. Although, SIWES experience counts as an added advantage to student's vocational skills and places students at a better chance of successful setting up and managing profitable business.

The study further concludes that SIWES exposure significantly helps to develop more interest in entrepreneurial activities, because it influences the skills acquired and significantly affect students behaviour in ways that affect technological entrepreneurship interest. Furthermore, industrial work experience is significantly influencing entrepreneurial interest of the students. Likewise, entrepreneurial orientation; emerging technologies; Age of the respondents; course of study; environmental situation; and family background. However, the majority of the changes in technological entrepreneurship interest of students is explained by entrepreneurial orientation, industrial experience, emerging technologies, age, course of study, environmental situation and family background.

Recommendations

The study recommends that students should maximise their SIWES experience effectively and efficiently due to its importance on their professional skill development; the way materials are being handle in the workshop and workshop performance, their entrepreneurial interest, and the skills acquired.

The study also recommends that SIWES Management Board should inaugurate effective and efficient management policy(ies) that will facilitate optimal utilization of SIWES period, because the time spent on SIWES does not determine the entrepreneurial skills acquired likewise their choices of job searching. Yet, it counts as an added advantage to student's vocational skills and places students at a better chance of successful setting up and managing profitable business.

The study further recommends that SIWES Management Board that is more concern with entrepreneurial interest of SIWES students should take cognizance of entrepreneurial orientation; emerging technologies; Age; course of study; environmental situation; and family background of SIWES students because they explained mostly the changes in technological entrepreneurship interest of students.

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Entrepreneurial Innovativeness and Performance of Agribusiness in North Central States, Nigeria

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ABSTRACT

The objective of the study is to examine the effect of entrepreneurial innovativeness and agribusiness performance in North Central States of Nigeria. The population comprises of Rice Farmers Association of Nigeria (RIFAN) in North Central States of Nigeria. Raosoft calculator sample size determination was used to select sample size of 368 of Rice farmers in Kwara, Kogi and Niger state respectively. Multistage sampling technique was used in selecting the respondents.368 copies of questionnaire were administered and 319 were retrieved. The data obtained were analyzed using the partial least square (PLS)-a structural equation model (SEM) tool. The findings revealed that innovation such as product innovation, technology innovation, and administrative innovation has a significant effect on agribusiness performance as revealed by Coefficient of Determination (R^2) is 0.973 (97.3%). The study recommended that Rice farmers along value chain (RIFAN) should formally adopt innovation as part of their business strategies, particularly on product, technology and administrative innovations in other to have quality product to be able to have an edge over their competitors and maximize profits.

Keyword: *Administrative innovation, Agribusiness, Innovativeness, product innovation, Product quality and Technology innovation*

1.0 Introduction

1.1 Background to the study

Entrepreneurial innovation is an important element in today's world of globalization, as products, services and technologies are moving faster to have a place in customers' hearts. The level of innovation is reflected mainly in a high rate of development of new products and technologies, but the changes are not just about tangible things. Organizations are increasingly involved in administrative innovativeness which contributes to the achievement of sustainable competitive advantages. (Maier, Verje, Bercovici & Maier , 2017). Agribusinesses along value chain are very important. It is believed that agribusiness sector represents a larger part of global enterprises (Mwangi & Namusonge, 2014). Agribusiness have been suggested to be the major source of employment available in most of the developing nations, with agribusiness contributing to the GDP of an economy of a nation and providing employment (Mwangi & Namusonge, 2014). As such, these firms contribute tremendously to the economic and social development of many countries, which makes it vital for there to be policies and strategies that enhance their growth and development. Innovations can manifest as a new service or product, a new technological process in production, a new organizational administration structure or system, a new program or plan.

Furthermore, the dynamic business environment has led to a more critical need for agribusinesses to change their organizational processes and structures so as for them to stay updated and competitive (Gale, Gelfond & Krupkin, 2016; Trimi & Berbegal-Mirabent, 2012). It is important for considerations to be made on the ways through which the business earns its money which is a difficult feat in today's highly competitive business environment (Trimi & Berbegal-Mirabent, 2012; Hartkamp, 2017). Meanwhile, agribusinesses are struggling to keep abreast with these developments as they mostly have low innovation activity due to resource constraints for R&D. This is against the fact that agribusinesses are more likely to innovate and grow as compared to other firms (Love & Roper, 2013). Agribusinesses that innovate grow faster and are more capable of introducing quality products and services in the markets (Leithold, Haase & Lautenschlager, 2015).

However, Hartkamp (2017) suggests that Agribusinesses have more innovation challenges which are often related to poor resources as well as low skills. Added to resource and skill challenges, Agribusinesses are faced with the challenges of insecurities, herdsmen, kidnapping and banditry as a result, investors are discourage from investing in this sector. In the view of Foreman-Peck (2012), Agribusinesses are more prone to market failures since they may be constricted in their ability to generate and use knowledge, which is the prerequisite resource to innovate. Owing to the high chances of failure, the investments in R&D and innovative activities may possibly lead to high financial losses for the Agribusinesses (ForemanPeck, 2012). But in reality agribusiness competitiveness in north-central states of Nigeria is still low in the global market due to low innovativeness, which as lead to low product quality and poor performance in agribusinesses in Nigeria .

The study attempts to investigate the influence of Entrepreneurial innovativeness on the quality product of agribusiness in north central states, Nigeria.

1.2 Statements of the problem

Agribusinesses in Nigeria face massive pressures as the nation integrates more into the world economy. Rice farming along value chain in Nigeria faces a lot of challenges ranging from innovation and creativity; insecurities, kidnapping, herdsmen, banditry very few among them lack entrepreneurial skills, which make them to be primitive in handling and management of their businesses. Innovation is critical to agribusiness performance. In Nigeria business environment where agribusiness operate, it's observed that most of this agribusiness are not innovative oriented business and this leads to low quality of their produce and hence, result to low patronage even at the local market, since it cannot compete with international standard (Ehsani & Ehsani, 2015). This as lead to low standard/ substandard and poor performance in agribusinesses in Nigeria

1.3 Research Question

The research question is drawn to navigate the study;
- to what extent does product innovation affect the quality of product of agribusiness in North Central States, Nigeria?

1.4 Objective of the Study

The objective of the study is:

- to determine the relationship between product innovation and quality of product of agribusiness in North- Central, Nigeria.

1.5 Research Hypothesis

H_{01}: product innovation has no significant effect on quality of product of agribusiness in North Central States, Nigeria

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Overview of Innovativeness

Innovation has become essential for all contemporary enterprises that want to survive in a world characterized by competition, technological change, and recurring crises. The concept of innovation refers to the use of new technology or new management practices in an organization to achieve a targeted improvement in its operations (Tornatzky, Fleischer & Chakrabarti, 1990)

Drucker (2015) described innovation as a process of turning opportunities into new ideas. Daugherty, Chen, and Ferrin (2011) affirmed that innovation is a process of transforming an opportunity into fresh ideas and being widely used in practice. Quite similar to Bentz (1997) who assumed that innovation is to bring out a new or enhanced process, service or products for the marketing. Afuah (1998) suggested that innovation is the use of new technical and administrative knowledge to offer a new product or service to customers. Thus, many authors concluded that innovation is "any practices that are new to organizations, including equipments, products, services, processes, policies and projects". Innovation is regarded as a key business process that organizations are using to achieve competitive advantage. Innovations are currently a fundamental prerequisite of competitiveness (Bloch & Bhattacharya, 2016; Ariguzo, Abimbola, & Egwakhe, 2018).

Innovativeness entails the tendency to participate in and support new concepts, novelty, research and creative processes. Successful firms are presently the ones that implements innovative strategies, invests in research, development and innovations. The basic precondition for the creation and use of innovation in the enterprise is a well formulated and implemented innovative strategy. Innovativeness is a central component in performance of agribusiness as posited by Presutti and Odorici (2018). Lumpkin and Dess (1996) credited Schumpeter with being amongst the first to emphasize the role of innovation in the entrepreneurial process, in the form of a process of creative destruction, by which wealth was created when existing market structures were disrupted by the introduction of new goods or services reallocating resources from existing firms to new firms and growth.

According to Balla and Emes (2018), DeepaBabu and Manale (2016) innovations are three types; technological, product, and administrative innovativeness. Likewise, innovation in businesses can be classified into; product, market innovation and technological innovation. DeepaBabu and Manale (2016) affirmed Innovativeness as provision of solutions to both routine and no routine problems. It is the firm's ability to engage in new ideas or thinking creatively that an idea can generate future economic benefits to the firm (Kihara, Bwisa & Kihoro, 2016). Innovativeness According to Lumpkin and Dess (1996), is the firm's tendency to engage in and support new idea, novelty experimentation and creative processes. Innovativeness is to the tendency for enterprises to adopt and support creative processes, which may bring new products, new technologies, new services, new inventions, new tests, and so on. Innovativeness motivates enterprises to increase investment to carry out technology innovation activities such as new technology acquisition, new product development, and so on; thus, it can improve enterprise technological innovation ability. Moreover, innovativeness can promote enterprise reform and innovation, accelerate the flow and transformation of new knowledge, and contribute to the generation of new knowledge and technology, which improves enterprise innovation performance.

2.1.2 Product innovation

Capto, Greco, D'Amato, Notero and Spada (2016) opined that product innovation is the introduction of product in the market based on the needs, demand and expectation of customers. Snihur and Wiklund (2019) confirmed that product innovation is commercialization of product to conform to the consumer expectation and needs. Rousseau, Mathias, Madden and Crook (2016) asserted that product innovation makes it possible for dynamic business to take advantage of being the first to satisfy the needs of consumers. Through product innovation, the company can gain a competitive advantage by differentiating its production and increasing the quality and variety of goods that allow it to grow demand and open new growth opportunities (Maier, Olaru and Maier 2013; Vadastreanu, Bot, Maier & Maier, 2015 a; Vadastreanu, Maier, & Maier 2015 b).

The introduction of new product or service which is significantly improved with respect to features, performance and quality is referred to as product innovation (Ferrari & Rocca, 2010).
Product innovation refers to the development of goods or services with characteristics or intentions of use that differ significantly from previous products made by the enterprise (Olaru, Schmid, Sarbu & Maier, 2016). Yusheng & Ibrahim, (2019) affirmed that product innovation involves a significant improvement in technical specification, features, component and material, inculcated software, user friendliness, portability, durability and other significant characteristics.

2.1.3 Technology innovations

Technology innovation involves new or improved products, services, and processes. Non-technological innovations consist of new forms of organization, management of the company or new behavior in the market (OECD, 2015). Rudu (2015) opines technological innovation as an instrumental factor in creating new forms of value in a competitive environment with technology. Technology innovation represents the creativity implementation which gives rise to inventions. Technology innovation improves the quality of a product or services.

2.1.4 Administrative/Organization Innovation

Administrative and technical innovations include; potentially different decision making processes (Daft, 1978), and together they represent changes introduced to a wide range of activities in the organization (Damanpour, 1991).

Administrative innovations is seen as those that involve an administrative component and affect the organization's social system. This makes them more difficult to measure compared to e.g. product innovations (Tanninen, Jantunen & Mattisaksa, 2016). Administrative innovation is the degree of introducing change in the way the organization is managed. Rajapathirana and Hui (2018) affirmed that Administrative innovation as implementation of a new organizational technique in the firm's business practice, organization or external relations. Organizational innovation can thus, increase organizational performance through cost reduction, as well as improvement in employee and customer satisfaction (Yusheng & Ibrahim, 2019). Organizational innovation refers to the development of a new organizational approach that will somehow change a company's business practices, as well as the way its workplace is organized and its relationship with external stakeholders.

2.1.5 Product Quality

Ehsani (2015) defined quality of product as customer's perception of the overall quality of the product or service, with respect to its intended purpose, relative to alternative. Furthermore, quality is the ability of a product to carry out certain functions, which comprise accuracy, durability, reliability, resultin ease of use and repair other valuable attributes of the product holistically (Albari 2020). Khoironi, Syah and Dongoran (2018), opines that product quality is the ability of a product to perform its function; includes the products of overall durability, reliability, precision, ease of operational repair and other valued attributes. Product quality is the ability of a product to perform its function. It includes overall robustness, reliability, precision, easy to use and repair and the value of other attributes in a product.

Furthermore, (Sun, 2011) stated that product quality is the characteristic of a product or service that bear on its ability to satisfy stator implied customer needs. Product quality is a product or service characteristic that provides the ability to meet custo mer needs.

2.1.6 Relationship between Entrepreneurial Innovativeness and performance

Innovativeness is affirmed as the most important dimension of Entrepreneurial Orientation (EO), studies and research results revealed that there is a strong relationship between innovativeness and performance of organization (Felipe, Manuel, Domingo & Helena, 2020: Anjani & Yasa, 2019 : Lumpkin & Dess, 2001).

Innovativeness is the tendency of firms to partake in and support new ideas that may lead to new technological products, services or processes (Anjani & Yasa, 2019; Lumpkin & Dess, 1996). According to Rauch, Wiklund, Lumpkin & Frese (2009) in their study also established that entrepreneurial

innovativeness has a significant and positive relationship with quality products and services which lead to high market share, high sales income and high financial performance.

2.2 Theoretical review

2.2.1 Resource Base Theory

The resource- based theory of the firm was propounded by Wernerfelt, (1984) is regarded as one of the theories of strategic management that is widely referenced particularly because of its practical relevance to contemporary management practices. The key theme of the resource- based view is the exploration of a firm's resources geared towards gaining sustainable competitive advantage over other competing firms in the industry (Mahoney & Pandian, 1992). Thus the philosophical ideology of the theory suggests that competitive advantage can only be achieved by the effective and efficient employment of all resources available to a firm (Mahoney, 2001). Through the viewpoint of Wernerfelt (1984), the essence of Resource-Based View (RBV) theory is that firms could gain and sustain competitive advantages by constructing and employing valuable resources and capabilities.

The RBV also proposed that core capabilities might be identified from capabilities and resources of the firms; where in the RBV, resources and capabilities are usually known as the fundamental structures of the theory (Barney, 1991). Aligned with Barney and Grant (1991) agreed that both resources and capabilities are used as main inputs for the organizational process. Accordingly, RBV theory of the firms suggested that firm innovativeness is a "socially complex and imperfectly imitable resource that generates competitive advantage and better performance" (Barney, 1986; Menguc & Auh, 2006). Since the RBV theory highlights firm innovativeness as a resource (Barney, 1991), the RBV literature proposed that a firm should leverage its variant resources to satisfy customer needs in order to gain a continuous competitive advantage (Peteraf, 2003; Tsai & Yang, 2013). This is why firms adopt the innovation; where it is intended to devote to the effectiveness of firm performance, following the RBV theory generally (Damanpour, 1991; Hult, Hurley, & Knight, 2004). However, in any case, the firm must alter its resources based on the market changes to sustain its competitive advantage from time to time (Barney, Wright, & Kitchen, 2001; Barney, 2011). These RBV perspectives nonetheless suggest that innovativeness of a firm somehow may be affected by certain environmental situations (Tsai & Yang, 2013).

2.3 Empirical Review

Mugogo (2020) examined innovation and firm performance: what must SMEs learn from the experience in Zimbabwean Manufacturing SMEs. The result shows that Zimbabwean SMEs have only fairly adopted innovation in their operations. There also were significant correlations between the process and product innovations. The study recommended that Zimbabwean SMEs should formally adopt innovation as part of their business strategies, particularly product and process innovations. Ukpabio, Siyanbola and Oyebisi (2017) investigates the impact of technological innovation on the performance of manufacturing firms in Nigeria. The study employed survey research. Data collected were analyzed using correlation analysis and hierarchical regression analysis. The result revealed that product innovation and process innovation had significant positive relationship with firm performance.

Nwosu, Awurum, and Okoli (2015) examined the effect of technological innovation on performance of Nigeria manufacturing firms. The study used descriptive survey design. The Findings of the study revealed that Process innovation has significant positive effect on the performance of manufacturing firms; also, product Innovation has significant positive effect on the performance of manufacturing firms; more so, Organizational structure has significant positive effect on the performance of manufacturing firms; and that employee development significantly affect firm's performance positively. JamiluBaita, and DattijoAdhama (2020), examined the effect of innovation on SME firm's performance in Nigeria. The population of SMEs in Nigeria is 73081, comprising of 71288 (97.5%) small enterprises and 1793 (2.5%) medium enterprises. Parametric model of data analysis was used to determine the effects of the independent and control variables on SME performance. Ordinary least square (OLS) model was used in parametric model.

Olughor, (2015) investigates how innovation affects business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market, like Nigeria. The study employed survey research method. Descriptive statistics was used to analyze quantitative data using ANOVA (Analysis of variance). Finding of the study revealed that there is a high correlation among factors used to measure innovation. Also, innovation was found to be positively influence business performance. Mohammad, Shehnaz and Constance (2018) examined the impact of entrepreneurial innovativeness on SMEs' performances. The population of the study was 450 SMEs in Malaysia, the method of data analysis was structural equation modeling partial least square (SEM-PLS). The results revealed that there was a significant positive impact of entrepreneurial innovativeness on three types of business performances namely perceived non-financial, perceived business growth, and perceived performance relative to competitors.

Rajapathirana and Hui (2018) found that innovation (product, process, administrative/organizational) has positive and significant effect on organizational performance in terms of financial, growth, customer, and internal process. Kong YuSheng and Masud Ibrahim (2020), the study examined the effect of innovation adoption on performance of banks in Ghana. Data were obtained from 450 respondents comprising bank employees and customers in the Kumasi metropolitan area in Ghana. An exploratory factor analysis, confirmatory factor analysis, and structural equation modeling were used to analyze the data via Smart PLS and SPSS. The result revealed that innovation dimensions contributed to bank innovation are organizational, product, process, and marketing innovations. The study also, revealed that there is a direct and positive relationship between innovation dimensions (product, marketing, and organizational innovations) and bank performance. Also, their findings showed a positive relationship between innovation capability and the four dimensions of innovation (organizational, product, process, and market innovations).

Kijkasiva and Pheuno (2020) analysed the effect of innovation on SME firm performance in Eastern Europe and Central Asia. They found that innovation has significant positive impact on firm performance. However, the relationship is positively mediated by access to finance and negatively moderated by firm size.

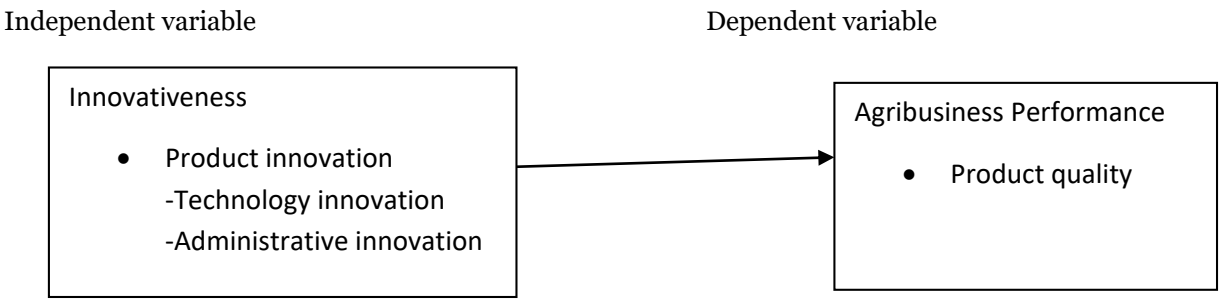

Fig 2.1 Researcher's conceptual framework (2022).

3.0 Methodology

The study employed survey design. A survey design was used with a semi-structured questionnaire as the primary data collection instrument. The survey strategy was chosen due to its ability to sample a larger element. Adopting a convenience sampling technique, the study population was 12,800 rice farmers in North Central States. Raosoft calculator sample size determination was used to select the sample size of 368 Rice farmers in Kwara, Kogi and Niger States respectively. The study was conducted using rice farmers' association of Nigeria (RIFAN) in north central States of Nigeria to find out the effect of innovativeness on performance of agribusiness in North Central States of Nigeria.

A self-administered, structured questionnaire along a five point Likert type scale which are (1) Strongly Disagree (2) Disagree (3) Undecided (4) Agree (5) Strongly Agree was developed, pre-tested, and finally administered to the members of RIFAN. The questionnaire consisted of section A and B, where section A requested for Bio data of the respondents, section B elicited information from the

respondents on entrepreneurial innovativeness variable. Primary and secondary data were used. Primary data was employed to gather relevant information from respondents. The secondary source was obtained from related journals and articles.

The study employed partial least squares (PLS) approach to analyze the data collected. Barclay, Higgins, and Thompson (1995) submit that the PLS is a structural equation modeling tool (SEM) that allows the study to simultaneously analyze numerous variables and predictor constructs and analyze unobservable theoretical variables. Structural Equation Model is a multivariate addition of the multiple linear regression models with one dependent (Y) variable:

$$y = i + Xb + e$$

Where y = a vector comprising observed scores on the dependent variable, i is a vector of 1's denoting the *y-intercept*, X is a matrix of continuously distributed or categorical (dummy- coded) independent variables, b is the vector of regression weights, and e denotes the vector of remaining or error or leftover scoring that which cannot be explained by the model.

4.0 Data Presentation and Analysis

The first stage in the Smart PLS analysis involved the assessment of the measurement model. Similarly, means; the factor or outer model in this, it is a concern with first stage Models assessment. It usually determines the validity, goodness of the measure as well as reliability used (Ramayah, Wai, & Lee, 2011). In effect, it comprises the assessment of the internal consistencies of items, reliability of individual item, discriminant validity as well as convergent validity (Henseler, Ringle & Sinkovics., 2009; Fornell & Larcker, 1981; Hair, Ringle & Sarstedt, 2011). The figure 4.1 below represents measurement model without moderation of this study from which reliability assessments were drawn as mentioned initially. The study examined the effect of entrepreneurial innovativeness on product quality. The construct of entrepreneurial innovativeness was proxy by product innovativeness, administrative innovation and technology innovation. The study is concerned with the direct effect of the independent variables on the dependent variables.

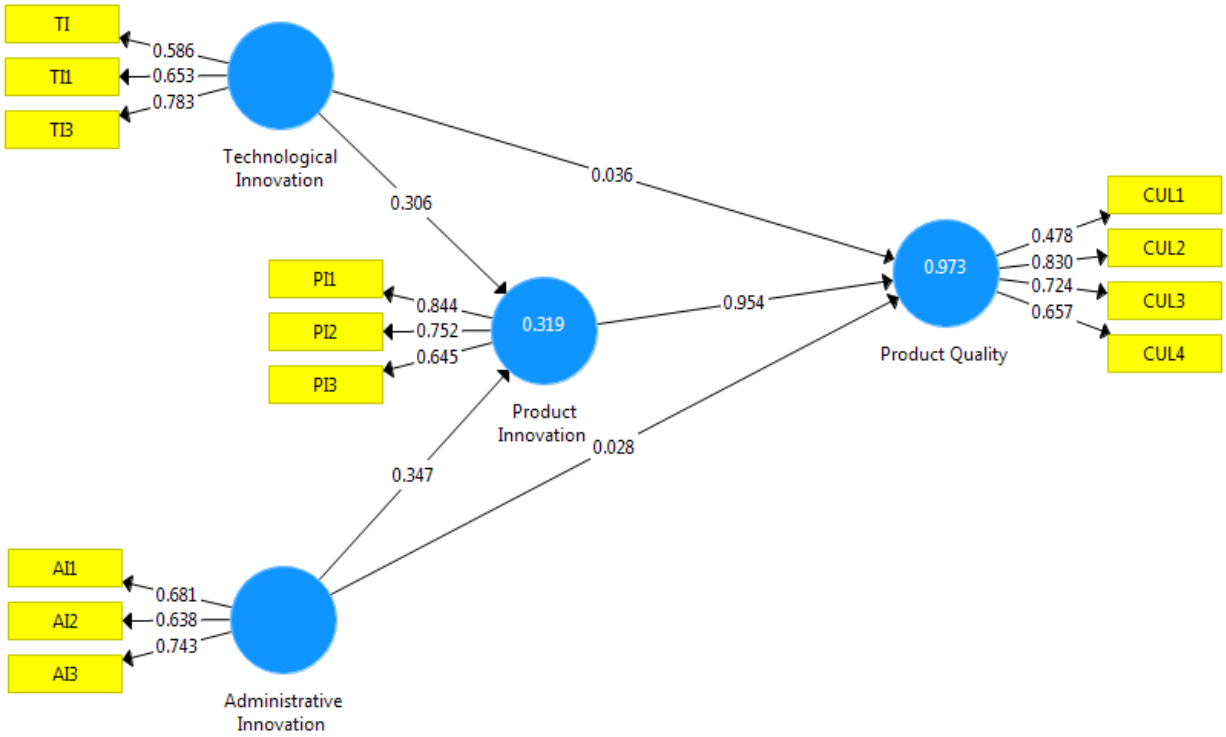

Figure 4.1: *Measurement Model (Algorithm Result)*

Figure 4.1 was fully represented in Table 4.1 which displays the path coefficients, t- values, and standard error at which the hypotheses were supported or not. The t-values in this study were calculated using a 500 re sampling iterations in repetitive bootstrapping. The justification for the selection of 500 samples is because it ensures that every model parameter has empirical sampling distribution and the standard deviation of the distribution served as proxy of the parameter‘s empirical standard error.

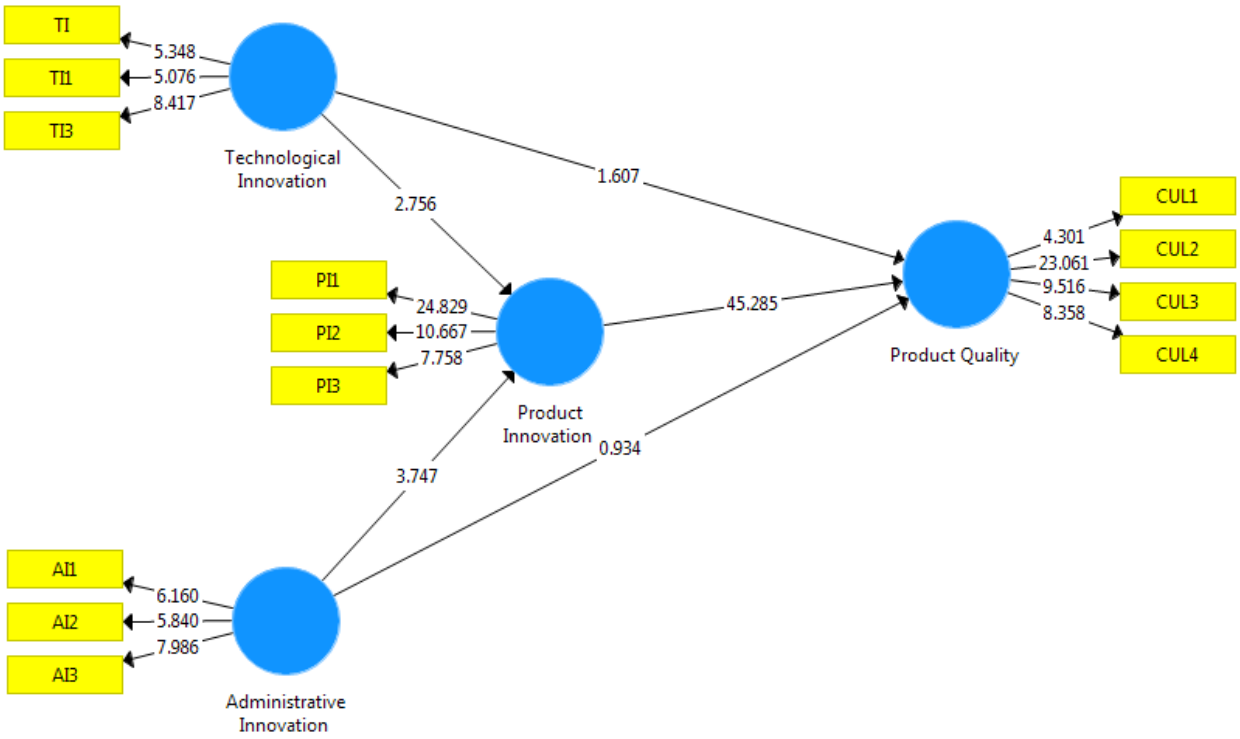

Figure 4.2: *Measurement Model (Bootraping Result)*

Table 4.1: Statistical Analysis

Constructs	Original Sample(β)	Sample Mean	Standard Deviation	T Statistics	P Values
Administrative	0.347	0.359	0.039	3.747	0.000
Administrative ; product quality	0.028	0.026	0.029	0.934	0.351
Product innovation; product quality	0.954	0.955	0.021	45.285	0.000
Tech. innovation	0.306	0.313	0.111	2.756	0.006
Tech. innovation; product quality	0.036	0.035	0.023	0.1607	0.109

Table 4.1 presented the statistical analysis which explained and opposed the assumption of the hypothesis signifying that administrative innovation does not have significant effect on product quality. Therefore, (β = 0.028; T-value = 0.934; P=0.000) proved the administrative innovation affect product quality. In the same vein, the statistical analysis result about the product innovation shows highly significant effect on product quality.

Another important criterion for assessing the structural model in PLS-SEM is the R^2 value, which is also known as the coefficient of determination (Hair, Ringle, & Sarstedt 2014; Hair, Wolfinbarger& Ortinall 2018; Henseler, Ringle & Sarstedt 2012). The R^2 value represents the proportion of variation in the dependent variable(s) that can be explained by one or more predictor variable (Elliott &

Woodward, 2007; Hair, Sarstedt, Ringle & Mena 2012; Hair, Money, Samoucl & Page 2006). Although the acceptable level of R^2 value depends on the research context (Hair, Sarstedt, Hopkins & Kuppelwieser 2014), Falk and Miller (1992) propose an R-squared value of 0.10 as a minimum acceptable level. Meanwhile, Chin (1998) suggests that the R^2 values of 0.67, 0.33, and 0.19 in PLS-SEM can be considered as substantial, moderate, and weak, respectively.

Similarly, Hair et al. (2014) stated that, an R^2 value of 0.75 should be regarded as substantial, while an R^2 value of 0.50 should be taken as moderate, and R^2 value of 0.25 stands as weak. However, Cohen (1998) recommended R^2 values of 0.27; 0.13; & 0.02 as substantial, moderate and weak coefficients respectively. In line with the rule of thumb for the coefficient of determination (R^2) of the endogenous construct concerning the direct relationship model of this study is presented in Table 4.2 below:

Table 4.2: *Coefficient of Determination (R^2)*

Construct	**R-Square Value (R^2)**
Product Quality	0.973

Source: Simulation by the Researcher

As indicated in Table 4.2, the research model explains (0.973) 97.3% of the total variance in product quality. This suggests that the sets of exogenous latent variables collectively explain 97% of the variance of the product quality. Thus, following Falk and Miller's (1992) and Chin's (1998) the criteria, the endogenous latent variables showed acceptable levels of R^2 values, which were considered as substantial. Thus, indicated that the exogenous constructs contributed 97% of the endogenous construct in term of their direct relationship. The result revealed that innovativeness significantly affects product quality, hence the null hypothesis is rejected and the alternate hypothesis is accepted.

4.1 Discussion of Findings

The study structural equation model revealed a significant effect of innovativeness on the product quality. This finding is an affirmation of the studies of Balla et al. (2018) and Deepa Babu and Manale (2016) who proxy innovation with technological, product, and administrative innovativeness. Both Studies found that innovation is great determinants of product quality. The findings of this study indicate one of the key areas that contribute to the success and growth of agribusiness in North central States and Nigeria in general. Innovative firms will have better chance to survive and excel during the severe competition, enabling these firms to meet the changing demands of their customers through quality products and to diversify their products or services portfolios.

5.0 Conclusion

Based on outcome of the study the following conclusions were reached. It was established that innovation is a key driver of any business organization that wants to have an edge over their competitors in the market place. This study also concludes that innovation is positively and significantly related to agribusiness performance through the use of technology innovation, product innovation and administrative innovation in producing quality products in North central States of Nigeria. The study also, concludes that product innovation, technology and administrative innovation aids the knowledge into action which contributes to quality products and profit maximization. The combination of administrative and technological innovation in any firms makes the firms more competitive. It is aligned with RBV theory which highlighted that firms' innovativeness leads to firm performance generally and it has been empirically proven by many previous studies.

5.1 Recommendations

The study of entrepreneurial innovativeness and agribusiness performance has opened up several recommendations that can further enhance performance. Based on the findings, product innovation, technology innovation and administrative innovation should be encouraged. Innovation has been identified as a veritable tool for enhancing business performance. The following recommendations were

made in relation to entrepreneurial innovativeness and performance of agribusinesses in north central, Nigeria.

The study recommended that more innovative activities such as adding value to existing products, development of new products, making use of new technologies should be used by rice farmers along value chain (RIFAN) should formally adopt innovation as part of their business strategies, particularly on product, technology and administrative innovations in other to have quality product to be able to have an edge over their competitors.

The Government should encourage collaboration with relevant institutions such as research institutes, Universities and financial institutions to support agribusiness along value chain through research and development, technical assistance and to enable the farmers to access funds to purchase the needed technological equipments in line with global practices.

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Technology Upgrading and Performance of Family Enterprises in South-West Nigeria

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ABSTRACT

The study examined the effect of technology upgrading on the performance of micro and small family enterprises in Ondo State. Survey research design was adopted and population of the study was 600 MSE owners and 390 sample sizes were realized using Cochran's formula. Primary source of data was deployed through questionnaire to gather information from the respondents in selected six Local Government Area of Ondo State. Chi-square method was used to test the hypotheses of the study. The results of the study disclosed that with upgrade in technology, there is accuracy, promptness and swiftness in the service delivered to customers as well as prompt response to their enquires. Furthermore, Micro and Small family Enterprises witness increase in customer's satisfaction due to technology upgrade and this gives MSEs owners competitive edge against their competitors. The study discovered that technology upgrade provides enabling environment for business growth, enhances productivity of MSEs and help in reducing the workload of MSEs. The result of the hypothesis shows that technology upgrading has significant influence on customers' patronage of Micro and Small family Enterprises as (χ_{cal}) of 241.692^{a} > (χ_{tab}) of 9.15 at 5% level of significance and technology upgrading have significant impact on competitive edge of micro and small family enterprises in Ondo State as (χ_{cal}) of 163.411 > (χ_{tab}) which is 9.49 at 5% level of significance. The hypothesis shows that technology upgrading has significant effect on profit maximization of Micro and Small family Enterprises in Ondo State as (χ_{cal}) of 234.466^{a} > (χ_{tab}) of 9.15 at 5% level of significance as well as having significant impact on prompt service delivery of Micro and Small family Enterprises in Ondo State as (χ_{cal}) of 397.625 > (χ_{tab}) of 9.49 at 5% level of significance. The study concluded that technology upgrading significantly influence positively maximization and prompt service delivery of Micro and Small family Enterprises in Ondo State. The study also concluded that technology upgrading improves customer's patronage and give MSEs competitive advantage in the business operation in Ondo State. The study recommended that MSE owners should utilize the technology devices being made for business purposes.

I. Introduction

The prevalence of family businesses in most economies has called for numerous research and debates in the broad family business literature. Existing research compares and contrasts the performance implications between family and non-family firms and also investigates how the specific characteristics of family business affect firm performance, especially those related to governance structure (Chua et al. 2000) Family enterprise is the most common form of business entity in the world and in Nigeria specifically. It is another type of business that serves as another source of employment for many job seekers. It also improves the quality of life and standard of living of the people as it increases the comfort of life of the people. It reduces and eliminates poverty in the society. It serves as means of revenue generation and wealth creation (Chua et al. 2000)

Despite the importance of this enterprise, there exists a problem of profit maximization as many of this enterprise failed to generate or meet up with expected profit to sustain their business. This is caused by so many factors in which inadequate technology cannot be excused. Moreover, the problem of

prompt service delivery also inhibits the performance of this family enterprise as manual ways or semi-manual ways of delivering services will rather slow down the delivery period which in turn will lead to loss in interest of the service by customers. Therefore, inadequate technology reduces customer patronage. This different scenarios have led so many Enterprises to adopt technology and for those who already adopted technology tend to upgrade to improve their service delivery which in order is expected to boost their profit and influence customers patronage.

Technology upgrading which is development and overall process of invention, innovation and diffusion of technology or processes was of great advantage to any business and organization. Thus, an enterprise with advance technology tends to have competitive edge than other competitors with lower form of technology. This study therefore intends to examine the effect of technology upgrading on the performance of Micro and Small family Enterprise in Ondo State, Nigeria.

II. Literature review

Durowoju (2017) investigated the impact of technological change on Micro and Small Enterprises performance in Lagos State. Organizations are restructuring, re-engineering and rethinking how they do business in an effort to keep pace with changes in technology and other economic conditions in the world. The goal of technological change under study is the ability of MSEs to accept new innovative methods that will lead to higher performance of humans and machines for increased productivity. Descriptive survey research with the sample population of 153 respondents made up of managers and owners of Micro and Small Enterprises within the Lagos metropolis was used for this study. The major statistical technique used was a linear regression technique. The hypothesis tested found that technological change has effect on organizational performance of Small and medium enterprise within the Lagos metropolis. The coefficient of determination (R2 = 0.566) showed that 56.6% of the success recorded in the MSEs performance is accounted for by technological change. This result is statistically significant because the p-value of the result (0.000) is less than 0.05 level of significance used for the study. This indicates that technological change has a positive and significant impact on MSEs performance in Lagos State. In order to achieve success in change management through technology; human resources, culture and innovation must be recognized and respected. This will enhance MSEs performance both in the short and long run. It will also prevent unnecessary resistance of employees to change through deviant workplace behavior.

Mallinguh, Wasike & Zoltan (2020) examine the technology acquisition and MSEs performance, the Role of Innovation, Export and the Perception of Owner-Managers Sufficient literature supports Micro and Small 'Enterprises' (MSEs) significant role in emerging and mature economies. Still, the same research highlights varying challenges that innovative firms in developing economies face, like access to formal credit and external markets. This study examines the effect of a capital budget's proportion for acquiring new technology and sale performance between 2017–2019 using a sample of 101 Kenyan MSEs. The ordinary least square moderated mediation results indicate that: (1) the proportion of the capital budget allocated for the acquisition of technology positively and significantly influences sales; (2) the index of moderated mediation suggests that the perception of firm owner-managers towards the availability of formal credit moderates the mediated relationship between the capital budget's portion spent on technology and sales as mediated by innovation activities. However, the index is insignificant for the second mediator, export longevity. However, in the final model, both the level of innovation and export longevity positively and substantially affect sales

Akinwale, Adepoju & Olomu (2017) examined the impact of research and development (R&D) expenditure, product and process innovations on Micro and Small Enterprises (MSEs) performance in the manufacturing industry in Nigeria using a survey of 1,000 MSEs with a response rate of 52.1% in year 2009. The results with least squares method showed that R&D spending by the firms as well as product and process innovation has significant impacts on the firm's performance with the probability value of 0.0529, 0.0624 and 0.0086 respectively at 10% level of significant. Also, training of workforce constitutes the major innovation activities in the Nigerian manufacturing MSEs as against in-house and outsourced R&D activities. This study suggests improvement in R&D spending and other technological

activities which are expected to increase MSEs' profitability and thus generate more employment in the country.

Donat (2019) studied the effect of technology on the business strategy performance relationship which has mainly concentrated on big firms. The review of the Small business literature reveals limited research has attempted to investigate the moderating effect of technology in Micro and Small-sized Enterprises (MSEs), particularly in the Uganda's context. Findings of the study indicate the performance of MSE vary with the choice of the business strategies they adopted that result to building core competences with regard to the competitive advantages. Additionally, to a certain degree, the findings of the study suggest technology as measured by technological complexity of process moderates the relationship between business strategy and the performance of MSE's. Finally the study suggests the model diagrammatic model that portray the role of technology as facilitator to performance of MSEs and in meeting overall customer needs and at a balanced cost and fit of positioning in stiff competitive environment.

Anjum (2018) claimed that technological innovation is believed to improve organization's performance and further stimulates growth and the survival of the organization. Many factors influence the MSE performance on technology adoption, such as formal strategy, Organization size, customer and supply relationship, technical capabilities, innovative cost and innovative support. The current study examines the performance of MSEs on technology adoption. It also examines the business performance along with the manufacturing performance of MSEs on adoption of newer technologies. The study uses logistic regression and linear regression to estimate manufacturing and business performance of MSEs. The results convey that the adoption of technologies by MSEs influence their manufacturing performance. Further, it can be concluded that, drivers of technology adoption partly influence the business performance of MSEs.

Ali (2018) carried out the impact of ICT on MSESs (case study of Rwanda). The world is experiencing a new global economic order which is characterized by information and communication technologies. A whole tremendous change is taking place in which the spread of knowledge has given a rise to an era of knowledge and information. Internationalization and globalization on the other hand had pushed nations and firms across the world into much harder new dilemmas. Such dramatic shifts are extremely challenging for Small developing economies like Rwanda. Fortunately, knowledge, and technology offer such countries like Rwanda a platform on which to build a future and become part of the global digital economy. The overall purpose of this thesis was to report on the brilliant progress of this country that has emerged from chronic poverty, mass killing, political instability, and global indifference to a nation embraced to science, technology and business investment giving special attention on the impact of ICT on Micro and Small-sized Enterprises in Rwanda. As an instrument for collecting primary data, a questionnaire was administered to over 35 MSEs operating in different fields. The study revealed that the creative use of ICT enables MSEs not only cutting costs and improving efficiency but also for creating different levels of relationship bonds with their customers which in return gives them value proposition. Overall, the results of this research confirm that ICT has diverse and positive impact on the growth and competitiveness of MSEs.

Juniarti & Omar (2021) examined technology adoption in Micro and Small Enterprises (MSEs) current issues and future research avenues. Micro and Small Enterprises (MSEs) gives enormous contribution across economics. Therefore, technology adoption becomes a must to help MSEs grow. The purpose of this study is to provide an existing literature review on technology adoption in MSEs. This study identified and evaluated peer-reviewed journal publications (systematic review) focusing on technology adoption in MSEs based on research articles published within the 2011-2021 period. The literature review shows valuable progress in the area under discussion. The study prompts insightful avenues academic for future studies of technology adoption in MSEs and practitioners communities to use and encourage others to use technology.

De Vrande et al, (2011) operationalized two types of open technology innovations—technology exploitation and technology exploration. The technology exploitation indicates a gain of benefits from initiatives and knowledge of their (non-R&D) workers. It leads to spillover existing technological capacities of firms outside its boundaries. Innovation in the modern business world is mostly explained

by technological acquisition. In technological exploration, the SMEs could use their customers in innovation processes by using their views on product modifications.

Ndesaulwa & Kikula, (2018**)** used a desktop methodology to investigate the world wide existing empirical studies results on the relationship between Innovation on Micro and Small Enterprises (MSEs) performance. The literature survey reveal that the studies on innovation and its effect on performance are observed to have concentrated to Western, Middle and Far East and very little empirical evidence is noticeable in Africa. The issue of innovation and how it relate to firm`s performance and specially MSEs is therefore yet to be exhaustively explored. The results from review further find that no consistent results on whether the innovations altogether influence firms performance. The conclusion is therefore not generally viable. The nature of the empirical results reported in this paper indicates a need for such studies especially in Africa where the research fissure is widely observed in this area. The paper is thus a wakeup call for empirical studies that assess the impact of innovation on MSEs performance in Africa and Tanzania in particular where the studies of this nature are rarely found in the review of literature conducted in this paper

Dincer & Dincer (2016) revealed literature review on the use of technology and information systems in MSEs. In order to improve their efficiency and performance, companies' especially Micro and Small sized Enterprises (MSE) adopt new technologies, information systems (IS) and widely used Accounting Information Systems (AIS). This paper seeks to understand general points to consider in the adoption of similar systems and the factors that influence the adoption of these systems in the MSE context using the extant literature. The relationship between the AIS systems and firm performance is also considered to shed light to leverage points in the use of AIS and the role it plays in management decision making. Accurate and timely, information based detailed reports are easily produced using AIS helping decision makers, planners and internal auditors.

III Methodology

The study was carried out in Ondo State, in Southwest Nigeria. The state has eighteen (18) Local Government Areas, the major ones being Akoko, Akure, Okitipupa, Ondo, Ilaje, Idanre and Owo while the minor ones being Ose, Odigbo, Irele, Ifedore, Ese Odo. The study deployed Cochran's formula for sample determination because of the unknown population. The formula enables the calculation of ideal sample size is given below:

Cochran's formula = $no = \frac{z^2 pq}{\ell^2}$ (same as $no = z^2 pq/e^2$)

Where no = sample size; Z = Statistical parameter that depends on the confidence level (1 – a equal the desired confidence level is 95%).; e = desired level of precision (maximum estimation error accepted); p = The numerical probability of a success.; q = 1-p is the numerical probability of the failure. Therefore, the calculation of the sample size for this study is given thus

. 95% is the confidence interval for the study. p = 0.5; q = 1- 0.5 = 0.5; z = 1.96; e = 0.05
Therefore, the sample size calculated was 385; n = 385.

Furthermore, primary data was collected through administration of sixty five (65) questionnaire to key person of Micro and Small scale family Enterprises from each of the six Local Government such as Owo, Akure, Akoko, Ilaje, Idanre, and Okitipupa in Ondo State Nigeria, making three hundred and ninety (390) respondents in total SPSS was used in the analysis of data collected. Both descriptive such as frequency percentages and inferential statistical analysis such as chi square (X^2) were carried out on the data collected.

IV Results and Discussion

The presentation of data was based on the quantitative data collected from field of investigation through the administration of Questionnaire.

Table 1 shows the age range of the respondent the reason for having the age range is age diversity. The study made use of these respondents in the various age categories and this age categories is between the age of 21 to 30 years, 31 to 40 years, 41 to 50 years, 51 to 60 years and the last categories 61 and above. 48.6% of the respondents were between 21 -30 years of age, 26.9% were between 31 - 40 years of age, 10.9% were between 41 – 50 years of age and 11.1% were 51-60 years of age while 2.4% were 61 years and above. This means that majority of the respondents were between 21 – 30 years of age because people at this age category are in their active and productive age and make they use of technology the most knowing the importance of upgrading technology.

This study made use of respondents in different genders, male and female and the study recorded female constituting the larger percentage as a result of their availability during the research. 43.5% of the respondents were male while 56.5% of the respondents were female. This means that majority of the respondents were female.

The respondents in the various Micro and Small family Enterprise have different academic qualification, some had secondary school certificate, OND/NCE, HND/BSC, and MSC/MBA/PHD respectively. 16.0% of the respondents were SSCE holders, 28.5% were OND/ NCE holders. 40.2% were HND/BSC holders while 15.2% of the respondents were MSC/MBA/ PhD holders. This means that majority of the respondents were HND/BSC holders.

Table 1
Demographic data of the respondents

Age of respondent						
Age range	21-30	31-40	41-50	51-60	61 & above	Total
Frequency	179	99	40	41	9	368
Percent	48.6	26.9	10.9	11.1	2.4	100.0
Gender of respondent						
Gender	Female	Male	Total			
Frequency	160	208	368			
Percent	43.5	56.5	100.0			
Educational level of respondents						
Educational level	SSCE	OND/NCE	HND/BSC	MSC/MBA/PhD	Total	
Frequency	59	105	148	56	368	
Percent	16.0	28.5	40.2	15.2	100.0	

Table 2 shows that upgrade in technology have a great effect on the process firms undergo to ensure the best output and price levels are archived in order to maximise its returns. With the use of technology firms can find cheaper raw materials, find suppliers that offers better rates for inventory purchases and also find product sources with lower shipping fees. 64.4% of the respondents strongly agreed and 27.7% agreed that Technology upgrading have significant effect on profit maximization on Micro and Small family enterprise while 1.1% and 6.8% of the respondents were undecided and disagreed respectively. This indicate that Technology upgrading have significant effect on profit maximization on Micro and Small family Enterprise.

Upgrade in technology will help the Enterprise to know its percentage that measures how profitable its pricing strategy is, how well it controls cost and how efficiently it uses raw materials and labor to produce products and services. 47.6% of the respondents strongly agreed and 42.9% agreed that an upgrade in technology will increase the company profit making margin while 1.1%, 7.3 and 1.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate an upgrade in technology will increase the company profit making margin

Upgrade in technology help to increases the degree to which business or activity yields profit or financial gain in organization. 38.0% of the respondents strongly agreed and 38.9% agreed that technology upgrade increase profitability of Micro and Small Enterprises while 7.3%, 14.9 and 1.9% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that technology upgrade increase profitability of Micro and Small Enterprises.

The upgrade in technology significantly impact the quality of service delivered, the ability to deliver service in line with internal specification of quality and design according to the management perception of customer needs and expectation. 61.4% of the respondents strongly agreed and 24.7% agreed that Technology upgrading does have significant impact on prompt service delivery of family enterprise while 2.2%, 9.8 and 1.9% of the respondents were undecided, disagreed and strongly disagreed respectively. Technology upgrading does have significant impact on prompt service delivery of family enterprise.

Use of some technology devices and constant upgrading of these devices such as Point of Sales (POS) bill or banknote counter among others there has been accuracy, promptness and swiftness in service delivered to customers. 70.1% of the respondents strongly agreed and 23.6% agreed that with upgrade in technology there is accuracy, promptness and swiftness in the service delivered to customers while 1.1%, 4.1 and 1.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that with upgrade in technology there is accuracy, promptness and swiftness in the service delivered to customers.

Use of technology and an upgraded version customers get prompt response to their request through for instance the use of internet, customers place orders, and there is immediate response to their request. Orders can be made as far as abroad and immediate response gotten for these request. 58.4% of the respondents strongly agreed and 27.4% agreed that Customers get prompt answers to their questions while 1.1%, 4.1 and 1.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that Customers get prompt answers to their questions.

Table 2
Effect of technology upgrading on profit maximization of Micro and Small family Enterprises

Technology upgrading have significant effect on profit maximization on Micro and Small family Enterprise							
	A	**SA**	**D**	**S D**	**Decided**	**UD**	**Total**
Frequency	102	237	-	-	25	4	368
Percent	64.4	27.7	-	-	6.8	1.1	100.0
An upgrade in technology will increase the company profit making margin							
Frequency	158	175	27	4	27	4	368
Percent	42.9	47.6	7.3	1.1	7.3	1.1	100.0
Technology upgrade increase profitability of Micro and Small Enterprises							
Frequency	143	140	55	7	55	23	368
Percent	38.9	38.0	14.9	1.1	14.9	6.3	100.0
Technology upgrading does have significant impact on prompt service delivery of family enterprise							
Frequency	91	226	36	7	-	8	368
Percent	24.7	61.4	9.8	1.9	-	2.2	100.0
With upgrade in technology there is accuracy, promptness and swiftness in the service delivered to customers.							
Frequency	87	258	15	4	-	4	368
Percent	23.6	70.1	4.1	1.1	-	1.1	100.0
Customers get prompt response to their request							
Frequency	101	215	34	7	-	11	368
Percent	27.4	58.4	9.2	1.9	-	3.0	100.0

Table 3 shows that 71.5% of the respondents strongly agreed and 20.4% agreed Technology Upgrade help customers to send in feedbacks and complaints while 3.0% and 5.2% of the respondents were undecided and disagreed respectively. This indicate that Technology Upgrade help customers to send in feedbacks and complaints.

Due to the effectiveness which technology upgrade brings there is continuous patronage as the customers believes and knows that the enterprises is capable to meet up their task effectively. 58.4% of the respondents strongly agreed and 28.0% agreed that Technology upgrade has enhances the effectiveness of Micro and Small family Enterprises while 1.1%, 11.4% and 1.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that Technology upgrade has enhances the effectiveness of Micro and Small family Enterprises.

Micro and Small family Enterprises operate 24 hours due to technology upgrade 56.5% of the respondents strongly agreed and 23.9% agreed while 2.2%, 16.3% and 1.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that Micro and Small family Enterprises operate 24 hours due to technology upgrade.

Technology upgrading have significant influence on customer's patronage. 52.2% of the respondents strongly agreed and 29.9% agreed that while 1.9%, 13.9% and 2.2% of the respondents were undecided, disagreed and strongly disagreed respectively. This indicate that technology upgrading have significant influence on customers patronage.

Larger number of customers can be reached through the use of technology and quiet a number of customers can be attracted through the use of upgraded technologies such as using social media marketing, email marketing campaigns and loyalty program. 44.8% of the respondents strongly agreed and 34.0% agreed that Technology upgrade increase number of customers while 1.9%, 14.4% and 4.9% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that technology upgrade increase number of customers.

Table 3
The effect of technology upgrading on continuous patronage in micro and small family enterprises

Technology Upgrade help customers to send in feedbacks and complaints							
	A	**SA**	**D**	**SD**	**Decided**	**UD**	**TOTAL**
Frequency	75	263	-	-	19	11	368
Percent	20.4	71.5	-	-	5.2	3.0	100.0
Technology upgrade has enhances the effectiveness of Micro and Small family Enterprises							
Frequency	103	215	42	4	-	4	368
Percent	28.0	58.4	11.4	1.1	-	1.1	100.0
Micro and Small family Enterprises operate 24 hours due to technology upgrade							
Frequency	88	208	60	4	-	8	368
Percent	23.9	56.5	16.3	1.1	-	2.2	100.0
Technology upgrading have significant influence on customer's patronage							
Frequency	110	192	51	8	-	7	368
Percent	29.9	52.2	13.9	2.2	-	1.9	100.0
Technology upgrade increase number of customers							
Frequency	125	165	53	18	-	7	368
Percent	34.0	44.8	14.4	4.9	-	1.9	100.0

Table 4 below Shows that giving an excellent service to customers through the use of upgraded technology customer's level of patronage will boost up as they are sure to get value for time. 35.9% of the respondents strongly agreed and 52.2% agreed Technology upgrade has increase the level of customer's patronage while 6.8% and 5.2% of the respondents were undecided, and disagreed respectively. This confirmed that Technology upgrade has increase the level of customer's patronage.

Technology upgrade helps Enterprises to meet up with demand and such brings satisfaction to customers. 41.0% of the respondents strongly agreed and 37.2% agreed while 16.6% and 5.2% of the respondents were disagreed and strongly disagreed respectively. This confirmed that technology upgrade helps Enterprises to meet up with demand and such brings satisfaction to customers.

Micro and Small family Enterprises witness increase in customers satisfaction, 40.5% of the respondents strongly agreed and 39.8% agreed while 1.9%, 11.1% and 7.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that Micro and Small family Enterprises witness increase in customer's satisfaction.

Table 4
Effect of technology upgrading on competitive edge in micro and small family enterprises in Ondo State.

Technology upgrade has increase the level of customer's patronage							
	A	**SA**	**D**	**SD**	**Decided**	**UD**	**TOTAL**
Frequency	192	132	25	19	-	-	368
Percent	52.2	35.9	6.8	5.2	-	-	100.0
Technology upgrade helps Enterprises to meet up with demand and such brings satisfaction to customers							
Frequency	137	151	61	19	-	-	368
Percent	37.2	41.0	16.6	52	-	-	100.0
Micro and Small family Enterprises witness increase in customer's satisfaction							
Frequency	145	149	41	26	-	7	368
Percent	39.4	40.5	11.1	7.1	-	1.9	100.0

The effect of technology upgrading on competitive edge in Micro and Small family Enterprises

Table 5 shows that in any company, information technology has powerful effect on competitive advantage in either cost or differentiation. The technology affects value activities themselves or allows companies to gain competitive advantage by exploiting change in competitive scope. 34.2% of the respondents strongly agreed and 43.8% agreed technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises. While 3.8%, 12.0% and 6.3% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises.

Technology gives an enterprise which make use of technology get job done on time, accurately and with quality all this attributes give this organisation edge compared to other competitors which are not using upgraded technology or technology at all. 39.1% of the respondents strongly agreed and 42.7% agreed Technology upgrade enhances and gives an enterprise a competitive edge against competitors. While 1.1%, 12.5% and 4.6% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that Technology upgrade enhances and gives an enterprise a competitive edge against competitors.

When it comes to some hazardous work and mass production there is a need to use technology in achieving result, achieving result is a guarantee of continuous operation. 37.5% of the respondents strongly agreed and 40.8% agreed that Technology upgrade help the Small and Micro Enterprises to always remain in business while 4.9%, 12.0% and 5.1% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that Technology upgrade help the Small and Micro Enterprises to always remain in business.

Technology upgrade provide enabling environment for business growth 35.9% of the respondents strongly agreed and 42.1% agreed while 4.1%, 10.4% and 7.7% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that Technology upgrade provide enabling environment for business growth.

Technology upgrade enhances productivity of MESs 36.4% of the respondents strongly agreed and 49.7% agreed that while 3. 0%, 7.9% and 3.0% of the respondents were undecided, disagreed and

strongly disagreed respectively. This confirmed that technology upgrade enhances productivity of MSEs.

Technology upgrade enhances productivity of MSEs 36.4% of the respondents strongly agreed and 49.7% agreed while 3.0%, 7.9% and 3.0% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that technology upgrade enhances productivity of MSEs. 46.2% of the respondents strongly agreed and 43.8% agreed that Technology upgrade reduces the workload in a MSE while 2.2%, 5.7% and 2.2% of the respondents were undecided, disagreed and strongly disagreed respectively. This confirmed that Technology upgrade reduces the workload in MSEs.

Table 5
Technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises.

Technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises.							
	A	**SA**	**D**	**SD**	**Decided**	**UD**	**TOTAL**
Frequency	161	126	44	23	-	14	368
Percent	43.8	34.2	12.0	6.3	-	3.8	100.0
Technology upgrade enhances and gives an enterprise a competitive edge against competitors.							
Frequency	157	144	46	17	-	4	368
Percent	42.7	39.1	12.5	4.6	-	1.1	100.0
Technology upgrade help the Small and Micro Enterprises to always remain in business.							
Frequency	149	138	44	19	-	18	368
Percent	40.5	37.5	12.0	5.1	-	4.9	
Technology upgrade provide enabling environment for business growth							
Frequency	155	132	38	28	-	15	368
Percent	42.1	35.9	10.3	7.7	-	4.1	100.0
Technology upgrade enhances productivity of MSEs							
Frequency	183	134	29	11	-	11	368
Percent	49.7	36.4	7.9	3.0	-	3.0	100.0
Technology upgrade reduces the workload in a MSE.							
Frequency	161	170	21	8	-	8	368
Percent	43.8	46.2	5.7	2.2	-	2.2	100.0

Test of hypotheses
Hypothesis One

H01: Technology upgrading does not have significant effect on profit maximization of Micro and Small family Enterprises in Ondo State.

Table 6
Test Statistics

Technology upgrade effect on profit maximization of Micro and Small family Enterprise in Ondo State

	Technology upgrading does not have significant effect on profit maximization of Micro and Small family Enterprises in Ondo State
Chi-Square Df Asymp. Sig.	234.466[a] 4 .000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7 3.0.

Technology upgrade Impact on prompt service delivery of Micro and Small family Enterprises in Ondo State

	Technology upgrading does not have significant impact on prompt service delivery of Micro and Small family Enterprises in Ondo State
Chi-Square Df Asymp. Sig.	397.625[a] 4 .000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 73.6.

Technology upgrade influence on customer's patronage of Micro and Small family Enterprises in Ondo State

	Technology upgrading does not have significant influence on customers' patronage of Micro and Small family Enterprises in Ondo State
Chi-Square Df Asymp. Sig.	241.692[a] 4 .000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 73.0.

Technology upgrade impact on competitive edge of Micro and Small family Enterprises in Ondo State

	Technology upgrading does not have significant impact on competitive edge of Micro and Small family Enterprises in Ondo State
Chi-Square Df Asymp. Sig.	163.411[a] 4 .000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 73.6.

Calculated chi-square (χ_{cal}) = 234.466[a]
Tabulated (χ_{tab}) = 9.15
Degree of Freedom (df) = 4
Level of Significance = 0.05

Decision Rule: Calculated chi-square (χ_{cal}) which is 234.466[a] is greater than the tabulated chi-square (χ_{tab}) which is 9.15 at 5% level of significance. Therefore the null hypothesis is rejected and the alternative hypothesis is accepted, this means that technology upgrading have significant effect on profit maximization of Micro and Small family Enterprises in Ondo State.

Hypothesis Two

H02: Technology upgrading does not have significant impact on prompt service delivery of Micro and Small family Enterprises in Ondo State

Test Statistics

Calculated chi-square (χ_{cal}) = 397.625[a]
Tabulated (χ_{tab}) = 9.15
Degree of Freedom (df) = 4
Level of Significance = 0.05

Decision Rule: Calculated chi-square (χ_{cal}) which is 397.625 is greater than the tabulated chi-square (χ_{tab}) which is 9.49 at 5% level of significance. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, this means that technology upgrading have significant impact on prompt service delivery of Micro and Small family Enterprises in Ondo State.

Hypothesis Three

H03: Technology upgrading does not have significant influence on customers' patronage of Micro and Small family Enterprises in Ondo State.

Test Statistics

Calculated chi-square (χ_{cal}) = 241.692[a]
Tabulated (χ_{tab}) = 9.15
Degree of Freedom (df) = 4
Level of Significance = 0.05

Decision Rule: Calculated chi-square (χ_{cal}) which is 241.692[a] is greater than the tabulated chi-square (χ_{tab}) which is 9.15 at 5% level of significance. Therefore the null hypothesis is rejected and the alternative hypothesis is accepted, this means that technology upgrading have significant influence on customers' patronage of Micro and Small family Enterprises in Ondo State.

Hypothesis Four

H04: Technology upgrading does not have significant impact on competitive edge of Micro and Small family Enterprises in Ondo State.

Test Statistics

Calculated chi-square (χ_{cal}) = 163.411[a]
Tabulated (χ_{tab}) = 9.15
Degree of Freedom (df) = 4
Level of Significance = 0.05

Decision Rule: Calculated chi-square (χ_{cal}) which is 163.411 is greater than the tabulated chi-square (χ_{tab}) which is 9.49 at 5% level of significance. Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, this means technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises in Ondo State.

The study examined the effect of technology upgrading on the performance of Micro and Small family Enterprises in Ondo State. Survey research design was adopted 390 sample size was realized using Cochran's formula. Primary source of data was deployed through questionnaire to gather information from the respondents in selected six local government area of Ondo State. Chi-square method was used to test the hypotheses of the study.

The findings from this study revealed that technology upgrading have significant effect on profit maximization on Micro and Small family Enterprise and increase the company profit making margin of MSEs in the state.

The result of the study disclosed that with upgrade in technology there is accuracy, promptness and swiftness in the service delivered to customers as well as customers get prompt answers to their questions. The study confirmed that technology upgrade help customers to send in feedbacks and complaints as well as helping Enterprises to meet up with demand and such brings satisfaction to customers.

Furthermore, Micro and Small family Enterprises witness increase in customer's satisfaction due to technology upgrade and this give MSEs owners a competitive edge against competitors. The study discovered that technology upgrade provide enabling environment for business growth, enhances productivity of MSEs and help in reducing the workload of MSEs.

Lastly, the result of the hypothesis shows that technology upgrading have significant influence on customers' patronage of Micro and Small family Enterprises as (χ_{cal}) of 241.692[a] > (χ_{tab}) of 9.15 at 5% level of significance and technology upgrading have significant impact on competitive edge of Micro and Small family Enterprises in Ondo State as (χ_{cal}) of 163.411 > (χ_{tab}) which is 9.49 at 5% level of significance.

The hypothesis result shows that technology upgrading have significant effect on profit maximization of Micro and Small family Enterprises in Ondo State as (χ_{cal}) of 234.466[a] > (χ_{tab}) of 9.15 at 5% level of significance as well as having significant impact on prompt service delivery of Micro and Small family Enterprises in Ondo State as (χ_{cal}) of 397.625 > (χ_{tab}) of 9.49 at 5% level of significance.

V Conclusion

The study examined the effect of technology upgrading on the performance of Micro and Small family Enterprises in Ondo State. Survey research design was adopted 390 sample size was realized using Cochran's formula. Primary source of data was deployed through questionnaire to gather information from the respondents in selected six local government area of Ondo State. Chi-square method was used to test the hypotheses of the study. Furthermore, the findings from this study revealed that technology upgrading have significant effect on profit maximization on Micro and Small family Enterprise and increase the company profit making margin of MSEs in the state.

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The study concluded that technology upgrade contribute immensely to the performance of Micro and Small family Enterprises in Ondo state.

The study concluded that technology upgrading positively influence profit maximization and prompt service delivery of Micro and Small family Enterprises in Ondo State. The study also concluded that technology upgrading improving the customers patronage and give MSEs competitive advantage in the business operation in Ondo State

The following recommendations were made based on the findings of this study:

- MSE owners should utilize the technology devices being made for business purposes.
- The government should try as much as possible to subsidize the cost of technology device due to it high cost
- technology upgrade should be made compulsory for all MSEs owners in order to enhance their performance
- MSEs owners should be careful of device used as cost of this devices is on high side

VI Recommendations

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Public Support Services and Performance of Enterprises in Kwara State, Nigeria

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ABSTRACT

This paper examined the effect of public support services on performance of technology enterprises in Kwara State, Nigeria. The study adopted mixed method. Population for the study were 300 technology enterprises and sample size was 247. Simple random sampling technique was employed in this study. The data collected were presented using the partial least square (PLS)-a structural equation model (SEM) tool and NVivo12 for both quantitative and qualitative data analysis. The formulated hypotheses were tested with Analysis of variance (ANOVA) using Statistical Package for the Social Sciences (SPSS). The findings of the study revealed by the SEM results on the two hypotheses were that Finance has a significant effect on job creation ($R^2 = 0.708$ (70.8%), $\beta = 0.107$, $t = 0.423$, $p < 0.000$) and Training has a significant effect on the customer base ($R^2 = 0.573$ (57.3%), $\beta = 0.253$, $t = 1.598$, $p < 0.000$). The findings of the study as revealed by thematically analysed qualitative data were that finance and training has significant effect on job creation and customer base respectively. The study concluded that strong and positive relationship exists between public support services and performance of technology enterprises. The study recommended a clear and prioritized support services program or agency for technology enterprises as it is found in other developed nations of the world.

Keyword: *Customer base, Finance, Job creation, Public support service, Technology enterprise, Training*

INTRODUCTION

Globally, it is an established fact that Small and medium scale enterprises (SMEs) sector plays a vital role and is a key engine to employment generation, increasing the national income and boosting the economy in all sectors, likewise it is a seedbed of innovations and inventions. Technology enterprises sector of SMEs is responsible for most of the advances in new products and process that are technologically inclined, provides most of the employment opportunities but is also a key indicator of the overall performance of an economy. Recently in Nigeria, SMEs have been assisting to promote the growth of the nation's economy. Hence this sector of the economy need to be adequately supported by government in order to promote it growth, development and improve on its vital role to the economy of the nation (World Bank, 2013).

Technology enterprises are very crucial tool in economy development of any nation where it practices encompasses creating, using opportunities and finding resources to solve technology challenges, regardless of the organisational setting. Enterprises are to speedily react to deviations in technology to create alternate ways to retain their competitive advantage by deploying new methods of production which results in the ability to apply novel technology invention daily to the operations of many businesses nowadays.

However, finance is no doubt a significant tool aimed at the development of any firm while access to the exact form of financing based on the firm's requirement is of great importance. Access to financial supports upholds all enterprises to develop and flourish. The Investment Climate Studies by the World Bank show that access to funds expand s enterprise performance. It will not only enable market passage, development of enterprises and hazard decrease but equally advances innovation and enterprising movement. Moreover, firms with more noteworthy accessibility to capital are more ready to exploit growth and opportunities. As such, total financial performance will be improved by expanding access to capital. Furthermore, funding is a vital element for deciding the development and survival of SMEs (Richard & Mori, 2012; Beck & Demirguc-Kunt, 2006).

Training, which is another form of support service, is an organized method of learning and development which expand the efficiency of individual, group, and the organization (Goldstein & Ford 2002). Development mentions the accomplishments leading to gaining of new abilities and skills for personal growth of employees. Meanwhile, training improves efficiency in addition to a superior performance on job, by substituting the traditional feeble practices with efficient as well as effective work related practices. Training denotes a planned mediation aims at improving the elements of employee job performance. It is all about improving the competency and expertise that seems to be necessary for the achievement of organizational goals and objectives. Training programs may also help the employees to lessen their anxiety or frustration, which are originated by job been done (Muhammad, Muhammad, & Syeda, 2020).

Nowadays, training is of the utmost significant element in the corporate world for the purpose that it increases the productivity in addition to the efficiency of both workers and the organisation. Ongori and Nzonzo (2011) further express that training and advancement of workers are critical in enterprises in this period of the contest, particularly in SMEs, because of the way that organisations need to support, develop and progress in their business sectors. Today training is perhaps the main element in the business world, as training aids the advancement of skills and effectiveness of both the worker and the association.

As a result of the above mentioned situation and types of support services, SMEs such as technology enterprises frequently run into the problem of sourcing for finance as well as training to enhance their performance, therefore, the objective of this paper is to analyse the effects of finance and training on the performance of technology enterprises. In this view, technology enterprises needs government support in order to break the vicious circle of low investment and low productivity so as to improve the economy. The selected technology enterprises covered manufacturing sub-sector enterprises within Kwara State, such as; Metal fabrication, Renewable energy (solar)/energy-efficient product and technologies device, Forges and machine, Electrical/electronics and information technology device.

Research Questions

i. To what extent does access to finances affect job creation among technology enterprises in Kwara State, Nigeria?
ii. In what way does access to training impact the customer base among technology enterprises in Kwara State, Nigeria?

Objectives of the Study

The general objective examined public support services and the performance of enterprises in Kwara State, Nigeria. The specific objectives:

i. examined the effect of finance on job creation among technology enterprises in Kwara State, Nigeria;
ii. examined the impact of training on the customer base among technology enterprises in Kwara State, Nigeria.

Research Hypotheses

i. H_{01}: financial support does not have significant effect on job creation among technology enterprises in Kwara State, Nigeria.
ii. H_{02}: training do not have significant impact on the customer base among technology enterprises in Kwara State, Nigeria.

LITERATURE REVIEW

Conceptual Review

Support services

Hitherto, there is certainly no palpable and globally established definition of support services; however, many attempts by researchers, to define the term have been made. Although support services remain well acknowledged in several nations of the world, their definitions vary from one nation to another. Support service is defined by the Committee of Donor Agencies for Small Enterprise Development (2001) as a service that enhances the performance of the enterprise, its entrance to markets, including its capacity to contest favourably.

Mole (2002) was more exhaustive in his meaning of the term, that support services are an approach by the government towards providing indispensable requirements that will help the enterprise to nurture as well as develop. Hence, in this study, support services will be well-defined as assistance or aid made accessible by public institutions to enterprises to help them function efficiently and to develop their business with the comprehensive resolution of contributing to job creation and customer base.

Finance

Access to financial aid is critical to enterprise development and growth, and the availability of financial services is unquestionably interrelated to productivity in addition to growth. In other word, firms that develop their access to financial services achieve enhanced profit. In addition, modern economics resolved that financial services are indispensable to improve the performance of SMEs (Cecchetti & Kharroubi, 2012; Mohd Shariff, Peou, & Ali, 2010; Mohd Shariff & Peou, 2008).

Boateng (2004) defined finance as a basis (capital) to be precisely employed to innovate and grow a business to attain success. Capital is vital to the success of the enterprise because this is fundamental to starting an enterprise. Yusuf, Abubakar and Paul (2020) substantiate Boatang (2004) that certainly not a firm can survive or function well devoid of money (capital) to hire workers, develop products, create markets and draw customers.

Job Creation

It is the belief that jobs are provided in answer to some kind of event or circumstances. It can be perceived when people are involved in meaningful activities that can help them fend for themselves and their immediate families in a society that can bring about the physical and economic development of a nation. Jobs are the cornerstone of economic and social development (World Bank, 2013).

Job creation has attracted scholars and stakeholders minds both in developed and developing nations. The services of both anti-poverty and joblessness programmes have been initiated in Nigeria by diverse governments to limit the menace of restiveness among the youths in the country today. A succession of job creation programmes like Bank of Industry (BOI), National Directorate of Employment (NDE), Technology Business Incubation (TBIs), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Entrepreneurship Development Programme (EDP), are geared toward providing the youths and unemployed with skills that will assist in starting their businesses through which they can create jobs (CBN, 2018). However, Job creation is tied to enterprise performance through the incentive support services provided by the public institutions. Al-Mubaraki, Muhammad and Busler (2015) agreed that incubation programmes aimed at nurturing, mentoring, networking, access to finance to survive and sustain their enterprise with the hope of creating more jobs to the masses, technology transfer, commercialization of research and development (R&D) results and even economic development.

Training

Training refers to the education and direction provided to entrepreneurs and small and medium business owners to support starting and growing businesses. Examples consist of expertise training, staffing, operations, advertising, access to capital, and business plan (e.g., e-commerce) Boldureanu, Ionescu, Bercu, Bedrule-Grigorut & Boldureanu, 2020).

Noe (2000) viewed training as a deliberate effort by the organisation to expedite employees' learning of job-related competencies, which consist of knowledge, skills and behaviour dire to successful job performance. In the same view, Hashim and Wafa (2002) see training as a prearranged and orderly effort to adjust or develop knowledge, skills and attitudes through the learning know-how, to attain effective performance in an activity. Also, Industrial Training Fund (2006) opined that training is an act and process through which knowledge, abilities, and skills of employees or workers are improved. Training is viewed as a structured step through which people get knowledge and skills for a specific purpose.

Customer base

A customer base is the collection of customers who frequently purchase the goods or services made available by an enterprise. These customers are the highest source of income for such a enterprise. The customer base could also be considered as the enterprise's target market place, where customer behaviours are properly understood from market research or experience. Customers are indeed a chief asset to the firms. A good customer base guarantees a constant source of future income owing to repeat buying by them and cross-buying of additional products offered for sale by the organisation (Dawes, 2009).

According to Kotler Customer base means the enterprise retains its customers by providing a great customer knowledge. Customer base is vital to strong business growth. Loyalty can aid the business to keep the most valuable customers. In addition, customer base is a result of previous helpful experiences developed through the customers and make them return to the company many times owing to these experiences, customers will return often to do business with the company; regardless of whether it may not have the best product, price or service delivery (http://www.loyaltygator.com/loyalty-benefits).

Theoretical Review

Resource-based theory

The resource-based theory of entrepreneurship by Penrose (1959) contends that having access to resources by founders is a significant indicator of opportunity-based entrepreneurship and fresh venture growth. This theory centers on the significance of monetary, social, and human resources. Technology enterprises have distinct capabilities that provide a competitive advantage due to the tackiness rooted in their resources. Barney (1991) classifies resources as assets, capabilities, processes, education, information, knowledge used by the firm to improve its performance. Meanwhile, Alvarez and Busenitz (2001) claims that access to resources by a would-be entrepreneur is a significant factor that impacts new venture development. The theory highlighted the importance of social, financial and human resources towards enhancing the entrepreneurial ability to recognize and follow up on found opportunities.

Empirical Review

Abioye, Adeniyi and Mustapha (2017) opined in their study titled the status of entrepreneurship support agencies (ESAs) in Lagos State, Nigeria. The study employed a qualitative multiple case study by contacting 56 SMEs in for interview. The results indicated that the agencies have been unproductive owing to poor operation resulting from encounters such as bureaucratic bottleneck, extra high charges on services, dishonesty, absence of infrastructure and inadequate staffing.

According to Sidi, Agasanuhu, Dawit, and Odunsaiya (2019) examined the **e**ffect of government involvement on small and medium scale enterprise and employment generation in Nigeria. The study obtained secondary data employing both the quantitative and qualitative method. The result of the findings showed that SMEs have been a veritable tool and has contributed a lot to employment

generation. Furthermore, the empirical result also revealed that SMEs have significantly contributed to unemployment reduction in Nigeria. The results shows that SMEs level of employment in Nigeria and government supports to SMEs are positively as well as significantly correlated to the general employment level in Nigeria. The result also revealed that the Private sector have not contributed much to job creation in Nigeria.

Moreover, Francis, Agum and Awogbemi (2019) examined the impact of public support on small and medium enterprises development in Nasarawa State: Evidence from Kefi L.G.A. The study used multiple regression model and the technique employed in its analysis was Ordinary least square (OLS). Questionnaire were used to collect data. A sample size of 126 was arrived at from a population of 558. Results of study showed that provision of financial support by government has a significant and positive influence on the development of SMEs in Kefi local area.

Methodology

The study adopted mixed-method using quantitative and qualitative data. The choice of survey and interview are informed by the deficiency of each of the methods. Surveys can be specific and limited, whereas interview does not involve preconceiving of the hypothesis for the study (Yin, 2003b). Yin (2011) also submits that the motives for using the interview are consistent with a motive for using the survey. The targeted population of this study comprised of 300 technology entrepreneurs that are practicing individually or as a group. The sample size was determined using Epi Info Statcalc software. The software was adopted because of its level of precision, level of confidence or risk, degree of variability in the attributes being measured and external validity. Simple random sampling technique was employed. Questionnaire was used, also interview guide was used to asked questions from the respondents. The study employed partial least squares (PLS) structural equation model (SEM) approach to analyse the data collected. Qualitative data were analyze using NVivo 12 softwares.

Descriptive Statistics of the Respondents' Perceptions based on Study's Variable

Table 1: Descriptive Statistics of the Respondents' Perceptions based on Variable Questions

	N	Minimum	Maximum	Mean	Std. Dev
Financial Support (FS)	240	1	5	3.73	0.690
Training (TR)	240	1	5	3.71	0.794
Job Creation (JC)	240	1	5	3.91	0.593
Customer Base (CB)	240	1	5	4.03	0.781

Source: Field Survey, 2020

The descriptive statistics of the respondents' perceptions are presented in table 1 above.

The views of the respondents in relation to supports such as finance and training revealed that the respondents on average disagreed with questions on the public supports as shown by both the mean and standard deviation 3.73, 0.690 and 3.71, 0.794 respectively. In like manner, the perceptions of the respondents in relation to the performance of technology enterprises such as job creation and customer

base revealed that the respondents on average disagreed with questions on performance as shown by both the mean and standard deviation 3.91, 0.593 and 4.03, 0.781 respectively.

Test of Hypotheses

Hypothesis One: Effect of Finance and Job Creation

H_{01}: financial support do not have significant effect on job creation among technology enterprises in Kwara State, Nigeria.

Table 2. Structural Model Result for the Job Creation

	Path coefficient (β)	Sample Mean	Standard Deviation	T statistics	P values
Grants -> Job Creation	0.082	0.069	0.247	0.333	0.003
Micro Credit Scheme -> Job Creation	0.067	0.054	0.214	0.312	0.001
Special Intervention Fund -> Job Creation	0.107	0.155	0.252	0.423	0.000

Source: Author's Computation, (2021)

This predicts the effect of finance on job creation. The result of the hypothesis is as follows:
Figure 2 below was fully explained in Table 2 above which displays the path coefficients, t- values, and standard error at which the hypotheses were supported or not. The t-values in the study were calculated using 500 re sampling iterations in repetitive bootstrapping. The justification for the selection of 500 samples is because it ensures that every model parameter has empirical sampling distribution and the standard deviation of the distribution served as a proxy for parameter's empirical standard error (Hair, Sarstedt, Ringle, & Mena, 2012).

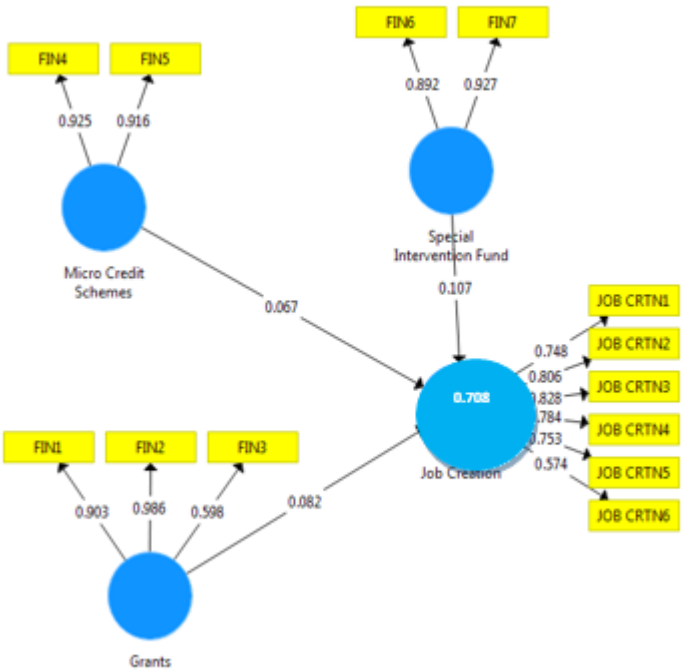

Figure 1: Job Creation *Measurement Model (Algorithm testing)*

Source: Field Survey, 2021

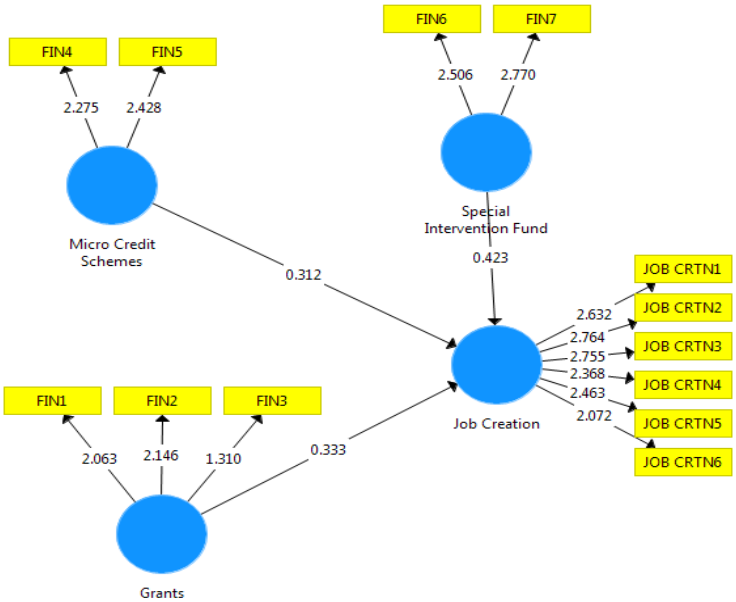

Figure 2: Job Creation *Measurement Model (Bootstrapping testing)*
Source: Field Survey, 2021

In Hypothesis one, the SEM results indicated that finance being an independent construct has a significant effect on job creation with R^2 value of 0.708. Result in Table 2, Figures 1 and 2 indicated that grant has a significant effect on job creation ($\beta = 0.082$, $t = 0.333$, $p < 0.003$), similarly, micro-credit scheme has a significant effect on job creation. As shown in Table 2, a significant effect of micro-credit schemes on job creation ($\beta = 0.067$, $t = 0.312$, $p < 0.001$) was found, indicating support for the alternate hypothesis which states that finance has a significant effect on job creation. Also, the result shows that special intervention fund has a significant effect on job creation with ($\beta = 0.107$, $t = 0.423$, $p < 0.000$) was found, indicating support for the alternate hypothesis which states that finance has a significant effect on job creation

Hypothesis Two: Effect of Training on Customer Base

H_{O2}: training do not have impact on customer base among technology enterprises in Kwara State, Nigeria.

This predicts the effect of training on the customer base. The result of the hypothesis is as follows:

Table 3: Structural Model Result for the Consumer Based

	Path coefficient (β)	Sample Mean	Standard Deviation	T statistics	P values
Entrepreneurship Training-> Customer Based	0.253	0.283	0.158	1.598	0.000
Vocational Training -> Customer Based	0.155	0.081	0.206	0.750	0.005

Source: Author's Computation, 2021

Figures 4 and Figure 5 was represented in Table 3 which displays the path coefficients, t- values, and standard error at which the hypotheses were supported or not. The t-values in the study were calculated using a 500 re sampling iterations in repetitive bootstrapping. The justification for the selection of 500 samples is because it ensures that every model parameter has empirical sampling distribution and the

standard deviation of the distribution served as a proxy for the parameter's empirical standard error (Hair *et al.*, 2012)

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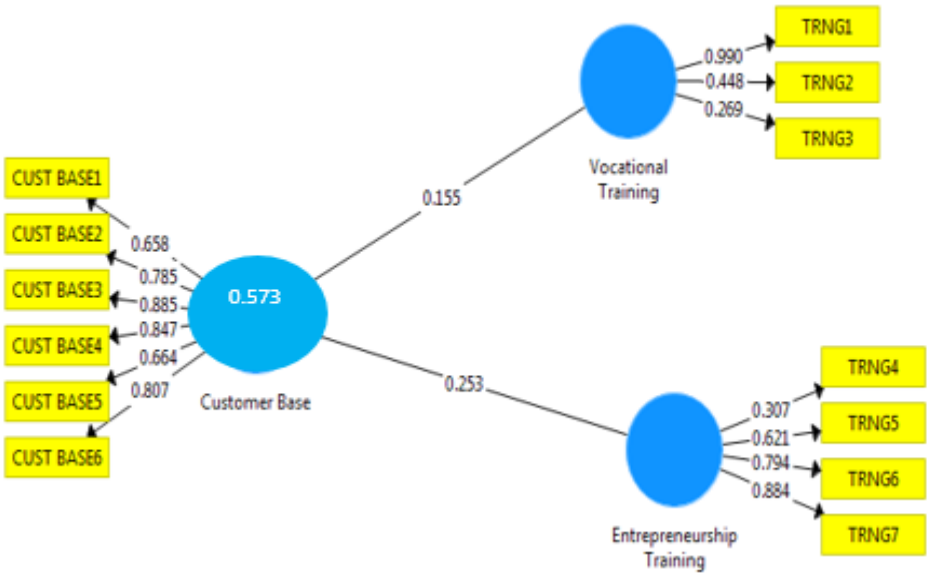

Figure 3: Customer base *Measurement Model (Algorithm testing)*
Source: Field Survey, 2021

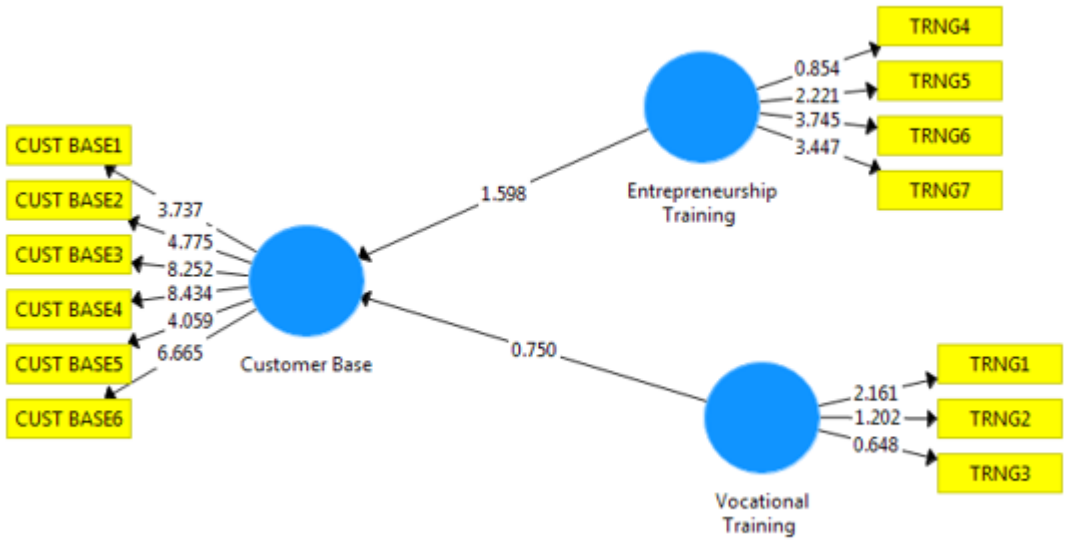

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Figure 4: Customer Base *Measurement Model (Bootstrapping testing)*
Source: Field Survey, 2021

In Hypothesis 2, the SEM results indicated that training being a variable of the support services (independent construct) has significant effect on customer base with R^2 value of 0.573. Result in Table 3, Figure 3 and 4 indicated that entrepreneurship training had a significant effect on customer base ($\beta = 0.253$, $t = 1.598$, $p < 0.000$), similarly, vocational training has significant effect on customer base. As shown in Table 3, a significant effect of vocational training on customer base ($\beta = 0.155$, $t = 0.750$, $p < 0.005$) was found, indicating support for the alternate hypothesis which states that training services has significant effect on customer base.

Qualitative Results and Analysis

In line with ethnographical designed the study involved participants' interview to complement the result arising from the questionnaire. Participant observation involves the observer being a member of the setting in which they are collecting data. The study was able to see things that escape awareness of the participant when questionnaire was used as an instrument for data collection. The interviews were tied to the research question(s), which acted as a guide. The participants' interview codes were pseudonyms which represented the identities of the study areas that were conducted to prevent identification and protect confidentiality in line with ethics of research.

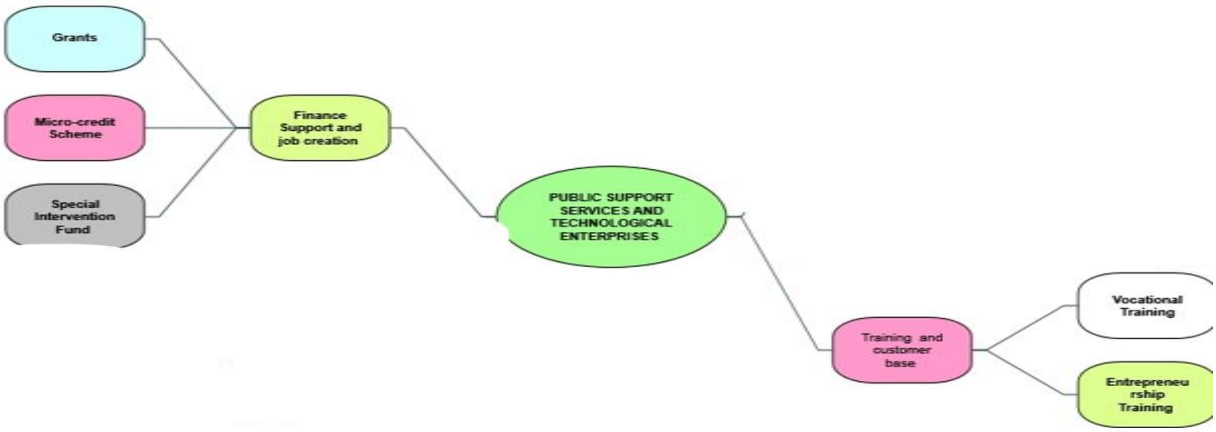

Figure 5: Thematic Analysis of Public Supports Services and Performance of Technology Enterprises
Source: NVivo 12 Output

Theme one: Finance and job creation in the technology enterprises

The first theme revealed the effect of finance on job creation in the technology enterprises. Base on the responses from the various interviewers, the respondents described various ways of financial supports that could lead to job creation; grants, micro credit scheme and special intervention fund as depicted in the diagram below.

Figure 6 revealed that four respondents affirm the contributions of grants as financial support services in enhancing job creation among the technology enterprises as revealed by the questionnaire. For instance respondent coded respondents (2) when asked What type of support services do you think a young business like yours should receive from the Government? He responded by saying *"Finance in term of loan or grants"*

Respondents 8, added that "*availability of fund will encourage enterprises to go into full manufacturing thereby creating employment for people. Also importation of finished product can be discourage rather import the parts and allow people to go into assemblage, you know several people are always involved in assemblage of machines.*

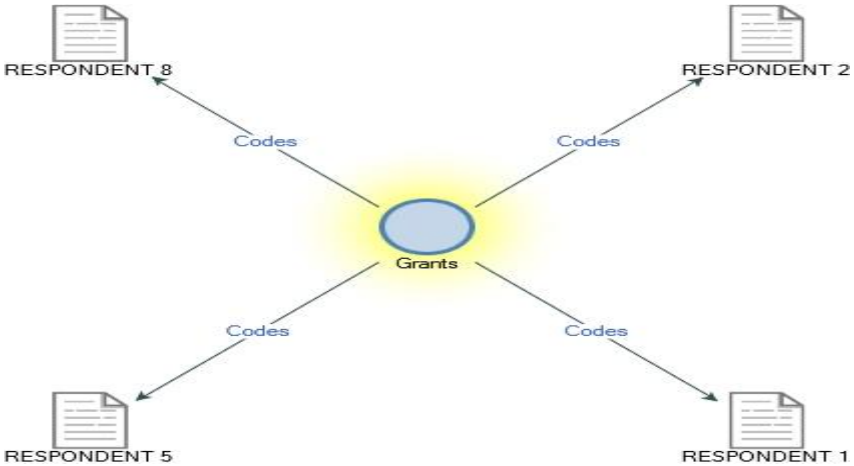

Figure 6: Respondents on Grants
Source: Nvivo 12 Output

However, Respondent 2, suggested that challenges such as *"the collateral from bank such as landed property, high ranked public officers and high interest, these are too many for young entrepreneurs like us to bear. Also, the repayment period is always short*". Have restricted small enterprises from drawing up loans from commercial banks.

Respondent 2 further states that *"the government is expected to provide steady source of power supply, this will improve the efficiency and improve productivity. Provision of security for the safety of the organisation is also paramount.*

> *If financial assistance inform of access to grant or loan is made available it will improve the scope of work and more hands will be required and more staff will be required, hence improve job creation.*

Similarly Respondent 3 suggested that if fund is available, the enterprise will be able to buy, more machine for production. Productivity will increase, more goods or product will be produced and more people will have job to do. To corroborate the above, Respondent 10 also affirm that finance, the enterprise will be able to employ more people.

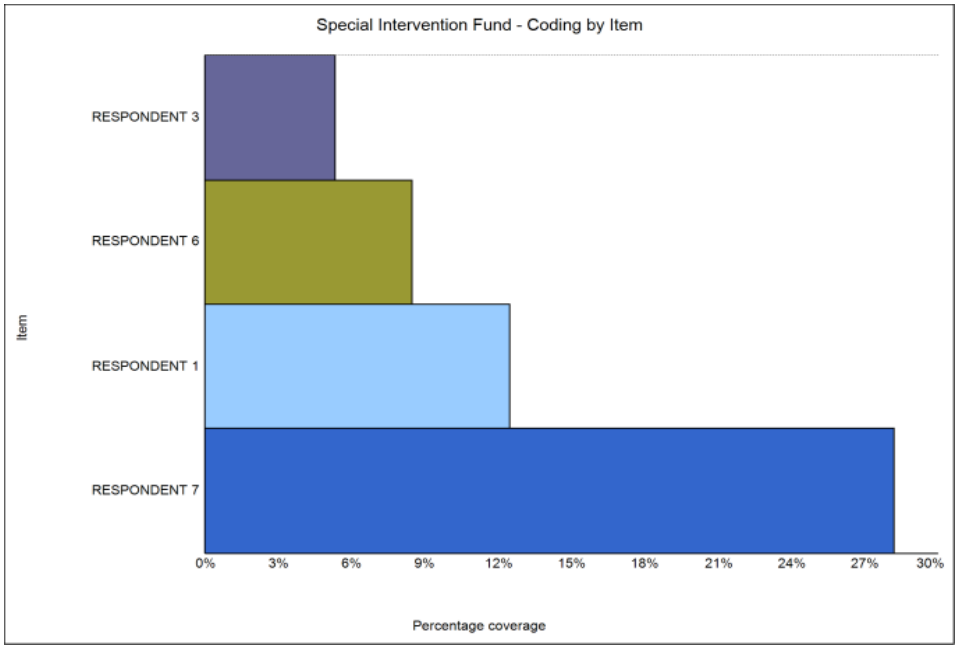

Figure 7: Special Intervention Fund- Coding by item
Source: Nvivo 12 Output

Respondent coded Respondent 7 however, identified lack of information, little or no moratorium and high interest rate. Government is expected to stick to one digit interest rate charged by banks. Most importantly, Bank of industry should be made easily accessible to young and growing enterprise.

Theme Two: training on customer base in the performance of technology enterprises. Most of the respondents expects training such as relationship management training, financial literacy training, vocational training and entrepreneurial training that will enhance their self-efficacy, locus of control and general opportunity recognition capacity to enhance their customer base
Respondent (4) claimed that, *if such training is received, it will definitely have a positive impact on our business and this will attract and retain customers.*
Although according to **Respondent 5** *None of the training is enjoyed by my enterprise, but I expect government to organize highly subsidized or free training, using giant in the industry from the developed world, research institute and others, this will enhance our performance. I equally expect business management training as well as training on innovation and creativity management, also patenting of our product.*

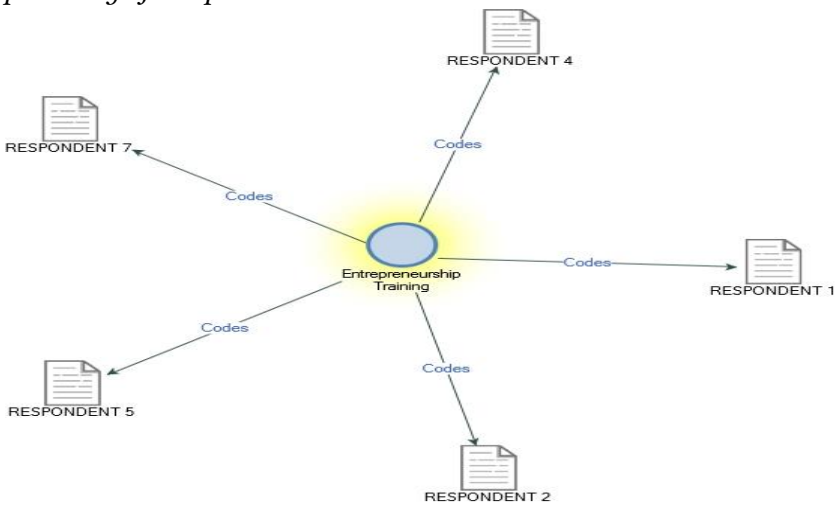

Figure 8: Respondents on Entrepreneurial Training
Source: Nvivo 12 Output

Respondent **9** submit that *"it will improve my skills and that of my staff and customer base will be improved". He further added that some of our client or customer are those who have experienced or visited develop countries and will expect us to replicate to them same experience on our product and services. If we are able to present what is available in the diaspora, I believe our customer base will improve.*

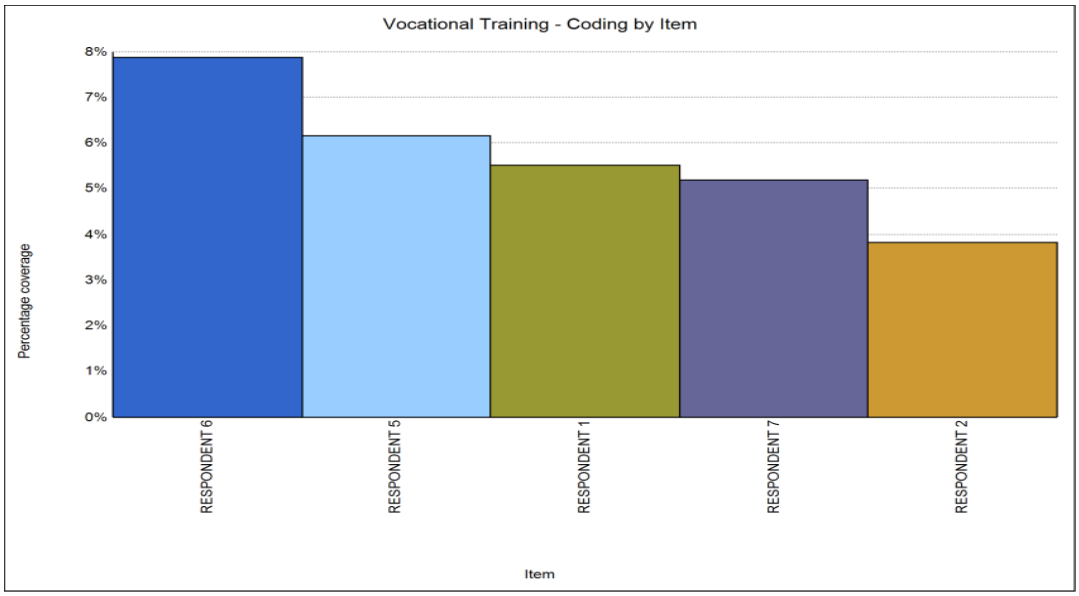

Figure 9: Vocational Training- Coding by Item
Source: Nvivo 12 Output

Discussion of Findings

The hypothesis one of the study determined the effect of finance as a support service on job creation both the results of the SEM and the interview revealed a significant effect through which finance affect job creation. All the proxy of finance as the independent variable were found to be significant. This was in line with the outcome of the study by Bunyasi, Bwisa and Namusonge (2014) which showed that, access to entrepreneurial finance has a positive influence on the growth of SMEs. The outcome of this study provided significant information, especially to the government agencies responsible for the development of SMEs. Dagogo (2015); Ayodele (2016); Hartsenko and Sauga (2013) confirmed that financial assistance increases productivity of Estonian SMEs, thus contributing to the economic development.

In hypothesis two, which states that training do not have impact on customer base. The study found that various form of training has significant effect on customer base. Studies such as Ogundele, Akingbade, and Kinlabi (2012); Zindiye, Chiliya and Masocha (2012); Mori (2015); Gengeswari, Padmashantini, and Sharmeela-Banu, (2013) and Omotayo and Joachim (2008). This is also supported evidence of the effect of all loyalty programs on building and maintaining customer base.

Conclusion

Since it was established that both financial and training supports are essential elements that will ensure job creation and a robust customer base by technology enterprises, the study therefore concluded that there exist strong and positive relationship between public support services and performance of technology enterprises**.**

Recommendations

Based on the findings and conclusions drawn from this study and the need to strengthen and improve the performance of technology enterprises in Kwara State, Nigeria, the recommendations were that:

i. The government of Nigeria should prioritise support services for technology enterprises by setting up grants, micro credits and special intervention fund programmes specifically for technology enterprises as it is found in other sectors of the economy.
ii. The government should provide well equipped training centres that offers both vocational and entrepreneurship trainings.
iii. The government of Nigeria should take the issue of technology enterprises very seriously in order to inspire those who venture into sub-manufacturing sector, in that way there will be an appreciable decrease to the level of increasing unemployment currently been experience in the country.

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Strategic Planning as a Tools of Organizational Performance during COVID-19 Era

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ABSTRACT

The study examined the effect of strategic planning on organization performance during the pandemic of Corona virus (Covid 19). The study further evaluate the planning-performance relationship in organization and determine the extent to which strategic planning affects performance in an organization during the pandemic period (covid '19). The two branches of Guarantee Trust Bank of Nigeria, Plc in Osogbo was used as the case study. Based on the objectives, relevant literatures were thoroughly reviewed and four hypotheses were formulated and tested in the study. A total of 67 questionnaires was administered to the staffs of the bank and the participants were selected from the low to high cadre in the bank. Descriptive and inferential statistic were used. Data collected were analyzed using the Statistical Package for Social Sciences (SPSS). Regression analysis were used in testing the hypotheses. The hypotheses were confirmed to be statistically significant ($p < .05$). The study revealed the impact of strategic planning on the performance of organization cannot be undermined and adoption of a good and effective strategic planning tools enhance the better performance of the bank during the pandemic. The study concluded that there is a strong positive relationship between strategic planning and organization performance and recommended that banks managers should ensure they invest more on strategic planning, so as to avoid any future events or failure.

Keywords: *Strategic Planning, Tools, Organizational Performance and Covid*

1. Introduction

Many businesses do now no longer interact in strategic making plans, but failure to devise efficaciously is taken into consideration a number one contributor to commercial enterprise failure (Stewart, 2000). It is anticipated that handiest 0% of organizations live to tell the tale past six years of operation (Griffin and Ebert, 2007). Strategic is an agency's way of defining its approach, or route, and making alternatives on allocating its property to pursue this approach. To determine the route of the agency, it is essential to understand its modern-day position and the possible avenues thru which it is able to pursue a particular course of action. Strategic making plans is a effective device of improving organization overall performance (Sisay, 2019). This, at least, has been the general notion at the strategic manipulate literature to date. Over time the concept and exercising of strategic making plans were embraced across the world and for the duration of sectors because of its perceived contribution to organizational effectiveness. Many approach theorists advocate that use of analytical strategic making plans gear

related to early formal making plans systems, which include aggressive and environmental evaluation results in stepped forward organizational overall performance (Oosthuizen, 2000; Porter, 2001; Porter, 2008). Strategic making plans and desire strategies ought now no longer to forestall with desires and a roadmap of strategies to advantage them. The intention of strategic making plans mechanisms like formal making plans is to boom specificity in organization operation, specifically whilst long-time intervals and high-stake sports activities are involved (Mintzberg, 2000). Many of the studies on the relationship among strategic and agency average overall performance were completed many of the 70s and early 90s, with inside the developed economies. Allison and Kaye (2005); Bryson (200) and Akinyele (2007) said that corporations that practiced strategic making plans recorded higher average overall performance in evaluation to non-planners, their focus, however, will become on the formality of making plans in area of the link amongst making plans and organization average overall performance. It is perceived that the manner and extent to which each of the strategic method is addressed can also additionally need to have implications on the realization of the expected company desires (David, 2009). However, Strategic making plans is a non-stop and systematic method in which humans make selections approximately meant destiny effects, how those effects are to be executed and the way achievement is to be measured and evaluated (Price, 2009). Strategic making plans will assist the agency capitalize on their strengths, conquer their weaknesses, take gain of possibilities and protect towards threats to the agency (Thompson et. al., 2010). Organizational overall performance is defined as an agency's capacity to accumulate and make use of its scarce sources and valuables as expeditiously as viable with inside the pursuit of its operations desires (Griffins, 2006). Organizations have an essential position in our everyday lives and therefore, a success businesses constitute a key element for growing nations. Thus, many economists recollect businesses and establishments just like an engine in figuring out the financial, social and political progress (Lebans, 2006). According to Adeleye (2001), Nigeria banking tool has over the years witnessed an innovation which can be classified into six essential intervals, the free banking period (as a good deal as 1952); the pre-predominant banking generation (1952-1959); the era of banking legislation (1959-1970); the indigenization era (1970-1977); the put up Okadigbo generation (1977-1995) and the positioned up consolidation generation (1996-date). This present day style has brought about a feature average overall performance withinside the behavior, boom and survival of the organisation and its miles this need to stay to inform the story that has generated plenty of research withinside the regular manipulate of the banks to bring about the first-rate in them. The content material fabric of a strategic manipulate plan shows entrepreneurial judgments about the long-term route of the agency on whether or not or now no longer there can be a need for fundamental new obligations and actions aimed towards preserving the organisation in feature to experience sustained achievement. In brand new fantastically aggressive commercial enterprise environment, depression, financial meltdown, budget-orientated making plans or forecast-primarily based totally making plans strategies are inadequate for a massive organisation to live to tell the tale and prosper. The corporation need to additionally interact in strategic making plans that without a doubt defines targets and assesses each the inner and outside state of affairs to formulate approach, enforce the approach, examine the progress, and make changes as essential to live on track (Kumar, 2013). Studies which have analyzed the relationship amongst strategic making plans and financial average overall performance proved that the intensity with which banks have interaction with the strategic approach intervene-this is purpose an indirectness and absence of one-to-one correspondence-amongst factors which consist of strategic making plans know-how and beliefs about making plans average overall performance relationships (managerial factors), environmental complexity and change (environmental factors), monetary group duration and structural complexity (organizational factors) and monetary group's financial average overall performance. As recommended thru manner of approach of the inconsistent study's findings, past studies have misspecified the relationship among strategic making plans and financial average overall performance in banks. This studies is focused at take a look at the impact strategic making plans on agency overall performance throughout the pandemic of Corona virus.

2 Objectives of the Study

The main objective of this study is to assess the effect of strategic planning tools and organizational performance in Nigeria during Covid '19 pandemic

Specific Objectives includes;

- To determine if the strategic planning tools use by organization change during Covid '19 era
- To determine if the formal strategic planning process by banks sustain them during Covid '19 era.

3 Research Hypothesis

- H1: There is a relationship between tools for strategic planning and bank performances during covid '19 era
- H2: There is a relationship between strategic planning and bank performance (profitability) of the bank during Covid '19 era.

Concept of Planning

Planning is something we do in advance of taking action; that is, it is anticipatory decision making. It is a process of deciding what to do and how to do it before action is required (Koontz and O'Donnell, 2005). It is a process and an intellectually demanding process; it requires the conscious determining of courses of action and basing of decisions on purpose, knowledge and considered estimates (Weihrich and Koontz, 2005). Planning is one of the executive functions of the brain, encompassing the neurological processes involved in the formulation, evaluation and selection of a sequence of thoughts and actions to achieve a desired goal (Hamid, 2017). Planning simply implies thinking ahead of action. According to Hamid (2017), planning entails the following:

- Goal setting, finding the way to achieve it.
- Decisions about how and which things should be done.
- Visualize and design the favorable situation in the future and then finding and creating ways and means that provides to achieve that.
- Operational design that can change an object or subject, based on a predefined way.

Although planning is a decision-making process, not every decision-making can be called planning (Mayer &Vambery, 2008). Planning has its own specifics, which is expressed by the following conditions (Gunders, 2011):

- planning is performed prior to the commencement of the work - planning is a provisional decision-making process;
- the need for planning arises when the achievement of the desirable state of affairs depends on the adoption of a range of interrelated decisions;
- The desirable state of affairs would not set in if certain activities are not taken.

In nutshell, planning is the process of a timely adoption and assessment of interrelated decisions in the situation when the desirable future state of affairs would not set in if special measures are not taken.

Types of Planning

There are three main types of planning that a manager will use in his or her pursuit of company goals, which include operational, tactical and strategic (Hamid, 2017).

A. **Operational Planning**: Operational planning is necessary to attain tactical planning and tactical planning leads to the achievement of strategic planning. It works out the basic details of how the specific tasks can be accomplished with the available. The time horizon for operational planning is between one week to one month. It is usually carried out by lower level management comprising unit managers, foremen, line supervisors etc.

B. **Tactical Planning**: Tactical planning supports strategic plans by translating them into specific plans relevant to a distinct area of the organization. Tactical plans are concerned with

the responsibility and functionality of lower-level departments to fulfill their parts of the strategic plan. It shows how the mission of an organization can be accomplished. Tactical planning has a time horizon of six months to two years. It is done by the middle level management, which comprises functional managers, product line managers and department heads. It is also called intermediate planning.

C. **Strategic Planning**: Strategic planning is designed with the entire organization in mind and begins with an organization's mission. Top-level managers, such as CEOs or presidents, will design and execute strategic plans to paint a picture of the desired future and long-term goals of the organization. Essentially, strategic planning looks ahead to where the organization wants to be in three, five, even ten years. Strategic planning, provided by top-level managers, serve as the framework for lower-level planning. Strategic planning has a time horizon of five years or more.

Theoretical Review

Authors like Porter M., Norton D.P and Kaplan S., Mintzberg H. and others have largely contributed to the understanding of strategic organisational planning (Porter 2001, 2008; Mintzberg 1987, Mintzberg, Ahlstrand & Lampel 2005). The leading authors having written about the strategies have been classified according different strategy schools (Henry et. al. 2003). The understanding of the different views on the issue of strategy is critical, otherwise it may occur that strategy is an abstract term, as there is not a single concept even among the scientists of what strategy really is, besides, it should be kept in mind that strategy could mean different things in different areas (Hunter & O'Shannassy, 2007). The classification of approaches to strategic management in schools, various theories is not the creation of new theories, but it demonstrates, however the main trends in the area of strategic management (Maleka, 2015).

Some of the dominant strategy theory formulated are:

Prescriptive Strategy Theory:

According to Mintzberget. al., (2005), early strategy theory placed primary emphasis on "how strategies should be formulated" and included the design, formal planning and positioning schools of strategy thought. Scholars with this view of strategy suggested that an organization's corporate or competitive strategy should be predetermined and then implemented with a clear plan (Mintzberg et al., 2005). A review of such prescriptive approaches including formative strategy theory, contingency theory, and competitive positioning theory is provided.

Formative strategy theory.

Contingency theory: Following the formative years, strategy theory evolved from a "one-best-way approach" (Furrer et al., 2008) to a contingency-based approach. Chandler's (1990) strategy work, originally published in 1962, was based on the view that strategy should dictate the structure of organizations. As companies face different challenges, or as firms grow through strategy to introduce new products or enter new markets, complexity increases and structure must change. For example, as strategy complexity increases, movement from centralized to decentralized structure is needed to speed decision making and improve organizational effectiveness and efficiency. He suggested that strategic decisions involve a long time horizon and are in essence about effective resource allocation and management, and he indicated that strategic planning is critical to firm survival (Chandler, 1990).

Competitive positioning theory: Pioneered by Michael Porter (1979, 1996, 2001, 2008), competitive positioning theory calls for the evaluation of the organizational competitive environment in support of determining a dominant strategy that will lead to long-term competitive advantage. Porter developed a competitive positioning framework called the "Five Forces" model (1996). According to him, through the use of this model, organizational strategists review and evaluate each of the five forces that determine an industry's competitive landscape which include (a) ease of market entry for new

competitors, (b) the level of supplier leverage, (c) the level of buyer leverage, (d) the availability of potential market substitutes, and (e) the strategic positioning of other firms in the industry. This structured industry environment approach provides organizations with insight into its market advantages and disadvantages and the capability of the firm to effectively compete within the existing environment. Porter suggested that this insight can then be used to craft a unique and sustainable strategy with industry positioning from which it "can best defend itself against these forces or can influence them in its favor" (Porter, 1979).

Porter argued that multiple market approaches "create confusion and undermine organizational motivation and focus" (1996). While his model is prescriptive, Porter suggested it can be effectively used even in dynamic environments. Porter (2008) also identified several generic strategy classifications for achieving competitive advantage. They include the pursuit of the lowest cost producer position in the industry, the pursuit of differentiation based on a unique product or service offering or unique processes, or pursuit of a specific market segment.

Descriptive Strategy Theory

In contrast to the prescriptive theory focus on prescribing how strategy should be formulated, the focus of descriptive theory is in describing how strategy develops (Mintzberg et al., 2005). The schools of thought associated with this view of strategy believe that strategy forms or emerges based on entrepreneurial vision, cognitive processes, organizational learning, management negotiating power, organizational culture or environmental response (Mintzberg et al., 2005). A review of several descriptive approaches including contemporary theory, emergent theory and the resource-based view

Empirical Review

Various empirical issues has been carried out to establish the relationship that exist between stategic planning and organization performances and various conclusion has been made.

Devenish and Fisher's (2000) study of 77 Australian firms revealed no significant correlation between planning comprehensiveness and performance in Australia. Falshaw et al."s 2006 study took into consideration the important contingent variables identified by previous researchers –organizational size, environmental turbulence and industrial sector – but observed no relationship between formal planning process and subjective company performance in a study of 113 UK companies.

Grant (2003) conducted an exploratory case study of ten major oil companies. He found that the case companies continue to conduct strategic planning, but have modified its processes to include shorter planning time horizons. The adapted approaches were also more decentralized with line management driving the process rather than a staff of strategy executives. However, the core aspects of the planning process continued to contain traditional analytical frameworks, augmented by the use of systems modeling and scenario planning. Grant called this adapted approach to traditional planning "planned emergence"

Johnson, Scholes and Whittington (2005) noted that strategic drift occurs when the organization's strategy gradually moves away from relevance to the forces at work in its environment. Sharing their view, Thompson, Strickland and Gamble (2007) provide a caution that granted good strategy combined with good strategy execution doesn't guarantee that a company will avoid periods of sub-par performance because there are shifts in market conditions and internal miscues. In their survey to see how successful companies translates their strategies into performance, Mankins and Steele (2005) observed that companies typically realize only about 60 percent of their strategies potential value because of defects and breakdowns in planning and execution.

SheaVan Fossen et al. (2006) found that this relationship was stronger for studies using self-reported data, which could be an indication of the existence of response bias. They also found that this relationship was not significant for studies in which industry was not the determining factor. Edinatinghe (2008) deals with the study of the impact of critical governance on Sri Lankan commercial banks. The hypothetical scheme of this study was built primarily on thinking about previous assessments, but has been adapted for the Sri Lankan savings industry and in line with key discovery investigations. of this exploratory study. This study differentiated and examined the common key governance attributes of Sri Lankan commercial banks and their normal changes in their key

administrative centers over the following 5 years. It will also help corporate level administrators in Sri Lanka's commercial banks compare their key governance practices with those of different banks. In a study reported "in the journal The Economist", 150 researchers spent twenty years studying 22,000 companies in a variety of countries. They conclude that the most productive, efficient, and profitable companies are those that take the time to set clear goals for the company and for each person in the company. Employees know exactly what they need to do and when it needs to be done. They have clear metrics or standards by which they can measure their progress toward agreed goals (Tracy 2015).Sisay (2019) identified 65 managers from different levels of the organization in his study of the strategic planning process for business performance in Ethiopia, the study observed that companies always change their strategic plan at least every three years. He concluded that strategic planning should be preceded by awareness-raising communication to those who will be affected by its implementation and that strategic planning should be not only technical but also strategic including socio-political aspects. Therefore, its design requires the will and consensus of society in general and key stakeholders in particular.

METHODOLOGY

4 Introduction

The study shows the methodology employed by the researcher in carrying out this study. It focuses on research design, area of study, population, sample and sampling techniques, research instrument, and procedure for data collection and method of data analysis.

Research Design

This study adopts the descriptive survey research design. This design is suitable for a study which is aimed at collecting data in a quantitative approach. According to Zikmund (2003), descriptive type of research design helps to depict accurately the characteristics of a particular individual, situation and group. The study collects information from Guaranty Trust Bank employees about their knowledge on strategic planning adopted by the bank and the effect on the operations and performances of the bank during Covid '19 pandemic.

Area of Study

The study was carried out among the educated employees of Guaranty Trust Bank in Osogbo, Osun State. Guaranty Trust Bank (GTB) plc. commenced operations in February 1991, and has since then grown to become one of the most respected and service focused banks in Nigeria. The bank has grown to have 231 branches, 17 cash centres, 18 e-branches, 41 GTExpress locations and more than 1165 ATMs in Nigeria. The bank has over 10,000 employees (GTB, 2107).

In Osogbo, there are only 2 branches of GTBank. The first branch is located in No.67, Gbongan/ Ibadan Road, OgoOluwa, Osogbo and the second recently opened is situated around Stadium, Ikirun road, opposite osogbo city, Osogbo.

Population of Study

Population is a complete set of individuals, cases or objects with some common observable characteristics (Leedy&Ormrod, 2012). There are only two (2) branches of GTB in Osogbo, Osun State and of these two branches are selected for this study. From the survey carried out, there are on average, 50 employees in the branch at OgoOluwa and average of 30 employees at Ikirun road, opposite Osogbo city. Therefore, the total population for this study amount to 80 employees.

The population consists of all officials (staffs) / employees of the bank in the two (2) branches operating in Osogbo metropolis. The participants will therefore include bank tellers, Customer Service representatives, loan officers, Data processing officers, bank marketing representative and some level managers (top, middle and line level managers) of the banks.

Sampling and Sample Size

The sampling procedure of this study will be probability sampling procedure particularly, this study employed purposive simple random sampling will be employed in the study to ensure that all individuals in the defined population have an equal and independent chance of being selected for choosing the sample of respondent. (Saunders et al, 2012). According to Payne and Payne (2004), "a sample must be designed so that it represents the universe of objects from which it is drawn". While random sampling from the population at large is ideal, it is rarely practical; thus, researchers must balance the need for a representative sample and the practical issues of time and cost of access (Fowler, 2009, Saunders et al, 2012).

To determine the sample size for this study, Andrew Fisher's Sample size formula will be adopted:

$$\textit{Sample size} = \frac{(\text{Z-score})^2 \times \text{Std. Dev.} \times (1 - \text{Std. Dev.}) / (\text{Confidence interval})^2}{1 + [(\text{Z-score})^2 \times \text{Std. Dev.} \times (1 - \text{Std. Dev.}) / (\text{Confidence interval})^2 + N]}$$

Therefore for this study, the confidence level of 95% (1.96 = z-score) is chosen, a standard deviation of 0.5, and a confidence interval (margin of error) of ± 5%, N is 80.

$$\text{Sample size} = \frac{[(1.96)^2 \times 0.5 \times (1 - 0.5)] / (0.05)^2}{1 + [(1.96)^2 \times 0.5 \times (1 - 0.5) / (0.05)^2 + 80]}$$

Sample size = 66. 54 = 67

A sample of 67 staffs of the bank will be considered for this study. Questionnaires will be administered to 67 staff comprising of Senior and junior staff of GT bank of Nigeria Plc. in Osogbo branch.

Data Sources

Two basic sources of data collection used in these studies are primary and secondary sources.

Validity of Research Instrument

The validity of the research instrument was used to determine the degree to which the chosen research instrument is important to this research endeavor. Furthermore, to ensure its validity, the instrument was subjected to test-retest method which determined the degree of consistency of the instrument even when they are reported under same condition.

Reliability

Reliability testing is recommended to ensure that measures included in a survey consistently receive the same response (Trochim, 2006). Since a single self-administered survey was conducted, internal consistency appeared to be the best fit for testing reliability (Trochim, 2006).

Techniques / Method of Data Analysis

Data was analyzed using Statistical Package for Social Sciences (SPSS) IBM 25 version.

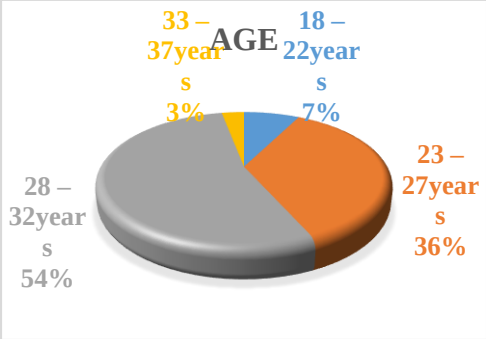
Descriptive analysis and inferential statistics will be used to present the results of the data. The descriptive analysis was used to describe data using frequencies, percentage, mean and standard deviation. This was used to describe the variables such as socio-economic characteristics of respondent and some statements addressing the objectives of the questionnaire. The hypotheses were tested using regression analysis at 5% level of significance

5. Results

This section presents the result obtained from the sixty-seven (67) questionnaires administered and analyzed using SPSS IBM 25. The demographic variables of the respondents were first presented using chart, the objectives of the research were presented using frequency tables, mean and standard deviation. Regression analysis was used to test the relationship between variables at 5% significance level in addressing the research hypothesis.

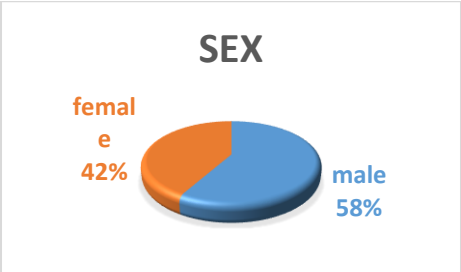
Demographic Characteristics of the Respondents.

AGE



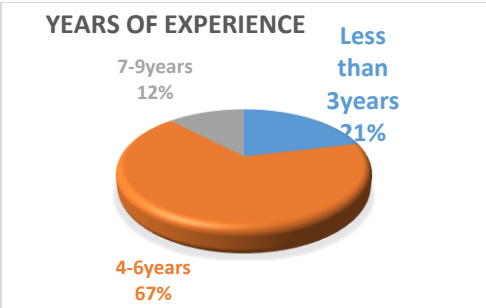
The results showed that 7% of the respondents falls within the age bracket of 18 – 22years, 36% within 23 – 27years, 54% within 28 – 32years and 3% within 33- 37 years. The largest percentage of the respondents falls within the age bracket of 28 – 32years, this cannot be farfetched because it is highly believed that largest percentage of workers in Nigeria banks are mostly youth who are within their late 20s' and early 30s'.

SEX



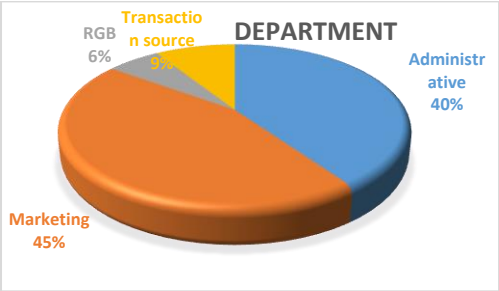
The results showed that 58% of the respondents were male and 42% female.

YEAR OF EXPERIENCE



The results showed that 21% of the respondents has less than 3years working experience in the bank, 12% has within 7-9years and 67% has within 4-6years experience as workers in the bank. The largest percentage of the respondents having more than 3years working experience will further enhance the reliability of the findings since it is believed that experience matters in life every life affairs.

Department



The results showed that 40% of the respondents work in Administrative department, 45% in marketing department, 9% in Transaction source department and 6% in RGB.

Management level/ rank

The results showed that 38% of the respondents are still in their low cadre, 39% in their middle cadre and 23% in the top cadre. This distribution is evenly distributed among the 3 cadres of the organization.

ANALYSIS OF THE OBJECTIVES OF THE RESEARCH STUDY

This section present the frequency distribution of the research questions designed in addressing the objectives of the study

Strategic Planning Tools and Adoption

Table 1: Frequency distribution on the strategic planning tools and adoption:

Items	SA	A	Un	D	SD	Mean ± Std.
	F (%)	F (%)	F (%)	F (%)	F (%)	
The planning tools adopted by bank determine the overall performance every year	15 (22.4)	47 (70.1)	5 (7.5)	-	-	1.8507 ± 0.52954
The SWOT analysis has been a strong tools use for strategic planning in banks.	9 (13.4)	58 (86.6)	-	-	-	1.8657 ± 0.34358
Bank prefer the use of traditional planning tool than modern planning tool	31 (46.3)	17 (25.4)	18 (26.1)	1 (1.5)	-	1.8358 ± 0.88072
The bank quickly need to developed another strategic planning tools to cater for the adverse effect that would have resulted from the pandemic	20 (29.9)	47 (70.1)	-	-	-	1.7015 ± 0.46106
The adoption of a good and effective strategic planning tools enhance the better performance of the bank during the pandemic	8 (11.9)	59 (88.1)	-	-	-	1.8806 ± 0.32671
There is still an increase in the profit margin (ROA, ROE) of the bank during the active year of covid '19 in Nigeria (i.e. 2020)	-	67 (98.5)	-	-	-	2.2985 ± 2.4439
The bank was able to minimize operations cost during covid '19 era	7 (10.4)	60 (89.6)	-	-	-	1.8955 ± 0.30819
The bank was able to satisfied the needs and demand of the customers effectively during this period	6 (9.0)	56 (83.6)	5 (7.5)	-	-	1.9851 ± 0.40793
Strong technology was developed during the pandemic to support self-banking services	2 (3.0)	60 (89.6)	5 (7.5)	-	-	2.0448 ± 0.32253
The bank sacked some of its employees and unable to conveniently pay salaries during the pandemic	39 (58.2)	8 (11.9)	-	20 (29.9)	-	2.1791 ± 1.80844
Grand Mean						**1.8415 ± 1.2094**

Source: Author's computation (2021)

Table 4.1 revealed that 22% of the respondents strongly agreed that the planning tools adopted by bank determine the overall performance every year, 70% agreed and 8% undecided; 13% strongly agreed, 87% agreed that the SWOT analysis has been a strong tools use for strategic planning in banks; 46% strongly agreed, 25% agreed, 26% undecided and 2% disagreed that bank prefer the use of traditional planning tool than modern planning tool; 30% strongly agreed and 70% agreed that the bank quickly need to developed another strategic planning tools to cater for the adverse effect that would have resulted from the pandemic, 12% strongly agreed and 88% agreed that the adoption of a good and effective strategic planning tools enhance the better performance of the bank during the pandemic; all the respondents agreed that there is still an increase in the profit margin (ROA, ROE) of the bank during the active year of Covid '19 in Nigeria (i.e. 2020); 10% strongly agreed, 90% agreed that the bank was able to minimize operations cost during covid '19 era, 9% strongly agreed, 84% agreed and 8% undecided that the bank was able to satisfied the needs and demand of the customers effectively during this period, 3% strongly agreed, 90% agreed and 8% undecided that strong technology was developed during the pandemic to support self-banking services and finally, 58% of the respodents strongly agreed that GT bank sacked some of its employees and unable to conveniently pay salaries during the pandemic while 12% agreed and 30% disagreed.

Bank Sustenance during the Covid '19 era

Table 2: Frequency distribution on Bank Sustenance during the covid '19 era:

Items	SA	A	Un	D	SD	Mean ± Std.
	F (%)	F (%)	F (%)	F (%)	F (%)	
GT bank needs to fortify their existing plan for survival during the covid era	34 (50.7)	28 (11.9)	-	5 (7.5)	-	1.6418 ± 0.82941
Strategic planning process adopted by the bank was a significant factor that distinguishes their operation and superior performance during the pandemic	11 (16.4)	56 (83.6)	-	-	-	1.8358 ± 0.37323
GT bank officers and managers needs to developed another plan for survival during the pandemic	7 (10.4)	60 (89.6)	-	-	-	1.8955 ± 0.30819
Formal strategic plan cannot be undermined in the success story of the bank during covid '19	19 (28.4)	48 (71.6)	-	-	-	1.7164 ± 0.45414
GT bank has always given priority to developing a plan to cater for harsh condition even before the pandemic	33 (49.3)	34 (50.7)	-	-	-	1.5075 ± 0.50372
Grand Mean						**1.7398 ± 0.62018**

Source: Author's computation (2021)

Table 4.2 revealed that 51% of the respondents strongly agreed, 12% agreed and 8% undecided that GT bank needs to fortify their existing plan for survival during the covid era; 16% strongly agreed, 84% agreed that strategic planning process adopted by the bank was a significant factor that distinguishes their operation and superior performance during the pandemic; 10% strongly agreed and 90% agreed that GT bank officers and managers needs to developed another plan for survival during the pandemic; 28% strongly agreed, 72% agreed that formal strategic plan cannot be undermined in the success story of the bank during covid '19 and lastly, 49% strongly agreed, 51% agreed that GT bank has always given priority to developing a plan to cater for harsh condition even before the pandemic while none of the respondents disagreed.

HYPOTHESES TESTING

An inferential statistics of regression analysis were carried out to test for the hypothesis of the study. P-value is said to be significant if less than 5% and not significant if greater than 5% (at 5% confidence level).

Hypothesis One

H1: There is a relationship between tools for strategic planning and bank performances during covid '19 era

Table 3: Summary of Regression Results

Coefficients

Model	B	Std. error	t	p-value	Decision
(Constant)	5.048	6.209	4.505	.044	
SPT	.624	.319	6.352	.000	Sig.

✓ Dependent Variable: bank performance (BP)

b. Predictors: (Constant), Strategic planning tools (SPT)

Model Summary

R	R Square	Adjusted R sq.	Durbin-Watson
.902[a]	.814	.726	1.983

F-stats = 12.384 (.000)

Source: Author's computation (2021)

The coefficient result in table 4.3 shows that there exists a strong positive statistically significant relationship between the tools for strategic planning and bank performances during covid '19 era (B = 0.624, p = .000).

The results of the coefficient of multiple determinations (R^2) show that the model has a good fit as the independent variable were found to jointly explain 81.4% of the movement in the dependent variable with the adjusted (R^2) of 72.6%. The remaining 28.6% is catered for by the error term and caused by other variables not included in the model. The overall significance of the model is explained by the F-statistic of 12.384 which is significant at 5% critical level. The Durbin-Watson (d = 1.983) falls between the values of 1.5 < d < 2.5. This Durbin-Watson therefore assume that there is no first order of linear auto-correlation in our data.

Statistically, the linear regression function can be written as;

$$\mathbf{BP = 5.048 + 0.624SPT + U_t}$$

t (4.505) (6.352)

p (.044) (.000)

Where: BP – Bank performance, SPT - Strategic planning tools, U_t – Error term.

The decision is therefore to accept the hypothesis which stated that there is a relationship between tools for strategic planning and bank performances during covid '19 era and concluded the planning tools (modern or traditional) adopted by bank determine the overall performance every year and likewise during the era of Covid '19.

Hypothesis Two

H2: There is a relationship between strategic planning process and bank performance (profitability) of the bank during Covid '19 era.

Table 4: Summary of Regression Results

Coefficients

Model	B	Std. error	T	p-value	Decision
(Constant)	8.007	1.180	3.783	.000	
SPP	.497	.168	4.347	.045	Sig.

- Dependent Variable: bank performance (BP)

b. Predictors: (Constant), Strategic planning process (SPP)

Model Summary[b]

R	R Square	Adjusted R sq.	Durbin-Watson
.843[a]	.782	.705	2.186

F-stats = 10.867 (.002)

R = 0. 843, R^2 = .782, Adjusted R=square = .705, Durbin-Watson = 2.186

Source: Author's computation (2021)

The coefficient result in table 4.4 shows there exists a positive statistically significant relationship between strategic planning and bank performance (profitability) of the bank during Covid '19 era. (B = 0.497, p = .045).

The results of the coefficient of multiple determinations (R^2) show that the model has a good fit as the independent variable were found to jointly explain 78.2% of the movement in the dependent variable with the adjusted (R^2) of 70.5%. The overall significance of the model is explained by the F-statistic of 10.867 which is significant at 5% critical level. The Durbin-Watson (d = 2.186) falls between the values of 1.5 < d < 2.5. This Durbin-Watson therefore assume that there is no first order of linear auto-correlation in our data (see table 4.8).

Statistically, the linear regression function can be written as;

$$\mathbf{BP = 8.007 + 0.497SPP + U_t}$$

t (3.783) (4.347)

p (.000) (.045)

The decision is therefore to accept the hypothesis that stated that there is a relationship between strategic planning and bank performance (profitability) of the bank during Covid '19 era and concluded that strategic planning adopted and enacted by GT bank was a significant factor that distinguishes their operation and superior performance during the pandemic.

6. Findings

This study seeks to examine the strategic planning tools and organization performance during the pandemic of Corona virus (Covid'19). Guarantee Trust Bank (GTB) located in Osogbo, Osun State was used as the case study. The findings revealed that largest percentage of the staffs of the bank falls within the age bracket of 23 - 32years of age, of which majority has between 4-6years of experience. The researcher ensure that the questionnaire was evenly distributed between the male and female staffs. The participants were majorly in Administrative and marketing department. The participants cut across the 3 cadres of management.

The findings discovered that the respondents were of the opinion that banks prefer the use of traditional tools than modern tools when setting up a strategy. Likewise, the SWOT (Strength, Weaknesses, Opportunities and Threats) has been a major consideration and tools GT banks use when designing a

strategy. It was also discovered that there was an increase in the profitability level (ROA, ROE) even in the active year of covid '19 in Nigeria of which the respondents opined that it was due to effective and efficient strategies adopted by banks during this period to cater for the adverse effect of pandemic. The study also discovered that during this period, the bank developed a strong and better technology to support banking self- services to customers which might be the reasons for stacking some of their employees. Most efficient, effective, and profitable companies were those who took time to set clear objectives for the company and for each person in the company (Economics Magazine, 2015, Tracy, 2015).

The study likewise discovered that the strategic planning process adopted by bank during the pandemic was a significant factor that distinguishes their operations and superior performance while some other medium and large scale industries are failing and being shut down.

The hypothesis testing revealed that there was a strong positive statistically significant relationship between the strategic planning tools used/adopted and the bank performance and a positive significant relationship between strategic planning process and bank performance.

It is viewed that GTB might probably have outshine some other banks (financial institutions) in profitability and performance during the era because of the quick, effective and efficient strategies they developed and adopted to perfectly cater for shock, as also viewed by Karger et al (1999), although this might not be in support of assertion by David (2003) who argues that not all companies that used strategic planning are necessarily successful.

7. Summary

The study examine strategic planning tools and organizational performance during Covid-19 era. The study determine if the strategic planning tools use by Guaranty Bank during Covid-19 era affects it performance and sustain the bank during the period. Hypothesis were tested if there is a relationship between tools for strategic planning and bank performances during covid ’19 era.The hypotheses were confirmed to be statistically significant ($p < .05$).

Findings also discovered that the respondents were of the opinion that banks prefer the use of traditional tools than modern tools when setting up a strategy. Likewise, the SWOT (Strenght, Weaknesses, Opportunities and Threats) has been a major consideration and tools GT banks use when designing a strategy. It was also discovered that there was an increase in the profitability level (ROA, ROE) even in the active year of covid '19 in Nigeria of which the respondents opined that it was due to effective and efficient strategies adopted by banks during this period to cater for the adverse effect of pandemic. The study also discovered that during this period, the bank developed a strong and better technology to support banking self- services to customers which might be the reasons for stacking some of their employees. Most efficient, effective, and profitable companies were those who took time to set clear objectives for the company and for each person in the company (Economics Magazine, 2015; Tracy, 2015).

8. Conclusions

Based on the findings, the study concluded that strategic planning is essential factor to be considered before setting up a plans. The strategic planning tools employed in this study has a significant relationship on the performance of organization. It is therefore imperative for organizations to takes planning serious and important. The failure of any organization to plan for future at present might affect the growth of such organization. Organizations should concentrate their efforts in creating and developing a strong strategic plans that will continue to support the visions, missions, goals and aspirations of the company. The success of any organization at any time especially at turbulent time is enshrined in efficient and effective strategic plans.

9. Recommendations

Based on the findings from this study, the following were recommended to the banks and financial institutions managers/CEOs, the employees/staffs, the government and the customers at large:

- ✓ Banks / Financial institutions should ensure that they invest more on strategic planners, values strategic plans for that has a lot to do in the continuous performance of banks. Report showed that many banks have windup in the past due to lack of strategic planning.
- ✓ Strategic planning in banking sector is the best when the interest of stakeholders is considered in its evolution and implementation. The stakeholders include the customers, CBN, shareholders, other banks, labour unions etc. Timely consultations should be made in order to protect their interests in the plans and intent from time to time.
- ✓ Banks should continue in their effort of ensuring that at all time they spell out in clear terms the objectives and goals of the organization. The time frame of achievement of the goals should also be stated. Roles and duties of each employee should be well defined and a full understanding of how efforts of each employee will lead to attainment of those goals should be shared.
- ✓ The setting up of strategic management unit with sound strategic managers will further help banks in Nigeria to provide for long term contingencies. Banks in Nigeria are advised not to isolate strategic management unit for effective strategic formulation, implementation and evaluation.

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Nexus between Entrepreneurship Teaching Methods and Enterprise Performance of Selected Polytechnic Students in South-West, Nigeria

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ABSTRACT

The study examined the Nexus Between entrepreneurship teaching methods and enterprise performance of polytechnic students in South-West, Nigeria. Quantitative method was used in data collection using questionnaire as research instrument. Cochran formula was used to determine the sample size of Three Hundred and Eighty-five (385) due to unknown population of students that are entrepreneurs from the selected polytechnics in South - west Nigeria. Hence, convenient sampling was used in questionnaire administration to select sixty-five (65) entrepreneur students met on campus at the time of questionnaire administration. Descriptive and Inferencial statistics method was used to analyze the data collected. The findings revealed that students that are entrepreneurs in the selected polytechnics strongly agree that instructors teaching experience increased student enterprise performance. The study concludes that there is significant positive relationship between entrepreneurship teaching methods and enterprise performance of polytechnic students in South – west Nigeria. Therefore the study recommends that the Government should ensure more effective, conducive and suitable environment that will promote teaching and learning in South-West polytechnics and all tertiary institutions in the country.

Keywords: *Entrepreneurship Education, Teaching Methods, Performance of Enterprise, Nigeria.*

I. Introduction

Nigerian system of education prior and sequel to independence in 1960, laid more emphasis on academic subjects than skill development; hence there is the propensity to produce an educated class without technical skills (Erwart, 2012). Furthermore, the educational system had fallen short of establishing the foundation of economic freedom, technical skills and essential expertise, for successful industrial and agricultural development (Adamu, 2005). The challenges have resulted to high level of unemployment and poor intrapreneurial performance of the employed. In some those challenges, however, Nigerian government has adopted various policies and programmes to institute both entrepreneurship and intrapreneurship spirits in the country. Among the implemented policies andprogrammes instituted in Nigeria to facilitate both entrepreneurship and intrapreneurship spirits are: Small and Medium Enterprises Development Agencies (SMEDAN), Youth Enterprise with Innovation in Nigeria (YOUWIN), SubsidyReinvestment and Empowerment Programme (SURE P) and many others. Furthermore, the National University Commission (NUC) in 2006 was one of the Federal Government intervention strategies and policies in line with global trends to redirect university education towards entrepreneurship development as well as to fight against the tenacious increase in graduate unemployment.

The educational system in Nigeria have been reviewed many times to cater for the changes motivated by technological developments, however years after the emergence of new educational

systems (6-3-3-4) the beneficiaries of tertiary education still lack the necessary skills for self-reliance (Uwaifo & Uddin, 2009; Sofoluwe, Akinsolu, & Kayode, 2013). Considering the high rate of unemployment among Nigerian university graduates, it became imperative that university programmes should be reviewed to include not only the philosophy of entrepreneurship, but also equipping students with necessary skills to become entrepreneurs (Agu, 2006; Esene, 2014). This is how the conception of entrepreneurship education as an academic course of study came to the fore. This critical fact of the ineffectiveness of university education to afford beneficiaries with the skills required for a successful career in entrepreneurship underlies the directive of the Federal Government in 2006 through the National Universities Commission (NUC) to introduce entrepreneurship education as a compulsory course in Nigerian universities (Aliu, 2008; Adejimola & Olufunmilayo, 2009).At present, entrepreneurship education in higher institutions in Nigeria are offered as a compulsory course (general studies) while some universities offer Bachelor degree in Entrepreneurship. This intervention strategy was initiated to promote the integration and inculcation of entrepreneurial mind set and competencies among the young populace.

II Statement of Problem

The massive unemployment of Nigerian graduates in the country and an absence of basic employable skills possessed by the graduates (Oviawe, 2010) are to be considered by the appropriate bodies. Most graduates are very poor in the required skills such as literacy, oral communication, information technology competencies, entrepreneurial competencies, analytical abilities, problem-solving abilities, and decision-making capabilities (Oviawe, 2010; Ejere & Tende, 2012). Stakeholders in the educational system (primary, secondary, tertiary) of Nigeria observed that the present offerings are not capable of equipping the beneficiaries, with the required skills to tackle the challenges of 21st century technology, and scientific knowledge era (Odia & Omofonmwan, 2007; Okala, 2008). Although, several studies have considered the effect of entrepreneurship education on the performance of enterprises in Nigeria. Nevertheless, there is dearth of recent studies on the nexus of entrepreneurship teaching methods and enterprise performance of selected polytechnic students in Southwestern Nigeria. Thus, the need for this study.

(a) Research Question

What is the relationship between entrepreneurship teaching methods and enterprise performance of polytechnic students in South-West, Nigeria?

(b) Research Objective

To determine the relationship between entrepreneurship teaching methods and enterprise performance of polytechnic students in South-West, Nigeria.

III Literature Review

Sequel to the directives of the Federal Government of Nigeria, entrepreneurship education has since been included in the curriculum of all universities in Nigeria and many universities have established entrepreneurship centers to drive entrepreneurial orientation of the institutions (Aliu, 2008; Olorundare & Kayode, 2014). Considering the benefits of entrepreneurship to graduate employment, Nigerian universities are now favourably disposed towards motivating entrepreneurial thinking and behaviour geared towards development of students' awareness and interest in entrepreneurship (Oduwaiye, 2009; Babatunde & Durowaiye, 2014).Although, entrepreneurship education is still at infancy in Nigerian universities, the fact still remains that one of the policy goals of university education as entrenched in the National Policy on Education, is the development of entrepreneurial skills among undergraduates (Esene, 2014). This is a major aspect that universities in Nigeria need to pay cognisance to in order to demonstrate entrepreneurial capabilities in their offerings, targeted at training graduates that would be job creators rather than employment seekers (Erwart, 2012; Olorundare & Kayode, 2014).

Entrepreneurship education has been defined as any pedagogical process of education for creating entrepreneurial attitudes and skills, which involves developing certain personal qualities. It is therefore not exclusively focused on the immediate creation of new businesses (Fayolle et al., 2006) but also

include entrepreneurship management. Meanwhile, the rate of growth of entrepreneurship education has been seen as indicative of widespread governmental belief in the positive impact of entrepreneurship on the socio-economic and political infrastructure of a nation" (Matlay, 2008). The primary purpose of entrepreneurship education is to develop entrepreneurial capacities and mindsets" (European Commission, 2008) and recommends entrepreneurship education to the curricula of institutions. Importantly, the role of entrepreneurship education is to promote more entrepreneurial attitudes and behaviours, and this has been widely recognised (European Commission, 2008).

The European Commission Committee (2008:4) states that Entrepreneurship Education is that aspect of Education that inculcates in an individual, the ability to turn ideas into action. Also, entrepreneurship education deals with those attitudes and skills that are necessary for the individual to respond to its environment in the process of conceiving, starting and managing a business enterprise (Emeraton, 2008).At this stage, it is expedient to understand teaching methods in entrepreneurship education.

Teaching methods in entrepreneurship education should enable tryouts through business startups in an organised environment within universities (Ahmad, Baharun, & Rahman, 2004). Furthermore, Hidi, Renninger, and Krapp (1992) argued that it would be quite an extraordinary and challenging task for educators to take cognisance of each learner's interest given the time limitations and the class sizes instructors have to work with. However, employment of appropriate teaching methods can create the environment that stimulates students' interests in entrepreneurship and for business creation. The aforementioned calls for closer examination in university entrepreneurship education because; creating an environment that leverages upon the provision of real-life situations and practical activities in entrepreneurship teaching, could trigger interest among students to engage in business creation (Mitchell, 1993). Interest that emerges out of the creation of practical learning experiences in entrepreneurship teaching has the ability to motivate individuals to act. Therefore, with specific reference to Nigerian polytechnics it is possible that employing appropriate and practical teaching methods in entrepreneurship classes may trigger students' interest to engage in business startups during the course of the programme.

Experience have shown that the methods of teaching such as class lectures, question and answer sessions and drills, are not adequate to facilitate the development of business ideas and similar entrepreneurial behavior outcomes. Lonappan and Devaraj (2011) who suggested that some of the most common and effective classifications of teaching methods in entrepreneurship include; group and individual research projects, invitation of guest speakers, role play, and simulations. Mwasalwiba (2010) in support of the methods considered as best practices in entrepreneurship teaching, recommended simulations, video and filming, role models, invitation of guest speakers, and project works, as active practices that are more suitable for cultivating entrepreneurial qualities in students.

The teaching methods engaged in entrepreneurship education should stimulate students' interest in entrepreneurship activities involving business startups. This was supported by the study of Arasti, falavarjani, and Imanipour (2012) that focused on the suitable teaching methods in entrepreneurship education by carrying out two qualitative studies. The authors concluded that the appropriate teaching methods for teaching the course are group project, case study, individual project, development of a new business creation project and problem solving. In the same vein, Malach and Malach (2014) examined the experiential entrepreneurship education approach highlighting the "Start Your Own Business Assignment" in the context of the entrepreneurship course offered to over 200 undergraduate students per year at the Haskayne School of Business, University of Calgary, Canada. The findings of the study suggest that experiential education in entrepreneurship courses, conveys both substantive, theoretical knowledge and intangible learning experiences best absorbed through active participation. The authors concluded that starting and operating a business is a unique, educational experience which allows students to apply the substantive knowledge gained in entrepreneurship courses to a real business. Similarly, Canziani, Welsh, Hsieh, and Tuller (2015) investigated the effectiveness of different teaching methods in entrepreneurship. The research focused on three learning design choices namely; experiential learning, use of teamwork and focus on quantitative methods. The paper examined teaching methods that could contribute to raising student scores on constructs of change, risk taking,

goal setting, feedback and achievement as measured by a customized entrepreneurial propensity survey. The researchers asserted that experiential and practical oriented teaching methods motivate entrepreneurial goal setting.

Contrarily, Penanluna, Peneluna, and Jones (2012) examined the contextual contrasts in the development and delivery of enterprise education in higher education globally. Utilizing data gotten from an online survey conducted on enterprise educators, the authors concluded that there are low levels of business start-up activities among students during enterprise education and one year after graduation. This is in line with the study of Rodriguez, Chen, Sheppard, Leifer, and Jin (2015) who explored the reasons for some engineering graduates who cofounded or started a company may no longer have an entrepreneurial interest. The participants in this study were 484 alumni who received their undergraduate engineering degrees in 2007 from four different universities in the United States of America. The authors argued that one of the factors responsible for loss of entrepreneurial interest is that despite exposure to entrepreneurship education, graduates appear to choose positions that would support career advancement.

Ahmad et al. (2004) also argued that the most effective technique is to enable experiments by trying out entrepreneurship in a controlled environment, through methods such as business simulation or role playing. Therefore, there is a strong foundation based on literature, that the aforementioned entrepreneurship teaching methods can be considered salient to entrepreneurship development of students in the context of higher institutions.

(i) **Simulation**

Carson, Nelson, and Nicol (2010) described simulation as the imitation of the process of a real-world scenario in a given context. Hamstra, Dubrowski, and Backstein (2006) stated that to effectively simulate a process, a model that represents the major characteristics one desires to imitate must be developed. Janes, Silvey, and Dubrowski (2016) explained that the simulator characterises the process, while the simulation symbolises the operation of the system over time as regards its relation with other systems. In the context of teaching entrepreneurship, Brozik and Zapalska (2002) stated that using a simulator as a teaching method involves a process where a learner acquires actions, behaviours and skills through interaction with the simulated system over a period of time. In other words, educating a learner is considered as a system which can be represented by business start-up operating as in the real world (Hertel& Millis, 2002). Therefore, changing some operational details of the stimulator, (business startup) in response to the actions of entrepreneurship students is considered as the act of simulation (Kirkley & Kirkley, 2005).

(ii) **Role Play**

Knight (2002) stated that role play activities afford students the opportunity take up the role of an individual in a particular scenario or situation. To this end, Joyner and Young (2006) stated that role plays engage students in practical entrepreneurial activities that involve real-life business scenarios. Kerr Troth and Pickering (2003) argued that role plays are quite different from simulations because simulations are usually planned, while role play activities are usually short, impulsive presentations, which may also take the form of pre-arranged research assignments. In the context of entrepreneurship education, Joyce, Calhoun, and Hopkins (2009) suggested that role plays can present students with ample opportunity to engage in activities which are proto-types of the role of an entrepreneur and entrepreneurial career-related scenarios. To enhance entrepreneurship, students understanding of the use of role-playing sessions, role plays should be content-focused, align with learning goals of an entrepreneurship programme and be applicable to real-world business scenarios (Joyner & Young, 2006).

(iii) **Project Method of Teaching**

Gless-Newsome and Lederman (2002) described project-based learning (PBL) as an instructional methodology where students learn relevant and valuable skills by engaging in actual projects which are adjustable based on the dispositions of learners and learning situations. The project teaching method

involves students in realistic, problem-solving contexts and environments, which help to build bridges between phenomena in entrepreneurial classroom and real-life business experiences. Colley (2005) on project method of teaching posited that students can employ core academic and creative skills, to solve salient problems in real business world situations. Students can be given the opportunity to choose entrepreneurship topics of interest within the stipulated content framework and they are responsible for developing project plans.

(iv) Invitation of Guest Speakers

Karns (2005) stated that invitation of guest speakers as a teaching method is a valuable tool because it offers a new approach and blend in teaching, while it also addresses salient topics that are often absent from a regular class. The uniqueness of this method, gives room for a better and effective one on-one approach as well as a better understanding of a subject that otherwise would have been difficult and challenging for student's comprehension. Therefore, students have the opportunity to learn about certain entrepreneurship topics in a way that enhances full involvement in the class and active engagement. Hemphill and Hemphill (2007) advocated that in cases where there is a chosen entrepreneurship topic where a teacher is not so proficient; a guest speaker can be invited to talk about their field of expertise, both the entrepreneurship teacher and students will be immensely imparted.

Schulman and Schulman (2004) posited that the success of entrepreneurship education demands for competent entrepreneurship educators. This means that an educator's competence is an important factor to ensure students' commitment to entrepreneurial related learning. In support of this, European Commission (2008) argued that entrepreneurship teachers play a vital role because the encouragement and motivation of entrepreneurial attitudes and behaviour is hinged on educators' experience and training. Sykes and Dunham (1995) in agreement with Mason and Stark (2004) posited that business plan writing in entrepreneurship education enhances a student's ability to analyse future scenarios, understand the financial future and funding related issues identify and minimise risks. In the same vein, Castrogiovanni (1996) opined that learning occurs during the business planning process which enhances the operational efficiency of a new business. Honig (2004) asserted that business plans are promoted by educational and governmental institutions, financial institutions and investors.

According to Cordell (2001), teaching business planning has become a standard in most business and entrepreneurship curricula throughout the world. In support of this view Hytti and O'Gorman (2004) argued that business plan writing is regarded as a popular skill building activity employed to teach entrepreneurship, because it requires an understanding of the processes and activities of entrepreneurship. Business plan writing is a popular outcome of university entrepreneurship programme in Nigeria (ENTENP, 2013). Considering the important role of an entrepreneurship educator in achieving the goals of an entrepreneurship programme, it therefore implies that the competence of an entrepreneurship educator in Nigerian universities has implications for the commitment to learning of students especially in the context of writing feasible business plans to show tangible expression of their considerations of entrepreneurship as a future career. (ENTENP, 2013).

An entrepreneurship educator's competence can motivate students' commitment to entrepreneurial related learning particularly as regards business plan writing. This was supported by the study of Arasti, Falavarjani, and Imanipour (2012) who examined the skill of entrepreneurship educators and appropriate teaching methods required for business planning competence of entrepreneurship graduate students. The research was study carried out in three Universities of Tehran, Iran. The study adopted a qualitative approach using ten semi structured interviews on a sample of business plan experts and Entrepreneurship lecturers respectively. The results for the sample of experts showed that formal lectures, group project and simulation were effective teaching methods however, the results for the sample of lecturers showed that group project, case study, new venture creation project and problem-solving approaches are deemed appropriate. Nevertheless, the authors argued that student's effectiveness in writing business plans can only be achieved based on the teacher's skill and knowledge of teaching methods in entrepreneurship education.

Similarly, McGing (2016) investigated the present practice and comprehension of the teaching of the double weighted final year Business Plan module to undergraduate level for BA (Hons) in Business

Studies students in Griffith College Dublin. The author focused on the teaching approach utilized on the course and analysed its viability. A qualitative approach was utilized which included the majority of the students, various supervisor, and the Business Plan Co ordinator. The author posited that business planning in tertiary education is important and that business planning and entrepreneurship education should go hand in hand with a specific goal to encourage students to be more proactive in the full business cycle. Conversely, White, Hertz, and D'Souza (2014) examined the effectiveness of using a business plan evaluation model that was based on data collected from investors and academic research. Using a sample 150 graduate and undergraduate students, the authors tested and offered a model for teaching the craft of business plan writing and analysis. The findings of the study showed that writing a business plan is often used to evaluate the success of educational efforts based on the ability of students to win business plan competitions and write a business plan that is funded by investors and venture capitalists. The authors also concluded that writing an effective business plan is one of the most challenging tasks for any entrepreneur that occurs mostly when a business is at the survival or early stage. The authors reiterated that although business plan writing is one of the most important elements in sound entrepreneurship education, the discipline has not yet agreed on accepted criteria for teaching the craft.

Lame and Yusoff (2013) evaluated the relationship between entrepreneurship education and Nigerian polytechnics students' perception towards the entrepreneurship education courses. A descriptive study was conducted in three Nigerian polytechnics. The authors argued that one of the major challenges facing entrepreneurship development in Nigeria is that there are very few trained entrepreneurship lecturers in universities hence inculcating entrepreneurial skills in students becomes a challenge.

Learning is at the heart of education, as stated by Ramdsen (2003): "The aim of teaching is simple, it is to make student learning possible". Different perspectives and theories have been proposed about the concept of learning, which are relevant for entrepreneurship education. For example, Kolb (1984) has defined learning as a process whereby concepts are derived from and continuously modified by experience, opening the door to the notion of experiential learning. Stating about the importance of this last notion, Deakins and Freel (1998) argued that "The entrepreneur is forced to alter behaviour through experiential learning". Experience can generate new meaning and leads to consequent change in thinking and behaviour. Other view on learning comes from Bandura's (1986) theory of social cognition. In this theory, learning is considered as "largely an information-processing activity". In this line, Young and Sexton (1997) emphasised the role of memory in defining effective entrepreneurial learning as a problem-solving process centred on "the acquisition, storage and use of entrepreneurial knowledge in long-term memory". Learning can be seen as a cognitive process of acquiring and structuring knowledge, of making meaning from experience and of generating new solutions from existing knowledge. Learning in entrepreneurship includes both implicit and explicit knowledge and as Davidsson and Honig (2003) assert, solving complex problems and making entrepreneurial decisions are based on a strong interaction of tacit and explicit knowledge.

Introducing this notion of learning process in entrepreneurship allows to take explicitly into account the point of view of the learner, who is an essential stakeholder and the main actor as stated by Blenker et al. (2006): "Learning is connected to approaches according to which the student or learner is invited to become an active and equal partner in the learning process". Moreover, the notion of learning process stresses the dynamic aspect of learning and the issues related to its implementation and execution in a particular context. The notion of process emphasises the effects of time and context (Kyrö and Carrier, 2005).

In this dynamic perspective, educators have to identify the conditions and the factors that will allow them to keep a good control on each implementation of their programme. Both time and context bring constraints to the learning processes. Entrepreneurship educators have therefore to create the right conditions for a more effective and efficient learning. Both time and context bring constraints to the learning processes. They relate to temporal factors such as the programme duration or the way and conditions of its inclusion in a curriculum. Other constraints come from material factors such as the nature of equipment, the configuration and the characteristics of the classroom(s). Finally, the

constraints are related to the quality and the availability of the resources such as the teachers, the lecturers or the financial budget. Given those constraints, different choices made for each of the ontological and educational dimensions, which belong to entrepreneurship teaching model (Béchard and Grégoire, 2005) lead to different learning processes. Those processes can be grouped in at least three main categories such as: one, learning to become an enterprising individual, two, learning to become an entrepreneur (or an expert in the field of entrepreneurship, three, learning to become an academic (teacher or researcher in the field of entrepreneurship).Based on the importance of entrepreneurship education, however, it is important to measure the performance of enterprises from various' perspectives.

Performance measurement is "the process of quantifying the efficiency and effectiveness of action" (Neely *et al*., 2005). Performance measurement can either be financial performance such as profits and investment returns and market performance such as growth or share (Tidd, 2001). Also, performance measurement can also be operational non-financial performance such as flexibility, quality, and productivity (Tangen, 2004; (Kafetzopoulos and Psomas, 2015). Furthermore, the different types of performance measures also include direct and indirect, objective and subjective, and financial and non-financial (Saunila and Ukko 2012). Performance measurement was also categorized into three latent variables dimensions such as innovation performance, growth performance, and management performance (Lv, Lai and Liu, 2019).

This study deployed theory of planned behaviour as a focusing device for this study. The theory of planned behaviour (TPB) was introduced by Ajzen (1991) due to gaps in the theory of reasoned action (TRA). TPB is highly effective in predicting a wide range of behaviour and noted that individual behaviour was not solely based on their will, rather including external factor called perceived behavioural control (Ajzen, 1991). In concise, the perceived behavioural control in TPB entails attitudes towards behaviour (personal attitude and individual conduct), subjective norms (influence of significant other; perceived social pressure) and perceived behavioural control (Ajzen, 1991). The TPB details how the influences upon an individual determine that individual's decision to follow a particular behaviour. However, the determinants of behaviour are intentions to engage in that behaviour and Perceived Behavioural Control (PBC).Intuitively, entrepreneurial students, perhaps, have a strong intention to, for example, engaged in entrepreneurship, when they hold more positive attitudes towards the behaviour, perceive social pressures from respected and value opinions and feel capable of establishing and running a successful enterprise before and after graduation without difficulty. However, this intention in conjunction with their perceptions of capability, determines the likelihood that they will venture into entrepreneurship. Objectively, the theory of planned behaviour is one of the most frequently cited and influential models for the forecast of human social behaviour (Ajzen, 2011). Despite the popularity of the theory, other scholars have critics and debate the efficacy of the theory from their perspective (Ajzen, 2011). It was revealed that some researchers refute the efficacy of TPB outrightly as an adequate explanation of human social behaviour given the report of their empirical studies. This perhaps, is as result of external variables that were not captured while conceptualizing the theory. In addition to that, it should be recognized that "explaining human behaviour in all its complexity is a difficult task (Ajzen, 2011)". For instance, Sommestad, Karlzén, &Hallberg, (2017) tested the theory in the field of computer information system and recommended some variables to be considered in the theory. This perhaps is one the factors that generates critics to TPB. Also, McDermott (2015) tested the theory in the Medicine and health and recommended "examination of the moderation of TPB variables by age and gender and the use of more valid measures of eating behaviour". This to justify Ajzen (2011) postulation that "explaining human behaviour in all its complexity is a difficult task".Nevertheless, the theory of planned behaviour is perhaps potent in explaining human social behaviour to a larger extent due to applicability of the theory in different field, especially in the field of entrepreneurship education.

IV **Methodology**

This study adopted quantitative research method using questionnaire. Three (3) states were randomly selected out of the six states in the South-West. They include Ondo, Osun and Ekiti State. Two

polytechnics (one public and one private) were selected from the Three (3) states giving a total of six polytechnics. The population of student entrepreneurs are unknown because the group is informal. Therefore Cochran formula was utilized to get a sample size of Three hundred and Eighty five (385). Sixty-five (65) questionnaires were administered to each of the polytechnic students that attended entrepreneurship courses in the various polytechnic. Descriptive statistics was used in the analysis of data for the study.

V Results and Discussion

Table 1 shows the nexus between entrepreneurship education teaching methods and enterprise performance of selected polytechnic students in Southwestern Nigeria. The Table shows that mean values of 4.48 indicates that students that are entrepreneurs in the selected polytechnics strongly agrees that instructors' teaching experience increases the students' enterprise performance significantly (F = 12.013, p = 0.001). In addition to that, the table further shows that the mean (4.45) and ANOVA values (F = 10.682; p = 0.000) implies that entrepreneur students from the selected polytechnic strongly agrees that entrepreneurship faculties applied entrepreneurship courses had led to increase in students' enterprise performance. Furthermore, the mean (4.06) implies that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 10.343; p = 0.001) that consumers' needs are identified through entrepreneurship faculties teaching methods, leading to increase in the students' enterprise performance. In the same manner, the mean value (4.27) implies that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 3.236; 0.013) that the teaching methods that provided a new and different experience to the students have led to increase in the students' enterprise performance. More importantly, the table shows that the mean value (3.58) indicates that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 3.315; p = 0.011) that the method of teaching provided an opportunity to learn by doing have led to increase in the students' enterprise performance.

Table 2 further shows the nexus of entrepreneurship education teaching methods and enterprise performance of selected polytechnic students in Southwestern Nigeria. The Table shows that mean values of 4.27 indicates that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 5.847; p= 0.000) thatentrepreneurship students have developed ideas to improve on existing products and processes through entrepreneurship faculties and such result to increase in the students' enterprise performance. In addition to that, the table further shows that the mean (4.11) and ANOVA values (F = 18.236; p = 0.000) implies that entrepreneur students from the selected polytechnic significantly agrees that the entrepreneurship faculties promote technology patenting and commercialization which leads to increase in students' enterprise performance. Furthermore, the mean (4.19) implies that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 20.216; p = 0.000) that the entrepreneurship faculties foster students' enterprise performance through business incubator Initiatives. In the same manner, the mean value (4.30) implies that students that are entrepreneurs from the selected polytechnics agrees significantly (F = 6.654; 0.000) that the entrepreneurship students have developed new product ideas through entrepreneurship faculties teaching methods.

The implication of this study is that entrepreneurship teaching methods that are experienced-based, practical and applied-based, learning-by-doing based, business incubator initiatives-based and lastly on promote technology patenting and commercialization seems to be promoting the enterprise performance of polytechnic students in Southwestern Nigeria. The results of this study corroborated previous studies on the importance of entrepreneurship teaching methods on enterprise performances (Canziani, Welsh, Hsieh, and Tuller, 2015; Mitchell, 1993). Given the theory used as a focusing device for this study, it is important to re-emphasize at this stage that entrepreneurial students, perhaps, have a strong intention to, engaged in entrepreneurship, when they hold more positive attitudes towards the behaviour, perceive social pressures from respected and value opinions and feel capable of establishing and running a successful enterprise before and after graduation without difficulty. Hence, teaching methods adopted for entrepreneurship education go along way in moderating students' behaviours regarding enterprise activities.

Table 1 Entrepreneurship Education Teaching methods and Enterprise performance

Teaching methods and performance	Freq.	%	X	F	P<1%
Instructors' teaching experienced increases the students' enterprise performance			4.48	12.013	0.001
Strongly Disagree	18	5.7			
Disagree	5	1.6			
Indifference	4	1.3			
Agree	70	22.1			
Strongly agree	220	69.4			
Total	**317**	**100**			
Entrepreneurship faculties applied entrepreneurship courses had led to increase in students' enterprise performance			4.45	10.682	0.000
Strongly Disagree	8	2.5			
Disagree	10	3.2			
Indifference	8	2.5			
Agree	97	30.5			
Strongly agree	194	61.2			
Total	**317**	**100**			
Consumers' needs are identified through entrepreneurship faculties teaching methods, leading to increase in the students' enterprise performance.			4.06	10.343	0.001
Strongly Disagree	34	10.7			
Disagree	24	7.6			
Indifference	7	2.2			
Agree	118	37.2			
Strongly agree	134	42.3			
Total	**317**	**100**			
The teaching methods that provided a new and different experience to the students have led to increase in the students' enterprise performance			4.27	3.236	.013
Strongly Disagree	16	5.0			
Disagree	10	3.2			
Indifference	18	5.7			
Agree	101	31.9			
Strongly agree	172	54.3			
Total	**317**	**100**			
The method of teaching provided an opportunity to learn by doing have led to increase in the students' enterprise performance			3.58	3.315	0.011
Strongly Disagree	35	11.0			
Disagree	51	16.1			
Indifference	43	13.6			
Agree	72	22.7			
Strongly agree	116	36.6			
Total	**317**	**100**			

Key: Strongly agree = 5, agree = 4, indifference = 3, disagree = 2 and strongly disagree = 1

Table 2 Entrepreneurship Education Teaching methods and Enterprise performance

Teaching methods and Enterprise performance	Freq.	Percent	Mean	F	P values
Entrepreneurship students have developed ideas to improve on existing products and processes through entrepreneurship faculties and such result to increase in the students' enterprise performance			4.27	5.847	0.000
Strongly Disagree	18	5.7			
Disagree	4	1.3			
Indifference	12	3.8			
Agree	122	38.5			
Strongly agree	161	50.8			
Total	**317**	**100.0**			
The entrepreneurship faculties promote technology patenting and commercialization which leads to increase in students' enterprise performance			4.11	18.236	0.000
Strongly Disagree	26	8.2			
Disagree	11	3.5			
Indifference	10	3.2			
Agree	126	39.7			
Strongly agree	144	45.4			
Total	**317**	**100**			
The entrepreneurship faculties foster students' enterprise performance through business incubator Initiatives			4.19	20.216	0.000
Strongly Disagree	23	7.3			
Disagree	5	1.6			
Indifference	14	4.4			
Agree	123	38.8			
Strongly agree	152	47.9			
Total	**317**	**100.0**			
Entrepreneurship students have developed new product ideas through entrepreneurship faculties teaching methods			4.30	6.654	0.000
Strongly Disagree	16	5.0			
Disagree	5	1.6			
Indifference	14	4.4			
Agree	115	36.3			
Strongly agree	167	52.7			
Total	**317**	**100.0**			

Key: Strongly agree = 5, agree = 4, indifference = 3, disagree = 2 and strongly disagree = 1

VI Conclusion and Recommendations

The study concludes that there is strong positive nexus between entrepreneurship teaching methods and enterprise performance of polytechnic students in Southwestern Nigeria. However, the implication is that teaching methods adopted for entrepreneurship education will determine how students that are entrepreneurs handle their enterprises. Therefore, the study recommend that government should institute policy on entrepreneurship teaching methods to be leaning-by-doing, practical and experienced based. Furthermore, the Government should ensure more effective, conducive and suitable environment that will promote teaching and learning in South-West polytechnics and all tertiary institutions in the country.

VII Area of Further Studies

The study only considered nexus of entrepreneurship education teaching methods and enterprise performance of selected polytechnic students in Southwestern Nigeria; further studies may consider the entire Polytechnic's in Nigeria.

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Financial Literacy and the Performance of SMEs

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ABSTRACT

The disconnection between the financial management ability of SMEs operators and the desire to operate a business has led to the failure of a number of SMEs within the first few years of existence. For this reason, the study investigated the relationship between financial literacy and the performance of SMEs. The study adopted survey research design. Extant literature was reviewed while a sample size of 387 respondents was determined through Taro Yamane formula from a total population of 11,663 registered SMEs in Lagos State. Purposive sampling technique was used to select 387 SMEs owners and operators in Ikeja, Lagos, Nigeria from which primary data was collected for the study. The self-administered questionnaire achieved a response rate of 38.76 per cent (150 responses). Pearson's Correlation Coefficient test of hypotheses on SPSS indicated that a relationship existed between financial literacy and return on investment. Also, it indicated that a relationship existed between financial literacy and profitability. Hence, the study found that a significant relationship existed between financial literacy and the performance of SMEs. It was therefore concluded that for SMEs to operate optimally and contribute meaningfully to economic growth and development, there is need for the owners and operators of SMEs to be financially literate. The study recommended that the government should create an avenue for the provision of financial training to both present and would be SME owners, operators and employees in the country. Also, on a periodical basis, SMEs owners should update their financial skills and make regular provision for their staff to participate in financial management trainings.

Keywords: *Financial literacy, performance, SMEs*

1. Introduction

Corporate organisations are required for the economic wellbeing of any society. However, their activities are constrained by variables within the environment. This view is supported by a number of scholars. Buchdadi, Sholeha, Ahmad, and Mukson (2020), are of the view that corporate organisations face substantial challenges, such as unfavourable economic conditions, increasing competition, and exchange rate volatility, especially the rising value of the dollar against a number of local currencies. These challenge has substantial implication on the activities of Small and Medium-sized Enterprises even though they are very important to economic and commercial activities in a number of sectors in any economy. And are seen as the engine of economic growth and development in both developed and developing countries of the world (Yuneline & Suryana, 2020).

"In general, SMEs often experience delays in their development" (Buchdadi *et al.*, 2020, p.1), due to a number of issues which are common to SMEs in developing countries such as "absence of adequate and timely banking finance, limited capital and financial knowledge and lack of capacity to identify new financial products" (Adomako, Danso & Damoah, 2016, p.43).

Financial literacy is an important aspect for achieving success, it is useful for making financial decision (Norman, 2010; Ye & Kulathunga, 2019; Yuneline & Suryana, 2020). However, lack of financial literacy among owners, operators and employees may lead to business failure. According to Hatten (2006) in the United States of America, the National Federation of Independent Businesses (NFIB) reported that above 10 per cent of businesses go out of operation before 1 year, 25 per cent are found to

cease operation between 1 year and 2 years, while 20 per cent went out of operation between the 3rd and 5th year of operation. Even in the developing countries, the issue of lack of financial literacy among people in small businesses (Kizza, 2019), has led to a number of calls for financial inclusion. However, to achieve financial inclusion there is need for concerted effort among stakeholders.

Therefore, based on its relevance to the operation of SMEs, financial literacy is an important factor for entrepreneurial success. A number of studies (Attamah, 2019; Quintiliani, Modina, & Arnone, 2018; Usama & Yusoff, 2019) in the past have investigated the relationship between financial literacy and business performance, however to the best of the knowledge of the researcher, none of this studies have considered the influence of financial literacy on SMEs performance. Thus, this present study addresses this gap. Therefore, this study will contribute to knowledge by discussing the importance of financial literacy to enhancing SMEs performance.

The objective of this study is to examine the influence of financial literacy on the performance of SMEs. To achieve this, the paper is therefore structured as follows: Section one introduces the paper, in section two the review of extant literature is presented, the methodology is discussed in section three. The result and discussions are presented in section four while the conclusion and recommendations are presented in section five.

2. Literature review

2.1 Conceptual review

2.1.1 Financial literacy

There is absence of consensus among researchers and financial experts on the definition of financial literacy, hence there exist a plurality of definitions on financial literature, and as such the concept is seen as multidimensional (Dodaro, 2011 as cited in Kizza, 2019, p.666; Gielnik, Zacher, & Schmitt, 2016; Usama & Yusoff, 2019).

According to Dodaro (2011) as cited in Kizza (2019, p.666), financial education is "the process whereby individuals improve their knowledge and understanding of financial concepts, services, and products." Financial literacy is defined as the degree to which one understands essential financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long range financial planning, while mindful of life events and changing economic conditions (Remund, 2010 as cited in Usama & Yusoff, 2019, p.84). Financial knowledge is basically about having relevant intelligence, understanding or knowledge for the management of income, expenditure and savings in a prudent manner (Gielnik *et al.*, 2016). Also, "Financial literacy refers to the financial knowledge and abilities which enable entrepreneurs to implement effective financial management strategies for their enterprises." **(**Usama & Yusoff, 2019, p.84). To meet the objectives of the business and achieve growth through sterling business performance in a dynamic environment, SMEs owners and managers must be financially literate (Buchdadi *et al.*, 2020).

Usama and Yusoff (2019, p.) identified "financial awareness, debt management, diversification, saving, bookkeeping, risk management and access to credit facility" as important aspect in financial literacy. "To be able to perform these activities efficiently, firms may rely on dynamic capabilities such as financial literacy, which can assist firms turn resources into variety of purposes such as creation, extension and modification of resources." (Helfat *et al.*, 2007 as cited in Adomako *et al.*, 2016, p. 2). With regard to SMEs operations, the objective of financial literacy is to achieve sustainability through effective management of the financial resources of the business (Kizza, 2019). However, Adomako *et al.* (2016) are of the view that financial management ability is lacking in a number of developing nations especially in SMEs.

2.1.2 Performance of SMEs

"Measuring business performance has attracted considerable debate, but to date, there is no consensus on measures of performance. Nevertheless, the conventional standards of business performance comprise both financial and non- financial indicators" (Usama & Yusoff, 2019, p.85). A number of studies such as Kizza (2019) investigated the relationship between financial literacy and financial

performance where the identified proxies of financial performance are business survival, profitability and growth.

According to Buchdadi *et al.* (2020), in developing countries, SMEs are expected to stimulate economic activities. But, these SMEs in encounter a number of challenges which mitigate against their success such as poorly developed financial system, lack of funds, inability to access funding from commercial banks, poor financial knowledge and lack of capacity to mobilize funding (Adomako *et al.*, 2016). Also, "Entrepreneurs operate in dynamic environments, and as financial markets become more competitive and financial portfolios more complex, entrepreneurs become vulnerable to information asymmetries if the complexity in financial markets is not matched by a commensurate growth in entrepreneurial financial literacy" (Barte, 2012 as cited in Usama & Yusoff, 2019, p.84).

A virile SME sector is necessary to tap into the high prospective for economic development in Nigeria (Attamah, 2019). However, World Bank (2013) reported that among financial sector practitioners, financial education was advocated to be the most vital approach of reducing financial gaps among large businesses and SMEs in order to achieve the goal of financial inclusion.

2.1.3 Financial literacy and SMEs performance

The lack of financial management talent among operators and owners of SMEs in developing countries, is inimical to return on investment and by implication retards the growth of SMEs (Adomako *et al.*, 2016). It affects the ability of SMEs to secure funding from established financial institutions such as Deposit Money Banks, DMBs (Buchdadi *et al.*, 2020). Comparatively, it is well known that business with strong financial capacity perform better than those with weak financial capacity (Adomako *et al.*, 2016). Hence, the low performance outcomes and profitability among SMEs in Nigeria. Attamah (2019). Also, Lusardi and Mitchell (2014) are of the view that the lack of financial literacy among SMEs operators in Nigeria is one of the main challenges confronting them and explains their poor performance.

The following hypotheses are suggested for testing:
H_{01}: There is no significant relationship between financial literacy and return on investment in SMES.
H_{02}: There is no significant relationship between financial literacy and profitability in SMES.

2.2 Human capital theory

Based on its relevance to the present study, the human capital theory will form the theoretical basis of the study. The theory encourages investment in human capital (Afolabi, Kareem, Okubanja, Ogunbanjo, & Aninkan, 2017). This is because the human capital theory focuses on developing the capacity of the human capital to increase economic outcomes of an individual (Fix, 2018), and of an organisation since the employees are the most vital resources of the organisation, investment in human capital will enhance to general development of the society (Joboku, 2018). The theory is of the view that the development of the human capacity of an organisation is very important in the achievement of the organisational goals (Afolabi *et al.*, 2017), this is because improvement in human capacities leads to enhanced economic prospects (Schultz, 1971 as cited in Sweetland, 1996). This is because if SMEs develop the capacity of their personnel especially in the area of financial literacy, this will go a long way to acquaint SMEs with relevant financial management competencies to excel in their business and to achieve sustainability. However, this theory has been criticized on the basis that other factors other than the development of the human capital may account for sterling performance among businesses (Fix, 2018). Fix (2018) is of the view that the claims of human capital theory are not backed by relevant evidence.

2.3 Empirical review

Buchdadi *et al.* (2020) investigated the influence of financial literacy on SMEs performance through access to finance and financial risk attitude as mediation variables. The study adopted survey research design. 70 managers of SMEs in Brebes district in Central Java, Indonesia participated in the study. The collected data was tested with structural equation modeling (SEM). The result indicated that financial literacy, access to finance, and financial risk attitude had a positive impact on the SME performance.

Also, it revealed the mediation role of access to finance and the financial risk attitude on the relationship between financial literacy and SMEs performance. However, the weakness of the manager of the SME regarding the bank and capital market product were revealed in the study.

Kizza (2019) conducted a study on financial literacy and financial performance of SMEs in Uganda. The study was guided by the following objectives: To investigate the relationship between financial knowledge and financial performance of SMEs; to establish the relationship between financial skills and financial performance of SMEs; to investigate the relationship between financial experience and financial performance of SMEs. Kikuubo Shopping Centre – Kampala constituted the as a case study. Survey research design was adopted in the study. Primary data was collected from 160 SMEs owners and employees with the use of questionnaires and interview. Correlation test was conducted on the field data. The result indicated that a positive moderate and significant relationship exists ($r = 0.4799$, $p < 0.05$) between financial Knowledge and financial performance of SMEs. Also, a positive strong and significant relationship exists ($r = 0.6663$, $p < 0.05$) between financial skills and financial performance of SMEs and a positive strong and significant relationship exists ($r = 0.6508$, $p < 0.05$) between financial experience and financial performance of SMEs. Therefore, the study concluded that financial literacy is very key in promoting the financial performance of SMEs.

Usama and Yusoff (2019) investigated the impact of financial literacy on business performance. Survey research design was adopted in the study which had entrepreneurs from Bauchi State as the population under study. 500 copies of the questionnaire were randomly employed on the sample of the study which was drawn from Central market, Muda Lawal, Wunti and Sabuwar Kasuwa respectively. From the 500 copies of the questionnaire that were distributed, 393 questionnaires were retrieved, this indicated a response rate of 78.6 per cent. However, seven copies were voided. Therefore, 386 copies which indicated a response rate of 77.2 per cent were used for the analysis. Regression analysis was used test the suggested hypotheses at 0.05 significance level. The findings indicated that financial literacy had a statistical influence on the performance of entrepreneurs in Bauchi State.

The empirical review conducted indicated that financial literacy was of great importance to the performance of SMEs. However, the slight difference in the outcomes of the studies may be explained by the variation in sample size and the research tool that was used to test the hypotheses.

3. Methods

Survey research design was adopted in the study. Extant literature was reviewed while a sample size of 387 was determined through Taro Yamane formula from a total population of 11,663 registered SMEs in Lagos State (Small and Medium Enterprise Development Agency of Nigeria/National Bureau of Statistics, SMEDAN/NBS, 2013). The research instrument achieved a Cronbach alpha value of 0.72 in line with the acceptable threshold (Nunaly, 1978). Purposive sampling technique was used to select 387 SMEs owners and operators in Ikeja, Lagos, Nigeria from which primary data was collected for the study. The research instrument recorded a response rate of 38.76 per cent (150 responses). Pearsons Correlation coeffient analyses was conducted on the suggested hypotheses using Statistical Package for the Social Sciences (SPSS).

4. Results and discussion

H_{01}: There is no significant relationship between financial literacy and return on investment in SMES.

Correlations

	Financial literacy	Return on investment
Financial literacy Pearson Correlation Sig(tailed 2) N	1 150	.353** .000 150
Return on investment Pearson Correlation Sig. (2 tailed) N	.353** .000 150	1 150

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

H_{02}: There is no significant relationship between financial literacy and profitability in SMES.

Correlations

	Financial literacy	Profitability
Financial literacy Pearson Correlation 1 Sig. (2 tailed) N	1 150	.457** .000 150
Profitability Pearson Correlation Sig. (2 tailed) N	.457** .000 150	1 150

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

In the test of hypothesis one, the data indicated that about 35.3 per cent variance in return on investment was due to financial literacy, this indicated that a relationship existed between financial literacy and return on investment. While the test of hypothesis two indicated that 45.7 per cent variance in profitability resulted from financial literacy, this indicated that a relationship existed between financial literacy and financial. This findings of this study are consistent with the results obtained in other studies (see Eniola & Entebang, 2017; Esiebugie, Richard, & Emmanuel, 2018). Eniola & Entebang (2017) investigated SMEs managers and financial literacy. Esiebugie *et al.*, (2018) investigated financial literacy and the performance of SMEs in Benue State, Nigeria. Both studies acknowledged the importance of financial literacy for the achievement of enhanced performance.

5. Conclusion and recommendation

The study investigated the relationship between financial literacy and the performance of SMEs. The objective of the study was to address the disconnection between the level of financial literacy among SME owners and operators in Nigeria and the need to achieve effective performance hence, business sustainability. The study was hinged on the human capital theory as its theoretical basis (Schultz, 1971 as cited in Sweetland, 1996).

In the test of hypothesis one, the data indicated that about 35.3 per cent variance in return on investment was due to financial literacy, this indicated that a relationship existed between financial literacy and return on investment. While the test of hypothesis two indicated that 45.7 per cent variance in profitability resulted from financial literacy, this indicated that a relationship existed between

financial literacy and financial. From the test of hypotheses, it was found that a significant relationship existed between financial literacy and the performance of SMEs.

SMEs are strategic to the achievement of economic fortunes in Nigeria, it is important to provide relevant assistance and support that would not only reduce the rate of failure among SMEs but also boost the performance of SMEs in the country. It was therefore concluded that for SMEs to operate optimally and contribute meaningfully to economic growth and development, there is need for business owners to be financially literate. And as such, the study recommended that the government should create an avenue for the provision of financial training to both present and would be SME owners, operators and employees in the country. Also, on a periodical basis, SMEs owners should update their financial skills and make regular provision for their staff to participate in financial management trainings.

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Descriptive Analysis of Process Innovation and Performance of Publishing Firms in North Central Nigeria

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ABSTRACT

This study analysed process innovation and performance of publishing firms in Southwestern Nigeria. The study area of this study includes seven (7) states in the North Central of Nigeria such as Federal Capital Territory (FCT), Abuja; Benue state; Kogi State; Kwara State, Nasarawa State, Niger State, and Plateau State. Out of the seven (7) states in North Central Nigeria, three (3) states were randomly selected so as to give the remaining four (4) states equal chances of being selected for this study. Hence, the randomly selected states include: FCT, Abuja; Nasarawa State and Niger State. Cochran formula was used to determine the samples size which gives three hundred and eighty (385). However, for robustness of this study, primary data was collected by administering four hundred (400) copies of questionnaire to the publishing firms in the study area. Three hundred and eighty-five (385) copies were retrieved and used for the analysis. The study discovered that publishing firms in the North Central Nigeria uses innovation in terms of introduction of new or significant improved process: printing technologies; delivery or output distribution methods; support activities for the maintenance system processes and input logistics. The study also found that process innovation improves the operations and activities of publishing firms through: improved flexibility of production or service provision; increases speed of supplying and delivery goods and services, reduces labour costs per unit of output; increases capability of production or operations management; reduces energy per unit output; and increases the efficiency of the publishing firms. The study further found that there is improvement in the sales, and customer base of the publishing firms in North Central Nigeria. It concludes process innovation improve the performance of publishing firms in North Central Nigeria. The study recommends that publishing firms should take cognizance of their process innovation because of its importance in their production and operations activities.

Keywords: *Process innovation, Performance, Publishing firms and Nigeria*

I. Introduction

Publishing firms basically deal with making information available to the general public in a readable format (Joshua, 2014). Publishing firms entail series of publishing processes. These processes include creation, acquisition, copy, editing, production, printing (and its electronic equivalents), marketing and distribution of intellectual work. The commercial publishing industry ranges from large multinational conglomerates such as Bertelsmann, RELX, Pearson and Thomson Reuters to thousands of small independents (WIPO, 2022). Publishing firms have various divisions such as: trade/retail publishing of fiction and non-fiction, educational publishing, academic and scientific publishing.

There are strata of stakeholders that are into publishing activities for one reason or the other. Among the stakeholders are government institutions, civil society and private companies for administrative or compliance requirements, business, research, advocacy or public interest objectives. The publishing activities includes annual reports, research reports, market research, policy briefings and technical reports. Although, self-publishing with series of innovation has become very common in most business organization (Quan-Hoang Vuong, 2020).

On that note, innovations have been defined and classified by authors and statutory bodies. Innovation is generally recognized as "introduction of new results or significantly improved on the existing results". Meanwhile, innovations were classified in Oslo manual by statutory body into four such as process innovation, products innovation, marketing innovation and organizational innovation (Organization for Economic Co-operation and Development (OECD, 2018). Based on the classifications, however, process innovation is defined as implementation of new or significantly improved production or delivery approaches, including changes in operational methods, the techniques used and the equipment or software (OECD, 2018). The improvement needs to be novel to the organization but not necessarily to the market.

Although, improvement in innovations is prerequisite for improved performances of an organisation. Performance of a firm could be related to its ability to gain profit and growth in order to achieve its main objective (Bartoli & Blatrix, 2015). According to Taouab and Issor (2019), in the 50s, firm performance was considered as the equivalent of organizational efficiency, which represents the degree to which an organization, as a social system with some limited resources and means, achieves its goals without an excessive effort from its members. The non-financial criteria mostly used in literature for assessing performance are productivity, flexibility, and inter-organizational tensions. Bartoli and Blatrix (2015) believed that performance should be achieved through items such as piloting, evaluation, efficiency, effectiveness, and quality. Nevertheless, Performance measurement is very important for firm's effective management. It serves as a main provider to the perceptual and organization control abilities of the firm. Performance requires measurement to study and identify the management strategy; to predict future internal and external situations; to monitor state and behaviour relating to its aims; and to make decisions as at when due (Taouab & Issor, 2019). There are different financial measures that can be used to evaluating performance of a company. Some of the common financial measures are revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others.

Recent studies have shown that performance of publishing firms is poor in Nigeria. Furthermore, there have been studies on innovations in Nigeria (Ukpabio, Siyanbola and Oyebisi, 2017). Despite that, there is dearth of studies on the descriptive analysis of process innovation and performance of publishing firms in North Central Nigeria. This is the need for this study.

However, the remaining part of this study is ordered thus: literature review, methodology, results and discussions, conclusion and recommendations.

II. Literature review

According to Ukpabio *et al.,* (2017), innovation can be viewed as a process of furnishing and improving on products and services to appeal to customers' taste and demand thereby expanding on workers' aptitudes. Adeyeye, Jegede & Akinwale (2013) describe innovation as a process by which firms master and implement the design and production of goods and services which are new to them, irrespective of whether they are new to their competitors, their countries or the world. Advancement implies creating unique ideas and it is a driver of reimaging business. Organizations that advance can set the association in an alternate worldview to recognize new open doors and the best strategies to take care of current issues.

The concept of technological innovation is usually seen as encompassing product and process innovation (Kermarrec, Budzik, Khalil & Le-Thuc, 2010). Hindle and Yencken, (2004) defined technological innovation as an iterative process initiated by the perception of opportunity for a technology-based invention leading to the conception, development, production, commercialization and marketing of inventions.

According to Ibem and Laryea (2014), technological innovation entails the development, adoption and diffusion of products and/or applications resulting from scientific and/or technological discovery and knowledge. More so, technological innovation has been considered by several studies (de Valence, 2010) as being in form of processes or products which may include engineering and scientific concepts, new product development, processing systems, production processes, physical equipment or tools. Ibem and Laryea (2014), on their part added that the major features of technological innovation

include: a continuous process development and introduction of new or significantly improved products/services, processes or strategies, development of an invention into innovation, introduction of an innovation to end-users as well as the adoption and diffusion of an innovation.

This study adopted innovation theory because of its intrinsic characteristics which is basically related to the attributes of innovation in the publishing firms. Innovation theory was propounded by Schumpeter in 1950. The theory postulated that, entrepreneur is basically an innovator and innovator is one who introduces new things or significantly improve on the existing things for value addition. Furthermore, Schumpeter's innovation theory is anchored on the following elements: (i) the introduction of new goods and services which consumers are not familiar with before or of a newer quality. (ii) the introduction of a new method of production that is valuable to the concerned bodies. (iii) the opening of a new market i.e. a market into which the particular branch of product of the firm in question has not being previously experienced. (iv) the conquest of a new source of supply of raw materials or semi manufactured goods, irrespective of whether this source has already existed or whether it has first been created. (v) the carrying out of the new organization of any industry like the creation of a monopoly position or the breaking up of a monopoly position. The Schumpeterian theory makes strong distinction between an innovator and an inventor. According to the theory, an inventor discovers new methods and new materials, while, an innovator applies inventions and discoveries to make new combinations of which results to new products, new processes, new marketing strategies and new organizational strategies. Meanwhile, the new combination values will result to meaningful performance of enterprises globally.

Musa and Adamu (2018) examined the determinants of a firm's innovation in Nigeria. The study utilized enterprise survey data developed by the World Bank, which were analyse using probit and tobit regression models. The findings from the study showed that investing in Research and Development (R&D), formal training, firm's size, exporting status, competitors, location, type and sector, or activity of firms all positively drive the innovativeness of firms. It was however established by the study that firm's age and employee education negatively affect the chances of their innovation. The study also showed investing in R & D, formal training, firm's size, type, and sector were the significant determinants of product, process, organizational, or marketing innovation in Nigeria. However, the study did not focus on publishing firm in specific term. Therefore, its findings may not be sufficient to explain the impact of process innovation and performance of publishing firms in north central Nigeria. Hence, there is need for further study on the identified gap.

Ukpabio, Siyanbola and Oyebisi (2017) investigated the impact of technological innovation on the performance of manufacturing firms in Nigeria. The study employed survey research sample for the study, the data was from 305 SMEs in the textile/leather/apparel and footwear subsector; wood/furniture and woodworks subsector; and domestic/industrial plastic and rubber subsector in Southwestern Nigeria. Data collected was analyse using correlation analysis and hierarchical regression analysis. The correlation result showed that product innovation and process innovation had significant positive relationship with firm performance. More so, the regression results confirmed that product and process innovations have positive impact on the performance of firms. The study concludes that product and process innovations are critical elements for enhancing the performance of manufacturing SMEs in Nigeria. However, the study scope is limited to textile/leather/apparel and footwear subsector; wood/furniture and woodworks subsector; and domestic/industrial plastic and rubber subsector in Southwestern Nigeria. Further study is needed in another sector. More so, the sample size obtained in the study is not scientific. Thus, it is not likely to explain the performance of the publishing firms in North Central Nigeria.

Namusonge, Muturi and Olawoye, (2016) examined the role of innovation on performance of firms listed in the Nigerian Stock Exchange. The target population of the study was 176 firms listed in the Nigerian Stock Exchange. The study employed mean, standard deviation, and Pooled, Random and Fixed regression models in its analysis. Findings of the study revealed that, there is relationship between Entrepreneurial Orientation dimension - Innovation, and performance of firms listed in the Nigerian Stock Exchange. Returns on assets and returns on equity as proxy revealed a negative relationship between innovation and performance of listed firms. This result suggests that, in Nigeria, like in Kenya, innovation has been widely adopted and practiced.

Atandi, Bwisa and Sakwa (2016) examine the effect of technological innovation on savings mobilization among MSEs in Trans Nzoia county Kenya. The study used mixed methods research design. 339 MSEs that registered with KNCCI Trans Nzoia county were used for this study. Stratified sampling was used to categorize MSEs into three strata's namely; service, manufacturing and commerce or trade. Findings of the study indicated that technological innovation influences, introduction of variety of new product and services offered to customers drastically reduce the cost of saving mobilization and make financial products and services appealing/attractive. The study concluded that financial institutions should consistently innovate new technologies to deliver their products and services.

Mohammed, Idris, Saridakis & Benson (2020) examined the relationship between innovation, information and communication technologies, and SMEs performance. A sample of 1989 enterprises was obtained from 21 states in America. The results revealed that innovation has significant positive impact on both information and communication technologies (ICT) and SMEs performance. However, the methodology used in the study is not sufficient enough to arrive at logical conclusion. There is the need for mixed methods of data collection such as questionnaire, interview and focus group discussion.

Ndesaulwa and Kikula (2016) used a desktop methodology to investigate the world wide existing empirical studies on the relationship between Innovation and performance of Small and Medium Enterprises (SMEs) in West and East Africa. The literature survey revealed that the studies on innovation and its effect on performance are observed to have concentrated on Western, Middle and Far East and very little empirical evidence is noticeable in Africa. The issue of innovation and how it relates to firm`s performance especially SMEs is therefore yet to be exhaustively explored. The results from review further show that no consistent results on whether the innovations altogether influence firm's performance. However, the study's findings did not provide detailed explanation on the how technological entrepreneurship and innovation have impacted on the performance of the publishing firms in North central region of Nigeria.

Onyeiwu, Obumneke & Moruf (2020) examined the effect of entrepreneurial characteristics on the performance of Small and Medium Scale Enterprises using Yaba Local Government Area (L.G.A) of Lagos state as the case study. The study employed survey research design and data were collected through questionnaire administered to 92 entrepreneurs in various activities. The data collected were analysed through the use of descriptive statistics with the aid of SPSS version 20. The formulated hypotheses were tested through the use of simple regression. The findings of the study revealed that entrepreneurial characteristics, entrepreneurial competency and orientation and the level of education of an entrepreneur have significant effect on the performance of Small and Medium Scale Enterprises in Lagos State, Nigeria.

III. Methodology

This study analysed the process innovation and performance of publishing firms in North Central Nigeria using quantitative research technique, specifically, questionnaire. The states in the North Central entail Federal Capital Territory (FCT), Abuja; Benue state; Kogi State; Kwara State, Nasarawa State, Niger State, and Plateau State. Out of the seven (7) states in North Central Nigeria, three (3) states were randomly selected so as to give the remaining four (4) states equal chances of being selected for this study. Hence, the randomly selected states include: FCT, Abuja; Nasarawa State and Niger State. The population of the publishing firms North Central Nigeria is unknown because there are some of the publishing firms that are operating informally, and there is need for this study to include publishing firms that are informally operating in the study area. Therefore, Cochran formula was adopted to determine the sample size that is appropriate for this study. Cochran's formula = (same as $n_o = Z^2 p q / e^2$). Where n_o = sample size, Z^2 = abscissa of the normal curve that cuts off an area α at the tails (1 - α equals the desired confidence level is 95%), e = desired level of precision, p = estimated proportion of an attribute that is present in the population, and q is 1-p. The value for Z is found in statistical tables that contain the area under the normal curve. For a small sample size up to one thousand (1,000), adjusted formula of Cochran can be used denoted as $n = n_o / [1 + \{(n_o - 1) / N\}]$, where n_o = sample size and N = population size. The calculation of sample size: Assuming p = 0.5 (samples with maximum

variability), 95% confidence level, Z values of 1.96 (gotten from normal table), the sample size is calculated thus: $n_o = (1.96)^2 (0.5) (0.5) / (0.05)^2 = 385$. Hence, the results of the Cochran formula is three hundred and eighty-five (385). For robustness of this study however, trained research assistants were employed to purposively administered four hundred (400) questionnaire to the publishing firms in the selected states in North Central Nigeria. The justification for purposive administration of questionnaire is to eliminate emerging (new) publishing firms from the study so as to obtain reliable information. Three hundred and eighty-five (385) questionnaire were retrieved and used for the analysis of this study. Descriptive statistics were used in the analysis of this study such as frequency, percentages, mean and standard deviation.

IV. Results and Discussion

Table 1 shows that 34.3% of the publishing firms indicates that they always introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services. Also, 61.3% of the publishing firms agree that they often introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services. Furthermore, 3.1% of the publishing firms reports that they sometimes introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services. While 1.3% of the publishing firms notes that they rarely introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services. In addition, Table 1 shows that the mean value (4.29) indicate that the publishing firms agree that they often introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services. The standard deviation value (0.588) implies that the responses of the publishing firms clustered around the mean. The implication is that the publishing firms in North central Nigeria unanimously agree that they often introduce new or significantly improved printing technologies (such as 3D printing) to simplify the production process of their publishing services.

Furthermore, Table 1 shows that 32.2% of the publishing firms reports that they always implement new or significantly improved on the delivery or output distribution methods of their publishing firms. In addition to that, 65.5% of the publishing firms reports that they often implement new or significantly improved on the delivery or output distribution methods of their publishing firms. Furthermore, 1.0% of the publishing firms reports that they sometimes implement new or significantly improved on the delivery or output distribution methods of their publishing firms. While 1.3% of the publishing firms notes that they rarely implement new or significantly improved on the delivery or output distribution methods of their publishing firms. In addition, Table 1 shows that the mean value (4.29) and standard deviation (0.551) indicate that the publishing firms unanimously agree that they often implement new or significantly improved on the delivery or output distribution methods of their publishing firms. The implication is that the publishing firms in North Central in Nigeria often implement new or significantly improved on the delivery or output distribution methods of their publishing firms.

Table 1 shows that 54.3% of the publishing firms reports that they always implement new or significantly improved support activity for the maintenance system processes of their publishing firms. In addition to that, 37.7% of the publishing firms indicates that they often implement new or significantly improved support activity for the maintenance system processes of their publishing firms. Furthermore, 6.8% of the publishing firms reports that they sometimes implement new or significantly improved support activity for the maintenance system processes of their publishing firms. While 1.3% of the publishing firms notes that they rarely implement new or significantly improved support activity for the maintenance system processes of their publishing firms. Meanwhile, Table 1 shows that the mean value (4.45) and standard deviation (0.679) indicate that the publishing firms unanimously agree that they always implement new or significantly improved support activity for the maintenance system processes of their publishing firms. The implication is that the publishing firms in North Central in Nigeria always implement new or significantly improved support activity for the maintenance system processes of their publishing firms.

Table 1 shows that 50.6% of the publishing firms indicates that they always introduce new or significantly improved input logistics of their firms. Also, 41% of the publishing firms agree that they

often introduce new or significantly improved input logistics of their firms. Furthermore, 3.4% of the publishing firms reports that they sometimes introduce new or significantly improved input logistics of their firms. While 4.9% of the publishing firms notes that they rarely introduce new or significantly improved input logistics of their firms. In addition, Table 1 shows that the mean value (4.37) indicates that the publishing firms reports that they often introduce new or significantly improved input logistics of their firms. The standard deviation value (0.774) implies that the responses of the publishing firms clustered around the mean. The implication is that the publishing firms in North central Nigeria unanimously agree that they often introduce new or significantly improved input logistics of their firms.

Table 1 further shows that 33.8% of the publishing firms indicates that they always implement new or significantly improved support activity for accounting of their publishing services. Also, 46.2% of the publishing firms agree that they often implement new or significantly improved support activity for accounting of their publishing services. About 17% of the publishing firms reports that they sometimes implement new or significantly improved support activity for accounting of their publishing services. While 3.4% of the publishing firms notes that they rarely implement new or significantly improved support activity for accounting of their publishing services. Meanwhile, the Table 1 shows the mean value (4.10) and standard deviation (0.794) which means that the publishing firms unanimously reports that they often implement new or significantly improved support activity for accounting of their publishing services. The implication is that the publishing firms in North central Nigeria often implement new or significantly improved support activity for accounting of their publishing services.

Table 1: Process Innovation of publishing firms

Characteristics	**5**	**4**	**3**	**2**	**1**	**Total**	**Mean**	**SD**
Our firm introduce new or significantly improved printing technologies (Such as 3D printing) to simplify the production process of our publishing services	132 (34.3)	236 (61.3)	12 (3.1)	5 (1.3)	-	385 (100)	**4.29**	**0.588**
Our firm implement new or significantly improved on the delivery or output distribution methods of our publishing services	124 (32.2)	252 (65.5)	4 (1.0)	5 (1.3)	-	385 (100)	**4.29**	**0.551**
Our firm implement new or significantly improved support activity for the maintenance systems processes of our publishing services	209 (54.3)	145 (37.7)	26 (6.8)	5 (1.3)	-	385 (100)	**4.45**	**0.679**
Our firm introduce new or significantly improved input logistics of our publishing firms	195 (50.6)	158 (41.0)	13 (3.4)	19 (4.9)	-	385 (100)	**4.37**	**0.774**
Our firm implement new or significantly improved support activity for accounting of our publishing services	130 (33.8)	178 (46.2)	64 (16.6)	13 (3.4)	-	385 (100)	**4.10**	**0.794**

Key: 1= Never; 2 = Rarely; 3 = Sometimes; 4 = Often; 5 = Always
Source: Researchers' Field Work, 2022.

Table 2 shows the process innovation impact of the publishing firms in the North Central Nigeria. The Table 2 shows that 39% of the publishing firms strongly agree that process innovation improved flexibility of production or services provision of their publishing firms. In addition to that, 56.4% of the publishing firms agrees that process innovation improved flexibility of production or services provision of their publishing firms. While 2.3% of the publishing firms was indifference about the notion that process innovation improved flexibility of production or services provision of their publishing firms. Nevertheless, 1.3% of the publishing firms disagree that process innovation improved flexibility of production or services provision of their publishing firms while only 1% of the publishing firms strongly disagree that process innovation improved flexibility of production or services provision of their publishing firms. Meanwhile, Table 2 shows the mean value (4.31) and standard deviation (0.681) which

implies that the publishing firms in the North Central Nigeria unanimously agree that process innovation improved flexibility of production or services provision of their publishing firms.

Table 2 shows that 44.7% of the publishing firms strongly agrees that process innovation increased the speed of supplying and or delivering goods or services of their firms. In addition to that, 35.8% of the publishing firms agrees that process innovation increased the speed of supplying and or delivering goods or services of their firms. While 16.1% of the publishing firms was indifference about the notion that process innovation increased the speed of supplying and or delivering goods or services of their publishing firms. Nevertheless, 3.4% of the publishing firms disagrees that process innovation increased the speed of supplying and or delivering goods or services of their publishing firms. Meanwhile, Table 2 shows the mean value (4.22) and standard deviation (0.835) which implies that the publishing firms in the North Central Nigeria unanimously agree that process innovation increased the speed of supplying and or delivering goods or services of their publishing firms.

Table 2 shows that 47.8% of the publishing firms strongly agrees that process innovation reduced labour costs per unit output of their publishing firms. In addition to that, 39% of the publishing firms agrees that process innovation reduced labour costs per unit output of their publishing firms. While 7.3% of the publishing firms was indifference about the notion that process innovation reduced labour costs per unit output of their publishing firms. Nevertheless, 2.3% of the publishing firms disagrees that process innovation reduced labour costs per unit output of their publishing firms while 3.6% of the publishing firms strongly disagrees that process innovation reduced labour costs per unit output of their publishing firms. Meanwhile, Table 2 shows the mean value (4.3) and standard deviation (0.955) which implies that the publishing firms in the North Central Nigeria unanimously agree that process innovation reduced labour costs per unit output of their publishing firms.

Table 2 shows that 48.6% of the publishing firms strongly agrees that process innovation increased capability of production or service operation of their publishing firms. In addition to that, 34.8% of the publishing firms agrees that process innovation increased capability of production or service operation of their publishing firms. While 6.2% of the publishing firms was indifference about the notion that process innovation increased capability of production or service operation of their publishing firms. Nevertheless, 8.2% of the publishing firms disagrees that process innovation increased capability of production or service operation of their publishing firms while 2.1% of the publishing firms strongly disagrees that process innovation increased capability of production or service operation of their publishing firms. Meanwhile, Table 2 shows the mean value (4.19) and standard deviation (0.716) which implies that the publishing firms in the North Central Nigeria unanimously agree that process innovation increased capability of production or service operation of their publishing firms.

Table 2 shows that 51.7% of the publishing firms strongly agrees that process innovation reduced materials or energy per unit output of their publishing firms. In addition to that, 40.5% of the publishing firms agrees that process innovation reduced materials or energy per unit output of their publishing firms. While 4.4% of the publishing firms was indifference about the notion that process innovation reduced materials or energy per unit output of their publishing firms. Nevertheless, 2.4% of the publishing firms disagrees that process innovation reduced materials or energy per unit output of their publishing firms while 1.3% of the publishing firms strongly disagrees that process innovation reduced materials or energy per unit output of their publishing firms. Meanwhile, Table 2 shows the mean value (4.4) and standard deviation (0.780) which implies that the publishing firms in the North Central Nigeria unanimously agree that process innovation reduced materials or energy per unit output of their publishing firms.

Table 2 shows that 40.8% of the publishing firms in the North Central Nigeria strongly agrees that process innovation increased the efficiency of their publishing firms. In addition, 33% of the publishing firms agrees that process innovation increased the efficiency of their publishing firms. While 19% of the publishing firms was indifference about the notion that process innovation increased the efficiency of their publishing firms. Nevertheless, about 5% of the publishing firms disagrees that process innovation increased the efficiency of their publishing firms while 2.3% of the publishing firms strongly disagrees that process innovation increased the efficiency of their publishing firms. Meanwhile, Table 2 shows the mean value (4.05) and standard deviation (0.880) which implies that the publishing firms in the North Central unanimously agreed that process innovation increased the efficiency of their publishing firms.

Table 2 Process innovation impact of publishing firms								
Characteristics	**5**	**4**	**3**	**2**	**1**	**Total**	**Mean**	**SD**
Process innovation Improved flexibility of production or service provision	150 (39.0)	217 (56.4)	9 (2.3)	5 (1.3)	4 (1.0)	385 (100)	**4.31**	**0.681**
Process innovation increased the speed of supplying and/or delivering goods or services	172 (44.7)	138 (35.8)	62 (16.1)	13 (3.4)	-	385 (100)	**4.22**	**0.835**
Process innovation reduced labour costs per unit output	184 (47.8)	150 (39.0)	28 (7.3)	9 (2.3)	14 (3.6)	385 (100)	**4.25**	**0.955**
Process innovation increased capability of production or service provision	187 (48.6)	134 (34.8)	24 (6.2)	32 (8.3)	8 (2.1)	385 (100)	**4.19**	**0.716**
Process innovation reduced materials or energy per unit output	199 (51.7)	156 (40.5)	17 (4.4)	8 (2.1)	5 (1.3)	385 (100)	**4.39**	**0.780**
Process innovation increases the efficiency of their publishing firm	157 (40.8)	127 (33.0)	73 (19.0)	19 (4.9)	9 (2.3)	385 (100)	**4.05**	**0.883**
Key: 1= Strongly Disagree; 2= Disagree; 3 = Indifference; 4 = Disagree; 5 = Strongly Agree								
Source: Researchers' Field Work, 2022.								

Table 3 shows that 40.3% of the publishing firms strongly agrees that there is an improvement in the sales volume of their publishing firms during 2019 to 2021. In addition, 37.1% of the publishing firms agrees that there is an improvement in the sales volume of their publishing firms during 2019 to 2021. About 5.2% of the publishing firms was indifference with the notion that there is an improvement in the sales volume of their publishing firms during 2019 to 2021. While only 17.4% of the publishing firms disagrees with the notion that there is an improvement in the sales volume of their publishing firms during 2019 to 2021. Meanwhile, Table 3 shows the mean value (4.00) and standard deviation (0.873) which implies that publishing firms in the North Central unanimously agree that there is an improvement in the sales volume of their publishing firms during 2019 to 2021.

Table 3 shows that 34.8% of the publishing firms strongly agrees that there is an improvement in the customer base of their publishing firms during 2019 to 2021. In addition, 28.1% of the publishing firms agrees that there is an improvement in the customer base of their publishing firms during 2019 to 2021. About 32.2% of the publishing firms was indifference with the notion that there is an improvement in the customer base of their publishing firms during 2019 to 2021. While only 3.9% and 1% of the publishing firms disagree and strongly disagree respectively with the notion that there is an improvement in the customer base of their publishing firms during 2019 to 2021. Meanwhile, Table 3 shows the mean value (3.92) and standard deviation (0.957) which implies that publishing firms in the North Central unanimously agree that there is an improvement in the customer base of their publishing firms during 2019 to 2021.

Table 3 Performance of Publishing Firms (During 2019 to 2021)								
Characteristics	**5**	**4**	**3**	**2**	**1**	**Total**	**Mean**	**SD**
There is an improvement in our sales volume	155 (40.3)	143 (37.1)	20 (5.2)	67 (17.4)	-	385 (100)	**4.00**	**0.873**
There is an improvement in our customer base	134 (34.8)	108 (28.1)	124 (32.2)	15 (3.9)	4 (1.0)	385 (100)	**3.92**	**0.957**
Key: 1= Strongly Disagree; 2= Disagree; 3 = Indifference; 4 = Disagree; 5 = Strongly Agree								
Source: Researchers' Field Work, 2022.								

V. Conclusion and Recommendation

The study concludes that publishing firms in the North Central Nigeria introduce innovation in terms of introduction of new or significant improved process: printing technologies; delivery or output distribution methods; support activities for the maintenance system processes; input logistics. The study also concludes that process innovation improves the operations and activities of publishing firms

through: improved flexibility of production or service provision; increases speed of supplying and delivery goods and services, reduces labour costs per unit of output; increases capability of production or operations management; reduces energy per unit output; and increases the efficiency of the publishing firms. The study further concludes that there is improvement in the sales, and customer base of the publishing firms in North Central Nigeria. The study recommends that publishing firms should take cognizance of their process innovation as it influences their performance.

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Impact of Internal Resources Management Capabilities on Sustainable Sales Growth of Micro, Small and Medium Enterprises in Ogun State

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ABSTRACT

This research measured the impact of internal resources management capabilities on the sales growth of some selected MSMEs in Ogun State. The study implemented explanatory descriptive survey as a research design. The research population was registered MSMEs operating in Ogun State which totalled 2992 with probability random sampling size of 240 copies of questionnaire administered to owners and managers of MSMEs out of which 196 copies of questionnaire were retrieved and used for the analysis. Both descriptive and correlation analyses were employed for the test of the hypothesis through Statistical Package for Social Sciences (SPSS) software 22. The findings revealed that internal resources management capabilities have strong significant impact on sustainable sales growth of MSMEs in Ogun State. The study recommended that MSMEs in food, agro-allied and services need to establish strong nexus between internal resources management capabilities and sales growth in Ogun State in order to enhance their relevance, sustainability, and survivability for brand and marketing networking within their competitive business environment of the MSMEs in Ogun State, Nigeria. In view of the above, the policy makers in Nigeria should embark on policy that will provide financial succour and empowering MSMEs owners and managers in order to reduce drastically the collapse of MSMEs in Nigeria.

Keywords: *Competitive advantage, internal resources, management capabilities, sales growth, small and medium enterprises, sustainable development goals (SDG).*

INTRODUCTION

Entrepreneurship business environment is operating globally in the midst of economic turbulence, globalisation, insurgency, and intense competition. Developing entrepreneurship has become critical issue to government, business practitioners, and researchers alike due to inaccessibility of useful capabilities that can be garnered and managed to achieve the goals of business incorporation. The owners and managers are increasing in numbers seeking for strategic approaches to realise, improve, and sustain organisational performance and competitive advantage through independent and useful internal resources management capabilities available for their firms in Africa. Therefore, procurement of sufficient internal resources has become the major backbones of achieving the objectives of organisations including small and medium scales enterprises (MSMEs) in Nigeria (Adebiyi, Obasan, & Alese, 2016; Abasilim, Gberevbie, & Osibanjo, 2019).

It is becoming worrisome because of the aftermath effect of Fulani herdsmen, banditry and kidnapping in the South-West, religious jihadist conflict and insurgency in the North-East, and armed robbery and piracy in the South-South on business operations and performance of MSMEs in Nigeria

(Ufua, Olujobi, Tahir, Alfaryan, 2022). This is unlike the large scale organisations when compared with the MSMEs who have the likely different means of sourcing for these internal resources adequately even across the frontiers when and where they are needed. Kamal-Chaoui (2017) posited that MSMEs are essential sector in achieving Sustainable Development Goals (SDGs), and these goals could only be achieved if the countries build strong MSMEs. The scholar reiterated the importance of MSMEs in innovation and creativity, employment generation, gender equality, industrial capacity building, and inclusive development that required policy framework for creating conducive business environment and productive MSMEs economy.

What necessitated this study are the incessant failure of MSME firms in developed and emerging economies and somewhat challenges of inaccessible to adequate internal resources which have been identified as a researchable area due to the fact that this sector contributes to achievement of equitable and industrial diversification, availability of value–added products, employment generation, economic growth, and realisation of United Nations Sustainable Development Goals (Verma, & Nema, 2019; Muritala, Awolaja, & Bako, 2020). According to the National Bureau of Statistics (NBS) (2018) which estimated the number of registered MSMEs in Nigeria to be 41.4million, and 61% of these enterprises are still struggling to survive from the effect of global economic downturn and cash crunch within the space of 2013 and 2017. This is due to the fact that unconducive business environment contributed in which inadequate internal resources management cannot be underestimated. There is no doubt that MSMEs in Nigeria lack internal resources such as: people management capability, financial management capability, and customer relationship management capability (Ibidunni, 2014; & Armstrong, 2020).

Consequently, an attempts have been made by the Nigerian government to sensitize entrepreneurs in the MSMEs sub-sector through series of programmes and policies initiated in the time past with view of improving the MSMEs in Nigeria. This pave way to the establishment of Directorate of Food, Roads and Rural Integration (1986), Better Life Programme (1987), National Directorate of Employment (1988), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2003), Youth Enterprises with Innovation in Nigeria (YOUWIN) (2013), and Anchor Borrower Programme (2015), etc. These agencies are established to responsible for the coordinating the development of the micro, small and medium scales enterprises and employment generation in Nigeria. In spite of this intervention by the government of the country, the majority of owners and managers of MSMEs in Nigeria still lacked useful capability management to maintain sustainable sales growth in Nigerian MSMEs sub-sector.

Featuring prominently among internal resources management capabilities is the customer relationship management capability which is the values and strategies or relationship marketing with particular emphasis on customer relationships turned into practical application (Alawiye-Adams, & Afolabi, 2014; & Ahmed, 2016). Some business firms that make use of interactive system to build relationship with customers tend to perform better than others that are passive in nature. In this business dynamic and competitive environment, firms need to maintain close relationship with customers and consumers to grow their sales. Brand reputation in the industry acquired through quality product and service delivery enables firms to compete favourably with other firms. It can be predicted, if all things being equal, what the sales growth measurement will be. The mode of customers' product distribution network matters a lot to the business firms in order to convey their products nearer to both consumers and customers but reverse is the case in MSMEs in Nigeria (Hisbam, 2013).

In addition, for internal resources to be maintained and sales growth achieved "there is a role of financial management capability in relationship with sales growth of a business enterprise (Brealy and Myres, 1996). Financial management capability is the process of taking precaution to strategic decisions hence influencing the level of effectiveness by using financial managerial resources to improve productivity and sales growth (Pandey, 2003; Adebiyi, Obasan, & Alese, 2016). This capability which is the combination of attitude, knowledge, skills and staff efficacy needed on money management decision that best fits the circumstances of one's life with an enabling environment to grow sales volume is still lacking in Nigerian MSMEs (FSA, 2009; Ibidunni, 2014; Leopold and Harris, 2009).

In view of the above challenges, study regarding the impact of internal resources management capability on sales growth of MSMEs in Nigeria becomes highly important in this recent time due to the aftermath of COVID-19 pandemic and other economic turbulences which have caused global industrial disruption in all the sectors of the economy. Meanwhile, increase in research studies suggests the notion that internal resources management capability might be linked positively with sales growth (Bimha, Hoque, & Munapo, 2020; Huang, & Huang, 2020; Audretsch & Belitski, 2021; & Dada & Adeigbe, 2022). But a close look at these studies showed that the case of MSMEs in Ogun State has not been studied of the roles internal resources management capability played in sustaining their sales growth. Also, this research has come to fill the gap created by past researchers because most research works done have not focused on the manufacturing and agro-allied industries but mostly in hospitality, teaching profession, and banking and finance and they were conducted outside Ogun State, Nigeria.

As a result, the implication of this research gap in relevant literature necessitates the conduct of this empirical work in order to ascertain the impact of internal resources management capability on sustainable sales growth of MSMEs firms as a departure from previous studies which have regional arrangements. Hence, the main objective of this study sets to measure the impact of internal resources management capability on the sustainable sales growth of selected MSMEs firms in Ogun State, Nigeria in order to give answer to the following research questions as:

(i) To what extent does customer relationship management capability influence sales growth of MSMEs?
(ii) In what way does financial management capability impact on sales growth of MSMEs? and
(iii) What are the role of demographic variables on internal resources management capabilities and sales growth of MSMEs?

LITERATURE REVIEW

Customer Relationship Management Capability and Sales Growth of MSMEs

Customer relationship management (CRM) capability has attracted research attention from both management and marketing practitioners and researchers over the last decade. Despite the attention drawn to the subject, a clear agreement on what customer relationship management capability is and especially how customer relationship management should be developed to increase the sales growth remains lacking. Extant studies of customer relationship management have exposed that many firms ignored to effectively deploy and manage their customer relationship management programs (Wang and Feng, 2012; Brenner, 2020; Dada, & Adeigbe, 2022). Some of the studies concluded that these firms failed because of their inability to deploy CRM resources at disposal to build superior capabilities in managing customer relationship and achieve competitive advantage (Brenner, 2020; Gil-Gomez, Guerola-Navarro, Oltra-Badenes, & Lozano-Quills, 2020; Shikha, Chaudhry, & Srivastava, 2020). The promotion of increased market share, innovation in information technology, continuous product improvement, sound financial issues and rational investment would facilitate MSMEs owners and managers to run their firms to maximize sales growth within the changing organisational environment (Hisbam, 2013; Ibidunni, 2014; Ntabo, 2015).

Financial Management Capability and Sales Growth of MSMEs

It is a function of every management; planning ahead, choosing and using financial products and using information and advice to run organisations to performance (BSA, 2004). According to Akinsulire (2014) sees financial management capability as the competencies used in the identification of the possible strategies capable of maximizing an organisation's net present value, the allocation of scarce resources among the competing opportunities and the implementation and monitoring of the chosen strategy so as to achieve the stated sales growth objectives. Hence, studies have shown that financial management is the use of accounting knowledge, economics models, mathematical rules, systems analysis and behavioural science for the specified purpose of assisting management in its functions of financial planning and control (Akanbi, & Adewoye, 2018; Dada & Adeigbe, 2022; Okolo, Amaihian, Dada, Usendiah, Ukpaibo, 2022).

The Concept of Resource Dependency Theory

Resource dependency theory specified how the external resources of one organisation affected the behaviour of dependent organisations to operate. The fundamental assumption of this theory was that dependence on essential and critical resources influenced the actions of MSMEs and that of organisational decisions and action could be elaborated depending on the particular dependency situation. The theory emphasized the importance of looking at the world in which the MSMEs operate when attempting to clarify actions and effect (Pfeiffer and Salancik, 2003). Most MSMEs owners and managers in organisations need to understand that their success is linked to consumer demand. Their organisations thrive when consumer demand grows. That makes customers the ultimate resource that businesses are dependent on. This may seem obvious when it comes to sales, but it's actually the organisational stimuli that show the management customers as a resource (Oliveira, Kakabadse, & Khan, 2022).

Resource dependency theory enables the owners and managers of MSMEs to display ability to attract the adequate mix of funds they needed to finance their activities and customers that would develop brand loyalty for their product and services rendered. This theory explained further the usefulness of the environmental linkages of MSME organisations and the external resources which when used effectively could provide MSMEs with its competitive advantage through improved sales growth (Hull & Rothenberg, 2008). Murluki, Cherulyot and Komen (2017) and Satrirenjit, Alistair and Martin (2012) argued that owners and managers serve to connect the MSMEs with external resources to minimize uncertainty because the presence of the MSMEs would be crucial for managing uncertainty effectively. Instead of simply assessing environmental opportunities and risks in the performance of MSMEs, the competitive advantage relied on the uniqueness of the resources and skills possessed (Kura, Abubakar, & Maya, 2020; & Dada, 2022b).

By relevance of this theory, capable owners and managers with necessary potential and vibrancy, first-hand information and dynamic competences could drive MSMEs towards sales growth.

Theory of Survival of the Fittest

The theory of survival of the fittest principle originally formulated by Herbert Spencer (Miesing and Preble, 1985) was considered ideally suited to the theoretical under-pining of the research, in line with the empirical conclusions of previous scholars. The survival-base theory explores the uses of strategic institutions to keep rivals from being exterminated. In order to excel in innovation and a strong intellectual and functional capacity to operate an organisation, the mechanism of sensing, intuition, feeling, thought must be built by MSMEs owners and start-up entrepreneurs. This enables MSMEs to embrace uncertainties in this modern day business in order to achieve relevance, survival and growth (Gibcus, 2003; Umar, 2019). Basically, the foundation of the survival strategy is that, in order to survive, MSME firms need to constantly adapt to their competitive climate. Brian (1996) cited in the work of Egwakhe, Tijani, Akinlabi and Egwuonwu (2020) opined that a new way of thinking about the business world (a paradigm) and new ways of behaving (corporate strategies) seem to be introduced every decade.

This theory, which was very popular during the late 19th and early 20th centuries, stressed the notion that only the best and fittest of MSME competitors would benefit by pursuing the concept of design, which eventually would lead to the development of the creative and innovative service or product. Social Darwinism claimed that it was natural for competition to function in hedonistic ways to establish the best SME organisations that endured and prospered by adapting to its environment effectively or being the most successful and economically productive business organisation. Hence, under this premise, ruthless corporate competition and dirty organisational and business politics are appropriate. The survival-based view of the management emphasized the assumptions that businesses would follow strategies that should focus on running very productive activities in order to thrive in a competitive environment (Egwakhe, *et al.*, 2020; Umar, 2019). These scholars concluded that the most equipped and willing MSME owners and start-up entrepreneurs to adapt to the business environmental climate is an organisation that succeeds.

In the later part of the 20th century, this theory endured criticism from Neo-Darwinism, which heavily relied on socio-economic unity as a central truth of evolution. Under this theory, competition and cooperation are believed to be intertwined and competition would compel an MSME organisation to be cooperative. Therefore, to survive the dynamic and volatile business market space environment, the ideals and values of doing good and ethical business with available internal resources are promoted. On the basis of this claim, this study focused on hypotheses using resource dependency and survival of the fittest theories.

METHODOLOGY

The study adopted explanatory descriptive survey research design. Quantitative method was used in this study. Structured questionnaire was designed and used to collect data from the respondents on the variables studied. The sample frame for this study is determined from the population of selected MSMEs in Ogun State in Nigeria in the foods, agro-allied and services sectors. The sample size of 240 is considered appropriate given a research involving a moderate high population. Consequently, sample size of 196 respondents; small business owners, owner-managers and start-up (emergent) entrepreneurs returned valid and was used for this study.

The population used for this study was 40 small and medium scale firms randomly selected in Ogun State, Nigeria. The database survey on small and medium scale firms held by SMEDAN (Ogun State Chapter) provided the estimated figure of 2992 registered MSMEs in 2017. This study is concerned with MSMEs in four selected local governments in Ogun State, Nigeria namely: Ado-Odo/Ota, Yewa South, Ifo, and Abeokuta South in Ogun State. These four localities were chosen based on their high level of commercial activities, apart from Abeokuta which is the capital of Ogun State. Abeokuta is being regarded as the political capital of the state harbouring large numbers of MSMEs apart from being an economic and residential settlements but Ota is principally seen as the economic capital of the state. Nevertheless, Ifo and Ilaro are not excluded out of the business life of Ogun State. These locals have been regarded as the havens of foods and agro-allied and services for MSMEs in Ogun State.

The two constructs were measured in this study and these are: internal resources management capabilities and sales growth. The questionnaire was divided into three sections; the first section contains personal demographic information while the second section contained questions relating to internal resources management capabilities. The third section contained questions relating to sales growth. In addition, the questionnaire was formatted on a Five-point Likert Scale. The Cronbach Alpha test was used to test the reliability of the research instrument. Copies of the questionnaire were distributed by the researcher with the help of two experienced research assistants to collect data from the respondents. Out of the 240 copies administered, 196 were retrieved for analysis, which represented 81.7% of the total. Data were analysed using descriptive test and the data were subjected to Pearson Correlation Coefficient to examine the significant impact of internal resources management capabilities (Independent variable) on sustainable sales growth (Dependent variable) while demographic information serves as moderating variable in determining the validity and reliability of data tested for the study.

RESULTS AND DISCUSSION OF FINDINGS

Descriptive Analysis

Table 1: Response to the Issue of Customer Relationship Management Capability of MSMEs

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD ∂	Remark
Customer Relationship Management Capability										
1	Through ongoing dialogue, we work with individual key customer to customize our offerings	20 10.4	36 17.7	20 10.4	40 20.8	80 40.6	196 100%	**4.00**	0.719	Good
2	My organisation provides customized services and products	75 38.3	43 21.9	23 11.7	24 12.2	31 15.8	196 100%	**4.34**	0.572	Good
3	All people in my organisation treat key customers with great care	20 10.4	35 17.7	8 4.2	59 30.2	74 37.5	196 100%	3.98	0.757	Fair
4	My organisation makes an effort to meet customer needs	25 12.5	43 21.9	10 5.2	55 28.1	63 32.3	196 100%	3.98	0.726	Fair
5	My organisation has the sales and marketing expertise and resources to succeed in CRM	40 20.4	22 11.2	16 8.1	75 38.0	43 21.9	196 100%	**3.40**	0.586	Average
6	Employee performance is rewarded based on meeting customer needs and serving the customers	33 16.7	29 14.6	16 8.2	44 22.5%	74 37.5	196 100%	**4.14**	0.587	Good
7	My organisation commits time and resources in managing customer relationship	26 13.3	14 7.3%	35 17.7	49 25.0%	72 36.5	196 100%	3.82	1.049	Fair

Table 1 indicated the firm through ongoing dialogue work with individual key customer to customize their offerings and also agreed that all the people in the organisation treated key customers with great care. The firms also agreed that they made efforts to find out what their key customer needed and used the sales and marketing expertise and resources to succeed in CRM. Basically, it was agreed that employee performance was rewarded based on meeting customer needs and on successfully serving the customers. Finally, the firms committed time and resources in managing customer relationship. This was consistent with prior studies in the strategic management, customer relationship management and marketing disciplines that showed that practices, strategies and technologies that companies used to manage and analysed customer interactions and data throughout the customer lifecycle helped to quicken the realisation of corporate objectives (Buttle, 2004; Chakravorti, 2006; Obunike, & Udu, 2019; Dada & Adeigbe, 2022).

Table 2: Response to the Issue of Financial Management Capability

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD ∂	Remark
Financial Management Capability										
1	My organisation manages and maintains facilities effectively	28 14.3	33 16.7	18 9.3	43 21.9	74 37.5	196 100%	**3.80**	0.870	Average
2	My organisation implements and accomplishes improvements	33 16.7	27 13.5	23 11.5	43 21.9	70 35.7	196 100%	**3.80**	0.784	Average
3	My organisation prepares and administers budget effectively.	20 10.4	27 13.5	6 3.1	59 30.2	84 42.7	196 100%	3.95	0.775	Fair
4	My organisation uses funds efficiently and effectively.	29 14.6	20 10.4	12 6.3	76 38.5	59 30.2	196 100%	3.94	0.807	Fair
5	My organisation fairly allocates funding to support programs	25 12.5	33 16.7	23 11.5	75 38.0	40 20.4	196 100%	**4.05**	0.576	Good
6	My organisation pursues and secures additional funding for the unit.	29 14.6	19 9.69	12 6.3	76 38.5	60 30.6	196 100%	**4.41**	0.533	Good

From Table 2, it can be depicted "that the firms maintained facilities effectively, implemented and accomplished improvements, prepared and administered budget effectively. Moreover, it was agreed that the firms used funds efficiently and effectively by fairly allocated funding to support programmes. Finally, the firms pursued and secured additional funding for the unit" **(**Field Survey Result, 2021). A lot of researchers and scholars had shown in their studies that "the efficient and effective management of money (funds) were determinants for accomplishing objectives of the organization (Drucker, 2006; Brenner, 2020; Dada, 2022a).

Table 3: Response to the Issue of Sales Growth of MSMEs

S/N	STATEMENTS	SD 1	D 2	N 3	A 4	SA 5	Total	Mean	SD ∂	Remark
Sustainable Sales Growth of MSMEs										
1	My firm's sales growth position is relative to competition	26 13.2	14 7.3	35 17.7	49 25.0	72 36.5	196 100%	3.96	0.732	Fair
2	My firm is satisfied with the sales growth rate	73 37.2	42 21.3	23 11.5	25 12.5	33 16.7	196 100%	**4.13**	0.665	Good
3	My firm market share gains is relative to competition	21 10.7	35 17.7	8 4.2	59 30.2	73 37.5	196 100%	**4.15**	0.791	Good
4	My firm sales have increased in the last two years	45 22.9	43 21.9	10 5.1	35 17.7	63 32.1	196 100%	**4.03**	0.569	Good
5	My firm's yearly profit position is relative to competition	57 29.2	25 12.5	14 7.1	67 34.2	33 16.8	196 100%	**3.92**	0.764	Fair
6	My firm is satisfied with return on sales	55 28.1	39 19.8	19 10.0	35 17.7	48 24.4	196 100%	3.99	0.770	Fair
7	My firms financial liquidity position is relative to competition	29 14.6	41 20.8	10 5.1	53 27.1	63 32.0	196 100%	**3.92**	0.904	Fair
8	My firm is satisfied with return on investment	45 22.9	33 16.7	13 6.6	68 34.7	37 18.7	196 100%	**4.00**	0.683	Good

The table 3 also indicated that the firm market share had been on the increase since inception, and the firms were fairly satisfied with the sales growth rate and the market shares gains were relative to competition. The findings also indicated that the firms made efforts to find out what their key customer needs, and the firm's yearly profit position was relative to competition. The firm was satisfied with

return on sales and the financial liquidity position was relative to competition. Finally, it was agreed that the firm satisfied with return on investment. This was consistent with prior studies in the strategic management, customer relationship management and marketing disciplines that showed that increasing sales of existing products to existing markets (market penetration), finding new markets for existing products (market development), creating new products for existing markets (product development), and creating new products (diversification) contributed to MSME's growth (Heffernan, et al., 2008; Hisbam, 2011; Kombo, 2011; and Ward, 2005).

Hypothesis Testing

The tables below demonstrated the results of three hypotheses tested as measures of the relationships and effects of the variables proposed. The first hypothesis stated that:

H_{01}: Customer relationship management capability does not influence sustainable sales growth of MSMEs

Table 4: Model Summary of Customer Relationship Management Capability on Sales Growth of MSMEs

Co-efficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**sig.**
		B	std. error	Beta		
1	(constant)	1.236	0.173		7.653	0.000
	customer relationship management capability	0.711	0.081	0.821	13.763	0.000
	R	0.821[a]				
	R^2	0.674				
	Adj. R^2	0.611				
	F	148.165				
	Overall Sig.	0.000[b]				
a. dependent variable: sustainable sales growth of MSMEs						

In the table above, after entry of the customer relationship management capability scale, the total variance explained by the model was 67.4% (0.674 x 100). This implied that customer relationship management capability scale explains 67.4% of the variance in sales growth of MSMEs. The table above also revealed the statistical significance of customer relationship management capability on sales growth of MSMEs. This analysis tested the null hypothesis that multiple r in the population equals 0. The rule also is that a model reaches statistical significance when Sig. = 0.000; this really means that $p < 0.0005$. Therefore, from the table, customer relationship management capability was statistically significant to sustainable sales growth of MSMEs where Sig. = 0.000 {f (1.94) = 164.100}. This is in line with the submission of Eniola (2014) and Alawiye-Adams, and Afolabi (2014). The study therefore, accepts H_1 and rejects H_0.

H_{02}: Financial management capability does not impact on sustainable sales growth of MSMEs.

In table 5, the relationship between financial management capability and sustainable sales growth of MSMEs was investigated using Pearson Product-Moment Correlation Coefficient. There was a strong, positive correlation between the two variables, financial management capability and sustainable sales growth of MSMEs; $r = 0.801$, $n = 196$, $p < 0.01$, that is, high levels of financial management capability were associated with relatively high levels of sales growth. The implication of this result was that, the level of market share was averagely influenced by the financial management capability of the entrepreneurs. Conclusively, the results of the Pearson product moment correlation analysis showed

that there was a positive and strong significant relationship between financial management capability and sustainable sales growth of MSMEs. This is in line with the submission of Akanbi, and Adewoye (2018). The study therefore, accepts H_1 and rejects H_0.

Table 5: Model Summary of Financial Management Capability and Sustainable **Sales Growth of MSMEs**

Correlations			
		financial management capability	sales growth
financial management capability	Pearson Correlation	1	0.801**
	sig. (2-tailed)		0.000
	Sum of squares and cross-products	50.000	36.250
	Co-variance	0.526	0.382
	N	196	196
Sustainable Sales Growth	Pearson Correlation	0.801**	1
	sig. (2-tailed)	0.000	
	Sum of squares and cross-products	36.250	40.990
	Co-variance	0.382	0.431
	N	196	196
**. correlation is significant at the 0.01 level (2-tailed).			

H_{03}: Demographic variables have no impact on internal resources management capabilities and sustainable sales growth of MSMEs

The demographic variables in Table 6 showed that 62.5% of the respondents represented by male and 37.5% were represented by female. This table indicated that 33.3% of the respondents fall within the age bracket below 25 years, while 55.2% represented 25 to 40 years and respondents within the age of 41 years and above constituted 11.5%. On the marital status of the respondents, it was exhibited that 20.8% were single and 71.9% were married and 7.3% only were others. For the educational qualification, the table above showed that 11.5% of the respondents has SSCE certificate; 42.7% of the respondents represented OND/ NCE holder; while 35.4% had B.Sc/B.Ed/B.A and only 10.4% represented others like M.Sc/M.Ed/M.A and other professional certifications. For the distribution by period in business (experience), the table indicated that 29.2% of the respondents had 1-5 years' of experience on MSMEs, 43.7% have 6-10 years, while 16.7% also had 11-15 years' experience in business and 10.4% had 16 years of MSMEs experience and above (Teece, Pisano, & Shuen, Asenge, & Agwa, 2018). This implies that MSMEs that have enough internal resource capabilities would be able to drive sustainable sales growth that enhance relevance and survivability in the Ogun State, Nigeria.

Table 6: Demographic Characteristics of the Respondents

Demographic Characteristics	Frequencies	Percentages
Gender		
Male	122	62.5
Female	74	37.5
Total	**196**	**100%**
Age		
24 years and below	65	33.3
25 – 40 years	108	55.2
41 years and above	23	11.5
Total	**196**	**100%**
Marital Status		
Single	40	20.8
Married	136	71.9
Others	22	7.3
Total	**196**	**100%**
Educational Qualification		
SSCE	22	11.5
OND/ NCE	84	42.7
B.SC/B.Ed./B.A	69	35.4
Others	21	10.4
Total	**196**	**100%**
	Work Experience	
Below 6 years	57	29.2
6-10 years	86	43.7
11 -15 years	33	16.7
16 years and above	20	10.4
Total	**196**	**100%**

Conclusions and Recommendation

The findings indicated that in order to increase firm's sustainable sales growth, it is necessary to invest in the concepts of competitive aggressiveness, marketing innovation and structural social capital, and to increase the innovation performance, it is required to invest in the concepts of innovation tendency, product and service innovation.

Also, the hypothesis focuses on the effect of customer relationship management capability on sustainable sales growth of MSMEs. This result showed that customer relationship management capability scale explains 67.4% of the variance in sustainable sales growth of MSMEs. By implications, customer relationship management capability has made a significant unique contribution to the prediction of the dependent variable; sustainable sales growth of MSMEs. To facilitate better customer relationship management, firms must endeavour to engage sales and marketing expertise for better outputs. This implies that increase in customer relationship management capability will eventually lead to increase in sustainable sales growth of MSMEs

As a result of the findings of the study, we recommend that MSME firms should recognise that in order to remain in business and to be of relevance in the market they need to be entrepreneurial in their approaches; in terms of meeting the needs of their customers, employ integrative marketing in their approaches, and commit time and resources in managing customers' information. Also, MSMEs should maintain their financial facilities effectively, avoid wrong mixture of finances, and guide their budget efficiently. In order for continuous improvement in business performance in the areas of sales growth, profit maximisation, new product success and customer satisfaction, it is important for small and medium enterprises to adopt and manage internal resources effectively and efficiently in order to achieve sustainable sales growth performance.

Contribution to Knowledge

This study contributed to knowledge in strategic management, marketing management, and entrepreneurship literature and perspectives on how the effective interaction of major internal resources management capabilities such as: customer relationship management capability and financial management capability can help the owners and managers of MSMEs realise sustainable sales growth performance of their businesses. It was discovered from this empirical study that lack of these resources can have negative contribution on sustainable sales growth of MSMEs. Therefore, internal resources management capabilities effects on sustainable sales growth of MSMEs should be owners' skills and competencies driven rather than strategy driven in the areas of financial management and customer relationship management.

Implication for Policy and Research

The implication of the explanatory variables is to tell their real effect on sustainable sales growth of MSMEs in Nigeria. The positive significant effect of internal resources management capabilities on sustainable sales growth of MSMEs has shown that continuing in this trends would permanently make the sector moribund or result to total collapse but the need to quickly synergise these variables that turnaround the performance for policy formulation and ensure continuous and steady research for further innovation and creativity for improved sustainable sales growth in Nigeria.

Implication for Business and Society

This study brings to forefront of the importance of internal resources management at the strategic and tactical levels on the need to harness useful and capable tools to run the affairs of the MSMEs organisations in Nigeria. The business and society benefit from the contribution of MSMEs sector as a driver of economic growth and development for youth employment and wealth creation. The more internal resource capabilities handled by competent managers, the more the growth of sales of MSMEs in enhancing CRM and financial management practices of their organisations.

Limitations and Suggestions for Further Studies

For this research, only Ogun State in the South-West, Nigeria was the focus, restricting the scope of the study. However, it is proposed that future research could expand its research vocal lens to fit several states of the federation based on their geo-political zones. It is equally of note that only two constructs were used to measure internal resources management capability. For more robust results, future studies may raise the number of variables and make comparative analysis of MSMEs from other sectors different from the four areas (agro-allied, manufacturing, services, and food and drinks) of concentration of this research.

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Impact of Risk Control Mechanisms on Corporate Training Business Performance

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ABSTRACT

Like in any other business, risk is inevitable in corporate training business. This study examined how risk controlling mechanisms affects corporate training business performance. The Centre for Management Development, Industrial Training Fund and Nigerian Institute of Training and Development were made the case study. From a population of 1,350, determination of the sample size of 309 was obtained through the use of Taro Yamane method. Through a primary source, data was collected from employees of selected organizations using a structured questionnaire administered through stratified random sampling method. About 269 copies of the questionnaire were found suitable for the analysis. Both descriptive and inferential statistics were adopted to achieve the objective of the study. Frequency tables were used to present the gathered data while Probit Regression was used to analyze the hypothesis. Result revealed that the independent variable was significant, as p-value of the LR-Statistics computed for the test at 0.0000 was less than the critical value of 5% with significant statistics value of 106.59. Findings showed that the null hypothesis which stated that risk control mechanisms does not have impact on corporate training business performance was rejected and therefore affirm that the risk control mechanisms has impact on corporate training business performance. Therefore, it was concluded that risk control mechanisms are good and necessary parameters for improved performance in the corporate training business in Nigeria. The study recommends that, if the corporate training industry must meet set objectives, there would be need for training providers to adopt the risk adequate risk controlling mechanism for better performance of the business.

Keywords: *Corporate training, Risk control mechanisms, Business performance*

Introduction

In this new era, organizations and individuals are now exploring the incredible opportunities training and development. Neill (2019) described corporate training as the strategy of providing employees of organizations with the skills and knowledge they need in order to perform better in the work place. Her further described Corporate Training Business as an enterprise that is solely based on providing employees of organizations with necessary skills to assist in bringing out the best in the employees for better job performance and for the attainment of the organizational set goals.

Epetimehin (2016) opined that risk control was the management of specific risks that relates to environment, industry and firm which might have an adverse impact on the achievement of an organization's business objectives. He concluded that the key purpose of risk control was anticipatory, (that is, planning in advance for possibilities of adverse outcome). These threats, or risks, could stem from an honest kind of sources including financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters. According to ISO/DIS 31000 (2009), risk control could be referred to as the process of applying appropriate strategies in order to reduce

the effect of risk on an enterprise. In corporate training programmes, risks can come from various sources, including uncertainty in financial markets, threats from project failures (at any introduce design, planning, implementation, learning, development, or sustainment), legal liabilities, credit risks, accidents, natural causes and disasters, deliberate attack from an adversary, or events of uncertain or unpredictable turn-out of expected participants and even health issues. Weaving risk control into overall training plan is an essential part of running a successful training business. This study focuses on "Impact of Risk Control on Corporate Training Business Performance".

Statement of the Problem

Corporate Training has fast becoming an outstanding enterprise in the corporate world. The issues of risk in corporate training business includes guaranteed attainment of training objectives, organizing training programmes, guaranteed safety for training participants, achieving expected attendance in training programmes, government policies affecting training programmes, natural impediments that may affect training programmes, profit guaranteed on training programmes conducted and loss avoided. This calls for a vigorous concern on the need to manage these risks in corporate training processes and activities.

However, for the survival and better performance of the Corporate Training Business in the competitive business world, there is need to vigorously debate on the issue of planning for managing the various perceived risks in the business. There is still limited literature on the impact of risk control on Corporate Training Business performance in developing countries such as Nigeria (Deborah & Ofori, 2006). Similarly, studies on issues associated with risk control in corporate training business in less-developed countries are rarely found. Measuring the performance of corporate training business in the light of Risk Control is still at a growing stage and relatively new especially in a third world country like Nigeria. Therefore a gap on an issue such as the control of risk on corporate training business is being created. This suggests that research in this area is promising. Therefore, this study establishes the basis to further understand some aspects of risk control in Corporate Training Business Performance with consideration of selected Nigerian Training Providers.

Research Questions

How does risk controlling mechanism affect corporate training business performance in Nigeria?

Objectives of the Study

To examine how risk controlling mechanism affect corporate training business performance in Nigeria.

LITERATURE REVIEW

Risks are not equally based on the frequency of happening, level of consequences, or the nature of risk. These are the common ways for risks to be classified. From likelihood point, risks may be named from likely risks; possible risks; hypothetical risks to imaginary risks; where losses can happen usually, reasonably, or be theoretically possible or maybe unlikely exist. In this study, the author investigated different risk types based on the nature. The discussion involved hazard risk, financial risk, operational risk and strategic risks.

i. Financial Risk

According to (Maverick, 2018), financial risk can be said to be the possibility that shareholders or other financial stakeholders will lose money after they invest in the company that has debt if the company's cash flow proves inadequate to satisfy its financial obligations. When a corporation uses debt financing, its creditors are repaid before shareholders if the corporate becomes insolvent. He further said that financial risk also referred to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money. Maverick (2018) further explained that financial risk was the type of specific risk that encompassed many types of risks related to a company's capital structure, financing and the finance industry. These included

risks involving financial transactions, in the likes of company loans and exposure to loan default. The term is usually to reflect an investor's uncertainty of collecting returns and therefore the accompanying potential for monetary loss.

Investors can use variety of monetary risk ratios to assess an investment's prospects. For example, the debt-to-capital ratio measures the proportion of debt used given the entire capital structure of the corporation. A high proportion of debt indicates a risky investment. Another ratio, the cost ratio, divides income from operations by capital expenditures to ascertain what proportion of money a corporation will have left to progress the business running after it services its debt.

ii. Operational Risk

Several authors have stated that the literature on operational risk within the financial sector however inconsistent and takes several different views Acharyya (2010) and Moosa (2007). Some authors of the late 90's saw operational risk as the residual, that is not faced by credit or market risk (Wahistron, 2006). According to Moosa (2007), the approach was too broad and not specific enough. Most of the researched articles for the literature reviewed ask the Basel II operational risk definition. In the study, the term operational risk was defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk, but excludes strategic and reputational risks" (Basel II, 2004). At that stage, it was important to contemplate that operational risks have three dimensions. There is the cause, the event, and so the consequence (Mossa, 2007). The Basel Committee of Banking Supervision classifies operational risk on the event dimension, thus this research also discusses the event taxonomy.

The operational risk definition from Basel II excludes strategic risks. Acharyya (2010) mentioned that this exclusion did not reflect reality. The author studied the connection between strategic risk within the enterprise risk management framework and operational risk in financial institutions. He found that strategic management influenced many areas where operational risks occurred (Acharyya, 2010). Because of this reason, this study extends the Basel II taxonomy with strategic risk.

iii. Strategic risk

Strategic risks imply the likelihood of a loss arising from a poor strategic business plan, decision, or from the inconsistent and inappropriate implementation based on the plan. Strategic risks pose threat to earnings, capital availability and corporation's viability. Because strategic plans indicate the operation direction also as framework, vision and objectives of a corporation, the lower the probability of strategic risk stays, the stronger the organization is. Thus, boards of directors are focusing on how organizations identify access and manage their risks.

Strategic risk management requires concentrations on risks to shareholder value as the ultimate goal (Beasley, Pagach & Warr, 2008) while considering the effect of external and internal scenarios to the ability of organization to achieve its goals. Strategic risk management could be a primary component of an enterprise risk management (ERM, to be introduced within the later part of this Literature review sector) process. Understanding the strategies of the organization is that the essential foundation step during a strategic risk assessment. The assessment process should continuously reflect the corporate model, and be supported by valid strategic risk profile, together with risk management communication and action plan (Frigo and Anderson, 2009).

iv. Hazard Risk

Hazard risks are risks related to working environment, property, and natural catastrophe. Originally, hazards refer to potential harms that can affect health and safety of personnel of property (The University of Newcastle, Australia, 2013). Besides common hazard groups such as physical, chemical, biological, mechanical and psychological, which arise from workplace premises and environment or

work practices, risk can grow from uncontrollable factor like natural disasters. It is commonly agreed to be employer's responsibility to fix hazards. Exposure to hazards in workplace does not always result in injuries or severe health effects. However, preventing hazards from happening ensures personnel to work under no pressure of being harmed.

Similarly, (Spikin, 2013) classifications of risk management also focused and indicated the sources of risk. The following classifications of risks are also considered:

a. Financial and Non-Financial. Mentioned by Vaughan (1997), the concept of risk in this sense would involve financial loss or consequences, but might also not include necessarily financial impact. Therefore under this perspective, financial risk involves the relationship between an individual (or an organization) and an asset or expectation of even an income that may be lost or damaged. Thus according to Vaughan (1997), financial risk involves three elements:

(1) The individual or the organization that is exposed to loss,

(2) The asset or income whose destruction or dispassion will cause financial loss, and

(3) A peril that can cause the loss.

b. *Dynamic and Static*. Considering this classification, risk would be created by the dynamic change in the economic environment and would depend on both, the evolution of external variables, the economy, competitors, industry membership and consumers and the decisions taken internally by the organization (Forestieri, 2003). Thus dynamic risks would normally benefit society over the long run, since they are the result so for adjustment to the misallocation of resources (Vaughan, 1997). None the less, dynamic risk could affect a great number of persons and they would believe to be less predictable than static risks, because they do not occur with any extent of regularity. On the other hand, static risks would be those risks that would be not dependable on the evaluation of the competitive environment in which the organization operates, but would rest merely on the internal factors of the entity. Unlike dynamic, static risks are predictable and would occur with some regularity. As mentioned by Pavodani and Tugnoli (2005), the mentioned principles of dynamic and static risks would provide the basis elements for there as owning on the transferring process of risks through the insurance market.

c. *Systematic and Diversified*. As mentioned by Vaughan, (1997) the source of systematic risk would be the main macroeconomic variables, such as the general tendency of economy (measured for example by the variation in GDP) and the tendency in market interest rates and inflation (measured, by the variation of the index of consumer prices). Often the sources of systematic risk are summarized by a single systematic risk factor, known as market risk. Therefore under this perspective, risks that are not tied to sources of systematic risk would be those diversifiable.

d. *Pure and Speculative*. Speculative risk would be often described in the literature as related to situation that hold a possibility of either loose or gain. Therefore the set type of risks would not be insurable since they would involve a speculative process behind that might potentially rise to a profit (upside risk), but that could also lead to a loss (downside risk) (Pavodani and Tugnoli, 2005). The concept of pure risk in contrast, issued to designate those situations that involve only the chance of loss or no loss. One of the best examples of pure risk would be the possibility of loss surrounding the ownership of property or any asset. In that case, the person who buys an automobile for example, immediately faces the possibility that something may happen to damage or destroy the auto-mobile (Vaughan, 1997).

e. *Fundamental and Particular***.** According to Pavodani and Tugnoli, 2005, the distinction between fundamental and particular risks would be based on the difference in the origin and consequences of the losses. In that sense, fundamental risks would consider risks

that would involve losses that are impersonal in origin and consequences (Vaughan, 1997). Therefore these types of risks would be caused in general by economic, social, and political phenomena, while they may also result from physical occurrences. Because fundamental risks would be caused by conditions beyond the control of the individuals who suffer the loss and since they would not be the fault of anyone in particular, it is held that society rather than the individual would have a responsibility to deal with them (Vaughan, 1997). In this sense fundamental risks would affect large segment of the population. On the contrary, particular risks would concern losses that occur in individual events and are experienced by individuals rather than groups. Thus particular risks are considered to be individual's own responsibility and so would not seem to be an issue of concern of the society as whole (Vaughan, 1997).

f. Core and non-Core: The core of business risk would be the danger which may be inherent to the type of activity performed by the organization. Based on this perspective this type of risk would be the kind of risk that will not be available to transfer and would want to be managed internally by the entity. As consequence, these types of risks would become a possible source for expected income return to the organization (Forestieri, 2003 in Pavodani & Tugnoli, 2005). Hence core or business risks would be manageable mainly through careful strategic choices. The later would mean to decide as an example, during which sectors and markets to require an edge, adopt centralize policies, and choose vertically integration or outsourcing strategies among others. On the other hand, non-core risk would be those risks to which the organization would be exposed as a result of any operational activity. Consequently within the case of non-core risks, they may be treated through strategic solutions or appropriate means of funding and insurance transfer.

g. Operational and Strategic: Normally the researchers that address the concept of in depth or enterprise risk management approach (Helsloot, 2008; Fone & Young, 2005; Lam, 2003; Olson & Desheng, 2008 & Sadgrove, 2006), make also difference between strategic and operational risk. For these authors strategic risks would be related to the problems which may require the organizations to think on a way bigger scale. Therefore these types of risks would be managed at board level and there would be need for strategic planning (Sadgrove, 2006). Within the case of governmental authority for instance, this might be the case for the elected members, who would confirm that the proper policies procedures and delegations would be in situations in which risks are managed appropriately within the organization. Contrary to this, although operational risks would require the involvement of the best possible hierarchy of the organization, they could be implemented during a lower level (Sadgrove, 2006). Therefore in that perspective, operational risks would be present within the day to day functions and services of the organization. Accordingly such risks might be derived from the people, property or processes involved in delivering the services expected or needed by the organization.

Risk Control

Risks, according to Olujana (2018) are necessary evils in business that must be avoided as much as possible. This was because its occurrence might impair business operation, and reduce expectation of return on an organization. Hence, risk control through avoidance, reduction, retention of beneficial risk and possibly transfer must form the hallmark of performance oriented organization. Olujana (2018) further opined that risk control was the set of methods by which firms evaluated potential losses and took action to cut back or eliminate such threats. It is a way that utilizes findings from risk assessments, which involve identifying potential risk factors within a company's operations, like technical and non-technical aspects of the business, financial policies and other issues which may affect the well-being of the firm. Risk control also implements proactive changes to cut back risk in these areas. Risk control

thus helps companies limit lost assets and income. Risk control are often said to be a key component of a company's enterprise risk management (ERM) protocol. The determinants of risk identification can be discussed as follows:

i. Risk Avoidance

According to Long (2016), risk avoidance seeks to avoid compromising events entirely. One of the risk response strategies in risk management is risk avoidance. This strategy entails adjusting the project plan in order that the conditions triggering a risk event are not any longer present and therefore the risk is eliminated. While this strategy cannot be applied to all or any project risks, it can be said to be best for preventing risks. When analyzing a risk, a project manager is assessing two key characteristics of any risk, its probability of materializing and its impact on a project. Risk avoidance strategy is concentrated on eliminating the probability of a risk materializing completely. Usually, this is often achieved by adjusting the initial project plan in order that a project is not any longer exposed to the conditions that may trigger a risk event. Long (2016) further explained that this strategy requires identifying a possible risk early on, as it might not be possible to make adjustments to a project as it evolves. Risk voidance can be said to be a risk strategy where the organization either chooses to not engage in an operation, or chooses to stop working on an operation due to the risk involved. For example, an organization might prefer to stop working or not operate a branch within a high risk location to avoid the risks involved.

ii. Risk Reduction

According to (IDSR, 2004), concepts of risk reduction evolved from these earlier efforts in disaster management, that were themselves products of civil defence responses where disasters were seemed to be events that simply required reaction and as such any pre-disaster preparation was focused on aid, response and the restoration of urgent services. Contemporary views however, recognise the need to reduce the social, economic and environmental costs associated with natural hazards. Risk reduction measures as defined by the ISDR (2004) are “the development and application of policies, procedures and capacities of the society and communities to cut back the negative impacts of a possible impact of natural hazards and related environmental and technological disasters. This includes structural and non structural measures to avoid (prevention) or to limit (mitigation and preparedness) adverse impact of hazards, likewise as a result of the occurrence of coping capabilities”.

iii. Risk Retention

According to Lawrence and Marianna (2017), risk retention technique can be referred to as the intentional decision of organizations to handle opposing risk of a firm internally instead of transferring them to insurance or any other third party. By so doing, the risk of the organization is self-financed and managed. Risk Retention technique is similarly the intentional decision of organizations to handle opposing risk of a firm internally rather than transferring them to insurance or a third party. By so doing, the risk of the organization is self-financed and managed. In accounting perspective, this can be often done by setting an amount/ account aside called Provisioning. The provisioning account is aimed for servicing bad debts (defaulting loans). The provision account is provided as a loss financing (reserve funds) account that pays for the potential losses arising from client’s loan defaults.

iv. Risk Transfer

According to Snedaker and Rima (2014), Risk transfer is a risk management and control strategy that involves the contractual shifting of a pure risk from one party to another. One example is the purchase of an insurance policy, by which a specified risk or loss is passed from the policyholder to the insurer. Risk transference involves handing the risk off to a willing third party. Snedaker and Rima (2014) further stated that many companies outsourced certain operations such as customer service, order fulfilment, or payroll services. These companies do this in many cases, so they can focus on their core competencies, but they can also do this as part of risk management. For example, if the corporate training provider outsources training services, the training provider may choose to select another

training provider that is geographically located in the same geographical region of the business contract. Snedaker and Rima (2014) further explained that another example of risk transfer was, purchasing insurance or other insurance types of services. In order to transfer risk, one company usually needs to pay another company some amount of fund to assume that risk.

METHODOLOGY

The Centre for Management Development, Industrial Training Fund and Nigerian Institute of Training and Development were made the case study. From a population of 1,350, determination of the sample size of 309 was obtained through the use of Taro Yamane method. Through a primary source, data was collected from employees of selected organizations using a structured questionnaire administered through stratified random sampling method. About 269 copies of the questionnaire were found suitable for the analysis. Both descriptive and inferential statistics were adopted to achieve the objective of the study. Frequency tables were used to present the gathered data while Logit Regression was used to analyze the hypothesis.

ANALYSIS

Summary Statistics obtained for the variables of Risk Control

S/N	Variable	N	Mean	STD	Adjusted T-calculated	P-value	Remark
1	Risk Avoidance	269	4.26	0.55	32.13	0.0000	
2	Risk Reduction	269	4.26	0.54	32.25	0.0000	
3	Risk Retention	269	4.05	0.63	26.28	0.0000	
4	Risk Transfer	269	4.05	0.63	26.28	0.0000	

Researcher's Field work, 2021

***** Critical value for the t-test is 5%***

*****Adjusted T-calculated= T-value multiply by the ratio of sample size to aggregative response***

***** There four test items in each of the risk control variables, hence, the aggregative response is 4 multiply by actual sample size used (4x269=1076)***

The above table presented the pooled mean and standard deviation computed for the test variables of risk control. Looking at the result in the table, it was found that risk avoidance, risk reduction, risk retention and risk transfer were the determinants of risk control in the selected training organizations. This assertion was based on the fact that the p-value of the t-statistics computed for the test variables were less than the critical value of 5%. On this basis, the variables were said to be adopted and could correlate well with corporate training business performance.

Test of Hypothesis

H_{O2}: Risk control mechanisms do not affect corporate training business performance in Nigeria.

Objective: To examine how risk control mechanisms affect corporate training business performance in Nigeria.

Probit Regression Results Computed for the Null Hypothesis Two
Dependent variable = Corporate Training Business Performance

Variable	Coefficient	Standard Error	Z-calculated	P-value
C	1.813333	2.544325	0.712697	0.2310
AVOID	5.990097	0.804882	7.442205	0.0000
REDUC	1.005698	0.029461	34.13659	0.0000
RETEN	0.182121	0.037157	4.901391	0.0012
TRANS	0.804246	0.177572	4.529126	0.0024

	OTHER	TEST	STATISTICS	
McFadden R-squared	0.928165		Mean dependent var	0.821561
S.D. dependent var	0.013595		S.E. of regression	0.382408
Akaike info criterion	11.948790		Sum squared resid	38.60626
Schwarz criterion	12.015606		Log likelihood	-122.6123
Hannan-Quinn criter.	10.975624		Deviance	245.2245
Restr. Deviance	34.43315		Restr. log likelihood	-126.1658
LR statistic	77.106979		Avg. log likelihood	-0.455808
Prob(LR statistic)	0.00000			

Researcher's computation, 2021

Determinants of Risks Control:
AVOID= RISK AVOIDANCE
REDUC= RISK REDUCTION
RETEN= RISK RETENTION
TRANS= RISK TRANSFER

Interpretation and discussion of result in hypothesis two

Organizations needed to control and monitored risks. Adequate risks control could influence the level of performance of a company. This was because risk control usually focused on how business risks could be reduced in order to step down its impact on performance. Looking at the result from table 4.19, it was found that the p-value of the z-statistics computed for risk avoidance simply avoidance of 0.0000 was less than the critical value of 5%. This revealed that the null hypothesis which stated that risk avoidance did not affect corporate training business performance was rejected. It was saved to infer that risk avoidance affected corporate training business performance. The implication of risk avoidance on business performance could not be underestimated. Appropriate risk avoidance could improve business performance greatly. Business risks must be avoided at all costs in order to enhance business performance. Avoiding the risks associated with business operations and activities add meaningfully to reported business performance. Avoidance business risks were risks that usually associated with human errors and mistake. For instant failure of a client to pay the required service fees might be avoided in future if the business delisted the client from their services and refused to offer further services to such a client. Financial irresponsibility of officials of the corporate training might decrease business profitability. This could be avoided by removing such officials from any financial commitment in the organization. The unavoidable risks of a business if occurred must be carefully controlled in order not for the risks to have a serious effect on corporate business performance. The regression coefficient obtained for the test variable was approximately equal to 6.00 with significant z-statistic value of 7.44. This indicated that there was a significant positive relationship between risk avoidance and corporate training business performance. This further implied that a 1% increase in the ability of the selected companies to avoid possible business risks could lead to 6% improvement in corporate performance. Thus, risk avoidance affected corporate training business performance positively. The sign of this coefficient conformed to the priori expectation for the variable. Thus, risk avoidance might be a determinant of corporate training business performance.

Also, it was discovered that the p-value of the z-statistics computed for risk reduction, simply reduction of 0.0000 was less than the critical value of 5%. This implied that the null hypothesis which showed that risk reduction did not affect corporate training business performance, was rejected. It was

reasonable to assert that risk reduction affected corporate training business performance. The reduction of risks by pulling out of unprofitable markets by the corporate training organizations could free more revenues to be declared as profit for the organization. Corporate training organizations must ensure that training engagement and clients that contributed no significant revenue to business performance must be discontinuous. Doing might enhance the reported income of the organization. Another risk reduction technique the business could adopt were; process change and culture change. Profit oriented organizations must realize that they were in business for gain and that service to customers must not be replaced with business objective. In fulfilling business objective, therefore, any risk that might impair or serve as embargo to the achievement of business target, if not totally eliminated from being reduced. Aliyu (2017) asserted that risk reduction was a strategy means of reducing the effect of risk through objective approach that helped in transferring the burden of risks to third party. Thus, organizations risks needed to be reduced to a bare minimum in order to improve business performance. The regression coefficient obtained for the variable of risk reduction was 1.01 and positive with significant z-statistics value of 34.14. This showed that there was a significant positive relationship between risk reduction and corporate training business performance. The resultant effect of this was that a 1% increase in the desire of the organization to reduce their risks might lead to 1.01% improvement in corporate performance. The sign of the variable was in conformity with a priori expectation and hence, risk reduction might be a determinant of corporate training business performance. Risk reduction affected corporate training business performance positively.

Moreover, the result in the table showed that the p-value of the z-statistics calculated for risk retention of 0.0000 was less than the critical value of 5%. This indicated that the null hypothesis which stated that risk retention did not affect corporate training business performance, was rejected. It was reasonable to assert that risk retention affected corporate training business performance. The retention of business risks was the desire or intention of businesses to retain risks that were beneficial to the organizations. Hence, risk retention through strategic means could enhance the performance of the selected corporate training organizations. Risks could be retained by making adequate provisions/covering for the risks through self-insurance. Organizations might decide to retain risks through exploitation strategy and by mitigating strategy. More so, business risks might be optimized in order to enhance business performance. In risk optimization, an organization tried to reduce the impact of the risks on corporate performance by undertaking only business operations/activities which risks could add meaningfully to corporate performance. The regression coefficient computed for the test variable of 0.18 was positive with significant z-statistics value of 4.90. This implied that there was a significant positive relationship between risk retention and corporate training business performance. The economic interpretation of this was that a 1% increase in the desire of the selected corporate training organization to retain possible beneficial business risks might lead to 0.18% improvement, their corporate performance. The sign of this variable was in conformity with a priori expectation and hence, risk retention might be one of the components of risk control that influenced corporate training business performance positively.

It was found that the p-value of the z-statistics computed for risk transfer of 0.0024 was less than the critical value of 5%. This indicated that the null hypothesis which stated that risk transfer was not significant on the corporate training business performance, was rejected. It was saved to assert that risk transfer was significant on the corporate training business performance. The performance of corporate training organizations might be a direct function of the extent/degree at which the organization could be able to transfer its risks without affecting operational activities of the firms. For instance, there was need for the training organizations to always outsource activities and operations that were highly exposed to risks. This would reduce a situation whereby the bulk of the business profit had to be ploughed back into the business in order to cover risks. Also, the desire of the corporate training organizations to see an improvement in their profitability level might come to fruition through risk transfer strategy term commercial insurance. With this insurance policy business risks were transferred to the insurance company. This form of arrangement protects the business from unnecessary exposure to risks and sudden risks that might impede business operations. Further looking at the result in the

table, it was discovered that the regression coefficient obtained for the variable of risk transfer of 0.80 was positive with significant z-statistics value of 4.53. This showed that there was a significant positive relationship between risks transfer and corporate business performance. The resultant effect of this was that a 1% increase in the desire of the selected organizations to be able to transfer its risks through adequate insurance cover and others self-insurance policy might lead to 0.80% improvement in the corporate training business performance. Thus, risk transfer and corporate training business performance were related. The sign of the coefficient of the variable was in tandem with a priori expectation and hence, risk transfer might be a determinant of corporate training business performance.

Furthermore, the results of the other test statistics computed revealed that risk transfer might help the selected organizations to free more revenues for business operation than to cost. For example, the McFadden R2 obtained for the test of 0.93 revealed that approximately 93% of corporate training business performance was due to risk controlling mechanism adopted by the training organizations. This further showed that the ability of the corporate training organizations to strategically control its risks through, avoidance, reduction, retention and transfer mechanism had added approximately 93% to the reported performance of the organization. Hence, risk avoidance, risk reduction, risk retention and risk transfer were good determinants of risk controlling mechanism that enhanced organizations corporate performance. Also, the p-value of the LR-statistics computed for testing the significance of the overall null hypothesis two of 0.0000 was less than the critical value of 5% with significant statistics of 77.11. This showed that the joint null hypothesis which stated that risk control mechanisms did not affect corporate training business performance in Nigeria, was rejected. It was saved to assert that risk controlling mechanism affected corporate business performance in Nigeria positively. The results of the information criterions obtained indicated that risk controlling mechanisms provided better explanation on corporate training business performance. All standard errors of deviations and likelihood statistics were within the acceptable threshold. Thus, risk controlling mechanism and corporate training business performance directly related.

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of Findings

This study examined the impact of risk control mechanisms on corporate training business performance of some selected training services providers in Nigeria.

Specifically, the study investigated the effect of risk identification on corporate training business performance, examine how risk controlling mechanism affects corporate training business performance and investigates if there is any significant relationship between risk financing and corporate training business performance in Nigeria. It was found that risk controlling mechanism affected corporate training business performance positively. This inference was premised on the fact that the regression coefficient obtained for the variables of risk controlling mechanisms; risk avoidance, risk reduction, risk retention and risk transfer were positive and significant.

Conclusion

It was concluded that risk controlling mechanism affected corporate training business performance positively in Nigeria. Specifically, it was observed that the variables of risk controlling mechanism of risk avoidance, risk reduction, risk retention and risk transfers had positive regression coefficients with significant z-statistics values. S, it was concluded that there is a positive relationship between risk control mechanisms and corporate training business performance in Nigeria.

Recommendation

The study recommends that risk controlling mechanism of the training organizations must be effective in avoiding, reducing and retaining (beneficial) and transfer business risks to third party in order to reduce the consequence of the risk on business performance. Risk reduction through insurance deductibles should be integrated as part of the risk management policy of the training organizations.

This will reduce the burden of the risk on the training organizations and enhanced business performance. More so, risks not relevant to business operations must be avoided at all cost by the training organizations.

Contribution to Knowledge

This study had contributed to existing knowledge in the field of risk management and training and development. The study had indicated that effective risks controlling mechanism through appropriate avoidance, reduction, transfer and retention of beneficial risks might improve corporate training business performance. Therefore, corporate training and other business risks must be controlled and monitored in order to reduce its impact on the performance of an organization. In terms of analytical contribution, the study had shown that, the use of advanced statistical technique like classes of probit regression applied in this study, might produce result that might be termed reliable and enable generalization of the research findings.

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APPENDIX

Questionnaire for Impact of Risk Control Mechanisms on Corporate Training Business Performance of Selected Nigerian Training Providers.

SECTION A: INTRODUCTION QUESTIONS

Instruction: Please tick ( ) appropriate response to the question where necessary

1. Name of your organization ----------
2. How long has your organization been operating as a corporate training provide? (i) less than 5 years( ) (ii) from 5-10 years( ) (iii) from 10-20 years( ) (iv) more than 20 years ( )
3. Does your organization have any existing risk management system/policy? (i) yes ( ) (ii) No( )

SECTION B (BACKGROUND INFORMATION ON THE RESPONDENTS)

Instruction: Please tick as appropriate.

1. Age in years (i) less than 35 years( ) (ii) from 35-45 years( ) (iii) from 46-5( ) (iv) more than 55 years ( )
2. Education (i) less than Bachelor Degree ( ) (ii) Bachelor Degree ( ) (iii) Master Degree ( ) (iv) Higher Degree ( )
3. Year of working experience (i) less than 5 years( ) (ii) from 5-10 years (iii) from 11-15 ( ) (iv) from 16 - 20 years and above ( )
4. What is your position in the organization? (i) Management staff ( ) (ii) Administrative/facilitating staff ( ) (iii) Technical/support staff ( ) (iv) other (please specify) ----------

SECTION C (RESEARCH TEST ITEMS ON RISK CONTROL MECHANISMS)

INSTRUCTION: This section consists of research questions on risk control mechanisms. In this section, the test items (questions) are weighted based on five point likert scales. You are required to tick ( ) the appropriate likert response to the test item. The scales are:

Strongly Agreed (SA) =5
Agreed (A) = 4
Partially Agreed (PA) =3
Disagreed (D) =2
Strongly Disagreed (SD) = 1

	RISK CONTROL					
I	**AVOIDANCE**					
1	Activities and operation not encouraging organization performance are clearly avoided in your organization					
2	Your organization tries to eliminate exposure that may negatively affect the company assets.					
3	Your training organization always remove activities that may expose the company to unnecessary losses					
4	Clients that usually default in their payment are not considered by your organization for future engagement.					
II	**Risk Reduction**					
5	Pulling out of specific market/client training engagement is one of the risk reduction strategies adopts by your organization					
6	"Process changing" is a risk reduction strategy used by your company					
7	Discontinuing a client training engagement is a key risk reduction technique used by your company					
8	Culture change is a risk reduction technique used by your organization	**SA 5**	**A 4**	**PA 3**	**D 2**	**SD 1**
III	**Risk Retention**					
9	Insurance deductible or self-insurance is a strategy of risk retention by your company					
10	Exploitation strategy is a risk retention strategy used by you company					
11	Mitigation strategy is a risk retention strategy used by your organization					

12	Optimizing risk or reduction is a strategy of risk retention used by your company					
IV	**Risk Transfer**					
13	Your organization has full insurance policy on possible training business risks.					
14	Activities and operation that are highly exposed to risks are contracted out.					
15	Risks due to clients mistake have been adequately transferred to them through hidden charges					
16	Risks due to negligence and official recklessness are bearable by the concerned officials.					

SECTION D: Corporate Training Business Performance

Instruction: This section consists of test statement on performance of corporate training organizations. The test statements are weighted using two point likert scale of; Improved = 1 and not improved = 0. Thus, you are required to tick ( ) the appropriate response to the test items on the left hand side of the table.

	Variable	**Improved Yes 1**	**Not Improved No 0**
1	As result of the risk transfer strategy used by your organization the profitability level has been enhanced		
2	Employees contribution has improved in the organization due to risks monitoring and review technique that ensures that more revenues are freed for the payment of staffs emolument		
3	Training objective has been satisfactorily achieved due to less risks exposure of the company.		
4	Increasing participants' turnout has been recorded.		
5	Organizational growth has been sustained		
6	Participants' feedback useful for future risk elimination has been activated.		
7	Some selected performance indicators such as gross earnings, net profit margin and return on total assets have been enhanced due to risks control mechanism in your organization.		

TEST OF HYPOTHESIS

OBJECTIVE

Dependent Variable: CTBPER
Method: ML - Binary Probit (Quadratic hill climbing)
Date: 06/24/21 Time: 17:20
Sample: 1 269
Included observations: 269
Convergence achieved after 4 iterations
Covariance matrix computed using second derivatives

Variable	Coefficient	Std. Error	z-Statistic	Prob.
AVOID	5.990097	0.804882	7.442205	0.0000
REDUC	1.005698	0.029461	34.13659	0.0000
RETEN	0.182121	0.037157	4.901391	0.0012
TRANS	0.804246	0.177572	4.529126	0.0024
C	1.813333	2.544325	0.712697	0.2310

McFadden R-squared	0.928165	Mean dependent var	0.821561
S.D. dependent var	0.013595	S.E. of regression	0.382408
Akaike info criterion	11.948790	Sum squared resid	38.60626
Schwarz criterion	12.015606	Log likelihood	-122.6123
Hannan-Quinn criter.	10.975624	Deviance	245.2245
Restr. deviance	34.43315	Restr. log likelihood	-126.1658
LR statistic	77.106979	Avg. log likelihood	-0.455808

Prob(LR statistic)	0.00000		
Obs with Dep=0	48	Total obs	269
Obs with Dep=1	221		

POOLED RESULTS FOR VARIABLES OF RISK CONTROL

```
Warning # 849 in column 23.  Text: en_NG
The LOCALE subcommand of the SET command has an invalid parameter.  It could
not be mapped to a valid backend locale.
* Define Variable Properties.
*VAR00001.
VARIABLE LABELS  VAR00001 'EISK AVOIDANCE'.
EXECUTE.
* Define Variable Properties.
*VAR00002.
VARIABLE LABELS  VAR00002 'RISK REDUCTION '.
EXECUTE.
* Define Variable Properties.
*VAR00003.
VARIABLE LABELS  VAR00003 'RISK RETENTION '.
EXECUTE.
* Define Variable Properties.
*VAR00004.
VARIABLE LABELS  VAR00004 'RISK TRANSFER'.
EXECUTE.
DESCRIPTIVES VARIABLES=VAR00001 VAR00002 VAR00003 VAR00004
  /STATISTICS=MEAN STDDEV MIN MAX.
```

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EISK AVOIDANCE	269	8.00	20.00	17.0520	2.17626
RISK REDUCTION	269	8.00	20.00	17.0595	2.16919
RISK RETENTION	269	7.00	20.00	16.1822	2.52456
RISK TRANSFER	269	7.00	20.00	16.1896	2.52697
Valid N (listwise)	269				

One-Sample Test

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
EISK AVOIDANCE	128.512	268	.000	17.05204	16.7908	17.3133
RISK REDUCTION	128.986	268	.000	17.05948	16.7991	17.3199
RISK RETENTION	105.130	268	.000	16.18216	15.8791	16.4852
RISK TRANSFER	105.078	268	.000	16.18959	15.8862	16.4929

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.837	.839	4

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	16.621	16.182	17.059	.877	1.054	.252	4
Item Variances	5.550	4.705	6.386	1.680	1.357	.917	4

ANOVA

		Sum of Squares	df	Mean Square	F	Sig
Between People		3997.294	268	14.915		
	Between Items	203.569	3	67.856	27.943	.000
Within People	Residual	1952.431	804	2.428		
	Total	2156.000	807	2.672		
Total		6153.294	1075	5.724		

Grand Mean = 16.6208

Hotelling's T-Squared Test

Hotelling's T-Squared	F	df1	df2	Sig
102.779	34.004	3	266	.000

Market Patronage in Traditional and Modern Markets of Ogun State, Nigeria

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ABSTRACT

Ogun state is characterized with many traditional and modern market established over the years. Patronage is diverse as there is no distinct factors that separate the patronage. This study is therefore meant to investigate the relative pattern and features that determine the patronage of these markets. This study employed survey research design to investigate the relative difference in the patronage of modern and traditional markets respectively, in Ogun State. Structured questionnaire was used to elicit data from a sample size of one thousand, two hundred respondents. This was supplemented with customers' interview guide. The data were analyzed with the aid of correlation and regression statistical techniques. The study shows that the level of patronage in these market has a significant relationship with the type of market and that market related issues like customers' perception of markets, market quality, traders' characteristics, characteristics of market regulations, market facilities, market management teams which are often the target of emphasis in modern markets influence this relationship. This suggest the need for government and investors to give appropriate recognition to these factors in the establishment and operation of these markets.

Keywords: *Market Appraisal, Market Patronage, Traditional Market, Modern Markets, Ogun State.*

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1.0 Introduction

As societies mature with age and enlightenment, technology and infrastructure tend to transform from traditional to modern with the aim of easing the ease, efficiency and comfort of services. In line with this, modern markets are being built to gradually replace the old and traditional ones. Traditional markets tend to be less organized and less complementary with modern economic planning and development, relative to the modern markets with facilities such as parking spaces, security, modern conveniences and structures, among others. Hence, more of these markets were built with modern amenities in different parts of the State under the leadership of past and present Governors of the state. Examples of these include those at Kuto, Itoku, Shapon, Omida, among others, in Abeokuta. In fact the trends these days is the building of modern markets of the standard of Shoprite as the case with what obtains in developed countries of the world like United States of America, Canada, United Kingdom, among others. It is the expectation of government that these markets would be welcomed and patronized by the people as dividend of democracy. The transition from modern markets has in many cases occasioned hardship such as displacement and relocations of people and properties while the market men and women wait in anxious expectation of their completion. This makes the study of the eventual patronage and impact of these markets, especially as compared with the traditional ones very important.

1.1. Statement of Research Problem

There is a general trend by governments who attempts to transform traditional markets into modern markets in many countries (Omole, 2012). This is more so in Nigeria and Ogun State in particular, especially under the administration of Chief Olabisi Onabanjo 1979-1984). This is expected to enhance economic activities, convenience of the people and higher revenue to government. It is expected that, given their generally better structure, and facilities, patronage and impact of the modern markets would be much more than that of the traditional markets. However, a casual observation suggests that despite these better structures and facilities, (including security and parking spaces) more people still patronize the traditional markets than the modern markets. The implication of this is that people will miss the intended welfare facilities for their economic development and government huge investment in these markets would become a waste. This is more so as governments have continued to build these types of markets across the State. The reason for this situation or what may be done to reverse this situation is not clear and hence the unfortunate state of affairs persisted. Consequently, the present study intends to investigate the relative pattern of patronage of these markets and the factors that might be responsible for them.

1.2. Statement of research Objectives

The objectives of this study are to determine the:

i. Pattern of patronage of traditional and modern markets in Ogun State of Nigeria.
ii. Market characteristics which influence the patronage of markets traditional and modern in Ogun State of Nigeria.

1.3. Statement of research Questions

To achieve these objectives, we would try to answer the following research questions:

i. Is there any significant difference between patronage of the traditional and modern markets in Ogun State of Nigeria?
ii. Which Market characteristics influence the patronage of traditional and modern markets in Ogun State of Nigeria?

1.4. Statement of Research Hypotheses

This study would attempt to test the following hypotheses:

i. There is no significant difference between patronage of the traditional and modern markets in Ogun State of Nigeria.
ii. Market characteristics will not have any significant influence on patronage of traditional and modern markets traditional and modern in Ogun State of Nigeria.

2.0 Literature Review

2.1 Conceptual Framework

The concept of market is a general issue that is as old as human existence. In modern days, the concept of market started from trade by barter. This is where people exchange goods for goods. As time progresses, a market became a place or a location where people meet to buy and sell goods and services. A market is also regarded as a geographical place where exchange of goods and service takes place. The major players in a market are the sellers and buyers of goods and services. In economics parlance, a market is an arrangement whereby sellers and buyers come together directly or indirectly to sell and buy goods. This means that sellers and buyers do not necessarily need to meet at a particular place, they can make contact through any means such as the internet, telephone, fax messages and other electronics means.

However, for the purpose of this research work, our emphasis is on physical or geographical market which Benham (2018) defined as any area over which buyers and sellers are in close contact with one another either directly or through dealers that the prices obtainable in one part of the market affect the process in other parts. In line with this study, Filani et al, (1976), Nwafor, (1982) and Eben-Salah, (1999)

identify two classes of market places as daily and periodic markets. They sub classified the markets as morning, full-day and night markets.

2.1.1 Traditional Markets

Traditional markets are old and area based markets usually large in size where people come together in form of sellers and buyers to sell and buy goods and services. Buyers and sellers trade directly with one another to bargaining activities. Traditional market are in most cases, historic, dirty, smelly and crowded especially on the trading day of the market. Nelwan, Lapian and Rumokoy (2017), says that traditional markets has characteristics that the place is not too offensive, the goods sold are not too many, the management system is still simple, does not offer the convenience of shopping. They opined further that, there is still haggling prices with merchants and products are sold not on display, but open so that customers do not determine whether the retailer has the items sought or not. Avianty (2017), defined traditional market as the market where the sellers and buyers bargaining directly resulting in a price agreement between the two sides. Toya (2012), stated that the traditional market is a place to sell the products of basic needs generated by economic actors, medium and small, such as farmers, fishermen, and craftsmen, domestic industry so that that the traditional markets have an important role in employment on the local community. Based on the areas of study, the above narratives aptly described the traditional markets identified and used for this research work. These are:

(i) Kuto market in Abeokuta. This market is a five days trading one that is patronized across many towns and villages in Abeokuta South and North Local Governments.
(ii) Ita-Osu market in Ijebu-Ode. Another historic five days trading market that the administrators of past governor OlabisiOnabanjo (1979 – 1984) up graded to a modern market alogn with Oba Lipede Market in Kuto, Abeokuta.
(iii) Awolowo Market in Sagamu. A daily patronage market at the heart of Sagamu town in Sagamu Local Government.

All these three traditional markets has similar characteristics. They are historic, has poor physical condition, dirty and rusty, located close to where people live and sells notably food items to the people.

2.1.2 Modern Market

A modern market is a market purposefully built as a shopping centre driven with technology and occupying large space for parking and other commercial activities. Ma'ruf (2005) defined a modern market as the arrangement of items grouped according to the same purpose the same section that can be seen and taken directly by the buyer, the use of air conditioning, professional salesperson. Nelwan, Lapian & Rumokoy (2017), defined modern markets as an expansion of traditional traders, which in practice to apply the concept of modern technology utilization and accommodate the progressive trend in the society (consumers). Many researchers such as Readon et al (2003), Collett & Wallace (2006), Daniel et al (2007) and Omole (2012) are of the opinion that the development of modern market has been on the increase in developing countries like Indonesia, India, Nigeria and Pakistan. The rise is associated with the deficiencies inherent in traditional market such as lack of adequate parking space, no organized market structure, no adequate security and the usually fiflty environment.

The above narrative aptly described the modern market choosen for this study. These are

(i) Oba Lipede Modern market at Kuto in Abeokuta. Co-incidentally this market is situated beside the traditional Kuto Market which makes the patronage appraisal vary feasible. There could be spill-over effect too. The traditional Kuto market has spread into the packing spacing at Oba Lipede modern market.
(ii) Ita-Osu modern market of Ijebu-Ode built from the old traditional Onobanjo modern market.
(iii) Sagamu International Modern Market, Sagamu.

2.2 Theoretical Framework

The markets chosen for this research work are open markets which allows both sellers and buyers to have open access to the markets and can also exist the markets at their own time and desire. Therefore the theory of free enterprise and service quality theory will be the theoretical underpin of this study.

(1) Free Enterprise Theory

Free enterprise or free market refers to an economic situation where the market forces of demand and supply determines the prices of goods and services rather than government. In this situation, business transactions are free from government control. In economic parlance, a free market is a system in which the prices of goods and services are self-regulated by the sellers and the buyer in an open market. Without any government intervention. In this markets, the price mechanism of demand and supply play the major role. A free market is different from a regulated market in which the government exercise certain measure of control and interventions such as tariffs and trade restriction(s).

For a free market to operates, there are some conditions that must be present. These are:

(i) There must be free entry and exist of buyers and sellers. There must be little or no barriers to the market entry

(ii) Competition in the market must be perfect. Therefore, market modes such as monopoly, duopoly and cartel are not allowed or exist.

(iii) There must be homogeneity of goods sold. This will give the buyers the free will to buy from any seller without any condition or restriction.

(iv) There must be demand and supply of goods and services. This will lead to the interaction between sellers and buyers after which a selling price will be agreed.

(v) Private owner of resources. The significant portion of the resources in the market are owned by individuals who constitute the buyers and sellers and not by government.

This theory is applicable to this research work because the markets choosen are open markets where all the conditions listed above for an open enterprise to operate are applicable. The major factor is that there is no government restriction or regulations. The operations are basically determined by the forces of demand and supply i.e. the price mechanism as stipulated by the buyers and sellers.

(2) Service Quality Theory (SERVQUAL)

Service Quality according to Parasuraman et al (1988), is a multi-item scale developed to assess customer perception of service Quality in service and retail businesses. Service quality is the overall of a service by the customer. Ghylin et al (2008), Service Quality will enable companies to deliver services with higher quality presumably resulting in increased customer satisfaction Ghylin, et al (2008), Similarly, Daniel and Bervinyuy (2010), says that service quality is the difference between customers expectation for service performance prior to the service encounter and their perception of service received.

In relating service quality to this study, we can opined that patrons of the markets its service expectation will serves as a foundation or yardstick to evaluate service delivery in the markets especially for the duties whose expectations are expected to be high. This will lead to level of satisfaction or dissatisfaction.

Matzler (2002), came up with three factors that may affect customers satisfaction. These are;

(i) Basic factors attached to goods and services that can prevent dissatisfaction.

(ii) Performance factors i.e. factors that will lead to satisfaction if done and to dis-satisfaction if not done or fulfilled.

(iii) Excitement factors. These are factors that give satisfaction to customers if fulfilled but does not lead to dis-satisfaction if not fulfilled.

The service quality model of five dimensions is applicable to this study. Markets provide services to the patrons. The quality of services provided can be measured on five dimensions of

(1) Tangibles: These are physical infrastructure that are expected to be used in providing capacity service to the patrons of the markets. These will include items such as offices, computers, vehicles, toilets and car parks. The availability of these items will indicate the quality of services to be provided in the markets.

(2) Reliability: This is the ability and reliability necessary to provide quality service in the markets. This dimension may relate to records keeping, customers handling procedures, complaints handling and opening and closing time.

(3) Responsiveness: This is the ability and willingness to assist and provide quick and reliable services to the people. This dimension may relocate the ability to attend to customers complaints, accuracy in service delivery, workers behaviour and degree of assistance rendered to customers.

(4) Assurance: This dimension include knowledge acquired on the job, preparation, done, attitude of staff and good communication skills so that customers can be well informed about services rendered in the market.

(5) Empathy: This has to do with care for customers, timeliness of services to customers, attending to the specific needs of customers and favourable attitude at work and to the customers.

2.3 Empirical Review

There are dearth of empirical studies concerning traditional and modern patronage. This may be due to lack of interest by authors or as a result of the opinion of the generality of the people that there is little or no different between the two markets patronage. However, Holdder (1969), Omole (2002), submitted that market connotes an authorized public concourse of buyers and seller of commodities meeting at a place more or less strictly limited or defined at an appointed time. Similarly, Onyemelukwe (1974), Adalemo, (1979) and Sada et al (1979), posited that market centers are fundamental to the economic, social, cultural, religious and political life of the people. Anthonia (1967), asserted that market are places where courtship and exchange of opinions, ideas and others social activities such are drumming and dancing take place.

The development of markets as resulted in modern markets becoming increasingly marginalized. The growth of modern markets has become troublesome for traders in traditional markets which may lead to their extinction. Purnama & Yisa (2013), Rinda (2014). The traditional market is a market where direct bargaining take place which leads to price agreement between the sellers and the buyers. Avianty (2017). Toya (2012), explain that tranditional market is place to sell products of basic needs which arises as a result of economy actors of small and medium enterprises such as farmers, fishemen and other businesses; therefore, the traditional markets played important role in employment generation in the local community. Reardon, et al (2003) find out that modern markets shares in retail business sector has increased in developing countries such as Taiwan, Mexico, Thailand and South Korea. This has led to competition with traditional markets as consumers are attracted by modern management and comfortable physical environment of the modern markets (Collett & Wallace 006).

3.0 Methodology

This study has employed survey research design. The population consists of all market men and women as well as their respective potential customers in the identified traditional and modern markets in Abeokuta, Ijebu Ode and Sagamu of Ogun State of Nigeria. The population is infinite as the number of the traders and customers at any point in time cannot be determined. The sample selected however comprise of 1200 traders and potential customers purposively selected in the markets identified above. The population is stratified by location (Abeokuta, sagamu, and Ijebu Ode) and type of markets (Modern and traditional markets) as well as by role of participants (Trader or Potential customers). 50 traders and 150 potential customers were selected from each of modern market and traditional markets in each location as shown below

Table 3.1 Distribution of Sample Size

SN	Market	Local Market		Modern Market	
		Traders	Potential Customers	Traders	Potential Customers
1	**Abeokuta**	50	150	50	150
2	**Ijebu-Ode**	50	150	50	150
3	**Sagamu**	50	150	50	150
4	**Sub-Total**	150	450	150	450
5	**TOTAL**	**1, 200**			

Structured questionnaire, interview and observation was used to collect data for the study. The questionnaire was administered on all the 1200 members of the sample identified above. Interview Guide was used to guide the interview of selected market leaders, managers and traders in the markets. These was supplemented with careful observation of the interactions between the parties as well as the influence of the structure and facilities in the markets. The data elicited were analyzed, using simple percentages, mean and standard deviation. The hypotheses was tested with the aid of correlation and regression statistical tools.

4.0 Presentation of Data

The respondents characteristics are stated below 47.2% are male and 52.8% are female. 12.1% of the respondents are below 25 years, 31.8% are between 25 and below 35 years, 33.2% are 35 and below 45 years while 22.9% are 45 years and above. 17.2% of the respondents are single while 82.8% are married. 8.3% of the respondents hold less than secondary school certificate, 36.8% hold school certificate, 10.6% are ND holders, 33.2% are HND/BSc holders while11.1% are MBA/MSc holders. 10.9% of the respondents are students, 5.1% are civil servants, 9.8% are private sector workers, 15.1% are self-employed 37% are market traders while 22.1% are market customers.

4.1 Testing of hypotheses

H_{01}: There is no significant difference between patronage of the traditional and modern markets in Ogun State of Nigeria.

Group Statistics

	TYPE OF MARKET	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER PATRONAGE	TRADITIONAL	421	20.01	4.176	.135
	MODERN	544	19.40	.516	.163

The above table shows customers' patronage base on traditional and modern type of market. The total number of customers who patronize traditional market is 421 with the mean of 20.01 and standard deviation of 4.176 while those who patronizes modern markets are 544 with the mean of 19.40 and standard deviation of 0.516. The two standard deviations indicate that there is a wide gap between the variances resulting from them, hence, unequal variances assumption would be adopted in establishing the difference between the patronages in the two markets.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Diff	Std. Error Diff	95% Confidence Interval of the Diff	
									Lower	Upper
PATRONAGE	Equal variances assumed	14.780	.000	.461	963	.645	.609	1.321	-1.984	3.203
	Equal variances not assumed			2.875	25.436	.008	.609	.212	.173	1.046

The above Independent Sample T-test table reflects whether there is a significant difference between patronages of Traditional and Modern Markets, respectively. This analysis clarifies whether there is a significant difference in the means earlier reported. Following the unequal variances assumption, the t-statistics value is 2.875 and the probability of error 0.008. The t-statistics is high and the probability of error is less than 0.05. This indicates that there is a significant difference between patronage of the traditional and modern markets in Ogun State of Nigeria.

H_{02}: Market characteristics have no significant effect on customers' patronage

$CP = \alpha + \beta_i MS$

$CP = \alpha + \beta_1 MOC + \beta_2 CC + \beta_3 R + \beta_4 TC + \beta_5 MC + \varepsilon$

Where:

CP= Customer Patronage

$\beta_i = \beta_1 - \beta_5$

MOC = Market officials characteristics

CC = Customers' characteristics

R = Regulations

TC = Traders' characteristics

MC = Market characteristics

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.705[a]	.498	.495	2.952

a. Predictors: (Constant), MARKET OFFICIALS CHARACTERISTICS, CUSTOMER CHARACTERISTICS, REGULATIONS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8330.090	5	1666.018	191.156	.000[b]
	Residual	8410.456	965	8.715		
	Total	16740.546	970			

a. Dependent Variable: CUSTOMER PATRONAGE
b. Predictors: (Constant), MARKET OFFICIALS CHARACTERISTICS, CUSTOMER

CHARACTERISTICS, REGULATIONS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.787	.686		6.977	.000
	MARKET CHARACTERISTICS	.148	.016	.354	9.396	.000
	TRADERS CHARACTERISTICS	.089	.019	.165	4.620	.000
	CUSTOMER CHARACTERISTICS	.135	.029	.138	4.620	.000
	REGULATIONS	.225	.015	.407	15.352	.000
	MARKET OFFICIALS CHARACTERISTICS	-.211	.019	-.291	-10.911	.000

a. Dependent Variable: CUSTOMER PATRONAGE

Tables above present the results of the regression analysis. The model indicates that 49.8% (R Square=.498) variation in patronage in the markets is explained by the predictor variables. Furthermore, the model indicated that 49.5% (adjusted R squared=-.495), signify that the model explains the variations in patronage indicating a moderate predictive or explanatory power of the regression model employed. The analysis of variance table also shows that the variables in the model have a statistically significant effect on customers' patronage in the two markets (F=191.156; Sig. =.000).

The results also show that all variables have a statistically significant effect on customers' patronage, as the probability of error for all the variables are 0.000. Beta coefficients indicate that all the independent variables are positively related customers' patronage except the market officials' characteristics. Therefore, at α=0.05 level of significance, the study concludes that traders' characteristics, customers' characteristics, regulation and market characteristics have significant effect on customer patronage in both traditional and modern markets in Ogun State.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.705[a]	.496	.494	2.956	.496	189.709	5	962	.000
2	.705[b]	.497	.494	2.956	.000	.895	1	961	.344

a. Predictors: (Constant), REGULATIONS, CUSTOMER CHARACTERISTICS, MARKET OFFICIALS CHARACTERISTICS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS

b. Predictors: (Constant), REGULATIONS, CUSTOMER CHARACTERISTICS, MARKET OFFICIALS CHARACTERISTICS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS, TYPE OF MARKET

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8287.674	5	1657.535	189.709	.000[b]
	Residual	8405.242	962	8.737		
	Total	16692.916	967			
2	Regression	8295.491	6	1382.582	158.222	.000[c]
	Residual	8397.425	961	8.738		
	Total	16692.916	967			

a. Dependent Variable: CUSTOMER PATRONAGE

b. Predictors: (Constant), REGULATIONS, CUSTOMER CHARACTERISTICS, MARKET OFFICIALS CHARACTERISTICS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS

c. Predictors: (Constant), REGULATIONS, CUSTOMER CHARACTERISTICS, MARKET OFFICIALS CHARACTERISTICS, TRADERS CHARACTERISTICS, MARKET CHARACTERISTICS, TYPE OF MARKET

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.836	.690		7.010	.000
	CUSTOMER CHARACTERISTICS	.133	.029	.136	4.539	.000
	MARKET CHARACTERISTICS	.148	.016	.355	9.402	.000
	TRADERS CHARACTERISTICS	.089	.019	.165	4.599	.000
	MARKET OFFICIALS CHARACTERISTICS	-.211	.019	-.292	-10.912	.000
	REGULATIONS	.225	.015	.407	15.337	.000
2	(Constant)	4.202	.962		4.371	.000
	CUSTOMER CHARACTERISTICS	.131	.029	.134	4.462	.000
	MARKET CHARACTERISTICS	.149	.016	.357	9.437	.000
	TRADERS CHARACTERISTICS	.090	.019	.167	4.643	.000
	MARKET OFFICIALS CHARACTERISTICS	-.212	.019	-.293	-10.947	.000
	REGULATIONS	.226	.015	.409	15.365	.000
	TYPE OF MARKET	.605	.640	.022	.946	.344

a. Dependent Variable: CUSTOMER PATRONAGE

4.2 Discussions of Findings

Two patterns of findings emerged from this study. The first is that there is a significant difference in the patronage of traditional and modern markets respectively, in Ogun State. This is as expected, given the different features being associated with the different types of markets. Studies provide support that customers are attracted to different markets based on their features.

What was not expected is that traditional markets attracts more patronage than the modern markets which often have features like modern structures, better facilities and officials with formal and stable contract of employment. Large majority of the customers interviewed in each of the locations assert that though they were aware of and patronize both markets, they patronize traditional market more than modern markets. In fact, many traders who obtain shops in the modern markets are seen displaying their wares by the road side in front of modern markets as the traditional markets are close to the modern markets. This raises the issue of what features attract more customers' patronage. This is the focus of the second pattern of finding. Core market issues like customers' perception of markets, market product quality, traders' characteristics was more strongly associated with patronage of the markets than supporting features such as characteristics of market regulations, market facilities, market management teams which are often the target of emphasis in modern markets. There is no significant relationship between market officials' characteristics and emphasis on direct market issues. This suggest that more recognition was given to facilities and structural than core market issues which determine patronage in the construction of the modern markets.

The findings is corroborated by the work of Omole (2012), in which he state that factors such as Age and Occupation, Sex and Educational level, Nationality and state of origin, choice of market centers and market circle days affect patronage of traditional and modern market in Osun state rather than facilities and level of management provided. Furthermore, SMERU (2007), Opined that one of the main competitors of traders in traditional market are street vendors. They sell to cover the front and entrance to the market so that the outside of the traditional market look shabby and chaotic. However, Arianty (2017), listed the following as factors that influence patronage of traditional and modern market. These include: clearness, availability of bathrooms, packing area and security, employees in uniform and quality of service. The growth of traditional market and modern market according to Onyemelukwe (1974) and Adalemo (1979) has been influenced by trading activities and economy life of the people. These two factors has therefore influenced the establishment of the traditional and modern market in majors town in Ogun state.

5.0 Conclusions

It is therefore recommended that, in constructing markets, emphasis should be placed on direct market issues. Structure and facilities are not enough to make markets functional and developed. Market officials should be trained to play key roles in enhancing patronage of markets. Modern markets should not be located near any traditional markets as this has affected the patronage of the modern markets. This is evidenced from the location of Oba lipede modern market beside Kuto traditional market. Also from the location of Ita Osu modern market in Ijebu-Od which was the old traditional Ita Osu market. Traders from these traditional markets usually encroached on the surrounding environment of the modern markets. Thus, marking parking of customers in the modern markets to become difficult. This has also make it difficult for the rules and regulations regulating the activities of the modern market to be enforced.

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Motor Vehicle (Third Party) Insurance Regulation and Road Traffic Liability Risk Management in Nigeria

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ABSTRACT

Road accident fatalities were observed to be one of the major threats to socio-economic development of developing countries of the World including Nigeria. Motor Vehicle (Third Party) Insurance Law was promulgated for effective management of road traffic accident liability of the motorists. The study examined the impact of Motor Vehicle (Third Party) Insurance regulation compliance on road traffic liability risk management. The study adopted enforcement theory and compliance theory of regulation. The study population comprised the motorists of both private motors and commercial vehicles in south western states excluding Lagos State due to high level of compliance based on the concentration of Law enforcement agents. Relevant data on registered vehicles and insured vehicles in Nigeria were obtained from FRSC and NIA respectively. Structured questionnaire was administered on 464motorists in Five (5) States of the South Western Nigeria where the state capitals were selected from each state under study. Descriptive statistics was used to analyse the socio-demographic section of the questionnaire while correlation and regression were used to analyse the research questions and research hypotheses respectively. The findings of the study revealed that Motor Vehicle (Third Party) Insurance regulation compliance determine the motorists liability risk protection and increase in Insurance Companies Gross Premium Income which determine the Insurance contribution to Economic Growth (GDP). The study also revealed that Enforcement of Motor Insurance regulation and Road accident compensation determine Motor Vehicle (Third Party) Insurance regulation compliance. The study however recommends that the Federal Government through appropriate Agencies should conceptualize a scheme that will guarantee motorists compliance with Motor Vehicle (Third Party) Insurance regulation.

Keywords: *Motor Insurance, Regulation Compliance, Third-party risk, Motorist liability*

Introduction

Road traffic liability risks are those risks attributed to activities of the motorists arising out of his/her negligence through the usage of his/her vehicles on the road causing injury to other road users including pedestrians or property damage to other vehicle(s) or other valuable properties along the road. Motor vehicle owners and/or drivers are exposed to these road risks by virtue of their driving on the road and of which if it occurs the magnitude could be outside the financial strength of the motorist. Industrial

revolution and technology brings about automobiles and there has been tremendous increase in the number of automobiles on the roads worldwide. Rapid urbanization in developed countries presents tremendous challenges to the transport system of expanding cities if they are to meet the access and mobility needs of their communities and provide them with a sustainable, safe and healthy environment.

There is thus a need for new techniques and technologies as well as legal and institutional mechanisms for safety design and control, accident prevention, contingency planning, damage mitigation, and provision of relief (Our Common Future, 1986). Mannis (2002), buttressed the report tagged chapter 40 agenda 21 of UNCSD which emphasized on socio-economic development as one of the variables of sustainable development and also that proportion of deaths per thousand in the previous year from transport relation causes i.e. indicator A32 and proportion of road fatalities who are pedestrians i.e. indicator A40 are both indicators of socio-economic challenges confronting sustainable development under module 3 (Transport) as specified in the report.

Subsequent growth in the number of motor vehicles and in road infrastructure has brought societal benefits but it has also led to societal cost which road traffic injury contributes significantly (Peden, 2004). As the growth of registered vehicles always outnumbers population growth and new roads are constructed, travel risks and traffic exposure grow at much faster rate with rising motorization and expanding road network (Sensarina, Balani & Rawat, 2011),

According to UN decade of action for road safety (2011-2020), road crashes are the number one killer of young people worldwide and meeting road safety goal could save up to five (5) million lives and prevent up to fifty (50) million serious injuries. According to the economic commission for Africa (ECA, 2011), more than 1.2 million people die every year worldwide by road crashes, 65% of deaths involved pedestrians of which children death account for 35 percent. Each year around fifty (50) million are injured and a lot disabled. In most countries, the economic cost imposed in huge and it takes between 1 to 3% of the GDP shares. This has confirmed that deaths and injuries have multiplier effects on socio-economic development of any countries in the world. Federal Road Safety Commission (FRSC) Annual Report (2013) revealed that 6450 Nigerians lost their lives on our roads in 2013 which includes 4552 men, 1398 women, 299 boys and 201 girls. The report also showed that 28480 men, 9198 women, 1520 boys and 859 girls, a total of 40057 people were injured in road accidents in 2013.

One of the major tools to ensure sustainable risk management is insurance which is a mechanism to transfer risk and provide compensation to any victim of accident leading to death or injury or perhaps damage to property insured. Insurance however satisfies part of the conditions for sustainable development which implies rational management of human, natural and economic resources that aims to satisfy the essential needs of humanity in the very long run since the rational for conceptualizing insurance is to put the victim of an accident or incident back to the position he was prior the incident. Motor insurance has the potential to be a powerful tool in the promotion of personal responsibility. If communicated effectively, the link between the consequences of causing an accident and the economics of paying for those consequences will of itself gradually lead to improved driving (Gonulal, 2009). Part of the five guiding principles of sustainable development which are ensuring a strong, healthy and just society and achieving a sustainable economy according to 'UK Sustainable Development Strategy (Securing the future) falls within the roles and contributions of insurance to sustainable development.

It was however specified in chapter 3 of the China Agenda 21, the white paper on China's population, environment and development in the 21st century that 'Establishing laws relating to sustainable development is a claim for formalizing and codifying strategies and policies for sustainable development. It however stressed further that enforcement of that legislation will be critical for putting sustainable development strategies into action and amongst the various strategies designed to achieve sustainable development are the establishment of legislation and the enforcement of associated laws and regulations in order to play important roles. Legislations is one of the sources of English law that was put in place to govern, regulate and controls the behavior of people in the country or state in which we live.

Third party motor insurance was made compulsory by the enabling ordinance for the purpose of protection of lives and properties for sustainability due to the fact that it was evidenced that many

motorists if involved in an accident caused death or injury to another person or damage another person's property, they found it difficult to take care of the cost of treatment in the hospital because of their economic constraint. The victims of accident that died in the process have their family left unattended to and thereby exposed them to economic hardship at the demise of the breadwinner. The basic reason for the enactment of the Act is for the preservation of lives and property so that any accident victim will not be exposed to unnecessary suffering due to lack of care as a result of absence of fund for medical treatment in the hospital. The accident victim that loses his/her life as a result will also be catered for by making compensation available to the family. In addition any third party that suffered property damage will not be exposed to hardship so that he/she will be compensated to quickly get the property either repaired or replaced. The economic reason for making the insurance compulsory is that the financial hardship being faced by many motorist due to economic constraint will be passed on to the insurance provider having paid a fee (premium) for the motor insurance purchased because it was possible that in most cases that the negligent party lack financial capacity at the time of the accident. The insurance company that was the custodian of various motorists' fund will then make the fund available in that situation.

The problem arise when it occur that an accident happen and the victim need to be hospitalized and it was found out that the negligent motorist and the accident victim do not have the money to take care of the situations and that many of them do not have the maximum insurance as prescribed by Third Party (Motor Insurance) Act (1945) which states that "No motorist should be allowed to drive or permit to drive on the public road without the minimum third party insurance and public road in this regard is the road in which public have access". In the same vain, several individual personality or public properties damaged or destroyed in one accident or the other and when later found out that the negligent motorist involved in the accident did not have the insurance as prescribed by the enabling law and he lack financial capacity to pay for the loss suffered by the owner of the property, this therefore creates hardship and burden to the property owner and at the same time becomes a waste to the economy. It was however observed that in the course of working on some claims involving road accident, some motorists that claimed that they have the prescribed insurance, it was normally discovered that many of these insurances does not emanate from genuine and registered insurance office and the road accident victims at this level are exposed to ridicule.

Meanwhile, research conducted by the Planning and Advisory Unit of the Federal Road Safety Commission (FRSC) in 2003 gave the compliance rate of the notable countries of the World on the compulsory third party motor insurance and the compliance rate for Nigeria was not ascertained and still not established till date which is the major reason for this research work. This research work therefore critically examined Motor Vehicle (Third Party Insurance) Act (1945) as amended by Insurance Act (2003) and road traffic liability risk management in Nigeria. The research work span through the level of compliance, enforcement, policy benefits (provision) and economic benefits.

Literature Review

Third Party Motor Insurance in Nigeria: *Motor Vehicle (Third Party Insurance) Act*

According to AIDA (2010), Compulsory Motor Third Party Liability insurance was first implemented in 1908, at dawn of motorizations, in Austrian-Hungarian Empire (Law 9 August 1908 n.162) and, after the first world war, in Denmark in 1918, in Finland in 1925, in Norway in 1926, in Massachusetts in 1927, in Austrian Republic and in Sweden in 1929, in the United Kingdom in 1930. In the Thirties it was implemented in Switzerland, Liechtenstein, Luxemburg, former Czechoslovakia, the Principality of Monaco, Latvia, Germany, in France for public transport as in Belgium in 1947.

In the other continents, the first Countries to implement compulsory regimes were for bodily injuries and some Commonwealth Countries: Burma and New Zealand in 1934, the Australian States of Queensland and New South Wales in 1937, South Africa in 1942, India in 1946, Sierra Leone in 1949, Hong Kong, Sri Lanka and Uganda in 1951, Victoria and Western Australia in 1954, Tasmania, Kenya, Nigeria in 1955, year that has seen the enforcement of a compulsory insurance also in Japan (AIDA, 2010). Since 1949 the United Nations Committee for transport by land issued a recommendation (the n.5 of 25 January) to bring up an international insurance certificate for journey by car abroad. In every

country a "bureau" with the participation of insurance companies was constituted and the certificate (the green card in Western Europe, blue card in Eastern Europe, of other colours in other continents) became to put into circulation in 1953.

The first statute affecting insurance practice in Nigeria according to Akintayo (2006) could be said to be the Motor Vehicles (Third Party Insurance) Ordinance of 1945. The legislation regulating insurance of motor vehicle was passed in 1945 but actually became effective in 1950. It was the first piece of legislation in Nigeria compelling individuals and corporate bodies to effect any type of insurance as this was modeled after the Road Traffic Act of 1930 in Britain and was only amended by Insurance Act 2003. The Act made it compulsory for every motor vehicle owner to have in place either an insurance policy or security deposit for injury or death to third parties caused by his negligence or that of any other person driving under his authority. The Act (Insurance Act,2003), is an Act to make provision against third party risk arising out of the use of motor vehicles and the important sections are:

The Act also specified that motorist should not allow any user of his/her vehicle to permit to use the vehicle unless there is in force by such user the minimum insurance cover or security in respect of third party risk. It was however stipulated in the Act (Insurance Act, 2003), that any motorist that contravenes the law shall be liable to a fine or imprisonment or both or face disqualification for holding or obtaining a driving license.

Road Traffic Liability Risk Management

Industrial revolution and technology brings about automobiles and there has been tremendous increase in the number of automobiles on the roads worldwide. Rapid urbanization in development countries presents tremendous challenges to the transport system of expanding cities if they are to meet the access and mobility needs of their communities and provide them with a sustainable, safe and healthy environment. As the growth of registered vehicles always outnumbers population growth and new roads are constructed, travel risks and traffic exposure grow at much faster rate with rising motorization and expanding road network (Sensarina, Balani & Rawat, 2011),

According to UN decade of action for road safety (2011-2020), road crashes are the number one killer of young people worldwide and meeting road safety goal could save up to five (5) million lives and prevent up to fifty (50) million serious injuries. According to the economic commission for Africa (ECA, 2011), more than 1.2 million people die every year worldwide by road crashes, 65% of deaths involve pedestrians of which children death account for 35 percent. Each year around fifty (50) million are injured and a lot disabled. In most countries, the economic cost imposed in huge and it takes between 1 to 3% of the GDP shares. This has confirmed that deaths and injuries have multiplier effects on socio-economic development of any countries in the world. Federal Road Safety Commission (FRSC) Annual Report (2013) revealed that 6450 Nigerians lost their lives on our roads in 2013 which includes 4552 men, 1398 women, 299 boys and 201 girls. The report also showed that 28480 men, 9198 women, 1520 boys and 859 girls, a total of 40057 people were injured in road accidents in 2013.

One of the major characteristics of law and legal system is its effectiveness which is the constraint of majority of our law/ regulations in Nigeria. The general test of the effectiveness of a law (a particular provision of a legal system) is therefore to see how far it realizes its objectives i.e. fulfills its purpose (Allot, 1981). This study therefore evaluate the effectiveness of Third Party (motor vehicle) Insurance Act (1945) to ascertain to what extent has it fulfill its purpose in terms of compensating the road accident victims as a result of accident caused by negligent motorists on the public road by taking care of their liability having purchased the prescribed insurance. Evaluating regulation effectiveness entails an enquiry after regulation has been put in place, into how it has changed behavior as well as ultimately its impacts on conditions in the world. To ask how well it is working is really to ask about regulations impacts, positive or negative. What difference does regulation make in terms of the problems it purportedly seeks to solve?

Motorists Risk Protection: The basic principle of insurance is to provide protection for a person or organization that procured insurance coverage. The insurance policy procured supposed to offer

protection against the risk or uncertainty insured against. Mossin (1968); Schlesinger and Doherty (1985); Mayers and Clifford (1983); Manning and Marquis (1996) posited that the demand for insurance is by risk averse consumers who use insurance to avoid, eliminate, hedge against, kill, manage, shed, protect against or bear the risk of loss. The essence of insurance among other things is to protect against the risk of loss, destruction/damage or liability incurred by the person that procured insurance coverage. Third party motor insurance in this situation if procured offer protection to the insured against liability incurred due to accident resulting in death or disability/injury or property damage to third party in the course of using his/her vehicle.

Providing Compensation (Indemnification): The objective of enacting Third Party (Motor Vehicle) Insurance Act (1945) is to proffer solution to the road accident victims that may be the liability of motorist who may not be able to meet up with the expenses incurred through the accident. The law TP (MV)! Act (1945) imposes third party insurance on the entire motorist and the objective of the insurance is to pay compensation for liability of the motorist for death or injury to road accident victims after payment of the required premium or damage to third party property.

Insurance Companies' Growth and Premium Income: Buttressed further that what difference the regulation makes in terms of other conditions that matters to the decision maker such as cost, technological innovation or economic growth. The premium paid by motorists on third party insurance is a plus to insurance growth and at the same time to economic growth at large. If per adventure all the vehicles in Nigeria procured the third party insurance as prescribed by law, the premium fund would have contributed immensely to insurance companies' growth and increase the total contribution of insurance to GDP meaningfully.

Level of Enforcement: Enforcement has to do with how well the officials have been able to administer the regulation or the regulatory policy. Even when a person is aware of a law, he cannot be compelled to observe it. This is so even if the form of the law is mandatory and even it sanctions for non-compliance are built into the law, a law cannot compel action Allott (1981). Sometimes the term "evaluation" is used to describe a study focused on the activity or the delivery of a treatment. How well have officials implemented a regulation or regulatory policy for example, studies might investigate how thoroughly a regulation has been enforced, counting the number of 2012 inspections and enforcement actions or the size of penalties imposed.

Theoretical Review

Theory of Enforcement Behaviour

From an economic perspective, regulators aim to "maximise welfare" (*i.e.* they try to minimise the costs to society) when enforcing a regulation and therefore aim to balance administrative and compliance costs with the environmental benefits from reduced pollution. In practice, however, enforcers are often subject to political pressures, or they may just follow different strategies, such as trying to maximise compliance with environmental legislation. Looking at the enforcement issue from the regulator's aspect one can identify and agreed that there is enforcement policy or framework in place since section 68 of the Insurance Act (2003) specified and also makes it a criminal offence not to have a motor vehicle third party insurance policy and the penalty for non-compliance is imprisonment for one year or a fine of ₦250,000 or both Much of the normative economics literature on monitoring and enforcement assumes that the regulator can be described as a "benevolent welfare maximiser" in the sense that his objective is to minimise the overall costs for society. However, the established political economy and public choice literature considers that this assumption may need to be adjusted to understand empirically found enforcement behaviour and actual political outcomes. This assumption considers political and administrative actors as individuals making rational, self-interested decisions, and that the influence of interest groups is allowed.

Compliance Theory of Regulation: Etzioni (1975,1977) developed an innovative approach to the structure of organisations that he calls compliance theory. He classified organisations by the type of power they use to direct the behaviour of their members and the types of involvement of the participants. Compliance theory is an approach to organization structure that integrates several ideas from the classical and participatory management models. According to compliance theory, organisations can be classified according to the type of power they use to direct the behavior of their members and type of involvement of the participants. In most organisations, type of power and involvement are related in three predictable combinations; coercive- alienative, utilitarian- calculative and normative- moral. Of course, a few organisations combine two or three types for instance some teachers' unions use both utilitarian and normative power to gain compliance from their members. Nevertheless, school officials who attempt to use types of power that are not appropriate for the environment can reduce organizational effectiveness. This implies that the system of enforcing compliance of regulation depends heavily on the nature of our society (Nigeria) and this determines the method of enforcing a particular regulation. In the context of third party Motor Vehicle) insurance regulation, the law has been promulgated since 1945 and records have shown that there was no compliance because virtually less than 10% of the motorists drives with the prescribed motor insurance. However it was also specified in section 68 of insurance Act (2003) that it is a criminal offence not to have a motor vehicle third party insurance policy and the penalty for non – compliance is imprisonment for one year or a fine of N250,000 or both. Since the period of this enactment, there was no serious sign of compliance which has not make the law to be effective.

This means therefore that the regulatory agent (NICOM) need to make sure that they put appropriate measure in place to ascertain that the motorists complies with the regulation so that the law will achieve the purpose for which it was promulgated. However, the present study is anchored on the theories of enforcement of regulation and compliance of regulation. Theory of enforcement behavior explains that the essence of enforcement is to balance the regulation administration through sanction or penalty. Compliance theory of regulation also explains that organization or society is classified according to the type of power they use to direct the behavior of their members. It implies that the system of enforcing compliance of regulation depends heavily on the nature of our society.

Empirical Review

It is well known that road traffic accidents have already become one of the increasing public health problems more importantly in the developing countries of which Nigeria is no exception. (Gonulal 2009) in his study revealed that the first major report on road injury prevention jointly issued by the World Health Organisation (WHO) and World Bank reported that road traffic injuries are a huge public health and development problem killing almost 1.2 million people a year and injuring or disabling between 20 million and 50 million or more.

In Nigeria according to Road Accident Statistics (FRSC Report, 2013) with total road length of 194 thousand kilometers and total vehicles population of N10 million (as cited by FRSC vehicle inspection and certification head) and this is 2016, the study conducted by FRSC revealed that 6450 Nigerians lost their lives on our road in 2013 which includes 4552 men, 1398 women, 299 boys and 201 girls. More data from the report content shows that between 2009 and 2013, 30425 people were killed in road accidents in Nigeria (This about the size of a European city e.g. Hungary). Also 28480 men, 9198 women, 1520 boys and 859 girls, a total of 40057 people were injured in road accidents in 2013. Looking through the years, the report shows that 183531 people were injured in road accidents between 2009 and 2013and the extent of their injury was unknown. This has shown that road traffic accidents to greater extent is affecting socio-economic development of Nigeria which invariably is hindering sustainable development in our country. This indicates that the third party motor insurance law as contained in Motor Insurance Act, 1945 and Insurance Act, 2003 (Section 68) are the right things in the right direction.

A study conducted by Zimolo (2010), the chairman Motor Insurance Working Group, Italian Section of AIDA in "Normative and Management Characteristics of motor third party liability insurance in the World revealed that a close scrutiny to all data collected shows that there continues to be a high

percentage of uninsured vehicles even in those countries where insurance is compulsory. The highest percentage of uninsured vehicles was recorded in Indonesia where as many as 78% vehicles appeared to be uninsured, Brazil 70%. Though developing nations report the highest percentage but there are some significant exception even though in Europe itself, namely in Cyprus with uninsured vehicles at 10%, in Malta (22%), in Latvia (between 45-55%). In the USA 14% of drivers is considered uninsured with peaks of 32% in some states like for instance in Colorado. There is need to evaluate the effectiveness of third party (motor vehicle insurance Act to establish or ascertain the level of compliance in Nigeria and the level of performance in terms of solving the problem of road traffic accident by providing financial compensation.

Chidoka (2011) in his study evaluated the effectiveness of third party insurance regulation by establishing the compliance level of some notable countries of the World, with British Columbia having 98-99% compliance level, Sweden 98%, Costa Rica 84%, United Kingdom 90-95%, Ghana 70%, Zambia 15%, Pakistan 3-5%. Nigeria compliance level was not known as at the time of chidoka's study and no research study was found to have established the effectiveness of the third party insurance act in terms of compliance level, performance and administration. The study worked on this to know the compliance level, performance of the policy, level of enforcement and the economic impact of the regulatory policy. Jacobzone, (2007); OECD, (2009) measures the extent to which a jurisdiction has adopted various elements of regulatory policy or other management best practices. The studies investigated how thoroughly a regulation has been enforced, counting the number of inspections and enforcement actions or the size of penalties imposed. This studies only evaluated how well regulation or regulatory policies are administered, judged against ideal administrative goal and not whether they actually work in terms of changing behavior or outcome performance which is the main objectives of this research. In a nutshell, there are relatively few or no studies that have sought to empirically establish the effectiveness of Third Party Motor Insurance Act (1945) on road traffic liability risk management in Nigeria. Although the work of Zimolo (2010) relates to this study but only studied the compliance level of some countries of the world but Nigeria was not included and his study did not evaluate the effectiveness of the regulatory policy i.e. how far does the third party insurance has proffered solution to road traffic accident fatalities as well as the effectiveness of enforcement of third party insurance law including the contribution of third party insurance to economic growth in Nigeria which are the major task of this research work.

Additionally the work of Coglianese (2012) in OECD paper relates to this study but it was basically an empirical literature on the bases through which regulation or regulatory policy can be evaluated and the research design that can be adopted for measuring regulation or regulatory policy effectiveness. This study improves on the previous studies by working on secondary data collected from the Nigeria Insurers Association (NIA) on the total number of the vehicles insured over five (5) years period and relate it with the data collected from Federal Road Safety Commission (FRSC) on registered vehicles per year between 2011 and 2015 for the purpose of compliance assessment and the stationary of data to be used by the study.

Methodology

The study adopted a descriptive research design and based it on ex-ante and ex-post research approach (Nwaiwu, 2017). The population of the study was the motorists with registered vehicles in the Federal Republic of Nigeria while the sample of the study comprised the selected Five Hundred (500) motorists selected from five states in the South-western region excluding Lagos State. The sample selected was proportionate to the number of registered motorists/license holders in each of the states under study which was carried out across the categories of vehicles in circulation through multi- stage sampling technique. The reason for the exclusion of Lagos State from the study was due to differing regulations on transportation peculiar to the state alone leading to high level of compliance couple with prevalence of substantial law enforcement agencies in Lagos State.

The secondary data was collected from both the Federal Road Safety Commission (FRSC) and Nigeria Insurance Association (NIA), the data was on the number of vehicles in circulation and number of vehicles duly insured with minimum insurance cover in line with the regulation between years 2011-

2019. The secondary data collected was analysed through simple percentage to ascertain the level of compliance. Questionnaire were distributed among the 500 respondents for the study for primary data while 464 were return and administered. The study utilized correlation analysis to determine the relationship between the independent variable and set of dependent variables while the regression analysis was used to evaluate the extent to which independent variable affect the set of dependent variables.

Model Specification

$Y= a_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$

Where; Y =Road Traffic Liability Risk Management

X_1 = Compliance, X_2 = Motorist Risk Protection, X_3 = Road Accident Compensation,

X_4 = Insurance Gross Premium Income, X_5 = Enforcement, e = Level of Significant

The relationship between the dependent and independent variable in this study was investigated using the Pearson product-moment correlation coefficient at \0.01 levels of significance. This was carried out with the use of Statistical package for Social Scientist (SPSS, version 20)

Table 1 showing the correlation analysis of the study Variables

		LEVEL OF COMPLIANCE	ROAD ACCIDENTMAGT	PROMPT CLAIM SETLEMENT	INSURANCE GROSSPREM	ENFORCEMENT
LEVEL OF COMPLIANCE	Pearson Correlation	1	.441**	.352**	.510**	.385**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	241	241	241	241	241
MOTORISTPROTECTION	Pearson Correlation	.441**	1	.400**	.470**	.258**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	241	241	241	241	241
ROAD ACCIDENTCOMPENSATION	Pearson Correlation	.352**	.400**	1	.495**	.425**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	241	241	241	241	241
INSURANCEGROSSPREM	Pearson Correlation	.510**	.470**	.495**	1	.575**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	241	241	241	241	241
ENFORCEMENT	Pearson Correlation	.385**	.258**	.425**	.575**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	241	241	241	241	241

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

(Source: field survey, 2021)

Table 1 above shows a strong positive relationship between level of compliance and motorist risk protection (r = 0. 441**, n = 241, p=0.00), road accident compensation(r = 0. 352**, n = 241, p = 0.00), insurance gross premium income (r = 0. 510**, n = 241, p = 0.000), and level of enforcement (r = 0. 385**, n = 241, p=0.00). What these implies is that significant relationship exist since their p-values is lesser than 0.01 (level of significance).

Regression Analysis

By applying multiple-regression analysis, the relative contribution of each independent variable in explaining variance in the criterion variable can be well determined. Therefore, each analysis performed in this study will be regarded as a model, with a view to establish the model that best predicts the criterion variable (dependent).

The ***model 1*** for the regression analysis is to investigate the relationship between the level of compliance and motorist risk protection is shown below:
Y= a_0+$\beta_1 X_1$ +U Where: Y=MOTORIST RISK PROTECTION, a0= Autonomous, X1= LEVELOFCOMPLIANCE

Table 2.1 showing the analysis Model Summary of the study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.441[a]	.194	.191	2.82597	.194	57.561	1	239	.000	1.761

a. Predictors: (Constant), LEVELOFCOMPLIANCE
b. Dependent Variable: MOTORISTPROTECTION
(Source: field survey, 2021)

The coefficient determination (R^2) shows how good is the fit of the regression line to the sample observation of the dependent and independent variables, from the regression analysis result, R^2 =0.194, or 19.4%. This implies that about 19.4% of the total variation in the dependent variable i.e. MOTORISTPROTECTION is being explained by the independent variable i.e. LEVELOFCOMPLIANCE. While the remaining 80.6% is due to error term or factors not capture within the model.

Adjusted R^2 of 0.191 is an indication that haven considered the likely error (Error term), that may influence the study's result; the independent variable (LEVELOFCOMPLIANCE) still explained 19.4% of variation in dependent variable.

Table 2.2 showing the analysis Coefficient of the Study

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.386	1.244		6.742	.000		
	LEVEL OF COMPLIANCE	.594	.078	.441	7.587	.000	1.000	1.000

a. Dependent Variable: MOTORISTPROTECTION
(Source: field survey, 2021)

From the regression result, the estimated model is MOTORISTPROTECTION = 8.386+0.594x_1 +U. which implies that one percent increase in efficient use of LEVELOFCOMPLIANCE increases 59.4 percent in MOTORISTPROTECTION level if other variables are kept controlled within the operation.

Table 2.3 showing the analysis ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	459.690	1	459.690	57.561	.000[b]
	Residual	1908.684	239	7.986		
	Total	2368.373	240			

a. Dependent Variable: MOTORISTPROTECTION
b. Predictors: (Constant), LEVELOFCOMPLIANCE
(Source: field survey, 2021)

The F value is 57.561. It is significant because the significance level is = .000 which is less than P ≤ 0.01. This implies that the regression model is statistically significant, valid and fit. The valid regression model implies that independent variable is explaining that there is a positive and significant relationship with dependent variable.

The ***model 2*** for the regression analysis is to investigate the relationship that exists in the second and third objectives; this is shown below:
Y= a_0+$\beta_1 X_1$ +U Where: Y= LEVELOFCOMPLIANCE, a0= Autonomous
X1= ROADACCIDENTCOMPENSA, X2= ENFORCEMENT,

Table 2.4 showing the analysis Model Summary of the study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df2	Sig. F Change	
1	.438[a]	.192	.185	2.10269	.192	28.205	2	238	.000	1.604

a. Predictors: (Constant), ENFORCEMENT, ROADACCIDENTCOMPENSA
b. Dependent Variable: LEVELOFCOMPLIANCE
(Source: field survey, 2021)

The coefficient determination (R^2) shows how good is the fit of the regression line to the sample observation of the dependent and independent variables, from the regression analysis result, R^2 =0.192, or 19.2%. This implies that about 19.2% of the total variation in the dependent variable i.e. LEVELOFCOMPLIANCE is being explained by set of independent variables i.e. ENFORCEMENT, and ROADACCIDENTCOMPENSA. While the remaining 80.8% is due to error term or factors not capture within the model.

Adjusted R^2 of 0.191 is an indication that haven considered the likely error (Error term), that may influence the study's result; the independent variable (ENFORCEMENT, and ROAD ACCIDENT COMPENSA) still explained 19.2% of variation in dependent variable.

Table 2.5 showing the analysis Coefficients of the study

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.305	.870	.230	10.699	.000	.820	1.220
	ROAD ACCIDENT COMPENSA	.146	.041	.287	3.576	.000	.820	1.220
	ENFORCEMENT	. .218	.049		4.461			

a. Dependent Variable: LEVELOFCOMPLIANCE
(Source: field survey, 2021)

From the regression result, the estimated model is LEVELOFCOMPLIANCE = 9.305+0.146x_1 + 0. 218x_2 +U. which implies that:

One percent increases in ROAD ACCIDENT COMPENSA increases 14.6 percent in LEVEL OF COMPLIANCE if other variables are kept controlled within the economy such as rate of premium, policy purchase process, income of the citizens, corruption rate, and effectiveness of the government law enforcing agencies.

One percent increases in ENFORCEMENT increases 21.8 percent in LEVEL OF COMPLIANCE if other variables are kept controlled within the economy such corruption of law enforcing agencies, partiality on the side of the law enforcing agencies.

Table 2.6 showing the analysis ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	249.401	2	124.701	28.205	.000[b]
	Residual	1052.267	238	4.421		
	Total	1301.668	240			

a. Dependent Variable: LEVELOFCOMPLIANCE
b. Predictors: (Constant), ENFORCEMENT, ROADACCIDENTCOMPENSA
(Source: field survey, 2021)

The F value is 28.205. It is significant because the significance level is = 0.000 which is less than P ≤ 0.01. This implies that the regression model is statistically significant, valid and fit. The valid regression model implies that independent variable is explaining that there is a positive and significant relationship with dependent variable.

The ***model 3*** for the regression analysis is to investigate the significant impact of level of compliance to third party policy insurance on the annual gross premium income of insurance industry; this is shown below:

Y= a_0+$\beta_1 X_1$ +U, Where: Y = LEVEL OF COMPLIANCE, a0 = Autonomous, X1= INSURANCE GROSSPREM

Table 2.7 showing the analysis Model Summary of the study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.510[a]	.260	.257	2.32574	.260	83.972	1	239	.000	1.673

a. Predictors: (Constant), LEVEL OF COMPLIANCE
b. Dependent Variable: INSURANCE GROSS PREM
(Source: field survey, 2021)

The coefficient determination (R^2) shows how good is the fit of the regression line to the sample observation of the dependent and independent variables, from the regression analysis result, R^2 =0.260, or 26.0%. This implies that about 26.0% of the total variation in the dependent variable i.e. INSURANCE GROSSPREM is being explained by independent variable i.e. LEVEL OF COMPLIANCE. While the remaining 74.0% is due to error term or factors not capture within the model. Adjusted R^2 of 0.257 is an indication that haven considered the likely error (Error term), that may influence the study's result; the independent variable (LEVEL OF COMPLIANCE) still explained 26.0% of variation in dependent variable.

Table 2.8 showing the analysis Coefficients of the study

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.147	1.024		8.936	.000		
	LEVEL OF COMPLIANCE	.591	.064	.510	9.164	.000	1.000	1.000

a. Dependent Variable: INSURANCEGROSSPREM
(Source: field survey, 2021)

From the regression result, the estimated model is LEVEL OF COMPLIANCE = 9.147+0.591x_1 +U. which implies that:
One percent increases in LEVEL OF COMPLIANCE increases 59.1 percent in if other variables are kept controlled within the economy such as rate of premium, policy holders, income of the citizens, corruption rate, and effectiveness of the government law enforcing agencies.

Table 2.9 showing the analysis ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	454.212	1	454.212	83.972	.000[b]
	Residual	1292.767	239	5.409		
	Total	1746.979	240			

a. Dependent Variable: INSURANCE GROSSPREM
b. Predictors: (Constant), LEVEL OF COMPLIANCE
(Source: field survey, 2021)

The F value is 83.792. It is significant because the significance level is = .000 which is less than P ≤ 0.01. This implies that the regression model is statistically significant, valid and fit. The valid regression model implies that independent variable is explaining that there is a positive and significant relationship with dependent variable.

Summary and Conclusion of the Study

Motor Vehicle (Third Party) Insurance has become inevitable in view of the incessant road accidents leading to deaths, disability and property damages of innocent victims by the road users. From the findings, the study reveals that positive relationship exist between Compliance to Third party insurance and motorist risk protection which indicates that in order to ensure motorist protection on Nigeria roads, compliance to effective third party motor insurance must be ascertained. Also Findings of the study shows that positive relationship exist between compliance to third party motor insurance and road accident compensation which implies that to ensure compensation for road accident victims, there must be compliance to effective procurement of third party insurance.

Another implication of the findings of the study is that there is positive relationship between third party motor insurance compliance and enforcement of the law on the motorists. This indicates that government should ensure enforcement of the law on third party motor insurance to guarantee compliance by the motorists. Finally, the findings of the study shows a positive relationship between compliance to third party motor insurance and insurers gross premium income which implies that third party insurance compliance generates substantial income for the insurance industry which will eventually reflects on the country's GDP. The study therefore recommends that the Federal Government through appropriate Agencies should conceptualize a scheme that will guarantee motorists compliance with Motor Vehicle (Third Party) Insurance regulation. It was also recommended that the Nigeria Insurance Industry should develop a scheme or bureau for the administration and management of road traffic accidents for quick settlement and compensation of victims. Time frame for payment of road accident victims should be specified.

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Prophecies and the Implications for the Future of Nigerian Democracy

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ABSTRACT

The transition to civilian government from 1999 to date has witnessed six presidential elections. Each election has been accompanied by various prophets making predictions and foretelling the outcome of the elections. In spite of the consistency of periodic elections in Nigeria, the experience has been a mixture of the good, the bad and the ugly; especially, spiritualizing politics and politicizing spirituality. Regrettably, the political climate not only become tensed up with this development, but in reality create a public perception of blur lines between objectivity and neutrality, a situation where consideration of the wisdom, ideological soundness, manifestoes, foresight and personality of the political contestants become totally irrelevant and rendered so by divine intervention and choice from above. By and large, the threat of this phenomenon to democratic consolidation is heart-wrenching as candidates and their supporters are swayed or forced to affirm these prophetic declarations with dire consequences. Thus, the study adopted Webber's functionalist theory, focusing on the social and psychological functions that religion has for a heterogeneous country like Nigeria. Descriptive research method was adopted, using formative evaluation. However, the study concluded that unguided prophecies has the potency to jeopardize Nigeria's democratic consolidation.

Introduction

In many parts of the globe, religion not only provides people with social solidarity and firm sensation of belonging (Phau & Kea, 2007); it also legitimizes the forms of social order, many a times through shared identities (Light, etal, 1989). Nigeria's religious identities and practices are a crucial lens for understanding its social relations and other national phenomena. By and large, religious beliefs, identities and practices are sensitive markers that influence everyday behaviours and interactions of many Nigerians. The manifestation of this is conspicuously visible and can be seen in many social events and official meetings. A firm belief in a divine being who determines fortunes and outcomes as well as apportioning rewards and punishments (Akinpelu, 2020). By extension, religious teachings, particularly associated with various Pentecostal and Charismatic churches, is stringent on material prosperity, which is believed to be a direct consequence of their faith in God (Obadare, 2018). Therefore, success in politics, career, life generally and material wealth are typically viewed as divine rewards. But then, the exponential growth of Pentecostal movements in Nigeria over the decades has deepened religious beliefs (Eriksen etal, 2019) and has ever since been a dominant factor in Nigerian politics.

In whichever way one sees religion in Nigeria, the fact cannot be denied of its inseparability from politics. This is why Nigeria is one of the most active religious countries with catalogues of prophets who without restraint give God's revelation on social issues, and often predict what they see may likely happen to the future of any Nation. This is why the obvious interplay between religion and politics in Nigeria continue to generate reactions (Kukah, 1993, 1995; Kasfelt, 1994; Enwerem, 1995; Kukah & Falola, 1996; Falola, 1998; Loimeier, 2007; Nmah, 2007; Imo, 2008; Marshall, 2009; Adebanwi, 2010;

Sodiq, 2009; Onapajo, 2012; Obiefuna, 2018). Contemporarily, it is crucial to note that there is a firm believe that politics and prophecy are Siamese twins, a belief deeply entrenched in a supreme being, especially when such prophesy is tied to the aspiration of the beneficiaries.

However, many of the prophecies have misled people because of the emerging population of the prophets of this nature. On the one hand, the contention here is the question of who the unsuspecting public should then listen to. When available fact revealed that the historical line of politics in Nigeria is incomplete without recourse to prophecy, which represents the imaginary template for victory. For instance, according to Gbadebo (2022), prior to the 2015 general election, several clerics prophesized the emergence of President Muhamadu Buhari, one of them was the famous Rev.Fr. Ejike Mbaka. On the other hand, who can prophesy? A close study of the Bible shows that every act of God is first made known to man through revelations and prophecies, hence the realm of the prophetic is of great value for man to know the mind of God. The book of 2Peter 1:20-21 forewarned us that "no prophecy of the Scripture is of any private interpretation" because "prophecy never came by the will of man, but holy men of God spoke as they were moved by the Holy Spirit" (NKJV). Therefore, a prophecy is not meant only for prediction or correction, but as Paul has equally stated prophecy is also for "edification, and exhortation and comfort" (1Cor. 14:3). By extension, a prophet's prophetic word must, therefore, bless, edify, confirm, plant and build. But then, what is a prophecy?

According to Strong (1986) "prophecy is the designation for the revelation of God's words or plans (either for the present or the future) to others." Strong went further to say that the term can be used, "with reference to prophetic activity (Rev. 11:6), to the gift of prophecy or prophesying (Rom. 12:6, 1Cor. 12:10), or to the utterances of prophets (that is, the prophecies themselves) whether they be Jewish (Matt. 13:14) or Christian (Rev, 1:3, 22:7, 10, 18, 19). According to Vine et al (1984, p. 893), prophecy means "speaking forth of the mind and counsel of God." Although in the OT, prophecy was purely predictive, it is not necessarily nor even primarily foretelling. Rather, it is the declaration of that which cannot be known by natural means.

However, this brings to fore, who then is qualify to prophesy or what qualifies a man to prophesy? Simple, as long as the person has the Spirit of God in him because according to Rev. 19:10, we are told that "the testimony of Jesus is the spirit of prophecy." This implies that a person does not need to be a prophet before he can prophesy; non prophet can also prophesy as long as he has the testimony of Jesus in him. In furtherance of this, Vine et al (1984, p. 894) succinctly explained that, a prophet is "one who speaks forth or openly, a proclaimer of a divine message." Derived from the Greek word /*prophetes*/, it initially meant an interpreter of the oracles of the gods. In the Septuagint, the word /*roeh*/ which is translated as 'seer' (1Sam. 9:9) meaning "the prophet who had immediate intercourse with God," and /*nabi* or *nabhi*/ which translates as "one in whom the message from God springs forth or to whom anything is secretly communicated," are translated as prophet.

Thus, a prophet in this instance then connotes "one upon whom the Spirit of God rests (Num. 11:17-29), or one to whom and through whom God speaks (Num. 12:2, Amos 3:7-8). A cursory look at the prophets and the prophetic in both OT and NT shows certain notable differences. For instance, in OT, the prophetic messages were largely limited to the proclamation of the Divine purpose of salvation and glory to be accomplished in the future whereas in the NT, the prophets were notable for both preaching of the Divine counsels of grace already accomplished and the fore-telling of the purposes of God in the future. It is important to note that the Bible is not unaware of the existence of those to whom the Greek word /*pseudoprophetes*/ refers to - a false prophet. Worthy of mentioning, references to their existence is as much in the OT (Luke 6;26, 2Peter 2:1) as it is in this present age since Pentecost (Matt. 7:15, 24:11, 24; Mark 13:22; Acts 13:6 and 1John 4:1) and particularly as supporters of the 'beast' at the close of this age (Rev. 16:13; 19:20; 20:10).

As it relates to the narrative of this paper, it is instructive to note that presidential election periods in Nigeria has become characterized with various prophetic declarations and utterances, mostly often verging on the absurd. It seems that certain prophets and spiritualists have taken it as their primary vocation to make pronouncement as to who will win or lose election. This phenomenon merely signifies the increasingly role religion now plays in the country leading to spiritualizing politics and politicizing spirituality. It is also a non-coincidence that most of these prophets have a large followership and

membership who could be swayed by their prophecies to vote for the one thus, indirectly nominated by their spiritual leaders.

Thus, the spiritualization of politics and the politicisation of spirituality have now turned the attention of the electorates from the conventional process associated with acquiring state power and electing political leaders to the ability of the prophets, with the electorates rather focusing on the prophet's or religious leader's ability to preach, teach, dogmatize, and lead congregations. Nigeria, a heterogeneous plural society, turbo-charged by several fault lines among which is violent struggle for state power, this phenomenon may portend serious implications for the democratic process. As acclaimed prophets, lined up behind different political contenders from same or different political parties. Regrettably, the political climate not only become tensed up, but in reality create a public perception of blur lines between objectivity and neutrality. More importantly, is the threat of this phenomenon to democratic consolidation, whereby, candidates and their supporters may be forced to affirm these prophetic declarations with dire consequences regardless of the actual outcomes of the elections.

However, the study adopts Webber's functionalist theory, with focus on the social and psychological functions that religion has for a group or a person especially in Nigeria. In simple terms, this theory sees religion as "performing certain functions for society. Although, this approach for many reasons tend to be static, but has some underpinnings of pivotal interaction and dynamic processes between religion and the rest of other relevant social and political engagements (Weber,1904). The research adopted descriptive research method, using formative evaluation. Formative evaluation improves what is being evaluated; by critically observing its delivery, the nature of its implementation, and the assessment of its organizational context, procedures, inputs, and so on. As noted by William (2006), evaluation is the systematic assessment of information to provide useful feedback about some policies, sectors, activity, and so on. All evaluation work involves collection and proper verification of data, making judgments on the validity of the information and of inferences we derive from it, whether or not an assessment is of worth or merit results. However, in doing justice to the trajectory of this paper, the study is divided into four sections, the first entails the introduction, theory and methodology, followed by operationalizing the concepts of democracy and democratization; the third is made up of the clash of prophesies both true and failed on 2019 presidential elections and its implication on Nigerian democratic sustenance, and closely followed by the conclusion.

What is Democracy and Democratisation?

Perhaps more than any other thing, the concept of democracy means more than just another political format, a method of conducting government, of making laws and administering a state by means of popular suffrage and elected officials. Rather, it includes within it the best means for realising human relationships and the development of human personality. The importance of democracy over other forms of government is the participation of every mature human being in formation of the values that regulate the living populace. Thus, universal suffrage, recurring elections, responsibility of those who are in political power to the voters and other factors normally associated with democratic government are means that have been found expedient and necessary for realising democracy as the truly human way of living.

As Saliu and Agara (2018) have pointed out, no matter the failings of democracy as a political format, the idea and principle on which it rests are still accepted as better than all other political formats. The foundation of democracy rests in faith in the capacities of human intelligence and in the power of pooled and cooperative co-existence. The underlying idea and principle is that no man or set of men is wise enough or good enough to rule others without their consents. Implicit in this idea is that everyone is affected by the social institutions of the state and therefore must have a share in producing and managing them. Democracy also rests on the doctrine of equality, not equality of natural endowments but equality as a legal and political doctrine. It is under this belief that democracy guarantee equality of treatment under the law and in its administration. Every individual within a state is therefore expected to be affected equally in quality even if not in quantity by the institutions of the state and should have equal right to express his judgment. Given the possibility of natural and psychological inequality and the potency of this to become means of oppression of the less gifted, democracy sets the law of equality

of opportunity which allows for every individual to contribute and it is the value of each contribution that is assessed in the final pooled intelligence constituted by the contributions of all. The appeal of democratic government and the democratic faith is that every individual has the chance and opportunity to contribute depending on his capabilities and the value of his contribution is decided by its place and function in the organised total of similar contributions and not on the basis of prior status of any kind whatsoever.

In spite of the attractiveness of democracy, there is not universal consensus on how to best define it. However, in order not to join in the polemics it may be necessary to distinguish between two types of conceptualisations of democracy – the minimal and the more elaborate definitions. The minimal definition alludes to the fact that all modern and complex democracies are ruled by the elites (Verba et al, 1971, and Barnes et al, 1979). The implication of this is that government by the people is anachronistic, that the making of effective policy decisions is actually confined to a narrow segment of the population and that only a small fraction of the total population of modern political system possesses the requisite skills, knowledge, basic information and interest required for effective participation in political process and decision making. Also, Lijphart (1984, p. 1) has also agreed that a nation is democratic to the extent that it acts "in accord with the people's preferences". Combining these two minimal definitions, democracy can then be conceptualised in terms of elite responsiveness to the needs and demands of the people.

On the other hand, Schumpeter's (1950, p. 269) definition is a more elaborate one; that democracy is the "institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote". In explaining further, Schumpeter sets out four explicit conditions for the success of democracy in any country. These are (1) that the human material of politics (that is, the elite) should be of sufficiently high quality, (2) the effective range of political decision should not be extended too far, (3) government should be able to command the services of a well-trained bureaucracy of good standing and tradition, and (4) there should be democratic self-control (that is, the competing elite should tolerate each other's rule and should resist the offerings of crook and cranks while the electorate, having made its choice, should refrain from interfering incessantly in the political actions of its representatives).

Following the Schumpeterian tradition, therefore, Diamond et al (1988, p. xvi, and 1995, pp. 1-57) have argued that for a political system to be truly democratic, it must exhibits certain features which include (1) periodic competition among individuals and organised groups, (that is, political parties) for effective government positions, (2) a highly inclusive level of political participation in the process of leadership selection through an electoral process that does not exclude any social group, and (3) a level of civil and political liberties such as freedom of expression, freedom of the press, freedom to form and join organisations, sufficient to ensure the integrity of political competition and participation.

Agara and Okokhere (2011) have, therefore, identified certain salutary effects which democracy of the Western Liberal type has. First is that it increases the probability that government will follow or be guided by the general interest. This is because, "how governments act is affected by the constitutional systems through which they emerge…and democracies will ensure that governments pursue policies in the general interest or for the common good" (Lively, 1975, p. 111). Thus, the dictates of democratic system therefore requires that government should submit itself to periodic assessment and renewal of mandate. Within the framework of alternative choices, this implies that the government in power and which wishes to retain power must be responsive to the wish of the governed. Second, the liberal democratic form of government also imposes some restraint on the state. The state's right is limited by certain constitutional provisions that assure the rights of individuals and groups in the society. Thus, in this regard, the "temptation of the political leadership to wield absolute power is restricted by the competitive nature of democracy" (Perry, 1969, p. 145). This probably provides us with one of the reasons that endeared liberal democracy to the bourgeoisie, and this is that it protects them from arbitrary state interference in their pursuit of and acquisition of wealth. Third is that competitive democratic system compels attention not just to the form of government but also to the substance of politics in as much as political parties compete on the basis of what they have to offer to the electorates.

A fourth one is that, democracy provides the citizenry with more opportunities to get involve in political decisions. The literature on mass society and political participation suggest that citizens' participation in decision can be either as individuals or members of groups. It is only in this sense that representative democracy encourages "a belief by the masses that they exercise an ultimate self-determination within the existing social order...a credence in the democratic equality of all citizens in the government of the nation" (Anderson, 1977, p. 30). Finally, the primary concern of democracy with the formal political equality of all citizens, majority of whom are economically disadvantaged, provides for the economically advantaged and powerful groups to dominate and often times hijack the system thereby undermining the notion of political equality. Perhaps more than any other reason, this particular advantage made democracy quite attractive to the bourgeois. As Nairn, (1977, p. 13) has rightly observed; "the representative mechanism converted real class inequality into the abstract egalitarianism of citizens, individual egoisms into an impersonal collective will, what would otherwise be chaos into a new state legitimacy". However, the institutionalization of mass participation in politics has thrown up what Przeworski (1986) has called the "institutionalization of uncertainty".

If we then accept with Osaghae (1999) that democracy is a process of continuous struggle and engagement to make the state (ever) more responsive and accountable to the citizenry which, in fact, makes the institutional requisites and processes more purposive and meaningful, then it follows that (1) democracy cannot be divorced from democratisation and (2) democratisation of the state is at the core of democracy. Viewed from this perspective therefore, democratisation becomes the process of establishing and consolidating a democratic government where it did not previously exist, or deepening democracy where it already exists. Thus, democratisation is a process of continuous renewal of democracy. For the purpose of space, we shall limit our discussion to the post-independence attempts at democratisation. It is interesting to note that post-independence attempts at democratisation and constitution making had taken place under the military regimes. It was not until 1999 till date (2010) that Nigeria had ever experience a civilian transition to another civilian government.

Clash of Prophecies or Had God not Spoken?

To date the country has had six presidential elections, since the emergence of democracy in Nigeria (1999, 2003, 2007, 2011, 2015, and 2019) and each election has been accompanied by various prophets making predictions about and foretelling the outcome of the elections. In spite of the consistency of elections in Nigeria thus far, the experience has been a mixture of the good, the bad and the ugly; the ugly been the emerging tendency of spiritualizing politics and politicizing spirituality. As Ayantayo (2009) has noted, the spiritualization of the presidential election linked election outcome to spiritually determined result, thereby forging a link between political events which cannot be isolated from the socio-cultural setting and the supernatural realm. This, therefore, creates an impression that success at the polls is not limited to nor is it tied to the wish or actions of the electorates but rather divinely predetermined at the supernatural realm to which only the prophets have access; thus, a recourse to the period of divine kingship. An atmosphere is thus generated where consideration of the wisdom, ideological soundness, manifestoes, foresight and personality of the political contestants are irrelevant and rendered so by divine intervention and choice from above.

This has become a basic characterization of the political climate in Nigeria, a situation where politicians now prefer to seek for divine nomination and rely more on the power of prayer and prophetic utterances to win elections. This has truncated the entire political process as known and practiced in the civilized world thereby nullifying established and accepted democratic process that culminates in the election and selection of political leaders. The result is that reliance on the democratic process has been eroded and not given the level of seriousness and adherence necessary by both the politicians and the electorates. So, regardless of the level of sophistication that characterize an election, and/or the level of persuasion of the manifesto of the political party or its candidate, a contrary enabling environments is created where everything sacrosanct to the democratic process is of no value since the outcome has been settled in the spiritual realm. A wrong impression is thus generated that electoral issues are better settled spiritually through prayers, manipulation of angelic beings and the use of magic and occult, than relying on the outcome of elections. Contrary to accepted norms of democratic process, a number of

politicians now exhibit more reliance on the power of prayer or magic to win election than on good performance while in office (Channels Television, 2015 & Sahara Reporter, 2015).

The spate and practice of prophesying the winners of elections has highlighted the salience of religion as inclusive of the basis, a source and reason for mass mobilization to either gain or retain state power (Ezeibe and Ikeanyibe, 2017). The salience of religion becomes so pronounced that it captivates the political class and its hold and influence becomes all-embracing that as Toyin Falola, had opined, "no one can aspire to or hold political office in Nigeria without pretending to be religious" (Tar and Shettima, 2010, p.11). The situation in Nigeria today is such that religious influence in the polity is well entrenched through the instrumentality of spiritual tools such as: prophecy, prayers, fasting, magical incantations etc. (Edewor 2008). Ojeifor (2016) has actually isolated the primacy of prayers and fasting as important to winning elections; overtaken only by prophecy. Prophetic declarations have thus become so frequently used and perhaps abused in Nigerian Pentecostal-Charismatic Movements that virtually every pastors are now self-acclaimed prophets and quite a number of presidents in Africa have emerged through this in the 2000s (Yong, 2014, para.4).

In particular, the build-up to the 2019 presidential election witnessed many prophetic statements and utterances even when the Independent National Electoral commission (INEC) was yet to release the timetable for the election. Quite a number of the pastors and prophets had predicted the eventual winner and loser of the yet to be conducted presidential election. Of over seventy-three political parties that fielded candidates for the election, the bulk of the prophecies were focused on President Muhammad Buhari (APC) and his opponent, Atiku Abubakar (PDP).Many of the prophecies were as scandalous as to cause an uproar and ignite ethnic conflicts. For instance in 2017, an Igbo, Prophet Emmanuel Chukwudi of King of Kings Deliverance Church announced the demise of the President even before the date of election. His declaration were so worded as to show the true intent of his declaration; to make him infallible, patronized and seek popularity and attention.

> Long time ago, I asked all to pray for their master, that he needed urgent prayers to avert the calamity of death at Aso Rock, but they were lazy. **No one has bothered to reach me,** now see what is happening. They don't want come for prayers. Things will get worse. I said he will be president, today he has become president, I said he will die, see what is happening (Ogbeche, 2017) (Emphasis Mine).

Various prophets used the president's failing health as the basis of their prophecies, thereby expanding an already explosive and contentious issue; particularly when he went for medical treatment in London for 104 days and the political leaders were loudly silence amidst various speculations about his health. Thus, rather give Nigerians hope, the various prophecies concerning it further threw the entire country into jeopardy and the contestants to the throne into a frenzy that added to the already palpable tension for democracy and its consolidation. The prophecy that the president may not recover from his sickness and would result eventual into his death put a great strain on the budding democracy and the resultant struggle for succession was likely to split whatever agreement may had been reached among the various contenders for the throne. In a rather pessimistic tone, Prophet Chuckwudi further stated that the vacuum thus created would lead to a scramble for power between the Vice-President and the military over who will succeed the president. This prophecy which was triggered by the failing health of the president and the aftermath led to people wondering whether the prophet actually heard from God or was manipulating the situation and preying on the fear of the people. Whatever, the reason, it succeeded in heating up the political environment and the many conjectures that followed. In rather quick succession, others were quick to take advantage of the situation and the predicament which the country was thrown into to make more predictions as the Table below shows.

Samples of Failed Prophecies				Samples of True Prophecies		
S/N	**Name**	**Prophecy**	**Source**	**Name**	**Prophecy**	**Source**
1.	Apostle Johnson Suleiman	Tell Nigerians who wish to see democracy sustained, to pray for our leaders and work for peace, tell the leaders to pray and be honest with the people they are serving, otherwise, elections may not hold in Nigeria in 2019. That is what God has shown me.	The Vanguard, 2018. '2018: Prophet Omale gives 'Prophesy' on Buhari, Atiku, PDP, Others', https://www.vanguardngr.com/2018/01/2018-prophet-omale-gives-prophesy-buhari-atiku-pdp-otherthe	Primate Elijah Ayodele	PDP will find it difficult to wrestle power from President Buhari come February 2019 election because they refused to do the right thing from the beginning. Unless they put heads together and do the right thing, APC will still come back.	Rasaq Adebayo 2018. ' Primate Ayodele makes fresh Predictions on winners of 2019 elections'. https://dailypost.ng/2018/12/23/primate-ayodele-makes-fresh-predictions-winners-2019-elections/
2.	Prophet Onyekachukwu Okoli	I, Prophet Onyekachukwu Okoli, prophesied that a Yoruba man will emerge as the president of Nigeria in 2019.	Jannah, 2017. '2019 Election will not Hold"- Apostle Suleiman says in Fresh Prophecies', http://dailypost.ng/2017/09/20/2019-election-will-not-hold-apostle-suleman-says-fresh-prophecies/	Prophet TB Joshua	The election will be closely contested between the two leading political parties but I see Muhammadu Buhari winning	Fikayo Olowolagba 2019 'Buhari vs Atiku: How TB Joshua, Mbaka, Iginla, other's Prophecies on 2019 Presidential election came to pass', https://dailypost.ng/2019/02/27/buhari-vs-atiku-tb-joshua-mbaka-iginla-others-prophecies-2019-presidential-election-came-pass/3
3	Prophet Emmanuel Omale	I see a lot of challenges with the candidacy of president Mahammadu Buhari, as his acceptance requires a lot prayers…God says another Northern a current Governor and serving Minister amongst his close confidants will have a better acceptance.	Akubuiro, 2017. 'Yorub'll Emerge President in 2019- Prophet', http://sunnewsonline.com/yoruba-ll-emerge-president-in-2019-prophet/	Pastor Chris Omatsola	President Muhammadu Buhari is God's mandate for 2019. God said he is giving President Buhari another opportunity to make History. Here is his opportunity to leave a legacy as he has always desired in his heart that Nigerian will never forget him	Ibid
4.	Prophet Wale Olagunju	APC should forget about winning 2019 election for another government will emerge that will probe their government. God says 2019 election will be tougher than the 2015. God says should Atiku Abubakar contest the 2019 election, he will defeat	Ogbeche, 2017. '2017 Prophecy: Atiku will defeat Buhari in 2019; Nigeria will Split into 5- Prophet Olagunju'. http://dailypost.ng/2017/01/02/2017-prophecy-atiku-will-defeat-buhari-2019-nigeria-will-split-5-	Rev. Fr. Ejike Mbaka	Among all the Presidential aspirants, Buhari stands in the best position in winning the presidential election…In all this, we urge Nigerians to vote President Buhari in order to complete his eight years tenure and after which he will hand over to younger candidate	Ifreke Inyang (2019)'Atiku vs Buhari: Fr. Mbaka finally reveals presidential candidate he will support', https://dailypost.ng/2019/01/02/atiku-vs-buhari-fr-mbaka-finally-reveals-presidential-

		Buhari hands down.	prophet-olagunju/			candidate-will-support/
5.	Pastor Samuel Akinbodunse	Please Nigerians warn Buhari that he is going beyond his boundary. That the Lord said his tenure is once and not twice. If not, he will not see the election o…if he made (makes) a mistake to campaign for elections, before they vote, he will die.	Adeniyi & Omogbolagun, 2019. 'Failed Prophecies on Buhari, Atiku Presidential Poll Contest', https://www.punchng.com/failed-prophecies-on-buhari-atiku-presidential-poll-contest/			
6.	Pastor Simeon Akorede	God revealed to me that the incumbent president Muhammadu Buhari is not given the grace to govern Nigeria for a second term	(ibid)			
7.	Prophet John Ogundele	You may be calculating in your mind that if Buhari doesn't become the president, then it will be Atiku because Obasanjo supports him. Let me tell you as a prophet of God that among Obasanjo, Atiku and Buhari and those who you think are influential (in the country), God said He had withdrawn power from them. None of them will get on to the seat of power.	(ibid)			

Source: Adapted from Ikem and Edafe (2019)

The table above presents a mere diagnostic samples of the prophecies for and against the two major contenders and the result of the elections. The right hand columns of the table reflects some of the prophecies that eventual came true because the prophets claimed to have seen it as revealed to them by God. On the other hand, the left hand columns of the table reflects prophets whose prophecies came out as false, prophets who predicted that President Buhari was going to lose the election. While it may be clear that the result belied these prophecies, it also raised doubts about the veracity of the result released by INEC. For the believers in those prophecies, the prophecies must have 'failed' not because God did not say so or the prophets did not hear from God, but because the elections were rigged in favour of the incumbent. This raised the question; Is it possible for man to manipulate what God had enjoined, what God had decided? **The Bible says God is not man that …….nor the son of man that He would……Has He not said and bring it to pass…..** If we go by the infallibility of God's word **(forever, O Lord, thy word is settled on earth and in heaven**) that His decision will always come to pass irrespective of what man may do, then it behooves on us to conclude either that God had not spoken to these prophets, that it is a case of a lying spirit or the flesh speaking, not God. Could it

rather be the spirit of manipulation at work? The spirit of manipulation is the same as the spirit of witchcraft.

The implication of these prophecies is the drawback on the democratic progress and its consolidation. The numerous prophecies in favour of Atiku may have embolden him and his supporters to deny the result of the election thereby raising contentions as to its fairness which was contested in court. A further implication is the suspicion thrown at INEC, that the electoral body may not have been fair and neutral in the conduct of elections. Thus, in situation where the neutrality and trust in the body saddled with the conduct of election is in doubt, then democratic consolidation and democracy may be impaired. This and many others are the insidious effects of prophecies and prophets on the democratic process. People no longer rely on the outcome of elections as being fair but would rather rely on what the prophets have pronounced even if those prophecies sometimes always contradict each other. People would rather believe prophets and their prophecies rather than in the efficacy of the democratic process. It is frightful that no post-independence election ever conducted in Nigeria is devoid of rancor, court cases, contestations, wrangling, accusations and even violence. Violence has become an apparent condition for every elections in Nigeria.

Prior to the 2019 election, various prophecies have announced that the incumbent president, Goodluck Jonathan would win the 2015 election. However, this was not to come to pass. It may be safe to assume that the various prophecies toting Goodluck Jonathan as the eventual winner may have been responsible for and influenced the declaration by the leader of the Niger Delta militants, Asari Dokubo Tompolo that they were ready to declare war if the president was not declared the winner of the election. In addition, he threatened to cut off the oil and make governance problematic (The Nation Newspaper, January 25, 2015, Perhaps, if it were for the peace agreement signed between the outgoing Jonathan and incoming President Buhari and mediated by the Nigeria's National Peace Committee headed by General Abdulsalami Abubakar, the transition would have not been bloodless. This is the effect of prophecies on the democratic process and its consolidation in Nigeria.

Conclusion

What to make of this failed prophecies? In 1Kings 22, there is an interesting narration of two kings of Judah and Israel – Jehoshaphat and Ahab – who were preparing to go to war with Syria. During the preparation, the king of Judah asked that they inquired from the Lord the outcome of the endeavor. In vs. 6, the Bible says the king of Israel gathered about 400 prophets and inquired from them; "Shall I go against Ramoth-gilead to battle or shall I forbear?" In one accord, all the prophets prophesied that the king should go to battle and "the Lord shall deliver it into the hand of the king" (vs, 6). However, the king of Judah was insistent that other prophets should be consulted to know the mind of God. Although the king of Israel was reluctant to consult the only remaining prophet – Micaiah – because he hates him; "for he doth not prophesy good concerning me, but evil£ (vs. 8), but at the insistence of the king of Judah, the Prophet Micaiah was sent for.

From vs. 15, we saw Micaiah before the kings and the same request was made to him; "shall we go against Ramoth-gilead to battle or shall we forbear?" Interestingly, Micaiah prophesied as the 400 prophets had done but the king's answer to the prophet in vs. 16 carried certain implications. First, it seems that the king may have been aware that the 400 prophets were not of God or were not hearing from God, hence their prophecies could not be relied upon. Or secondly, by experience, he knew that Micaiah's prophecies have always been contrary to the other prophets and these have been coming true. Thus, on being adjudged, Micaiah prophesied and told the sequence of events that ensued in heaven from vs. 19-23. It is thus, Micaiah's narration of the events in heaven that constitutes the background of this paper, thereby drawing our attention to the fact that prophets may not prophesy truly and sometimes, God may permit a lying spirit to deliberately mislead in order to fulfill a certain purpose. Is it then a case of a lying spirit from God? This becomes problematic since spiritual matters cannot be subjected to scientific verification and exactitude, so what then to be done, particularly as we have highlighted, these unguided prophecies have the potential of jeopardizing and put a hold on the democratic consolidation in the country.

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National Directorate of Employment (NDE) Training and Performance of Selected Agricultural Small and Medium Enterprises in South-West, Nigeria

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ABSTRACT

The backbone of industries remains the presence and proliferation of entrepreneurial activities that define small and medium scale Enterprises (SMEs).This study was conducted to identify the effect of NDE training on the profit of Agricultural Small and Medium Enterprises (SMEs) and evaluate the factors that influenced farmers' participation in NDE training, as well as the type and frequency of training farmers and other agro-allied entrepreneurs in Nigeria. Using multi-stage sampling procedure, a total of 384 respondents were sampled including 194 beneficiaries and 194 non-beneficiaries in Oyo and Lagos States, respectively. Data were analysed using Binary Logit regression and Propensity Score Matching techniques. According to the binary logit analysis, respondents' gender, availability to extension services, and the location of respondents operation were determinant factors influencing NDE training enrolment. Propensity score matching revealed that Agricultural Small and Medium Enterprises (Agri-SMEs) who participated in the NDE program boosted their profit by ₦341, 072.18. The positive outcome of the effect implies that NDE trainings enhance Agri-SME performance in Nigeria. The study concluded that greater funding should be provided for the NDE for performance enhancing trainings of the Agri-SMEs. It was recommended that there should be more support for the extension services by improving the ease of access of the services by the farmers, both in terms of cost and availability. An alternative suggestion is to ensure more quotas is given to other states in participation in the NDE capacity training.

Keywords: *Propensity Score Matching (PSM), Binary Logit model, Agri-SME, NDE, Agro-allied*

1.1 Introduction

Agricultural small and medium enterprises (Agri-SMEs) is a term used to refer to Small and Medium Scale agricultural enterprises that produce, process or market agricultural products or produce. Being an extract of the popular Small and Medium Scale enterprises but for farmers (Iorun, 2014), Agri-SMEs is gaining traction, playing an important role in the development and growth of the country and economy as a whole by generating employment, income, food security for majority of the population who dwells in rural, peri-urban centres, and even in the urban areas (Taiwo M. A., Ayodeji A. M. & Yusuf B. A. (2012).; Uzoejinwa B. B., Ani A. O., Abada U. C., Ugwuishiwu B.O., Ohagwu C.J. & Nwakaire J.N. (2016). However, recent global food price increases and high levels of inflation brought about

inadvertently by the COVID-19 lockdown affecting major agricultural production firms have provided an opportunity to increase farmers' profitability (Mgbanya, J. C., Onwumere, J. C., Eze, A. V., Nwokenekwu, A. V., & Igwe, E. O. (2018). However, to realize the benefit of higher prices, farmers need to access a wider range of information, related not only to production technologies but also to post harvest processes, access to remunerative markets, price information, and business development (Sulaiman & van den Ban, 2003, Donovan, J., Franzel, S., Cunha, M., Gyau, A., & Mithöfer, D. (2015).

1.2 Statement of the Problem

Access to proper and formal information by the farmers in Nigeria has been a major challenge from time past. Even with the continuing efforts of extension agents, other government personnel and coordinated efforts to bring needed productivity impacting information to the farmers in a timely fashion, this has not yielded to expected target as most farmers find timely information unaffordable, not readily available, or do not have access to the information directly or are in one way or the other disenfranchised. Even though extension agents abound and perform their tasks in disseminating information, it is just not enough to service the growing population of Agri-SMEs in Nigeria. Some of the requirements to ensure sufficient production and to produce certain exotic crops with special agronomic practice are provisions of need-based training and capital to the farmers (Ullah, A., Islam, M. N., Hossain, M. I., Sarkar, M. D., & Moniruzzaman, M. (2013). This is taking a toll on the profitability of these farmers. This informed the training exercise of National Directorate of employment (NDE) which is a government organization with the mandate to build capacity and to furnish the farmers with skills that lead to growth and high profitability.

During the rule of General Ibrahim Babangida, Nigeria established the National Directorate of Employment (NDE) in March 1986, and its programs were publicly inaugurated in January 1987. The major goal of the National Directorate of Employment (NDE) was to be in charge of creating jobs for Nigeria's burgeoning unemployed population. The program's goal was to develop and articulate solutions to address the economy's overall unemployment problem. Obtaining and maintaining a data bank on declared vacancies and employment in the economy in order to cut job search costs is part of this.NDE's efforts touch on every aspect of the economy. It implements a variety of programs, including job counseling and placement, vocational skills acquisition training, entrepreneurial training and enterprise creation, training for rural employment promotion, training for labor-based transient work, and collaboration with other relevant agencies and organizations, to name a few (Adofu & Ocheja, 2013). NDE has been protected by law from its inception during the military administration, with its continuous existence guaranteed by the Federal Republic of Nigeria's enabling act, CAP 250 (FGN, 2020). Despite its continuous operation and funding, which gulped N5,905,302,638 in the 2016 budget (FGN, 2016), Nigeria's unemployment rate continues to rise, and the set target is not being met. Inadequate funding and late distribution of funds from the Federation Account, managerial deficiencies, policy distortions, and corruption are some of the obstacles that prevent NDE from realizing its full potential (Odey & Okoye, 2004). In 1996, an upgrade to the NDE kernel program outline from 1987 was released. Vocational Skills Development (VSD) Program, Small Scale Enterprise (SSE) Program, Special Public Works (SPW) Program, and Rural Employment Promotion (REP) Program were reorganized as the NDE's primary employment generation programs (Oyemomi, 2003).

Despite the fact that several studies have been conducted to evaluate the profitability and performance of farming and agro-allied enterprises (Opata & Arua, 2017; Opata & Ezeibe, 2018), there are few resources available to examine the impact of NDE training on the profit of AGRISMEs (Oyemomi, 2003; Obike, K. C., Ukoha, O. O., & Nwajiuba, C. U. (2007), which is why this research was conducted.

1.3 Objective of the Study.

The main objective of the study is to identify the effect of NDE training on Agri-SMEs performance in Nigeria. The specific objectives are to:

i) identify the effect of NDE training on the profit of Agri-SMEs in Nigeria.

ii) evaluate the factors that influence farmers' participation in NDE training, as well as the type and frequency of training farmers and other agro-allied entrepreneurs in Nigeria.

1.4 Research Questions

For the purpose of this study, the following questions would be asked:

i) What is the effect of NDE training on the profit of Agri-SMEs in Nigeria?
ii) What are the factors that influence the farmers' participation in NDE training in Nigeria?

1.5 Research Hypothesis

The following hypotheses were formulated in line with the research objective.

i) Ho1: There is no significant effect between NDE training and the profit of Agri-SMEs in Nigeria.
ii) Ho2: There are no significant factors that influence the farmers' participation in NDE training in Nigeria.

2.0 Literature review

Training, by definition can be described as, the dynamic process of ensuring a worker (be it employee or employer) reach an expected level of competence. For SMEs, Davies & Ryan (2005) assert that training is a specialized function and employees should acquire the specified operating procedure for a job and not just another worker's version. According to Markin (2009), training remains one of the critical zones of human resource development and knowledge management besides the internal function of assessing the challenges of learning and development so as to achieve set enterprise goal. It is pertinent to note that several enterprises satisfy their training needs using a non-definite methods and time thereby varying the amount and quality of training enormously for the target audience. This variation can be adduced to the several factors like internal and external changes, workers adaptability and motivation, management commitment, enterprise goal, the characteristics of the trainers' themselves.

Training is a salient issue that has to be faced by every organization, whether large or small, and must be perceived more as an opportunity than a hindrance. The whole doctrine is to gain knowledge and skills, whether formally or informally, that would create tangible benefits for all stakeholders. Operated in a supportive environment, it will produce positive outcomes and this cannot be over-emphasized. Its relevance and effectiveness, whether in amount or quality, would result in significantly improved yields. After all, as Clark (2001) relates, 'knowledge is the only instrument of production that is not subject to diminishing returns'- it ought to remain that way and be appreciated by SMEs.

Several researches highlighted that within the SMEs, as reported by Kotey and Folker (2007), that there are differences in attitudes to training which can be ascribed to to firm size and ownership. This gives credence to efforts into investigating details of small business failure where Everett and Watson (1997) posit that inadequate capital and a deficiency of appropriate human resource skills are the primary factors. Freel (2000) emphatically reiterate that any lack of training constitute a major hindrance to achieve effective levels of management skills within SMEs whilst Coleman (2004) asserts that about 20 per cent of employers believe that their workforce's skills are distinctly inadequate.

For most organizations, training must be present to ensure that all employees understand not only their role, but also the organizational goals, policies and procedures so that they can assimilate and feel more comfortable in their work environment. But, Bone &Stainer (2005) emphasize that there are five main barriers to 'learning' : resistance to change, stress, responsibility and commitment, poor communication and, lastly, training gap, the latter being the most relevant when assessing performance and productivity outcomes. Thus, it is essential for employees in SMEs to receive the 'right' training; this is because, often enough, according to Davies & Ryan (2005), it is a 'hit and miss' occurrence. Informal or unplanned training seems to be at the heart of the SME culture and, as propounded by Hill & Stewart (2000), it can easily be integrated into daily operations, with the perception of being less costly. Sadly, such a concept is very much short-term oriented.

2.1 Theoretical review

The theoretical underpinning for this work is the dynamic capabilities theories which have acquired immense relevance in strategic management research (Laaksonen & Peltoniemi, 2016; Rashidirad, & Salimian, 2020). The theory of dynamic capabilities was propounded by Teece, Pisano and Shuen (1997), but further expatiated by the efforts of Prahalad and Hamel (1990). Teece (2017) highlighted that ordinary capabilities are mostly about busineses doing the right thing, while dynamic capabilities were about doing the thing right in terms of new product and system growth, unique management orchestration process, change-oriented organisational culture, and accurate assessment of business climate and technology trends at the right time. It is highlighted that strong and dynamic capabilities are indeed possessed by few, not by many (Teece, 2017). Dynamic capabilities and strategic management examine how the firm can surpass sustainable competitive advantages, especially in times of change and uncertainty. Constant differences in corporate commitments to sustainability have led to an increasing discuss (Wu, 2017). With rapid innovation and unique business models, a business with high dynamic capabilities could indeed stay ahead (Schoemaker, Heaton &Teece, 2018; Cuervo-Cazurra et al., 2020).

Since the world economy has become much more accessible and the characteristics of innovation and production have become much more diversified, geographically and organisationally, the relevance of dynamic capabilities has been reinforced in recent times (Teece, 2011; Kuuluvainen, 2012). Findings by Salunke et al., (2011) has shown that businesses intentionally use, develop, expand and adjust processes to establish and develop essential dynamic capabilities. Dynamic capabilities can be effectively separated into three central clusters of actions other than for application purposes such as "(i) identification, development, co-development and assessment of technological opportunities in relation to customer needs (sensing); (ii) mobilisation of resources to address needs and opportunities, and to capture value from doing so (seizing); and (iii) continued renewal (transforming)" (Teece, 2017b).

Moreover, with regard to strategic business models, the strategic business model clearly indicates the planned control-related initiatives for future processes, which included four modes of organisational management control activities such as finance, diversification, information and innovation (Betz, 2016). Likewise, Teece (2018) pointed out that the business model, dynamic capabilities and strategy were indeed interdependent, leading to the choice of specific business models, target markets with a go-to-market strategy over all other strategic analyses.

In the same vein, Ritter and Lettl (2018) found that business model studies have been configured as a network connecting a component to the further growth of strategic management literature. Teece (2017) noted that dynamic capabilities encourage business models, mostly in the sense that an adaptively capable firm would be dynamic, that could quickly transform, test and reconfigure new and revised business models. This is a simple way of looking at any enterprise. A model of business (enterprise system) can be constructed as (1) overhead activities beyond (2) changing open-system; and the open-system share attains material, capital and workforces resources from the economy, transforming into goods or services and selling the goods and services within the marketplace of the economy (Betz, 2016), that would further enhance sustainable growth of SMEs. Therefore, in this study, relating dynamic capabilities theory with the innovation elements of organizational culture, strategic orientation, technology orientation and strategic business model alongside innovation competitive advantage and sustainable growth of SMEs would be necessary.

2.2 Empirical review

In the study on the Impact of the National Directorate of Employment's Programs on Graduate Employment and Unemployment in Kaduna State, Nigeria, Ogunlela (2012) portrayed a bleak image of job creation based on NDE's efforts. In a study conducted by Obike et al. (2007) to investigate the role of the National Directorate of Employment (NDE) in poverty reduction among farmers in Abia State, Nigeria, it was discovered that beneficiaries of various NDE trainings had more access to productive resources and made more use of those resources than non-beneficiaries, resulting in higher production and profitability.

3.0 METHODOLOGY

Study Area:

The study was carried out in South-western geopolitical zone of Nigeria, precisely in Lagos and Oyo states based on the predominance of Small and Medium Enterprises (SMEs) in the area. The zone has six (6) States which are Ekiti, Oyo, Osun, Ogun, Ondo and Lagos is characterized with low land tropical forest types with distinct wet and dry seasons which favour the growth of varieties of food and cash crops. The South-western region of Nigeria is homogeneous in culture and populated by the Yoruba ethnic group and hence unified by a general language known as Yoruba. Main occupation of the people is farming as well as other agricultural related activities along with trading and craft specialization. According to national population census of 2006, the zone has a total population of 27,511,992 with male having a number of 14,049,594 and female has 13,462,398 (NPC, 2007).

Sampling Technique:

Multi-stage sampling technique was used to select the respondents for the study. The first stage involved purposive selection of Oyo and Lagos States based on predominance of agricultural entrepreneurship ventures in the study area. In the second stage, four Local Government Areas were purposively selected based on heavy presence of agricultural entrepreneurial activities in each of the two states. The third stage was done using random sampling of 48 entrepreneurs engaged in agriculture comprising of both beneficiaries and non-beneficiaries of NDE Training in Nigeria with the proportion shared equally. Yamane (1967) sample size determination formula was used for sample size determination. This was done for the study at 95% confidence level and margin error of 5, a sample size of 384 was obtained. After data collection, there were 131 sampled participants and 254 non-beneficiaries in the training exercise.

Sources of Data:

Survey research design, with focus on descriptive cross sectional research design was used for this research to collect primary data. The research design involved one-time observation of independent and dependent variables and was used to assess the thoughts, opinions and feelings of different groups of individual with honest feedbacks.

Analytical technique

The data collected were analyzed using binary logit regression and the propensity score matching technique.

Binary Logit regression

The binary logit regression model was used to identify the factors that impacted farmers' involvement in NDE training, as well as to estimate propensity scores. The model is stated formally as follows:

$$Y= \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\beta_6X_6+\beta_7X_7+\beta_8X_8+\beta_9X_9+\beta_{10}X_{10}+\beta_{11}X_{11}+\beta_{12}X_{12}+(1)\ \beta_{13}X_{13}+e$$

Where:

Y_i = participation in NDE training, X_1 = Gender (male=1, female =0); X_2 = Age (years); X_3 = Household Size (number); X_4 = Years of education (number); X_5 = Marital status (married =1,otherwise =0); X_6 =farming experience (number); X_7 = Access to credit (yes =1, no=0); X_8 = Access to extension service (yes =1, no=0); X_9 = membership of association (yes =1, no=0); X_{10}= land ownership (yes =1, otherwise = 0); X_{11} = primary occupation (farming=1, otherwise=0); X_{12} = other occupation (yes =1, no=0);X_{13} = state of operation (Lagos = 1, otherwise = 0); ε_i = error term.

Propensity Score Matching

PSM is a non-parametric approach that has been frequently used to investigate the effects of program participation on farm outcomes and household wellbeing (Bidzakin et al., 2019; Balirwa et al., 2016; Abdulai and Hoffman, 2014). Because the PSM model is non-parametric, it corrects the treatment effect of self-selection and nullifies assumptions about the specification of functional form between predictors and outcome variables, making it more suitable for studies with self-selection properties (Bidzakin et

al., 2019; Ayinde et al., 2018; Manda et al., 2016). PSM is primarily concerned with comparing observable factors between participants and non-participants in order to generate a balanced outcome distribution.To put it another way, PSM creates conditions in a randomized experiment in order to assess causal effects gained in a controlled experiment (Diaz and Honda, 2004; Rosenbaum and Rubin, 1983; Heckman et al., 1997).

PSM (Propensity Score Matching) is a popular evaluation tool for comparing the average result of intervention beneficiaries and non-beneficiaries. This model, which is based on strong identifiers and propensity score values, computes the average treatment effect. Multiple endogenous and exogenous elements, such as socioeconomic indicators, serve as identifiers (Ayinde et al., 2018). However, if a counterfactual condition is not formed, the change generated by a treatment may be difficult to detect (Bidzakin et al., 2019). Given that the outcome variable may be linked to participation or non-participation decisions, the issue of self-selection becomes critical.

Expected outcome for participants and non-participants, $Y_{iOP}$and Y_{iNOP} are given as
$\mathrm{E}(Y_{iOP}|D_i = 1) = X\beta_{iOP} - \sigma_{iOPe}, \lambda_{OP}$ .....(1)
$\mathrm{E}(Y_{iNOP}|D_i = 0) = X\beta_{iNOP} - \sigma_{iNOPe}, \lambda_{NOP}$ .....(2)

According to Lokshin and Sajaia (2004), the predicted outcome yields an unbiased assessment of the participation effects, which is referred to as the "average treatment effect" on the treated (ATT). This encapsulates the impact of NDE training on farmer profitability and reads as follows:
ATT=$\mathrm{E}(Y_{iOP}|D_i = 1) - \mathrm{E}(Y_{iNOP}|D_i = 1)$.....(3)

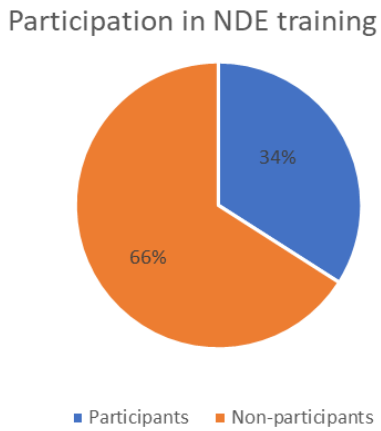
4.0 RESULT AND DISCUSSION

Table 1: Descriptive statistics of respondents (socio-economic characteristics) n=384

Variable	Description of variable	Mean	SD
Participation	1 for participation, 0 for otherwise	0.34	0.47
Gender	1 if male, 0 if female	0.68	0.47
Age of respondent	Age of entrepreneur	44.66	8.94
Education	Years of education of the entrepreneur	12.48	2.30
Marital status	1 if married, 0 if otherwise	0.51	0.50
Years of farming experience	Years of experience in farm agribusiness	13.40	8.33
Access to credit	1 if entrepreneur has access, 0 if otherwise	0.36	0.48
Access to extension service	1 if entrepreneur has access, 0 if otherwise	0.53	0.50
Membership of cooperative society	1 if entrepreneur is a member, 0 if otherwise	0.45	0.50
Land ownership	1 if entrepreneur owned land, 0 if otherwise	0.49	0.50

From Table 1, most of the AgriSMEs sampled were not beneficiaries of NDE trainings. Majority of the respondents were male and with an average age of about 45 years. This indicates that most of the respondents were within their active age group and can maximize information to the fullest. Likewise, most of the respondents had long years of education with the mean years of education being about 13 years indicative of secondary education. This implies that the respondents can read, write and keep proper record of production and other useful information that are keen to production success. Majority of the sampled Agri-SMEs were also married with about 14 years of farming experience in chosen farming enterprise. Access to credit was poor as 36% of the respondents had access, while majority (53%) had access to extension services. 45% of the sampled Agri-SMEs were members of cooperative societies while majority (51%) do not own their farm lands.

a. Pictorial representation of type of trainings



Source : Field Survey 2021

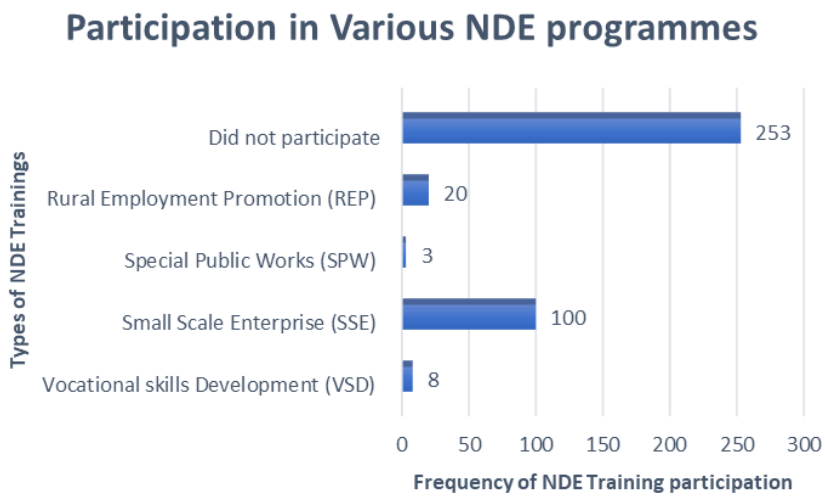


Table 2: Factors affecting participation in the NDE training for the AgriSMEs

Variables	Coefficient	SE	P value	Marginal Effect
Gender	0.525**	0.256	0.040	0.682
Age	0.009	0.020	0.638	44.662
Household size	0.003	0.004	0.426	21.372
Years of education	-0.071	0.055	0.193	12.477
Marital status	0.240	0.248	0.333	0.513
Farming experience	-0.020	0.020	0.325	13.396
Access to credit	-0.034	0.261	0.897	0.362
Access to extension services	0.702**	0.247	0.005	0.466
Membership of cooperatives	0.357	0.243	0.142	0.445
Ownership of land	-0.155	0.226	0.491	0.490
Primary occupation	-0.116	0.271	0.668	0.693
Secondary occupation	-0.014	0.296	0.961	0.198
State of operation	0.601**	0.243	0.013	0.500
Constant	-1.131	0.918	0.218	
LR chi2 (13)	27.99			
Prob >chi2	0.0091			
Pseudo R^2	0.568			
Log likelihood	-232.45169			

** significant at 5%

Source: Field Survey 2021

Factors affecting participation in the National Directorate of Employment training for the AgriSMEs.

The factors relevant in the influence on participation in NDE training among AGRISMS in the research region include farmers' gender, access to extension services, and state from where the farmers operate (Table 2). Being a man has a beneficial effect and leads to a 0.53-unit increase in the chance of farmers participating in NDE training. This lends support to...

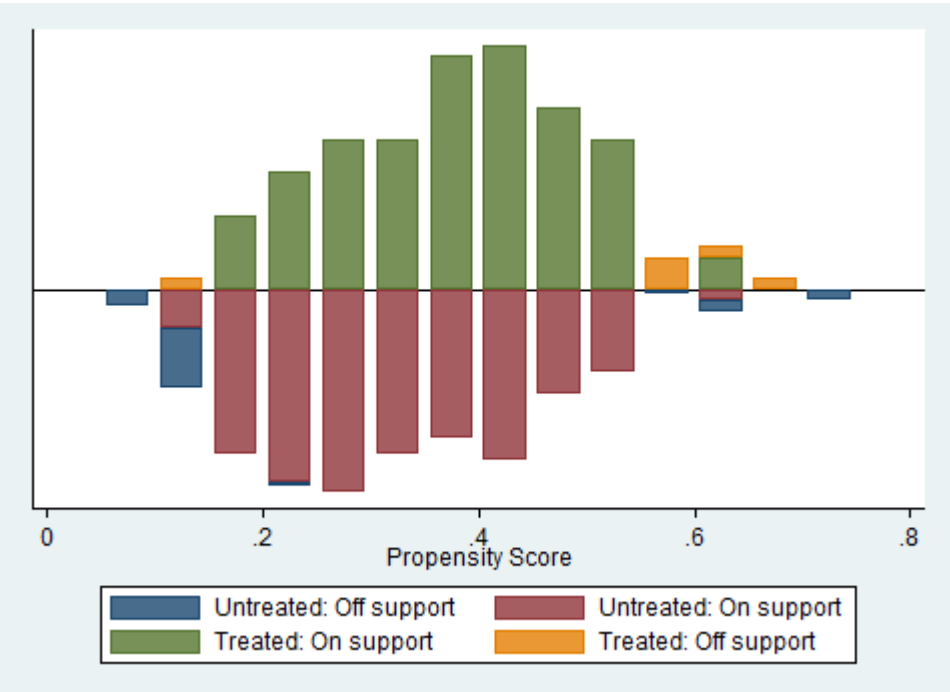
Farmers' involvement in NDE trainings is also influenced positively by access to extension services. Extension visits enhance the probability of participation in training by 0.702 units on average.

Also, the state at which farmer operates determines the likelihood of participation. Farming in Lagos state increases the chances of benefiting from the NDE training. On the average, operating in Lagos the likelihood of participation by 0.601 unit.

Impact of participation in the training on AGRISMEs profit

Matching Indicators Before and After Matching

The balancing test was used to determine whether or not the differences in covariates between participants and non-participants in the NDE training in the matched sample had been removed, allowing the matched comparison group to be regarded an acceptable counterfactual (Ali and Abdulai, 2010). The results of the covariate balancing test before and after matching are shown in Table 3. In NNM and KBM, the mean bias of 13.2 was decreased to 5.7 and 2.9, respectively. In NNM and KBM, the Pseudo R^2 decreased dramatically from 0.057 to 0.013 and 0.003, respectively. The low Pseudo R^2, low mean bias, and negligible p-value of probability after matching indicated that the proposed propensity score specification is successful in terms of balancing the distribution of covariate between the two groups.



Source: Field Survey 2021

Table 3: Matching indicators before and after matching

Sample	Ps R^2	LR chi^2	p >chi^2	Mean Bias	% Bias reduction
Unmatched	0.057	28.250	0.008	13.200	
PSM (NNM)	0.013	4.430	0.986	5.700	25.000
PSM (KBM)	0.003	0.960	1.000	2.900	0.000

Impact of NDE Training on participation on AGRISME profit

Table 4 shows the impact of NDE training on the profit of AGRISMEs. The PSM (KBM) analysis found that training had a beneficial influence on AGRISMEs' profits, with an average treatment effect on treated (ATT) of ₦341,072.181. The NN match robustness result (ATT = ₦39,5242.2) was likewise similar to the Kernel based matching result.

Table 4: Impact of NDE Training on participation on AGRISME profit

Matching Algorithm	Unmatched (₦)	ATT (₦)	ATT t-stat	ATE (₦)	Hidden bias (r)
PSM (KBM)	339232.554	341072.181	3.40	304930.938	3.8
NNMatch		395242.2	3.74		

Rosenbaum sensitivity analysis for yield

The Rosenbaum sensitivity finding, which established the magnitude of crucial hidden bias due to unobserved confounders, is also included in Table 4. It calculated the degree of deviation whether a research was free of hidden bias. Γ for Profit is estimated to be 3.8 using the KBM Hodges-Lehmann point estimate, implying that bias might be as high as 3463.3 or as low as 510388. The findings were sensitive to probable hidden bias due to unobserved confounders, and NDE training had a positive treatment impact on the profit margin of AGRISMEs in the research region.

5.0 CONCLUSIONS

The findings presented in this study revealed the following. Binary Logit analysis shows that farmers' gender, access to extension services, and states from where the farmers operate are the significant factors that influence participation in the NDE training. All the significant variables have positive relationships with the likelihood of participation. Propensity score matching showed that the profit of AGRISMEs that participated in the NDE training increased by ₦341,072.18 due to their participation. The positive effect reflects the prospects and effectiveness of the NDE trainings on profitability of AGRISME productions.

The following are recommended:

i. Government should give more support for the extension services by improving the ease of access of the services to the farmers, both in terms of cost and availability.
ii. A research study should be carried out by the agricultural research institutes to determine the advantage Lagos state has that made it a significant factor so as to replicate the model for other states during policy making by the government.
iii. Government should allocate more quotas to other states concerning the participation of agri- SMEs and farmers in the NDE capacity training. This will have a good effect on the society.
iv. Furthermore, a detailed gender study is advised to be carried out so that various gender-limiting factors affecting female participation in NDE training and reducing its profit-maximizing ability are understood to reduce the gender gap.

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Factors Affecting the Growth of Small and Medium Enterprises in Nigeria

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ABSTRACT

Small and Medium Enterprises contribute immensely to employment generation and are a key channel to poverty reduction. This study evaluated the factors affecting the growth of Small and Medium Enterprises in South-West Nigeria. The objective of the study was to identify the relationship between entrepreneurship business environment and growth of SMEs, examine the influence of entrepreneurial education on the growth of SMEs and identify the effect of the entrepreneurship business size on the growth of SMES in the study area. Multistage sampling technique was used to sample 384 respondents from Lagos and Oyo States. A population of 3,224,324 and 1,864,954 micro enterprises in Lagos and Oyo State were identified from small and medium enterprise development agency of Nigeria (SMEDAN) 2013 database. Descriptive data analysis was employed using frequency, percentage and mean. Findings revealed that entrepreneurial business environment affects business growth, entrepreneurial education has a positive influence on growth and large business size leads to higher turnover hence SME growth. The study concluded that business environment, education and business size have significant effect on SME growth.
It was recommended that the good entrepreneurship business environment should be put in place, entrepreneurship education that would ensure new skills acquisition should be adopted by SMEs operators and entrepreneurs should put measures in place to enlarge entrepreneurship business size for better business profit and output.

Keywords: *Business growth, Business size, Business environment, Economic Development, Entrepreneurial education, Security,*

1.1. INTRODUCTION

Economic growth and development are important features of every country, be it in the developed, developing or less developed economies. According to World Bank, economies of the world are classified according to their level of income using data for Gross National Income (GNI), GNI per capita, Gross Domestic Product (GDP) and Population for a particular year. Most developing countries of the world are categorized into low, lower-middle, and sometimes upper-middle income bracket. These developing countries of the world rely mainly on massive importation of goods and services from mostly developed counterparts. The presence and proliferation of entrepreneurial activities that constitute small and medium scale enterprises remain the backbone of industries (SMEs). This trend has the potential to assist in the growth of various countries, including Nigeria (Sule, 2014). A country stands to gain a lot by diversifying its economic sectors completely. This practice appears to be benefiting the industrialized nation the most. Nigeria, like many other developing nations, has experienced economic

crisis, as well as unequal economic growth and development. This is owing to the fact that during the oil boom, several areas of the economy received little or no attention.

Over the last decade, elected administrations in Nigeria have attempted to encourage economic growth by shifting the economy's focus away from oil production and toward entrepreneurial activity in various areas. As a result, economic development strategies aimed at encouraging increased entrepreneurial activity among the public have been launched (Ministry of Industry, Trade, and Investment, 2014, National Planning Commission, 2004).

However, the government's attempts to encourage entrepreneurship have failed to develop a robust class of entrepreneurs (Edoho, 2016). This failure calls into question the validity of the government's approach to entrepreneurship development, which focuses primarily on promoting entrepreneurial involvement while ignoring the elements that drive the creation of entrepreneurial businesses.

Entrepreneurship has shown to be advantageous to national economic growth in several emerging nations, such as China and India. According to Eniola and Ektebang (2014), engagement in business without proper knowledge, skills, and competencies almost always leads in failure in Nigeria. This conclusion emphasizes the necessity to investigate the business climate that entrepreneurs in Nigeria require in order to build their businesses, as well as how successful entrepreneurs obtain this information, skills, and talents in order to navigate towards profit and growth.

Furthermore, research investigates how the environment determines what entrepreneurs need to learn to establish a firm and the many methods entrepreneurs learn to expand a business given Nigerian conditions. Little is known about how external business environment elements such as the amount of economic development, technology, infrastructural development, firm size, and cultural values impact business growth. As a result, additional study is required to investigate these linkages. Herron and Robinson, Jr. (1993) propose that the external environment structure mediates the variables that impact entrepreneurs' profit and development in their model.

1.2 Statement of the Problem

The need to know how socio-economic factors like poor essential public infrastructure, lack of access to finance, corruption, and increasing insecurity affects business growth in Nigeria. For instance, if state corruption is a factor that influences business growth in Nigeria, what knowledge, skills, and abilities does an entrepreneur need to navigate state corruption in the civil service; and, how does an entrepreneur acquire those knowledge, skills, and abilities (Edoka, 2015).

SMEs are under increasing pressure to have more sustainable practices (e.g. from regulations, customers and supply chain pressure) and being socially responsible is associated with having a better image within the community.

SMEs have environmental and social responsibilities. Globally, SMEs respond differently to these pressures depending on available resources, level of pressure, and the owner-manager's attitude toward sustainability. The recent effort of government to create an enabling business climate needs to be assessed. The previous derelict and ineffectual structure for entrepreneurship has led to high rate of unemployment, ineffective and inefficiency utilization of resources necessitating more import then export, balance of trade and payment problems and economic recession.

1.3 Evaluation of infrastructural effect

Scott, A., Darko, E., Lemma, A., & Rud, J. P. 2014 reported that the efficiency of manufacturing SMEs in developed countries, Nigeria inclusive, has been greatly hampered by irregular power supply. Past studies indicate that infrastructure, such as basic amenities include portable water, power supply, roads, railways, ports, telecommunications, hospitals and schools among others, influences MSMEs performance (Fulmer, 2009; Nkechi *et al.*, 2012). This is because the availability of these facilities create a favorable environment for SMEs to excel thereby boosting economic growth (Beyene, 2002). Good infrastructure is vital if SMEs are to break even and be profitable. Ebert and Memillen (1999) posit that firms are more productive when public infrastructure is adequately

available. However, these infrastructures are not adequate as demanded for by the SMEs (Akinbogun, 2008; Kinyua, 2014) thereby creating development problems for them.

One other factor affecting the growth of SMEs in Nigeria is Insecurity. Threats such as abduction, terrorism, armed robbery, ritual killings, communal confrontations, and farmer herder conflict, among others (Abbas & Mohammed, 2016), have posed significant challenges to the growth of SMEs. The persistent lack of safety and threats or risk to lives and properties has put most SMEs at a disadvantage since insecurity inhibits investment, resulting in a significant setback and blockage to company investment. As a result of Boko Haram's actions, business activities in the North East dwindled from 2009 to 2012, resulting in business relocation (Nnamdi et al., 2015), with those who remained suffering a variety of hardships, underdevelopment, backwardness, loss, and low income (Okpaga *et al.*, 2012; Ali et al., 2016).

Likewise, the impact of government policies cannot be exempted in their effect on SME growth. Policies enacted by the government can singlehandedly bring setbacks for SMEs (Sathe, 2006) with fiscal policies that targets the soul of businesses (Eniola & Entebang, 2015). Several researches have revealed the damning effect of government interventions on business practice such as lack of financial support, poor administration, unfavourable tax policies and lack of incentives (Okpara, 2011), growth constricting multiple taxation (Agwu and Emeti, 2014). However, good government policies can bring about rapid development for the business, creating enabling environment for growth and ensuring stability. Tax waivers (Eniola & Entebang, 2015), financial assistance (Okpara, 2011) lead to business growth.

1.4 Objective of the Study

The main objective is to evaluate the factors affecting the Small and Medium Scale Enterprise Growth in Nigeria. The specific objectives of the study are to;

i) Identify the constraint between entrepreneurship business environment and growth of SMES in the Nigeria.
ii) Examine the influence of entrepreneurship education on the growth of SMES in the Nigeria.
iii) Identify the effect of the entrepreneurship business size on the growth of SMES in Nigeria

1.5 Research Questions

For the purpose of this study, the following questions would be asked:

i What are the constraints between entrepreneurship business environment and growth of SMES in the Nigeria?
ii To what extent is entrepreneurship education influences the growth of SMES in Nigeria?
iii What is the effect of the entrepreneurship business size to the growth of SMES in the country?

1.6 Research Hypotheses

The following hypotheses were formulated in line with the research objective:

1. **Ho1:** There is no significant relationship between entrepreneurship business environment and growth of SMES in the country.
2. **Ho2:** There is no significant relationship between entrepreneurship education and the growth of SMES in Nigeria
3. **Ho3:** There is no significant effect between the entrepreneurship business size and the growth of SMES in the Nigeria.

LITERATURE REVIEW

2.0 Entrepreneurship

Entrepreneurship is a multidimensional concept, the definition of which depends largely on the focus of the research being undertaken. Verheul and Thurik (2002) defines entrepreneurship as a way of managing that involves pursuing opportunity without regard to the resources currently controlled. Within this perspective, entrepreneurs identify opportunity, assemble required resources, implement a practical action plan, and harvest the reward in a timely, effective and flexible way. Hébert and Link (1989), argue that entrepreneurship pertains to the actions of a risk taker, a creative venture into new business or the one who revives an existing business. Carree and Thurik (2003) discussed three types of entrepreneurs, each with a specific function.

2.1 Challenges of Small and Medium Enterprises

The SME sector in Nigeria faces a number of challenges, one of which is that they are typically owned and managed by family members. This has an impact on the effective running of the business because no skills such as management, financial management, and so on have been acquired, posing a significant threat to the sector. Another key issue is how to get funds for the firm or development; in most cases, the owner's meagre resources are used to support the venture. Small business owners have yet to take advantage of external sources of capital such as banks, cooperative societies, finance houses, venture capitalists, business angels, non-governmental organizations, partnerships, and investors, both locally and internationally, which has a negative impact on business expansion. When the finance or banking house agrees to offer the funds, the terms are too onerous for the SME owners to comply, such as high interest rates on the loan, the requirement of collateral, excessive documentation, bureaucracy in the approval process, and so on. With every one of these the area remains insufficiently financed, about 90% of SMEs are crippled as a result of lack of money (Oboh, 2013). Poor management skills, inability of owners to employ competent and qualified hands, use of obsolete equipment and machines to run the business, failure to stay aware of new innovation, powerlessness to rival huge firms in the business.

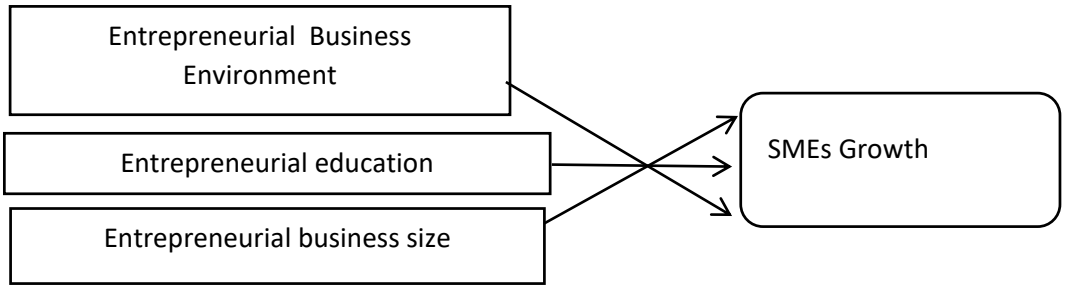
2.2 Conceptual Review

The concept of Small and Medium Scale Enterprises (SMEs) has no generally accepted definition, Ekpenyong (1982) opined that classification of businesses into large, medium or small scale is a subjective and qualitative judgment. He argues further that small businesses are generally quite responsive to their environment and our environment changes fast. Changes in the environment therefore affect what constitutes a small business at a particular point in time. Thirdly, what the definition aims at is to set some limits (lower and upper) that will assist in achieving the set purpose. Such limits can be in terms of level of capitalization, sales volume, employment generation (i.e. number of paid employees) and so on. Some definitions, however, are sufficient. According to the National Council on Industry (2009), as stated in Olajide (2010), SMEs are businesses with a capital base of N1.5 million, which shall not exceed N200 million, and a staff of between 10 and 300 people. According to Essein (2011), a small business is defined as a venture with a capital investment of less than N200, 000, excluding land costs. According to Adesuyi (2013), a small and medium-scale firm is one with a workforce of 5 to 100 people and an annual input and outflow of roughly four hundred thousand Naira. Small and Medium Enterprises (SMEs) are classified and defined in two ways by Adeyemi and Aremu (2011): "Small-Scale" is defined as a company with a human capital size of 11 to 100 employees and total capital of less than fifty million naira, including working capital but excluding land costs; "Medium Scale" is defined as a company with a work force of 101 to 300 employees and a total cost of more than N50 million but less than N200 million.

According to Gentry (2004), despite massive government backing at all levels, small and medium firms continue to face difficult conditions. This is due to various limiting constraints, such as the high cost of accessible raw materials, which has a rippling effect on the costs of goods and services produced. SMEs are also harmed by the lack of infrastructure amenities and those that are there are poor or

dilapidated, such as the lack of inadequate or crumbling road network, energy supply, and pipe carried water. Inconsistency in government policies and regulatory measures, high and various tax rates, illiteracy, and other factors also harm them. Lack of fundamental infrastructure, insufficient access to financing, capital shortages, inflation, an insufficient knowledge base, poor policy execution, and low entrepreneurial skills were all cited by Baumback (2013).

2.3 Conceptual Framework



Source: Researchers 2021 Conceptual Framework

METHODOLOGY

3.0 Study Area:

The study was carried out in South-western geopolitical zone of Nigeria, precisely in Lagos and Oyo state based on the predominance of Small and Medium Enterprises (SMEs) in the area. The zone has six (6) States which are Ekiti, Oyo, Osun, Ogun, Ondo and Lagos is characterized with low land tropical forest types with distinct wet and dry seasons which favor the growth of varieties of food and cash crops. The South-western region of Nigeria is homogeneous in culture and populated by the Yoruba ethnic group and hence unified by a general language known as Yoruba. Main occupation of the people is farming as well as other agricultural related activities along with trading and craft specialization. According to national population census of 2006, the zone has a total population of 27,511,992 with male having a number of 14,049,594 and female has 13,462,398 (NPC, 2007).

3.1 Sampling Technique:

Multi-stage sampling technique was used to select the respondents. The first stage involved purposive selection of entrepreneurship ventures in the study area. A population of 3,224,324 and 1,864,954 micro enterprises in Lagos and Oyo State were identified from small and medium enterprise development agency of Nigeria (SMEDAN) 2013 database. In the second stage, four Local Government Areas were purposively selected based on heavy presence of entrepreneurial activities in each of the two states. The third stage was done using random sampling of 48 entrepreneurs engaged in various activities. Using Yamane (1967) sample size determination formula at 95% confidence level and margin error of 5, a sample size of 384 was obtained. Well-structured questionnaire was used to collect primary data for this research.

Analytical Techniques:

To achieve the objectives of the study, descriptive data analysis, which summarizes the data collected in frequency, percentage, mean and standard deviation, was adopted. A 3 point likert scale was also used to analyze the variation in the view of the respondents. (D – Disagree, A – Agree , SA – Strongly Agree).

RESULTS AND DISCUSSION

4.1 Infrastructural accessibility Influence on SME growth

From Table 1, Majority (98.7%) of the respondents tended towards agreement that poor access to water and sanitation makes it difficult for SMEs to grow. Similar perspective was deduced for poor access to roads (99.2%), poor access to open market (98.2%) and electricity supply (96.6%).

Table 1: Infrastructural Accessibility

Infrastructural Accessibility	**D**	**A**	**SA**
Poor access to water and sanitation limits SMEs growth	5(1.3)	95(24.7)	284(74)
Poor state of road limits SMEs growth in Nigeria	3(0.8)	192(50)	189(49.2)
Poor access to open market limits SMES growth in Nigeria	7(1.8)	153(39.8)	224(58.4)
Poor supply of electricity limits SMEs growth in Nigeria	13(3.4)	77(20.1)	294(76.5)

Source: Field Survey, 2021 - D : Disagree, A : Agree, SA : Strongly Agree.

From Table 2, 76.6% of the respondents strongly agreed that high taxation is a burden on the growth potential of SMEs. Majority (69.3%) also revealed that non-consideration of the scale of operation in levying taxes limits SMEs growth. Likewise, most of the respondent strongly agreed that double taxation (74.2%) faced by most SMEs and stiff completion (68.2%) faced by SMEs.

Table 2: Impact of Taxation policies on SME growth

Taxation Policy	**D**	**A**	**SA**
High taxation limits SMEs growth	13(3.4)	77(20.1)	294(76.6)
Non-consideration of scale of operation in levying taxes limits SMEs growth	22(5.7)	96(25)	266(69.3)
Double taxation limits SMEs growth	5(1.3)	94(24.5)	285(74.2)
Competition reduces SMEs growth	6(1.6)	116(30.2)	262(68.2)
The political instability hinders SMEs growth		192(50)	192(50)

Source: Field Survey, 2021. - D : Disagree, A : Agree, SA : Strongly Agree.

Table 3 revealed the impact of political and societal factors on SME business growth. Majority (63.8%) of the respondents strongly agreed that the absence of peace and security limits SME growth in Nigeria and that this insecurity discourages business investment (60.4%). Also, over 80% of the tended towards agreement that the incessant kidnappings limits SME growth and the killings halt business operations. Most (54.4%) of the SME respondents disagreed that company registration aids business growth. However, majority of the respondents tended towards agreement (98.5%) that business association supports business operations.

Table 3: Enterprise policy formulation

Enterprise policy formulation	**D**	**A**	**SA**
The absence of peace and security limits SMEs growth.	4(1)	135(35.2)	245(63.8)
Insecurity discourages business investment.	19(4.9)	133(34.6)	232(60.4)
Incessant kidnapping in Nigeria limits SMEs growth.	58(15.1)	190(49.5)	136(35.4)
The incessant killings in Nigeria halt business operations.	41(10.7)	96(25)	247(64.3)
Company registration aids business growth	209(54.4)	96(25)	79(20.6)
Business association supports business operations	6(1.6)	190(49.5)	188(49)

Source: Field Survey, 2021. - D : Disagree, A : Agree, SA : Strongly Agree.

From the Table 4 below, majority of the respondents agreed that formal education (54.4%) enhances SMEs growth, strongly agreed that informal education (50%) also helps. Likewise, most agreed that on-job education (44.5%), specific education (74.7%), spouse education (79.9%), employees education (64.6%), education of first male (68.8%) and female (65.1%) child enhances SMEs growth.

Table 4: **Influence of education on SMEs growth**

Influence of education on SMEs growth	**SD**	**D**	**A**	**SA**
Formal education enhances SMEs growth		4(1)	209(54.4)	171(44.5)
Informal education enhances SMEs growth		78(20.3)	114(29.7)	192(50)
On-job education enhances SMEs growth	19(4.9)	78(20.3)	171(44.5)	19(4.9)
Specific education enhances SMEs growth		20(5.2)	287(74.7)	77(20.1)
Spouse education enhances SMEs growth		20(5.2)	307(79.9)	57(14.8)
Employees education enhances SMEs growth		47(12.2)	248(64.6)	89(23.2)
Education of first male child enhances SMEs growth		27(7)	264(68.8)	93(24.2)
Education of first female child enhances SMEs growth		7(1.8)	250(65.1)	127(33.1)

Source: Field Survey, 2021. – SD: Strongly Disagree, D : Disagree, A : Agree, SA : Strongly Agree.

As revealed in Table 5, most of the respondents agreed that large business size enhances sales volume (73.4%), raise business profit (58.6%), and enhances large employee (64.6%). Also, there was agreement that large business size enhances output level (53.6%), and improves turnover (63.3%).
Table 5: Effect of entrepreneurship business size on the growth of SMES

Effect of entrepreneurship business size on the growth of SMES	**D**	**A**	**SA**
Large business size enhances sales volume	29(7.6)	282(73.4)	73(19)
Large business size raise business profit	45(11.7)	225(58.6)	114(29.7)
Large business size enhances large employee	43(11.2)	248(64.6)	93(24.2)
Large business size enhances output level	82(21.4)	206(53.6)	96(25)
Large business size improves turnover	42(10.9)	243(63.3)	99(25.8)

Source: Field Survey, 2021. - D : Disagree, A : Agree, SA : Strongly Agree.

Table 6 revealed the perspectives of the respondents on challenges being faced by SMEs. Majority of those interviewed agreed that prevailing cultural practices (48.2%) influence business growth positively. Also, most agreed that government standardization (64.1%) helps boost business growth, and that market standards (643%) enhances sales volume for the businesses. Likewise, majority of the respondents believes that record keeping by business enhances output level (58.6%) and that organizational communication is another key way of enhancing business performance (45.3%).

Table 6: Other Challenges on the g**row**th of SMEs

Other challenges on the growth of SMES	**SD**	**D**	**A**	**SA**
Cultures in the area improves business growth	20(5.2)	43(11.2)	185(48.2)	136(35.4)
Government standardization increases business growth		24(6.3)	246(64.1)	114(29.7)
Market standards enhances sales volume		27(7)	242(63)	115(29.9)
Record keeping enhances output level		64(16.7)	225(58.6)	95(24.7)
Organizational communication improves business growth		64(16.7)	174(45.3)	146(38)

Source: Field Survey, 2021. – SD: Strongly Disagree, D : Disagree, A : Agree, SA : Strongly Agree.

PROFILE OF CHALLENGES

SMEs were asked to choose the challenge they considered has the most effect on their growth out of a list. Table 7 revealed the outcomes. Majority (20.31%) of the respondents chose business environment as the most prevalent challenge facing them. This includes the societal circumstance, difficulty of setting up business, cost and difficulty of business registration, informal taxation, electricity and power challenges and other business environment challenges. Followed by this is the competition and high cost of transportation (14.84%). The least reported challenge was high interest rate (39%). This can partly be explained by the inaccessibility of credit facilities by most of the SMEs, hence not essentially a challenge.

Table 7: challenges faced by SMEs

Challenges of the growth of SMES	**Frequency**	**Percentage %**
Business environment	78	20.31
Competition	57	14.84
High cost of transportation	57	14.84
High interest rate	39	10.16
High taxation	55	14.32
Insecurity	41	10.68
Tax holiday	57	14.84
Total	384	100.00

DISCUSSION OF FINDINGS

The main focus of this study is to understand and expatiate on the constraints to the growth of Small and Medium Scale Enterprises in the South West Nigeria. The research was premised on three kernel objectives which elucidated information on the constraints brought by business environment on SME growth; the influence of education on its SME growth as well as the effect of business size on SME growth.

The infrastructure being one of the impacting business environmental factors on SME growth, most of the respondents agreed that they greatly impact their businesses. This indicates that the state of and access to infrastructures have a significant effect on the growth of Small and Medium Enterprises. When the access is restricted or absent, SMEs perform woefully as they
have to source for alternatives to these infrastructures leading to higher costs and hence cutting their profit margin. This in turn affects negatively their prospects for growth and expansion. Abdullahi *et al.* (2015) revealed that basic amenities helps businesses to grow. Oyelola *et al.* (2013) found that epileptic power supply, bad roads, multiple taxation, lack of sincere support for SMEs and high telecom/transportation costs are impediments to entrepreneurial development. This position is also supported by Gnyawali & Fogel (1994), Takyi- Asiedu (1993); Okpara (2011); and Agboli & Ukaegbu (2006). Most SMEs eventually close down as a result of these (Agboli & Ukaegbu, 2006).

From the study, majority of the respondents revealed that taxation is a major burden on their growth. This is against the various advertised positions of the government in creating conducive taxation policies for SMEs so that they can grow. Intense market competition due to the apparent absence of market entry and exit barrier has put a ceiling on their growth. Double taxation is another reported challenge bedevilling the SMEs which cuts their profit and makes planning for growth difficult (Agwu and Emeti, 2014). Oyelola *et al.* (2013) came to similar conclusion. Also, the proliferation of numerous market operators increases completion, driving down prices and hence the profit margins accruable to each SME (Alawiye and Anthony, 2013; Dahlqvist, 2000).

The influence of political instability cannot be overemphasized as different administrations have different policies enacted to suite each political purpose. At times, these policies are draconian to the previous policy enacted making those currently on the previous policy out of position in terms of growth. All of the respondents tended towards agreement that this is a problem for SME growth. On the impact of political and societal factors on SME business growth, the study revealed a surreal perception from the respondents. When an area is predominated with insecurity, investors are dissuaded from bringing

their businesses to those area hence poor growth. For those SMEs already operating in those crisis-prone areas, survival and growth is difficult as unforeseen situation can destroy their business set-up. The findings on education's effect on SME growth which revealed that all forms of education enhances SMEs growth in the study area agrees with the conclusions of Edoho (2016) who concluded that education is one of the four distinct factors that affects businesses and corroborated by Dahlqvist (2000) and Soomro *et al.,* (2019). Education enables one to understand the outside world, equips one with the basic knowledge and skills to deal with day-to-day problems. This makes education very important in festering growth and ensuring continuous development of business.

On the influence of business size on SME growth, the study revealed that large business size leads to higher output and turnover for the venture leading to greater profits. This supports the findings of Lee & Chan, 2003 and Utomi, 1998. Study also revealed that government standardization, market standards and record keeping leads to business growth (Akinbogun, 2008; Okpara, 2011).

Conclusion

In conclusion, this paper concludes that business environment, education; and business size have significant effect on SME growth.

Recommendations

The study recommends as follows

- Entrepreneurship business environment that would make water and sanitation available, ensure good road network and adequate security should be put in place.
- Entrepreneurship education that would ensure new skills acquisition should be adopted by SMEs operators.
- Entrepreneurs should put measures in place to enlarge entrepreneurship business size for better business profit and output.

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Ownership Structure and Earnings Management among Non-financial Listed Firms in Nigeria

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ABSTRACT

This study examines the effect of ownership structure on Earnings Management (EM) among non-financial listed firms in Nigeria for the period of eleven years (2010–2020) using secondary data obtained from the annual reports of the sample firms. The population consists of one hundred and thirteen non-financial listed firms on the Nigerian Stock Exchange as at December 31, 2020, and the sample firms are made up of seventy-two non-financial listed firms that have the data needed for the study. The Discretional Accruals (DA) measured by the Dechow, Richardson, and Tuna (2003) model was used to proxy EM. The data collected was analyzed using panel data regression analysis. The findings show that foreign ownership has a negative and significant influence on EM. While ownership concentration has no significant influence on EM, However, institutional and managerial ownership have a positive and significant effect on EM. The study concludes that the ownership structure has a significant effect on EM. Whereas ownership concentration does not show any significant effect on EM. Hence, the study recommends that foreigners be allowed to participate on the board of the firm as their presence may discourage management from engaging in EM. Furthermore, institutional and managerial ownership should be given close monitoring on the board of the firm as the positive sign is an indication of aggressive EM.

Keywords: *ownership structure, earnings management, non-financial listed firms, Nigeria.*
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1. Introduction

In today's financial market, accounting manipulation, scams, and fraud are not new issues. Financial fraud is significantly greater in firms with previously managed earnings. Earnings Management (EM) occurs when, as a result of users relying on published accounting numbers, managers intentionally change their financial reports to mislead users or manipulate the results of their decisions. Most of these managers benefit from personal and business gains from the practice of earnings management. By managing firm-specific information, they have additional benefits over users of external financial information. EM could be used to manipulate a company's disclosed financial statements in order to mislead stakeholders and affect contractual benefits based on accounting earnings. EM can be considered as legal if an organization adjusts the disclosed earnings in line with Generally Accepted Accounting Principle (GAAP) guidelines. However, it becomes fraudulent when it does not comply with GAAP guidelines and accounting standards, such as accelerating revenue recognition and deferring

expense recognition, which is known as discretionary accruals, EMP, or intentionally making operating decisions with actual cash flow consequences with the goal of changing reported earnings, which is known as real activities EM. (Farouk, 2014). An ownership structure is a proportion of the shares held by different parties in the equity (ordinary shares) of the firm. These parties are known as the owners of the corporation, ranging from promoters to private and public corporations, individual and institutional investors, and foreign ownership.

Ownership structure differs from one organization to another due to differences in either the environment's stability or legal regulations as well as economies of scale, among others. In Nigeria, the ownership structure can be in the private (family), managerial, block, foreign, free float, government, or institutional forms (Farouk & Bashir, 2017). Separation of ownership and control may inspire managers to distort information and manipulate earnings for their own personal benefits. The goal of the study is to assess the effect of ownership structure (foreign, institutional, managerial, and ownership concentration) on EM among non-financial listed firms in Nigeria. A review of several empirical studies from different continents in the world showed different results. More so, most of the empirical studies on the effect of ownership structure on EM focused on using Dechow *et al.* (1995) or Khothari *et al.* (2005) models to measure EM, particularly in Nigeria and Africa at large (Uweigbe *et al.,* 2015; Swai, 2016; Saline, 2020). Furthermore, these past studies, especially in Nigeria, were based on financial institutions or a particular sector and considered less than ten years of observations (Saidu *et al.,* 2017; Osemene *et al.,* 2018; Abubakri *et al.,* 2020). This study therefore addressed these research gaps by ensuring that EM proxies by discretionary accrual were measured with the Dechow, Richardson, and Tuna Model (2003). In addition, the study considered ten sectors for more than ten years.

1.2 Research Hypotheses

H_{01} Foreign ownership has no significant effect on the earnings management of non-financial listed firms in Nigeria

H_{02} Institutional ownership does not significantly influencing earnings management of non-financial listed firms in Nigeria

H_{03} Ownership concentration does not significantly drive earnings management of non-financial listed firms in Nigeria

H_{04} Managerial ownership has no significant influence on the earnings management of non-financial listed firms in Nigeria

2. Literature Review

2.1 Foreign Ownership and Earnings Management

Foreign investment is observed to be associated with better monitoring and thus expected to reduce the private benefits of control. D'Souza *et al.* (2005) submitted that greater foreign ownership results in greater efficiency gains in privatized firms. Hence, foreign ownership, which may be associated with better monitoring, reduces the ability of insiders to manipulate earnings for private purposes. Frydman *et al.* (1999) opined that foreign owners have the financial capacity and competent management that gives them a hedge over other owners in monitoring insiders and report a positive relationship between foreign ownership and post-privatization corporate performance. Furthermore, Farouk and Bashir (2017) discovered a positive and significant effect of foreign ownership on earnings management in a study conducted among listed conglomerate firms in Nigeria. However, Omar and Hind (2012) in a study carried out among firms listed on the Casablanca Stock Exchange observed that companies with foreign or local institutions as the largest shareholders are significantly lower EM than other companies. Furthermore, Alzoubi (2016) revealed a negative and significant effect of foreign ownership on EM in a study carried out among listed firms in Jordan. Based on the argument from various scholars, this study examined the effect of foreign ownership on EM among non-financial listed firms in Nigeria.

2.2 Institutional Ownership and Earnings Management

Institutional shareholders often have large equity positions with the expectation of sizable returns on their investment, which substantiates the costs connected with overseen shareholders and/or their

associated managers (Gillan & Starks, 2007). According to Lin and Hwang (2010), high equity holdings by institutions enhance the reliability of financial information. Empirical research findings show that the quality of financial reporting weakened as institutional ownership of equity increased (Bradbury *et al.,* 2006; Pizzaro *et al.,* 2007). Wang (2006) submitted that ownership structure has a significant influence on earnings reported by firms. However, the importance of institutional and insider investors on the ability of managers to manipulate earnings remains a controversial issue. Institutional investors, compared to individual investors, have more capability of collecting, interpreting and detecting managerial opportunities over earnings numbers. Institutional investors are long-term investors with raving incentives and motivations to closely monitor management action. They are interested in monitoring the quality of companies' financial reports when they have invested heavily in the company (Chung *et al.,* 2005). Similarly, Velury and Jenkins (2006) submitted that firms with high stock ownership by institutions experience earnings numbers of high quality. In the same vein, Koh (2007) revealed that active institutional investors are more likely to effectively constrain the unethical behaviour of EM and enhance the reliability and credibility of financial reporting. Obasi *et al.* (2014) investigated equity ownership structure and earnings management in Nigerian quoted companies using Ordinary Least Square as an estimation technique to evaluate the variables. The study revealed that institutional ownership has a positive effect on EM. However, Aygun *et al.* (2014) revealed a negative and significant effect of institutional ownership on EM. More so, Liu and Tsai (2015) showed a negative and significant effect of institutional ownership on EM. In addition, Alzoubi (2016) observed that institutional ownership has a significant negative effect on the EM of firms. Following the review of literature in respect of institutional ownership and EM, This study analysed the effect of institutional ownership on EM among non-financial listed firms in Nigeria.

2.3 Ownership Concentration and Earnings Management

Minority shareholders would be unconcerned about monitoring because they would bear all of the costs associated with mentoring management activities when they only had a small gain to derive (Sandra, 2012). According to Jaggi & Tsui (2007), large shareholders may interfere in the firm's management and may encourage managers to become involved in EM for their own personal benefits. Several studies have been carried out on ownership concentration and earnings management. For instance, *Choi et al.* (2004) conducted a study among Korean firms and observed a positive relationship between ownership concentration and EM. Similarly, Zhong *et al.* (2007) assessed the relationship between outside block-holder ownership and earnings management for NYSE firms. The study revealed a positive relationship between outside block-holder ownership and discretionary accrual earnings management. More so, Kim and Yoon (2008) showed a positive relationship between ownership concentration and EM in a study carried out in Korea. In the same vein, Ayade (2014) revealed a positive effect of ownership concentration on EM. However, ownership concentration reduces the managers' discretionary behavior in a study conducted by Iturriaga and Hoffmann (2005) among Chilean firms. Similarly, (Obigbemi, 2017; Farouk & Bashir, 2017) revealed a negative effect of ownership concentration on EM among Nigerian firms. Based on different findings of previous literature, this study assessed the influence of ownership concentration on EM among non-financial listed firms in Nigeria.

2.4 Managerial Ownership and Earnings Management

Managerial ownership is a significant factor in the ownership structure of the company. It is advantageous in aligning a manager's interests with those of other stakeholders and, therefore, improves EM. If management owns a large proportion of its ownership, its market value should increase, which invariably means that if management ownership increases as a firm stock, they will be more likely to align their strategic goals with shareholders' goals steadily (Farouk & Bashir, 2017). Several studies have been carried out on the effects of foreign ownership and EM, both in developed and developing countries. With regards to those that are found positive, Aygun *et al.* (2014) observed a positive and significant effect of managerial ownership on EM in a study carried out among selected firms in Turkey. In Nigeria, (Ogboneya *et al.,* 2016; Obigbemi, 2017) revealed a positive and significant effect of managerial ownership on EM. In the case of the studies that found negative, (Amel & Anis,

2014; Alzoubi, 2016; Saona *et al.,* 2020), observed a negative and significant effect of managerial ownership on EM. In Nigeria, the study conducted by Obasi *et al.* (2014) showed a negative and significant effect of managerial ownership on earnings management. In the same vein, Farouk and Bashir (2017) observed a negative and significant effect of managerial ownership on earnings management among listed conglomerate firms. Based on the findings from extant literature, this study investigated the effect of managerial ownership on EM among non-financial listed firms in Nigeria.

2.5 Theoretical Review

This study was anchored on stakeholder theory. The origin of stakeholder theory can be traced to Ian Mitroff in his book "Stakeholders of the Organizational Mind," published in 1983 in San Francisco. The theory is centered on the fact that an organization exists to cater to its stakeholders' needs and expectations. The theory argues that a firm should create value for all stakeholders, not just shareholders. All stakeholders in a company have some expectations from the company. If a company wishes to remain associated with its stakeholders, it must do something to satisfy these expectations. The expectations of different groups of stakeholders are not the same, and they are often inconsistent with each other. Mansell (2013) opined that it should not be overlooked that the mentioned stakeholder groups are likely to be interested primarily in the settlement of their claims, but, in contrast to the owners, not necessarily in the maximization of the company's market value. Freeman (1984) concluded that the main purpose of a company is to meet the needs of stakeholders. It is believed that managers may sometimes pursue opportunistic behaviour, which may contradict the interests of other stakeholders. This study adopted stakeholder theory because it deals with how to take into consideration all stakeholders, i.e., those that can affect or be affected by the decisions taken by the company, irrespective of the ownership structure of the firms.

3.0 Methodology

This study adopted an *ex-post facto* research design in order to assess the effect of ownership structure on EM of non-financial listed firms in Nigeria for the eleven years 2010–2020. The population consists of one hundred and thirteen non-financial listed firms on the Nigerian Stock Exchange as at December 31st 2020. The sample firms are made up of seventy-two non-financial listed firms, purposively selected across ten sectors (Natural Resources 4, Conglomerate 5, Agriculture 4, ICT 4, Construction and Real Estate 2, Healthcare 6, Oil and Gas 8, Industrial Goods 10, Consumer Goods 14 and Services 15). EM was proxied by Discretional Accruals (DA) measured by the Dechow *et al.* (2003) model. The data collected was analyzed using panel data regression analysis.

3.2 Measurement of Variables

3.2.1 Dependent Variables

DA= TA- NDA

$TAt = \Delta CAt - \Delta Casht - \Delta CLt + \Delta DCLt - DEPt$ ..... (3.1)

Where: TAt= Total Accruals, ΔCAt = the change in current assets in year t;$\Delta Casht$ = the change in cash and cash equivalents in year t;ΔCLt = the change in current liabilities in year t;$\Delta DCLt$ = the change in debt included in current liabilities in year t;$DEPt$ = depreciation and amortization expense in year t.

The study employed Dechow *et al.* (2003) model to measure non-discretionary accrual of firm i in year t.

$$\text{NDA}=\frac{\mathbf{TA}}{\text{Ai}_{t-1}} = \alpha_o\left(\frac{1}{Ai_{t-1}}\right) + \alpha_1\left(\frac{(1+K)\Delta REV - RECi_t}{Ai_{t-1}}\right) + \alpha_2\left(\frac{PPEi_t}{Ai_{t-1}}\right) + \alpha_3\frac{\text{TA}}{\text{Ai}_{t-1}} + \alpha_4\left(\frac{Salesit}{Ai_{t-1}}\right) + \varepsilon it \text{ ..... (3.2)}$$

Where: NDAi,t = Total accruals of non-discretionary firms i in year t., TAi.t = Total accruals of firm i in year t., k= is a slope coefficient from regression ΔRECit on ΔREVit, ΔREVi,t = Changes in firm income i in year t., ΔRECi,t = Changes in firm receivables i in year t. PPEi,t = firm Non-current asset (property,

plant and equipment) i in year t., SALE*it* = Annual change in sales from current year (t) to next year $_{(t+1)}$., $A_{i,t-1}$ = Total assets of firm i in year t_{-1}, $\varepsilon_{i,t}$ = Error

3.2.2. Independent and Control Variables

This section describes the measurement of the independent and control variables of the study, as shown in Table 1.

Table 1. Measurement of Explanatory Variables

S/N	Variables	Variables Acronyms	Measurement	Source	Apriori Expectation
1	Foreign Ownership	FOWN	Percentage of total shares held by foreign investors	(Farouk, 2014)	+/-
2	Institutional Ownership	IOWN	Percentage of total shares held by Institutions	(Koh, 2003)	-
3	Ownership Concentration	OWNC	Percentage of total shares held by Directors	Farouk and Bashir, (2017)	-
4	Managerial Ownership	MOWN	Percentage of total shares held by Directors	(Karthanssis & Drakos, 2004)	-
5	Firm Size	FS	Natural log of total asset at year-end.	(Khanh & Thu, 2019)	+
6	Leverage	LEV	Ratio of total liabilities to total assets.	(Khanh & Thu, 2019)	+/-
7	Firm Growth	FG	Year on year change in total revenue.	(Siraj & Nazar, 2021)	-
8	Firm Performance	ROA	Earning after interest tax on total assets.	Siraj & Nazar, 2021)	+

Source: Authors compilation, (2022).

3.3. Model Specification

The model for this study was adapted from the work of Siraj and Nazar (2021) with little modification.

DA= f(FOWN + IOWN + OWNC + MOWN + FS + LEV + FG + FPERF).....(3.3)

The econometric form of the model is given as:

$DA = \beta_0 + \beta_1 FOWNit + \beta_2 IOWNit + \beta_3 OWNCit + \beta_4 MOWNit + \beta_5 FSit + \beta_6 LEVit + \beta_7 FGit + \beta_8 FPERFit + YEARit + \varepsilon$ .....(3.4)

Where: **DA**= Discretionary Accruals, β_0 = Constant, β_1, β_2, β_3, β_4, β_5, β_6, β_7, β_8 = Slope Coefficient, **FOWN**= Foreign Ownership, **IOWN**= Institutional Ownership, **OWNC**= Ownership Concentration, **MOWN**= Managerial Ownership, **FS**= Firm Size, **LEV**= Leverage, **FG**=Firm Growth, **FPERF**= Firm Performance, **YEAR**= Dummy variable of the time under study, ε= Error Term.

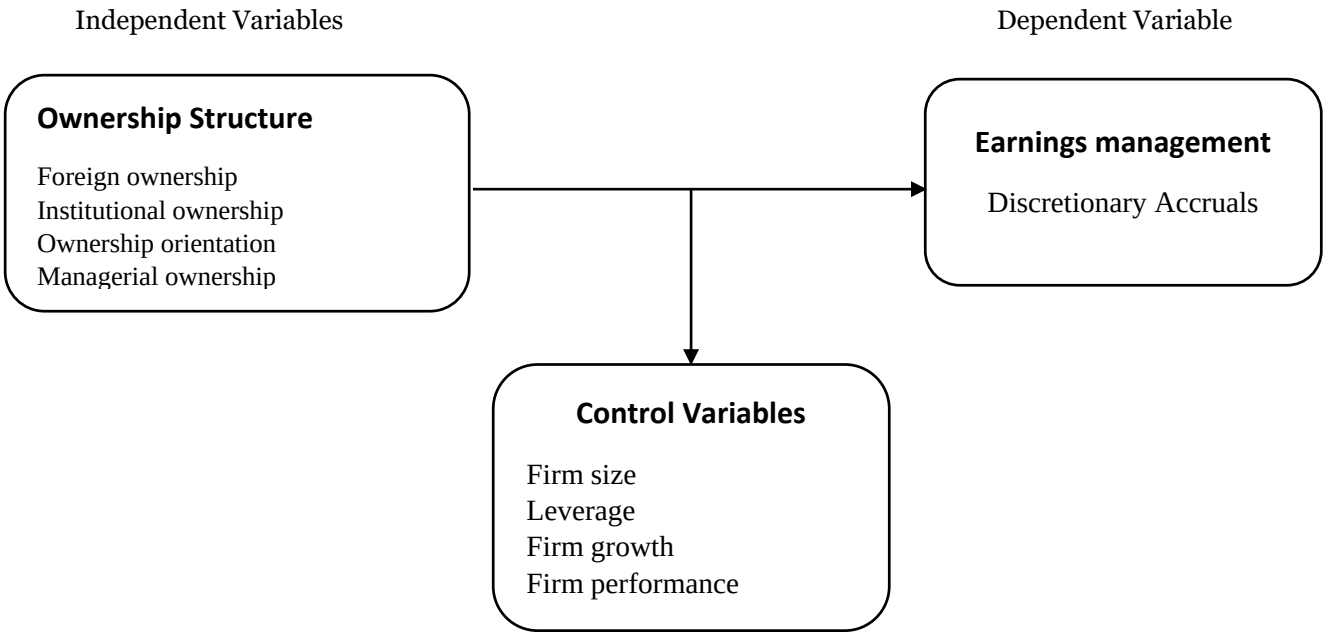

Figure 1. Research framework

4. Results and Discussion

Table 2 shows the descriptive statistics and the bivariate correlations among the variables. The table presents the mean and standard deviation of the dependent explanatory variables of the study. The mean value of DA is 0.25 and the standard deviation is 0.43. The results show that there is a substantial variation. The mean value of foreign ownership (FOWN) is 0.33, institutional ownership (IOWN) is 0.22, ownership concentration (OWNC) is 0.17, and managerial ownership (MOWN) is 0.47. Firm Size (FS) has a mean of.51 and leverage (LEV) is.44. Firm Growth (FG) is 1.25, while firm profitability is 4.59. Furthermore, the study discovered that most of the correlations between variables are low. None of the correlations between predictor variables has a value of above 0.55, suggesting that multicollinearity is not a concern for the study model.

Table 2. Descriptive Statistics and Correlation Matrix

Variables	Variable Names	Mean	S.D	1	2	3	4	5	6	7	8	9
1.DA	Discretionary Accruals	.25	.43	1.00								
2.FOWN	Foreign Ownership	.33	.24	.18	1.00							
3. IOWN	Institutional Ownership	.22	.09	.09	.51	1.00						
4.OWNC	Ownership Concentration	.17	.12	.35	-.31	-.15	1.00					
5.MOWN	Managerial Ownership	.47	.58	.17	-.28	.32	-.41	1.00				
6. FS	Firm Size	.51	.29	.24	.26	.08	.12	-.54	1.00			
7. LEV	Leverage	.44	.56	.15	.19	.23	-.18	-.27	-.09	1.00		
8. FG	Firm Growth	1.25	.87	.25	.07	.18	.31	-.14	-.37	.14	1.00	
9. FPERF	Firm Performance	4.59	2.67	.16	-.12	.30	-.20	.09	-.06	.41	-.23	1.00

Source: Authors computation, (2022).

4.3 Multicollinearity Diagnostic of the Variables

A Variance Inflation Factor (VIF) was computed as shown in Table 3 to test for multicollinearity diagnostics across the study variables. The highest VIF value computed was 1.33 for FOWN, and the mean VIF across variables was 1.13. VIF values between the threshold of 5 and 10 are potential indicators of multicollinearity. All VIF values were significantly lower than the threshold of 5 and thus showed that there is no significant problem of multicollinearity across the study model variables.

Table 3. Variance Inflation Factor

Variables	VIF	Tolerance
FOWN	1.33	0.859906
IOWN	1.16	0.864129
OWNC	1.16	0.865576
MOWN	1.11	0.901444
FS	1.03	0.967309
LEV	1.09	0.915762
FG	1.15	0.881432
FPERF	1.02	0.973703
MEAN	**1.13**	

Source: Authors computation, (2022).

Where: **DA**= Discretionary Accruals, **FOWN**= Foreign Ownership, **IOWN**= Institutional Ownership, **OWNC**= Ownership Concentration, **MOWN**= Managerial Ownership, **FS**= Firm Size, **LEV**= Leverage, **FG**=Firm Growth, **FPERF**= Firm Performance

4.4 Unit Root Test

Table 4 shows the dependent and explanatory variables used in the regression analysis as they were separately subjected to panel unit root tests and exhibit stationarity at a 5% level of significance using Levin, Lin and Chut, Im and ADF-Fisher Chi-square before estimating the model. It was clear from the unit root test table that all the variables were significant at a 5% level.

Table 4. Unit root test results

Variables	Levin, Lin & Chu t	ADF-Fisher Chi-sq	Status
DA	-5.88**	390.92**	1(0)
	(0.00)	(0.00)	
FOWN	-14.55**	580.93**	1(0)
	(0.00)	(0.01)	
IOWN	-5.41**	809.68**	1(0)
	(0.00)	(0.00)	
OWNC	-12.92**	480.02**	1(0)
	(0.00)	(0.03)	
MOWN	-25.74**		1(0)
	(0.00)		
FS	-13.06**		1(0)
	(0.00)		
LEV	-1.39**	771.29**	1(0)
	(0.02)	(0.01)	
FG	39.23**	480.02**	1(0)
	(0.00)	(0.04)	
FPERF	19.80**		1(0)
	(0.00)		

Source: Authors computation, (2022).

Where: **DA**= Discretionary Accruals, β_0 = Constant, β_1, β_2, β_3, β_4, β_5, β_6, β_7, β_8 = Slope Coefficient, **FOWN**= Foreign Ownership, **IOWN**= Institutional Ownership, **OWNC**= Ownership Concentration, **MOWN**= Managerial Ownership, **FS**= Firm Size, **LEV**= Leverage, **FG**=Firm Growth, **FPERF**= Firm Performance

4. 5 Effect of ownership structure on Earnings Management

In Table 5 below, the study observed from OLS pooled regression that the R-squared value of 0.52 shows that about 52% of the systematic variations in Earnings Management (EM) measured by Discretionary Accrual (DA) in the pooled firms over the study period. It was jointly explained by the independent variables. This suggests that EM in non-financial listed firms in Nigeria cannot be 100% explained by ownership structure and our control variables. The unexplained part of the EM can be attributed to the exclusion of other independent variables that can influence EM but were excluded due to the fact that they were outside the scope of the study. The F-statistic value of 34.57 and its associated P-value of 0.00 show that the OLS regression model on the overall is statistically significant at a 5% level. This implies that the regression model is valid and can be used for statistical inference. This study employed the panel regression method using both fixed and random effect models. The results from the panel regression, as shown in table 4.5, are discussed as follows.

The F-statistic and wald-statistic values of 19.56 (0.00) and 45.14 (0.00) for fixed and random effect models, respectively, show that both models are valid for drawing inference since they are both statistically significant at 5%. In the case of the coefficient of determination (Adj R^2), the findings revealed that 66% and 71% of the systematically significant variations in EM are explained jointly by the independent variables in the random and fixed effect models, respectively. This therefore suggests that less of the variation in EM was explained when compared to the OLS pooled regression. The results also confirm that ownership structure and our control variables are not the only factors that drive EM since a lot is still not explained.

In testing formulated hypotheses, the two widely used panel data regression estimation techniques (random and fixed effects) were employed as shown in Table 5. The findings revealed differences in the magnitude of the coefficient, sign and the number of insignificant variables. The estimation of the random effect considers that error term and explanatory variables are correlated while that of fixed panel regression was based on the assumption of no correlation between the error term and explanatory variables. In selecting from two panel regression results, the Hausman test was conducted and the test is based on the null hypothesis that the random effect is preferred to the fixed effect model. The p-value of the Hausman test (0.00), suggests that the study should reject the null hypothesis and accept the alternative hypothesis at 5% level of significance. This implies that we should adopt the fixed effect panel regression results in drawing our conclusion and recommendation.

Following the above, the discussion of the fixed effect results becomes imperative in testing hypotheses. The fixed effect regression is used in the following analysis for each of the independent variables. Foreign ownership has a negative and significant influence on DA (=-3.67; P > |t| =0.0000.05). This implies that where there is an increase in foreign ownership, the EM of non-financial listed firms will decrease by 3.67. This means we should reject the null hypothesis (H_1; foreign ownership has no significant effect on EM among non-financial listed firms in Nigeria). The results agree with the findings of (D'Souza *et al.,* 2005; Omar & Hind, 2012; Osemene *et al.,* 2018), but differ from the outcome of Farouk and Bashir (2017). Similarly, institutional ownership (=1.98; P> |t| =0.030.05) has a positive and significant effect on DA. This suggests that when there is a one percent (1%) increase in institutional ownership, the EM of non-financial listed firms in Nigeria will increase by 1.98. The results provide evidence of rejecting (H_2; institutional ownership has no significant effect on EM among non-financial listed firms in Nigeria). This result agrees with prior empirical results (Koh, 2007; Mouna *et al.,* 2017; Lemma *et al.,* 2018). Most specifically, the results did not tally with the findings of (Sirger & Utama, 2008; Lin & Hwang, 2010; Saona et al., 2020).

However, ownership concentration (β=-0.04; P>|t|=0.97>0.05) has no any significant influence on DA. The result, therefore, provides evidence of accepting the null hypothesis (H_3; ownership concentration has no significant effect on EM among non-financial listed firms in Nigeria). This result

is in line with the study of (Kim & Yoon, 2008), but differ with the findings of (Ituriga & Hoffmann, 2005; Mouna *et al.,* 2017). Furthermore, Managerial ownership (β=2.08; P>|t|=0.04<0.05) has a positive and significant effect on DA. This implies that when there is one percentage (1%) increase in managerial ownership, EM of non-financial listed firms in Nigeria will increase by 2.08. The results provides evidence of rejecting ($H_{4;}$ managerial ownership has no significant effect on EM among non-financial listed firms in Nigeria). This result corroborate with the findings of (Saona *et al.,* 2020; Dong *et al.,* 2020). Most specifically, the results did not tally with the findings of (Farouk & Bashir, 2017; Siraji & Nazar, 2021).

With regards to the control variables, firm size and firm performance (=-0.55; 0.37; P> |t| =0.58; 0.72>0.05 respectively) have no significant effect on DA. This implies that EM will not be influenced when there is an increase in firm size or an improvement in the performance of non-financial listed firms in Nigeria. However, leverage and firm growth (=-3.67;-2.07; P> |t| =0.00; 0.010.05 respectively) are significant, negatively and strongly influencing the EM of non-financial listed firms in Nigeria. It implies that non-financial listed firms with more debt than equity and growth firms did not engage in EM.

Table 5. Regression Results

	Pooled OLS	RANDOM Effect	FIXED Effect
C	0.36	0.85	0.85
	[0.72]	[0.39]	[0.39]
DA	5.16	1.52	2.67
	[0.00]**	[0.13]	[0.01]**
FOWN	-6.27	2.08	-3.67
	[0.00]**	[0.04]**	[0.00]**
IOWN	2.09	0,41	1.98
	[0.04]**	[0.69]	[0.03]**
OWNC	0.29	-0.67	-0.04
	[0.77]	[0.50]	[0.97]
MOWN	1.24	0.03	2.08
	[0.21]	[0.97]	[0.04]**
FS	-1.81	-0.43	-0.55
	[0.07]	[0.67]	[0.58]
LEV	-2.39	-0.43	-3.67
	[0.02]**	[0.67]**	[0.00]**
FG	0.41	-0.37	-2.07**
	[0.69]	[0.72]	[0.04]
FPERF	-0.20	0.85	0.37
	[0.85]	[0.34]	[0.72]
F-Statistics	34.57(0.00)**	19.56(0.00)**	45.14(0.00)**
Adj R-Squared	0.52	0.66	0.71
Heteroscedasticity	14.03(0.00)		

HAUSMAN TEST Prob>chi2= 53.32(0.00)*

Note: (1) bracket [ ] are p-values (2) **, implies statistical significance at 5% level

5. Conclusion and Recommendations

This study has established the fact that foreign ownership has a significant and negative influence on EM, whereas ownership concentration does not show any significant effect on EM for the investigated period. However, institutional and managerial ownership have a positive and significant effect on EM. The study recommended that foreigners be allowed to participate on the board of the firm as their presence may discourage management from engaging in EM. Furthermore, institutional and managerial ownership should be given close monitoring on the board of the firm as the positive sign is an indication of aggressive EM.

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