FACULTY OF MANAGEMENT SCIENCES
RIVERS STATE UNIVERSITY

Book Of Proceedings
Of The Second International
Virtual Conference

Theme:

REALITIES OF THE NEW NORMAL:
IMPLICATIONS FOR MANAGEMENT SCIENCES EDUCATION AND PRACTICE IN LOW AND MEDIUM-INCOME COUNTRIES

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TEXT OF KEYNOTE ADDRESS AT THE SECOND INTERNATIONAL VIRTUAL CONFERENCE OF THE FACULTY OF MANAGEMENT SCIENCES, RIVERS STATE UNIVERSITY, NKPOLU-OROWORUKWO, PORT HARCOURT TITLED REALITIES OF THE 'NEW NORMAL': IMPLICATIONS FOR MANAGEMENT SCIENCE EDUCATION AND PRACTICE IN LOW AND MEDIUM-INCOME COUNTRIES

BY UCHE OLOWU, Ph.D., FIoD, FCIB mni.

Let me express my profound appreciation to the Faculty of Management Sciences, Rivers State University, Port Harcourt for giving me this very singular honour of being invited as keynote speaker in your Second International Virtual Academic Conference. The topic, Realities of the “New Normal”: Implications for Management Science Education and Practice in Low and Medium-Income countries is very apt.

We are in the Fourth Industrial Revolution which leverages on the fusion of advances in artificial intelligence (AI), robotics, the Internet of Things (IOT), genetic engineering and quantum computing to improve our world. Government and leaders around the world are increasingly looking to systemic foresight to manage uncertainty and build resilience. The Fourth Industrial Revolution speaks to the blurring of boundaries between the Physical, digital, and biological worlds. This technological revolution has fundamentally altered the way we live, work, and relate to one another. It is evolving at an exponential rather than linear pace in terms of speed and scope and its impact is unprecedented in our human history.

According to Klaus Schwab of The World Economic Forum, the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance. It has the potential to raise global income levels and improve the quality of life for populations around the world. But there is a caveat here, the benefits are only accruable to those who can afford and access the digital world automation thereby creating huge inequalities especially in the low- and medium-income countries.

Plaguing the world while it slept; the Covid-19 crisis which has been described by the International Monetary Fund (IMF) as “A Crisis Like No Other” essentially began as a health challenge and was declared by the World Health Organisation as a pandemic on March 11, 2020, due to its rapid escalation. This development led to the imposition of partial or complete lockdown on human and economic activities in most parts of the world to curtail the spread of the lethal virus. This action of governments of nations around the world, had far-reaching

implications on households, businesses and economies of countries as they struggled for survival. The Covid-19 pandemic challenged the health infrastructure of many countries, exposing the prevalent inefficiency of the health systems in sub-Saharan Africa. According to World Health Organisation, the virus has infected over 236 million people around the world with over 4.8 million deaths recorded globally as of October 8, 2021.

In 2019, the Global Health Index, scored the emergency preparedness rate, of low and middle-income countries in Africa, including Ghana, Nigeria, and Kenya at 0%, 12.5% and 12.5% respectively, revealing the obvious infrastructural deficit and incompetency in healthcare systems within sub-Saharan Africa in combating the pandemic. The crisis which began as a health challenge soon degenerated taking its toll on other sectors and every facet of human endeavour. Without sparing the educational sector, UNESCO reported that over 40million learners were affected by the nationwide closure of schools in Nigeria, limiting students access to learning. Across the globe, the pandemic occasioned unprecedented economic crisis resulting in widening supply chain gaps and a decline in productivity. Given the inability of fiscal and monetary measures to cushion the significant impact of the pandemic, the global economy contracted by 3.3% in 2020 according to the World Economic Outlook (WEO) Report released by the IMF in April 2021, while economic activity in Africa contracted by 2.1% according to African Development Bank (AfDB).

The Sensemaking Theory; Ushering the World into a New Normal

Focusing on the sensemaking theory; it posits that decisions take place against a backdrop of shared emergent meaning, and it also serves as retrospective developments of plausible images or narratives that rationalize and justify collective decision making (Weick,1995). Understanding the sensemaking theory makes it a strategy of choice during a disruption like the Covid-19 pandemic because of its shared experiences, characteristics and uniqueness in responding to novel, complex, unknown, and open-ended disruptive situations.

Research suggests that decision making under these conditions follows a groping, iterative approach as decision-makers seem to make sense out of the situation, which certainly describes the decision-making process practiced by both governments of developed and emerging economies throughout 2020. Citing South Africa and the city of Lagos, Nigeria; shared experiences from western economies which include lockdown/curfew decisions, work from home, remote learning were actions repeatedly executed at the several peaks of the pandemic and was considered a new norm in combating surging cases. The combination of the disruptive technology (Fourth Industrial Revolution) and health pandemics is challenging the status quo in all facets of human endeavour.

Throughout history, pandemics have motivated people to rethink traditional approaches and adopt new outlooks (Cahapay 2020), and the ongoing Coronavirus Diseases pandemic is no exception. Educational organisations are currently preparing for the post-pandemic period, commonly referred to as the “new normal”. The term new normal is used in different context and generally indicates to something as previously unusual that becomes normal. Oxford Dictionary also defined new normal as an era or status that was previously unfamiliar or atypical that became familiar and typical. Furthermore, Urban Dictionary (2009) describe

Organizing and the process of sensemaking. Organization Science new normal as the situation of being after some intense change has occurred. It substitutes the accepted, habitual, usual state after a certain event happened. The idea of implementing the “new normal” required people to rapidly respond and adapt to the alteration and new condition. This therefore implies that the faculty and the students must rethink about education and learning process. It presents the university an opportunity to reconsider its relevance, suitability, and responsiveness of its curricula to the future of work through blended learning. The import of the task is therefore to Reimagine Education by devising strategies of deliveries without compromising reach in the light of challenges posed by the disruption in technology and pandemic. The world is increasingly complex, uncertain, and fragile. The overwhelming challenges that accompany uncertainty have been thoroughly exposed through the pandemic. But it has also reminded humanity that uncertain contains great potentials to generate awareness, sensitivity to our independencies which is a source of hope.

The Impact of Covid-19 pandemic on Education

The closure of schools due to COVID-19 brought significant disruptions to education across the world. Evidence from across the globe indicate that the pandemic gave rise to learning losses and increased inequality. UNICEF estimates that 40 per cent of all school-aged children across Eastern and Southern Africa are currently not in school due to COVID19-induced closures and pre-pandemic levels of out of school children. During the pandemic, some institutions had to turn to e-Learning to keep the school running but this approach had its limitations in Africa with its infrastructure deficits ranging from poor power supply, low ICT / broad band penetration, low internet coverage and economic conditions (the purchasing power of the average person) which limits the acquisition of laptops, smart phones and other handheld devices which are the platforms for online learning.

The pandemic also exacerbated an already precarious education financing situation as countries focused on survival measures such as: building and maintaining Isolation Centres, procuring vaccines and reflating the battered economy. Worst hit is the low and medium-income countries who were struggling with various issues pre-pandemic.

To reduce and reverse the long-term negative effects, low and medium-income countries, which are likely to be even harder hit, need to implement learning recovery programs, protect educational budgets, and prepare for future shocks by “building back better.” The argument that teaching and learning remotely is not the same as face-to-face pedagogy as education at its heart is about human connections and relationships. Whilst we can never replace captivating connections between good teachers and students, in an in-person environment, we should focus on the social aspects of technology to enhance connections from a distance. Much more focus must be directed on how we can leverage technology to enhance teaching and learning in a blended learning environment reaching students both in school and at home. The challenge is therefore driving the imperatives of digital education. We must then understand how technology integrate teaching and learning to remain ahead of the change curve.

The Implication of Covid-19 on Management Science Education and Practice in Sub-Saharan Africa

An understanding of the impact of the pandemic on management science education cannot be fully comprehended in isolation without a clear elucidation of its impact on education, paying critical attention to tertiary education. Africa is said to have the lowest provincial standard in the globe, with a projected 1,650 higher education institutions and one-fifth of the universal standard accounting for just 25%. The continent lacks the required infrastructure for students to learn and be able to contribute their quota to the industries without further training.

Given the surging numbers and the spread of the virus, sub-Sahara Africa had no alternative but to shut their educational institutions across all levels as an element of their lockdown measures to curtail the spread of the virus. Whilst evidence collected since the start of the pandemic shows that schools are not the main drivers of the pandemic, tertiary institutions had no alternative but to resort to the use of information and communications technology (ICT) to convey their programmes online to their students. The pandemic brought about a clear prospect of digitizing education with numerous institutions across Egypt, Kenya, Algeria, Ghana, Nigeria, Rwanda etc adopting online education, providing necessary technological tools and partnering with Telecommunication companies to provide learning platforms. Despite this progressive mindset towards ensuring an improved educational system, UNESCO reported that 89% of students in sub-Saharan Africa do not have access to home computers and 82% do not have internet access. This means that these online classes cannot accommodate all students because of a significant monetary cost requirement. But the emerging economies within Africa have shown willingness to circumvent bandwidth challenges, through adopting pre-recorded lectures on zero-rated e-learning platforms and implementing blended learning (a mix of face-to-face and online learning) to increase access and improve learning, with no clear intentions to completely replace face-to-face delivery.

It might be misleading to measure the impact of online learning in sub-Saharan Africa as exhaustively effective by just sharing lecture notes online or having a video recording of the lecture or having an actual online lecture plagued by significant network glitches. There is an obvious absence of appropriately designed instructional teaching materials, that is interactive in nature that will effectively support the teaching/learning of Management Science courses in higher institutions in most African countries.

Owing to the realities of the new normal, with over 80% of the adult population having access to radios and mobile phones, players in the educational sector, explored this opportunity to reach students who were left behind, with targeted instructions via these mediums while personalizing learning through online platforms. Other delivery modalities require a central planner, as well coordination between all three tiers of government, and the private sector (media platform owners).

It is imperative to note that inherent in the use of e-learning is the capacity for scalability, revenue generation and employment creation for digital experts/instructors. There are immediate and long-term economic benefits one of which is getting as many students as possible in schools for national Human Capital Development. Nigeria has a population of over 200 million with the youthful population accounting for over 65%. With the e-learning approach, exclusive and specialized subjects can be taught with ease even with limited number of teachers.

The infrastructural deficit and contrasting social conditions that exist between rural and urban communities compel administrators of e-learning to reconcile the need to create highly functional platforms and ensure that the platforms are optimized to operate smoothly on basic devices and technology. To reduce and reverse the long-term negative effects, low and medium-income countries, which are harder hit, need to implement learning recovery programs, protect educational budgets, and prepare for future shocks by "building back better. Teachers however need to seek the issues of managing virtual classes especially as it relates to putting distraction away for learning, addressing discipline and making the class interactive. Also, the issue of internet connectivity and low digital competence amongst the students and teachers.

Recommendations

Given the reality of the "New Normal" and the transformation that has taken place in the educational sector as a result of technological innovations, the following are recommended to enhance Management Science Education and Practice in Low and Middle-Income Countries:

1. Review of The National Education Policy

Educational policies in sub-Saharan Africa should be reviewed to align with new developments and global trends. There is need for a National Policy on Digital Education to address the use of emerging technologies in the teaching-learning process as occasioned by digital transformation. The policy should encompass the guidelines and benchmarks for use of technologies / digital platforms in education as well as quality assurance mechanisms.

2. Improved content and learner experience for enhanced accessibility

Content, structure, format, and delivery are critical factors for consideration in achieving accessibility and adoption. Deliberate efforts must be made to localize content using experiential knowledge and research to ensure that the end users are not from the lessons or experience any form of difficulty in assimilation. Adoption rate is still growing across the countries even though Covid-19 accelerated the pace of digital transformation and use of e-Learning in education. With improved learner experience and enhanced productivity, the adoption rate will grow.

3. Training of Instructional designers

An essential requirement for a rich e-learning content development is Instructional designers. Government at all levels must deliberately invest in the training of Instructional / content developers. The major challenge with e-learning is designing a system optimized to deliver effective learning in the face of barriers in ways suitable and relevant to the end users. Educational designers must consider the learner's context, background and reality to design best -fit learning approach. This will further generate employment as well as enhance the quality of the content thereby increasing the adoption of the platform with the attendant stakeholders' satisfaction.

4. Digital Inclusion (Provision of Infrastructure)

Policy makers must prioritise and intensify efforts to address the infrastructure deficit as well as expand digital inclusion by bringing more communities on the grid. This can be achieved through collaboration with local business organisations and foreign partners. Unarguably, the challenges of internet data cost, poor network, power interruptions and system failures, are rampant and can

diminish user experience. It behooves on government to bridge this gap for more digital inclusion and adoption of e-learning.

5. Funding of education

Government must deliberately continue to fund education in view of the untold benefits and impact of education on the populace. An educated / informed citizens are assets to the country. More funding should be devoted to the educational institutions to accelerate the pace of transition to digital learning and upskilling of personnel. This will indeed aid students who are unable to afford the cost associated with online learning. We must understand that the challenges associated with digital learning have been with us before Covid-19 and we may not be able to fix them overnight. Hence government must be deliberate in resolving the issues.

6. Teacher Development on Mode of Delivery

There must be conscious effort to support Lecturer's ability to work in the new environment through digital skills development in addition to their personal development. Using technology specifically to improve learning through intentional pedagogical decisions is imperative for professional development especially for the twenty-first century transformational practice.

Conclusion

The Covid-19 pandemic has forced several economies to undergo significant changes, including reconsidering critical business processes and the use of technology for business continuity whilst adapting to changing landscape of standards and new procedures. The consequences of the Covid-19 pandemic for management science education and practice in Low and Middle-Income Countries is daunting and challenging as it relates to adaptive learning systems, remote assessments and learning analytics to personalize education. Given the standpoint of education in sub-Saharan Africa, the pandemic exposed the flaws of the education system and through the unconscious embrace of the sensemaking theory, models have been adopted to form a basis for which we grow. The adoption of e-learning should be given the utmost priority and it must follow a proper implementation process to enable the attainment of the growth we seek in our education system. As a faculty, we must design and develop new educational content and curriculum meet for the 21st century and this can only happen through a better definition of teacher competency frameworks.

Education in Sub-Saharan Africa has suffered setbacks over the years. Stakeholders are expected to develop meaningful initiatives as we prepare for a technology-enabled post Covid-19 era as it is historically obvious that sub-Saharan Africa has depicted a lackadaisical approach towards the acceptance and use of technology.

The crisis clearly highlighted the inequalities in the digital access and that business as usual will not work for delivery of education. To close the digital divide in education we must leverage the power of technology to accelerate learning. We cannot return to the world as it was before. The future is the future and the demographic of the future speaks to the millennials -our students who the Fourth Industrial Revolution appeals to.

Thank you.

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INFOPRENEURSHIP: A NEW-NORMAL FOR SUSTAINABLE BUSINESS PERFORMANCE IN RIVERS STATE, NIGERIA

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ABSTRACT
The occasioning effects of unemployment have continued to retard sustainable business efforts in Rivers State, Nigeria. Its implications cut across almost all professional divides. This paper x-rays the opportunities embedded in infopreneurship for the citizens of Rivers Staten Nigeria in the face of the upheaval unemployment rate in Nigeria. Infopreneurship is an enterprising business model based on gathering, packaging and distribution of target-based information products and services using the limitless possibilities of ICT for the purpose of generating income. The paper recognizes infopreneurship as a viable alternative, where individuals can use creative thinking; strategic planning; focused and purposeful marketing; and willingness to be innovative to create employment opportunities and foster sustainable business performance. It was found that inadequate awareness, human capacity development, lack of facilities, and lack of standard for confirmation among others are factors that impede infopreneurship in Rivers State, Nigeria. It is recommended that individual (citizens) harnesses the opportunities that lie in wait in infopreneurship through a dedicated interest in acquiring the skill and creating wealth out of it and that the Government should create a favorable environment for infopreneurs to thrive by providing all the needed support (morally and financially); thereby alleviating the unemployment woes of the state and nation.

Key Words: Infopreneurship, Sustainable Business, Performance

INTRODUCTION
The Advent of the ICT harbingers a great deal of opportunities that has remains unnoticed and un-harvested, thus, calls for serious attention. Infopreneurship is one amongst the many opportunities that lies in wait in our present-day society. Infopreneurship is a conjugation of Information and Entrepreneur. Suffice to say that it is the act of making money through information – it is an act of entrepreneuring in the Information Management world. One who practices Infopreneurship is an 'Infopreneur' – an entrepreneur whose primary business is gathering and selling electronic information. To Du Toit (2000) an entrepreneur is an individual in society who takes the lead as well as the risk in mobilizing the production factors (natural

resources, human resources and capital) in specific combinations to produce products and services for his or her community. Kuratko (2005) noted that entrepreneurship is more than the mere creation of business, as it is a dynamic processes of vision, change, and creation which requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions

Infopreneurship is an emerging concept that is placed at the core of many fundamental subjects and concepts. It is a relatively new term and is receiving increasing recognition from the scholars of various areas of business, library and information science, science and technology disciplines, as well as from players in the business world. It stresses integration of information with entrepreneurship. According to Umoru (2016), the growth and development of any society lies in the ability of its citizenry to identify and exploit existing but unnoticed investment opportunities in a way very novel to the expected market. Therefore, harnessing various entrepreneurial opportunities for national development is not just the way forward but a sure foundation for sustainable development.

The 'entrepreneur' and 'entrepreneurship' are increasingly considered significant concerning the production of goods and for national development, especially in terms of economic growth and job creation (Adetayo & Hamzat, 2021). Nweze (2018) defined Infopreneurship as the identification of a business opportunity and taking advantage of it to produce information product and services; including information management. Therefore, it can be affirmed from the above that information is valuable and is constantly being modified to meet people's needs and given at a price in line with its value (Adetayo & Hamzat, 2021). As opined by Akpelu (2019), there are two types of infopreneurs. The first are those that sell the information they have amassed on their own and those that help in selling other people information. The second procure income from selling information that they did not create. Most infopreneurs often have their website, which is a gateway for their business. According to Igwe (2017), an infopreneur may have compiled information on a particular subject, for example, the luxury of life. Someone may discover this subject and follow the link to find related information about it. Those that create their content have a higher income potential since content creation requires innovation, which is an information trademark for Infopreneurship (Adetayo & Hamzat, 2021). David & Dube (2014) mentioned IT-oriented areas such as the blogging software used on websites; construction of robust websites that are accessible to non-programmers; development of wiki software; print-on-demand services; new web-based publishers; and broadcasting. Also, David & Dube (2014) listed software and hardware installation, automation of the library, marketing of information products, information repackaging, records management, proofreading and editing, Internet providers, e-abstracting and indexing, building a consistently branded web presence, online broadcasting, and website creation as areas that can be explored by infopreneurs. Recent areas of infopreneurship are largely driven by technology.

Skrob (2009) recorded ten benefits of infopreneurship as follows: it replaces physical work by accelerating the provision of services, it gives an easy revenue and huge benefit potential, it has a low cost of entry, it offers specialized services, it presents new items which bring new clients, it provides advertising opportunities, it builds up cross-promotion opportunities, it makes the potential for corporate deals, it very well may be spread through verbal exchange and next to zero interaction with purchasers / clients.

The world in the 21st century is seeing an influx of enterprise occurring with an ever-increasing number of individuals searching for self-employment and business ownership, which the computer age has made possible by the quick response to our evolving needs. Khalid (2015) noticed that the development of any country lies in the capacity of its populace to distinguish current yet unnoticed opportunities in a manner extremely new to the market. In this way, harnessing different infopreneurial opportunities for more income is not only the way forward but a sure foundation for a manageable life. As indicated by Khalid, graduates as information experts can harness the numerous opportunities in information business in a profitable way. With proper abilities, they will be at the vanguard of infopreneurship and receiving the numerous monetary rewards it presents (Adetayo & Hamzat, 2021). Therefore, this study seeks to contribute to the gap in the extant literatures of the conjecture, 'Infopreneurship' as a new-normal for sustainability of Business Performance in Rivers State, Nigeria. In figure 1 below, the Conceptual framework for this study presents the nexus of Infopreneurship and Sustainable Business Performance in Rivers State, Nigeria.

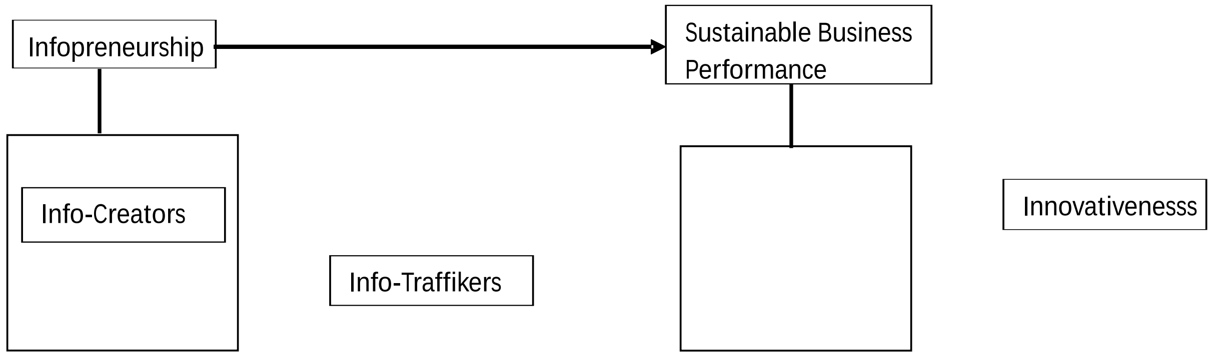

Fig1: Conceptual framework of Infopreneurship and Sustainable Business Performance in Rivers State, Nigeria.
Source: Adetayo & Hamzat, (2021) & Researchers' Desk, (2021)

LITERATURE REVIEW

Theoretical Framework

To give credence to this study are the Schumpeter's Innovations Theory and Resource-based theory. They provide backdrops on which our deductions are made.

Schumpeter's Innovations Theory

Entrepreneurship is very much in the air today, with the present times seeming to be an age of entrepreneurship with somehow the idea of entrepreneurship appearing to fire the imagination of everyone, especially the youth with a good education. The origin of entrepreneurship is traced to very ancient times of the Egyptian pyramids (Hisrich et al., 2016). In the history of entrepreneurship, Schumpeter's entrepreneurship appears to be a turning point (Schumpeter, 1949). Schumpeter's entrepreneurship is more than entrepreneurship of simply up setting businesses and running them successfully or probably which is statics or stagnant view of entrepreneurship. The source of Schumpeter's theory is his classic text, The Theory of Economic Development that heralded a new era of economic development through entrepreneurship. According to this, the free enterprise system is quite enterprising and dynamic, forever scaling higher and higher heights of business through new products and services (Ghannajeh et al., 2015; Ahmed, 2016c). Entrepreneurship is the engine of growth, and represents a stream of Innovations. “Schumpeter emphasized the role of the innovator-be-, the innovator, the

developer, the promoter, the person who initiatives and recognizes technical improvements and who succeeds in getting them introduced”. The inventor in business terms is the entrepreneur whose function is entrepreneurship, which is the spring of all business innovations and improvements, and the main source of economic development (Samuelson, 1980).

Thus, the sequence of economic development is entrepreneur entrepreneurship innovations business and economic development. Innovate or perish is 'Schumpeter's ideology. The reward for entrepreneurship is profit. In the entrepreneurs, “...there is the will to conquer the impulse to fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself… or simply of exercising one's energy or ingenuity” (Schumpeter 1969). Further, it is noted, “Because being an entrepreneur is not a profession and as a result not a lasting condition, entrepreneurs do not form a social class in the technical sense, as, for example, land owners or capitalists or workman do. Of course, the entrepreneurial function will lead to certain class positions for the successful entrepreneur and his family” (Schumpeter 1969). “Like the Marxian capitalist, who accumulates for the sake of accumulation, the Schumpeterian innovator, innovates, at least in part, for the sale of innovating” (Adelman, 1961).The soul of Schumpeterian entrepreneurship is innovation (s), which is “The introduction of something new-a new idea, method or device”. Innovation is the key to the economic development of any company, region of the country, or country itself. As technologies change, old products decrease in scales and old industries dwindle. Inventions and innovators are the building blocks of the future of any economic unit. Thomas Edison reportedly said that innovative genius is “1 per cent inspiration and 99 per cent perspiration” (Hisrich et al., 2019).

The advent of technology and the innovations it brought has opened up new opportunities and challenges into businesses in this regard, the adoption and advancement of technology act as channel to expand and accelerate the businesses as well as the people. Lalkaka (2002) defined technological innovation as the process that drives a concept towards a marketable product or service. This holds true as it contributes towards raising productivity and competitiveness (Lalkaka, 2002). Infopreneurship is innovative application of information science and knowledge individually or by group of persons, who create and manage a business and take its financial risk in order to achieve their goals and perspectives. The engineers possess high technical skills in this regard but they often enjoy few skills in business and in terms of entrepreneurial thinking (Prodan, 2007). Infopreneurship is one of the basic foundation areas of the ICT age in entrepreneurship that plays important role in creation of competitive advantage in various enterprises and organizations, reconstruction and economic growth being basic reasons for this, businesses will be able to expand themselves to compete in this ever-expanding world, at the same time create and add value to them (businesses) in order to achieve sustainability.

Resource-Based Theory

According to resource-based theory, sustainable business performance results from resources that are inimitable, not substitutable, tacit in nature, and synergistic (Rylander, 2001; Barney, 1991; Al Ansari, 2014). It aspires to explain the internal sources of a firm's sustained competitive advantage; as such managers need to be able to identify the key resources that drive performance (Kraaijenbrink, Spender& Groen, 2010). Based on this theory the intellectual capital is a main resource to improve enterprise growth. It can be human (characteristics, knowledge, skills, and capabilities), organizational (technology, processes, patents, and networks), and social (links with customers, suppliers, and partners), all of which are important strategic resources / assets which the firm needs to propel its innovation efforts alongside increasing and sustaining competences and capabilities (Dorf & Byers, 2008; Martinez-Roman, Gamero & Tamayo, 2011). Moreover, intellectual capital has been studied by many past researchers who investigated the influence of intellectual capital on business performance (Ngugi, Mcorege & Muiru, 2013).

Also, through continued use, these "capabilities", defined as the capacity for a set of resources to interactively perform a stretch task or an activity, become stronger and more difficult for competitors to understand and imitate - which usually result from R&D and can be used to augment future production possibilities (John, Maurice & Joseph, 2013). Teece (2010) exposits that "the resource-based view suggests that the firm, when operating in changing business and market environments, is required to encompass resources (i.e., capabilities and competencies) and perform tasks efficiently and expeditiously to capture new opportunities and threats and to meet customer needs by either morphing existing, or creating new ventures". The theory however failed at explaining the innovation process issues, to deal adequately with the issue of complementarities of resources, to explain dynamic capabilities, to acknowledge the role of human involvement (mental processes and judgments) in assessing and creating value, and to explain how to manage resources in ways that sustain business performance (Wiengarten et al., 2013).

Infopreneurship

Over the past several decades, global economic and social trends have implications for economic reforms and social opportunities for countries. The advent and effective use of ICT have unarguably changed the way people interact. According to El-kalash, Mohammed & Aniki (2016), it has resulted in the creation of new knowledge, products, services, jobs and the business of infopreneurship is one of such new fields that have become an innovation into mainstream information practice with a view to limiting the unemployment rate of a given population, enhance per-capita income and subsequently improve the economic wellbeing of the people. The foundation of infopreneurship could be traced back to 1937, when librarians and other information professionals formed an organization called the American Society for Information Science and Technology in an attempt to establish their professional identity separate from public libraries. However, the first association of Independent Information Professionals, (the first professional association devoted to information brokerage) was founded in Milwaukee in 1987 (Igbeka, 2008).

The term "infopreneurship" has gained a general acceptance among information specialists in recent years. It derives its root from 'information' and 'entrepreneurship'. It is an aspect of entrepreneurship that deals solely on information businesses using the new technology. The concept of infopreneurship has been used loosely by many authors to mean the same thing as entrepreneurship in library and information services. However, infopreneurship is an enterprising business model based on the gathering, packaging and distribution of target-based online information products and services using the limitless possibilities of the internet for the ultimate purpose of generating profit (Madu, Ajayi & Ebire, 2016).

According to David & Dube (2014), an infopreneur is an entrepreneur who identifies opportunities for creating enterprising information-based businesses by identifying knowledge deficiency situations and selling target-based information products and services, mainly through the internet. In a wider sense, Kango (2015) views an infopreneur as an entrepreneur whose main medium is the World Wide Web (WWW) and main source of profit are information products and services.

Dimensions of Infopreneurs

People embark on infopreneurship for several reasons. However, unemployment is a major reason why infopreneurship is practiced. This is because unemployment can be solved largely by engaging in infopreneurship businesses. (Chux-Nyehe & Nwinyokpugi, 2020). Heidenreich referred to in Stanley (2017) affirms that by and large there are two dimensions of infopreneurs; the individuals who sell the data they make (info-creators) and the individuals who gain a

commission by selling data others make which they assemble from various sources. Such infopreneurs are regularly alluded to as information traffickers. Another dimension not expressed by Heidenreich is the capacity to answer users' needs using the online platform.

i. Info-creators

As people, we as a whole have some extraordinary ability. That is the reason we are recognized in quality. Those that are ICT complaint and happen to be honored with writing abilities, for example, can create huge pay business from information items because being a fruitful infopreneur necessitates that you think and bundle data/information on-request; of which different people do not have the foggiest idea and are truly wanting to know. By so doing, you will have a specialty in displaying your information products. To make your information products require a great deal of difficult work. Such products could be on hobbies, finance, and religion, to give some examples. You can likewise look at the web for buzz or ongoing issues that produce a large following. Even more in this way, you may similarly outsource your creation process to other people and focus on the selling or promoting of your information items particularly if you have little information on item creation (Adetayo & Hamzat, 2021).

ii. Information traffickers

This requires being an immediate advertiser or an associate to the traders/sellers of certain information items. It requires joining the vendors' program and guiding your forthcoming clients to their item to make the sales. To turn into an immediate advertiser, you need to buy information items with resale or master resale rights and sell them on your site. That is the reason a few people think that its simpler to sell a proven item than to make their own as some of such items have oftentimes, received positive acclaim, demonstrating that they work; along these lines bringing about certain sales (Adetayo & Hamzat, 2021).

Sustainable Business Performance

Measuring performance is important as it provides a benchmark for examining particular strategies implemented in the organization (Anad, Mesquita & Vassolo, 2009). According to Rozana & Abdulhakim (2005), the assessment of performance is beneficial in upgrading and improving a firm's existing programme and policy. Performance can be attributed as the main indicator in assessing the operation of an organization. Many studies in the field of management have looked into the issue of performance especially in the context of strategic management (Alfred, 1989).

Innovativeness

Innovativeness reflects the tendency to embrace new technologies or practices and go beyond the current state of the art. This may include new and creative ideas, novelty, and experimentation (Lumpkin and Dess 1996) that might bring new opportunities, novel solutions, or rise to new technology, products, or services (Dess and Lumpkin 2005). Innovativeness is demonstrated with an inclination to challenge the status quo and support new ideas in technology, new product development, and internal processes (Baker and Sinkula2009). Innovativeness can take several different shapes, for example, technological innovation such as R&D and engineering, while product-market innovativeness can instead refer to a new market niche, product design, and advertising and promotion (Miller and Friesen 1978). In the Entrepreneurship literature, innovativeness can be described as a range of methods to develop or adopt new activities, services, or products (Vora et al. 2012), which encompasses many of the innovation aspects in the field of innovation (e.g., Garcia and Calantone 2002; Schumpeter 1934). However, the innovativeness dimension does not go into detail about the different kinds of innovation, such as incremental or radical innovation, or if it is an adoption or generation of innovation (e.g., Pérez-Luño et al. 2011). Nonetheless, the broadness of the dimension of innovativeness enables many different areas of innovativeness, such as product, service, and process innovation, to fit into the conceptualization.

Infopreneurship and Sustainable Business Performance

Vengadasalam (2007) posited that infopreneurship as a business is important due to the information era which has turned information into a commodity that could be packaged and sold to consumers and information had become the underlying vitality in today's success to both an individual and a company. Ocholla (1999) also noted that individuals, organizations and countries are increasingly accepting the importance of information and knowledge for their survival, and therefore invest a great deal in information as a commodity. Ngulube (2001) postulated that the information society requires records managers and archivists who can efficiently contribute to the development of society by having portable and comparable qualifications that can be used across the board to harness the advantages offered by the information age. In economies characterized by low labor demand and high rates of youth unemployment, entrepreneurship training has the potential to enable youth to gain skills and create their own jobs (Premand et al, 2012). Blecher (2013) posited that the real solution for

Africa is human creativity and hard work, the spirit of entrepreneurship and the creation of small businesses in their millions – leading to job creation. Globally, all nations strive to attain a virile, dynamic and sustainable economy because they want to attain some metrics in creating wealth and jobs, encouraging development of new knowledge and technology, and helping to put in place a healthy, stable and sustainable political landscape (Ejedafiru and Toyo, 2015). By every standard of fair judgment, the basics of a developed nation are still far from attainment in Nigeria. According to Madu, Aboyade and Aboyade (2016), national development refers to the ability of a country to improve the social welfare of the people. They stated the features that can lead any country to development to include: education, rich natural resources, rapid industrialization, stable political environment and most importantly, increase in the working population without which the sustainability of any developmental progress will not be guaranteed. El-Kalash, Mohammed and Aniki (2016), define sustainable development as the development that meets the needs of the present generation without compromising the ability of future generation to meet their own needs. Today, unemployment tops the myriad of problems bedeviling the Nigerian nation.

Imeremba (2000) opines that, information is a powerful commodity that provides nations with the basis for innovation, the resources for informed citizenry and holds the key to the progress of any society. Information is very crucial to every type of development. Du Toit (2000) observes that in South Africa, there was a marked growth in demand for infopreneurs which was strongly stimulated by the need to manage information as an economic resource in enterprises. Given the fact that the 21st century gives prominence to specialized and knowledge-intensive services as contributors to development, the Nigerian economic growth can be enhanced via massive infopreneurial practices. Hence, El-Kalash, Mohammed and Aniki (2016), believe that the need for infopreneurs who can mine web content for the economic growth of our society cannot be over-emphasized.

Challenges facing Infopreneurship in Rivers State, Nigeria

In this present-day world of IT dominance, great exploits in innovations, research and development have not been without its misnomers. These hindering factors include: government policy, human capacity development, lack of facilities, and lack of standard for confirmation, capital, high level of illiteracy, poor internet connectivity, inadequate ICT skills, high cost of running business, and inadequate awareness of business opportunities in the information sector, amongst others. Research innovation is generally not appreciated, so less investment would lead to less development breakthrough in products. Instead of being trend-setters, they choose the easier option which is to follow trends. This hampers the propelling factor behind the concept of infopreneurship as it appears to be limited to a particular set of individuals.

CONCLUSION

The world is gradually towing towards the technological age, and moving away from the traditional business approaches. The advent of ICT has played a pivotal role in simplifying this process. The economic sustainability of every society lies on its ability to harness every opportunity that becomes palpable. Infopreneurship, just as other concepts possess the hidden opportunities that can grow the dilapidating economy of our nation. As identified in this study, it avails enviable and almost hassle-free opportunities. It introduces a new way of making a living in the information sector while giving credence to entrepreneurship. Different scholars have held different opinions on how to harness the infopreneurial mindset; however, it is expedient to pay keen attention to postulation of Chux-Nyehe & Nwinyokpugi, (2020) where they opined that one of the imperatives thrust of infopreneurship is on value creation. According to them, “Value connotes something that is intrinsically desirable or sought after. In the business of selling of information, it is imperative that whatever information that is created should be worthwhile and desirable. It should be such that will meet the needs of the people. Saleable information must be valuable. It takes the infopreneur to generate information that will add value to people's life” (Chux-Nyehe & Nwinyokpugi, 2020).

However, the identified challenges greeting the 'new but gold' concept of infopreneurship in Rivers State Nigeria; as a matter of fact, requires keen attention from the government in curbing the menace that it has since brought. It has become imperative for infopreneurship to be inculcated into all facets of the governmental sectors, especially the educational sector. The chances and opportunities embedded in infopreneurship would remain unnoticed and un-harvested if the 'square peg is not fixed into the square hole' – by creating a widespread awareness of this concept and ensuring that its potentials are harnessed. More-so, it is incumbent on the individuals (citizens) to avail themselves of this skill. While it is expedient for the government to provide all the needed support to make infopreneurship thrive in the state.

RECOMMENDATIONS

Owing to the rate of unemployment ravaging the state and giving credence to the unnoticed and un-harvested opportunities embedded in the Infopreneurial purview, we hereby recommend the following suggestions:

1. That individual (citizens) harnesses the opportunities that lie in wait in infopreneurship through a dedicated interest in acquiring the skill and creating wealth out of it.
2. That the Government should create a favorable environment for infopreneurs to thrive by providing all the needed support (morally and financially).
3. That infopreneurship should be encapsulated into the academic curricula of tertiary institutions in Rivers State.
4. That experts in this field always avails themselves to mentor as many persons who are already in the field or prospective practitioners.

Limitation of the Study

The main aim of this study is to contribute to the gap in literature as well as give credence to extant literatures of infopreneurship. Thus, this study has its limitations in the number of literatures reviewed and as such suggests that further empirical research and theoretical reviews in this field should be encouraged to add more value to the extant literatures.

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COST CONTROL APPLICATION: MEANS OF SURVIVING REALITIES OF THE NEW NORMAL IN MEDIUM INCOME COUNTRIES

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ABSTRACT

This study is aimed at ascertaining whether cost control applications which includes the systems, measures and structures are determinant factor in achieving efficiency in this era of "realities of the new normal: implications for management sciences education and practice in low and medium income countries" with respect to income (resources) allocation and utilization. In sourcing for information, the researcher used desk research to obtain information through some publications which are directly or indirectly related to the topic as a means of related literature. The study reveals that in realities of the new normal which entails Covid-19, cost control structure (techniques) is a vital step taken to ameliorate the situation. Also, the disclosure of the various items of the cost control measures contributing to the productive cost of each cost unit will facilitate wastage to be traced and necessary economies effected; and that the effect of idle capacity upon operating cost will be disclosed by cost information. The study concludes that, cost control systems which forms part of an operating expenses of the medium income countries; appears to be very important indicator of the country's economic growth with respect to the productive sector activities; and that, income (resources) generated accommodates these medium income country's structure because, the country's policies made thereof, depends on the income generated. Therefore, the study recommends that relevant cost control systems should be adopted by these medium income countries in the productive sector of the economy in order to stay stable in this present-day pandemic period.

INTRODUCTION

Management Sciences Education hereafter called (MSE) has become so complex in recent time that as professional task, it carries heavy responsibility and calls for commensurate platform, skills and judgement. Adding to this complexity of the art of MSE, is the current increasing waves for "realities of the new normal" which created the need for a push, pull and drive of "working at a place of comfort" (WAAPCO) or "working at home" (WAH). Howbeit, the MSE ensures that the separate working leaders in various divisional, functional units and countries have gotten the right information (Background, attributes and skills) that is relevant in making the realities of the new normal (strategy) work, design a better organization plan and climate to fit the new strategy,

employ the right functional policies and allocate materials (resources) to the functional units in accordance to the strategy allowed for the units (Ibama, 2016). With regard to the foregoing, implications for MSE and practice in low- and medium-income countries like the third (3rd) world countries; enables every business sector to monitor its scarce resources (income) in order to obtain the ultimate aim of wealth increase. One way MSE can be achieved is by establishing an effective cost control structure (unit). From the foregoing, it is clear that cost control plays an indispensable role in ensuring that the finance and accounts of a business sector is properly controlled and maintained in such a way that the results of operations and financial position shows genuine attestation of income allocation and utilization.

On the other hand, income allocation and utilization could be seen as a strong pressure or force of financial outlays which ensures that all activities of a given business sector or organization which also applies to a country; conforms to a plan of action because income is a surplus arising from business activity, resulting from the cash-to-cash cycle of business operations and derived from a periodic matching of revenue from sales with relevant cost (Ukpai, 2004). More so, the allocation and utilization of income as a means of resources focuses on the sectors (organizations) capacity to adapt to change as, realities of the new normal and evidence to manage the human, technological or intellectual resources, behaviour in a consistent, adapted and efficient manner. The allocation and utilization remain competitive over time by contributing and recognizing the fact that most management teams are under heavy time (cost) pressure. In terms of income (resources) utilization (Williams, 2010) identified an efficient manager to be one who meets the daily production quota at minimum cost. Thus, a true success in managerial effectiveness is goal attainment and efficiency in resources utilization. Therefore, as Katz and Kahn (2009) observed, resources utilization may be seen as the efficiency of the relative magnitude of two quantities such as inputs and outputs.

As Ukpai (2004) observed, cost control system creates the link between planning and control in the decision-making cycle where part of the "output" is transferred to the "input" so that; the cycle is continuous and interacting. He maintained that; planning involves the establishment of goal and the selection of lines of action to achieve these goals. Thus, the planner usually has little or no control over the goal. Ukpai's statement points directly to the facts that, cost control involves the implementation of plans and the consideration of feedback that may influence future decision or activities. However, he noted that the primary objective of cost control is to assist in the planning and control function of management internal decision making. This in no doubt may have led to the reason why Ibama (2016) said that, cost control is mostly concerned with the meeting of several basic requirement relating to a firm's objective towards the control of a business organization. That is, cost control is concerned with comparing activities by the use of a standard measure, directing, cost inputs to outputs and advising on where cost allocation and utilization have deviated from laid down plans. Howbeit, the process of cost control is primarily concerned with the decision and actions that need to be taken to deploy the resources (income) of the firm which also applies to a country.

Nevertheless, cost as the word implies could also been seen as the amount of expenditure (actual or notional) incurred on or attributable to a specified thing or activity. It is always related to some object or function or services. The cost unit to be used in any given situation is that which is most relevant to the purpose of the cost ascertainment exercise. This means that, in any one sector or organization numerous cost units may be used for particular parts of the organization (sector) or for differing purposes. Thus, the cost units may be units of production (Lucey, 2004). Therefore, this study is aimed to ascertain "realities of the new normal: implications for management sciences education and practice in low and medium income countries" with respect to "cost control system (unit)" regarding income (resources) allocation and utilization as it affects management science education (MSE).

LITERATURE REVIEW

Theoretical Review/Foundation

According to Ahiauzu, (2007), it is impossible that researchers address their mind to four important questions while developing their concept. He maintained that, these questions to be addressed should include (i) What is the baseline social theory on which my concepts are found? (ii) What is the general statement of the theory? (iii) What is the underlying assumption behind it? (iv) What is the implication for the theoretical foundation of my study? In view of these facts, the theoretical foundation which discloses realities of the new normal: implications for management sciences education and practice in low medium income countries with respect to cost control system (unit) regarding income (resources) allocation and utilization as it affects management science education (MSE), could be to such baseline social organisational theory such as: the resource base theory.

Resource Base Theory

The resource base theory of the firm sees a company as a bundle of resources which establish the basis for generating competitive advantage (Jawoski & Ajay, 1993) in Oparaojiaku (2015). As Barney & Arikan (2011) observed, resources are the tangible and intangible assets organizations use to conceive of and implement their strategies. They are the organizations specifics and can be specified as all assets, capabilities, organizational processes, information, knowledge, attributes for resources utilization etc, controlled by the organizations that enable the organizations to conceive and implement strategies that improve its efficiency and effectiveness. Resources can be further divided into physical, human and organizational capital resources (Barney, 2010). The resources-based theory assumes resource heterogeneity, i.e., competing firms possess different bundles of resources and resource immobility, i.e., these differences may persist (Barney & Arikan, 2011).

Conceptual Review

The Conceptual review of this study is discussed under the following headings (i) realties of new normal and cost control structure, (ii) Covid-19 pandemic and cost control measures, (iii) cost control system and practice in low and medium-income countries.

Realities of the New Normal and Cost Control Structure

The realities of new normal has grappled the world with devastating problems such as insurgency of different kinds and most recently, with the effect of Covid-19 which has created global market fall to an all-time low business income. The Government of medium income countries especially "Nigeria" has to review its budgets in the past year (2020) in view of the devastating and unstable environment and its unprecedented effect on the country's major source of income (revenue). Thus, this recent condition has further confirmed the weakness of most medium income country's economy. In view of the above, it is necessary for everyone to be strong in order to endure the blowing winds. According to PricewaterhouseCoopers (2020) observed, with no clear indication of recovery; Government of these medium income countries all

over the world has continued to render more efforts in order to fight the unpleasant situation against its people and its economy. They noted that, in order to improve the unforeseen effect on the citizens and to stop the country's economy from falling into recession; every productive sector in the country and wealthy individuals have been given support to the Government of their country; thereby, making donation of monies, giving food items and technological equipment's needed to battle the realities of the new normal.

With regard to the foregoing, cost control structure (techniques) is a vital step taken to ameliorate this situation of the realities of new normal. As Drury (2007) observed, cost-assignment structure requires the employment of an alternate in the place of an immediate measure because cost-allocation is a procedure of allocating price when an immediate measure will not occur for the number of resources used by a certain cost-object. However, Dominiak and Louderback (2000) in Ibama (2017) noted that, Economic situation of a country can usually be handled in many different ways by great deal of labour and little machinery but decision making in business must take into consideration the effect of different methods on cost structure. Consequently, this in no doubt will alleviate the problems associated with "realities of the new normal" with respect to the implications for management sciences education and practice in low and medium income countries.

Covid-19 Pandemic and Cost Control Measures

As Bapuji, De Bakker, Brown Higgins, Rehbein and Spicer (2020) observed, the consequences of the covid-19 pandemic have generated crisis that are unprecedented in terms of scale and severity for most business organization and countries. The drastic change to work from one's home that the pandemic created is perhaps the most significant organizational design shock of our lifetime. The pandemic has introduced a prevalent situation of doubt and lack of clarity about risk to employees measures of best management practices which organizations and countries should adopt, shutdown of Government and business activities and pressure on stakeholders (George, Lekhani & Puranam, 2020). However, the push, pull and drive of "working at a place of comfort" (WAAPCO) or "working at home" (WAH) as earlier mentioned in the introduction section of this study; was necessitated as a result of the global Covid-19 pandemic which is entailed in "realities of the new normal" because it created various causes of experiences in the pursuit of social, economic, political / legal conditions and environmental activities.

Howbeit, management sciences education (MSE) which entails the platform, skills and judgement for social-economic-political-legal conditions, restraints and influences that vary from time to time has been greatly affected by the Covid-19 pandemic because like every other human activity and discipline; MSE is largely a product of its environment. In attaining the processes of MSE in the current crisis of pandemic disruption, cost control measures are specifically designed to salvage, support and facilitate the pursuit and realisation of cost objectives; especially in the areas of recognizing and honouring the practice in low and medium income countries.

Williams (2010) noted that, in consideration to meet the daily productive quota at a minimum cost; it is important for firms which also can be seen as countries to undertake a small specific investigation into the activities of cost control measures. However, the disclosure of the various items of the cost control measures contributing to the productive cost of each cost unit will facilitate wastage to be traced and necessary economies effected (Braide, 2008).

He maintained that, the cost information of a given sector will disclose the activities that are profitable and those that are unprofitable; so that, remedial action can be taken to either eliminate or reduce the unprofitable activities of the sector or increase the income of the sector in order to render these activities more profitable. With respect to the above facts, it is obvious that cost information revealed will aid and regulate production in medium income countries; and that, the effect of idle capacity upon operating cost will be disclosed by cost information thereby, revealing whether it is more economical for these medium income countries to use manual system to work approach rather than machine (technologies) in this era of "realities of the new normal".

Cost Control System and Practice in low and medium income Countries

In pursuit of the "realities of the new normal" regarding implications for management sciences education and practice in low and medium income countries, relevant cost control systems should be adopted by these medium income countries in the productive sector of their economy in order to stay stable in this present-day pandemic period. Relevant cost is expected future cost that will differ among alternatives. The concept of cost relevance is important in decision making process, especially in decisions that are non-routine (Ukpai, 2004). He noted that, differential cost system (analysis) is a sure study of relevant cost that are associated with a decision among possible courses of action; so that, the most appropriate alternative may be selected which includes: avoidable costs, incremental (differential) costs, marginal costs, out-of-pocket costs, opportunity costs, relevant costs and sunk cost.

With regard to the foregoing, it is expected that medium income countries like the third (3rd) world countries should place a tray for cost control system that will best suit the productive sector of their economy; especially in this period of realities of the new normal and adopt the most appropriate alternatives of the various cost control system. More so, Lucey, (2004) gave explanations to the various appropriate alternatives which may be selected. He maintained that,

i. Cost that will not be incurred if an activity is suspended is known to be avoidable cost.
ii. Differential (incremental) cost is the difference in cost between two alternatives.
iii. Marginal cost is the addition to total cost of producing or selling one more unit of output.
iv. Out-of-pocket cost are the immediate or near future cash outlays.
v. Opportunity cost are the foregone benefits from alternatives not selected. It does not also require an actual cost outlay.
vi. Relevant cost is the expected cost which differs among alternatives while,
vii. Sunk cost are the historical cost incurred as a result of past decisions not relevant to current decision making.

Nevertheless, cost data should be collected, presented and analysed to serve the following major purpose in building a strong versatile economy; for these medium income countries in this period of realities of the new normal. These cost data include:

i. To plan profitability of these medium income countries by using budgets.
ii. To fix responsibility for cost control systems for these medium income countries.
iii. To measure annual profit of these medium income countries
iv. To furnish relevant data for decision-making in these medium income countries.

CONCLUSION

We conclude this study by positing that, cost control systems which forms part of an operating expenses of the medium income countries in this era of realities of the new normal; appears to be a very important indicator of the country's economic growth with respect to the productive sector

activities. That is, it exposes some of the income (resources) allocated and utilized in a country; and that, it is relevant due to the fact that it forms a minute aspect of the overall cost element and has to be taken as income generated. However, the revenue (income / resources) generated in these third world countries (medium income countries) accommodates their structure because the country's policies made thereof, depends on the income (revenue / resources) generated.

RECOMMENDATION

Given our postulations on the theoretical implications of our findings in this study, the following recommendations if adhered to, the lapses and shortcoming experienced in medium income countries in this era of realities of the new normal will be overcome. These recommendations include:

i. Relevant cost control systems should be adopted by medium income countries in the productive sector of their economy in order to stay stable in this present-day pandemic period.
ii. Medium Income Countries like the Third (3rd) world Countries should improve on their cost control techniques because it is important in decision making process, especially in decisions that are non-routine.
iii. Cost data should be collected, presented and analysed to serve the following major purpose in building a strong versatile economy.

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COMPARATIVE ANALYSIS OF FINANCIAL DEVELOPMENT INDICATORS OF NIGERIA AND SOUTH AFRICA

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ABSTRACT

This study examined the nexus between the Financial Development Indicators of Nigeria and South Africa using comparative analysis. Descriptive statistics was employed to compares the financial development indicators of Nigeria with South Africa. Secondary Data were sourced from central bank of Nigeria statistical bulletin and World Bank data base for various years. The indices used in the study were depth of the financial market measured by private sector credit and broad money supply to gross domestic product, financial market access measured by Bank Branch Per 100,000 Adults and ATM per 100,000 Adults, market capitalization ratio, Capital Formation Ratio and Interest Rate Spread. The study concludes that South Africa financial market is more developed that Nigeria. South Africa has higher financial access than Nigeria. South Africa have higher market capitalization ratio than Nigeria while Nigeria have higher gross fixed capital formation ratio within the periods covered in this study. We therefore recommend for the need to deepen the operational efficiency of the financial market such as increase in bank branches, full deregulations of the interest rate and increase financial inclusion policy to reduce the financial dualism, encourage financial participation, increase in banking habits and reduce banking density.

Keywords: Financial Development Indicators, Comparative Analysis, Nigeria, South Africa

INTRODUCTION

The quest for financial sector development engineered series of financial sector reforms in since the late 1980s. A comprehensive financial sector reform in Africa was initiated in 1987 as a key element of structural adjustment program. Financial sector has witnessed tremendous development in the midst of numerous challenges. The developmental drives and policies implemented in the sector over the years include, deregulation of interest rate, establishments aimed at strengthening the regulatory and supervisory institution such as Central Bank of Nigeria, Deposit Insurance Cooperation and Asset management company of Nigeria, upward review of capital adequacy, introduction of indirect monetary policy instruments, capital market deregulation, Bureau-de-Change guidelines, privatization of government owned banks, the establishment of the second and third tier security markets, Credit check bureau, increase in range and type of bank accounts (Odhiambo, 2010 and Aluko, 2019).

The deregulation and adoption of the market- led financial system did not only trigger increased financial deepening, it equally led to improved participants and access to financial services through increase in number of banks branch network (Gbosi, 2012 and Akani and Lucky, 2020). By 1992, the number of banks in the Nigerian banking sub-sector had risen from 56 in 1986 to 120 with about 2275 branch network. This implied that increased access to financial service is likely to bring about an improved growth rate and economic welfare. The objective of the financial sector

reforms such as the banking sector consolidation and recapitalization was to reposition the Nigerian banking sector for effective and efficient intermediation that will enhance the realization of macroeconomic goals.

Despite the widespread financial sector reforms that have taken place, the African financial sector still exhibits some level of inefficiency, illiquidity, thinness and limited range of financial instruments and investment opportunities. Owing to widespread over-regulation of the financial systems, the country continues to experience high levels of capital flight and financial intermediation bottlenecks (Adeyemi, 2008 and Agwor and Akani, 2020). Financial intermediation of is ineffective as evidence has shown that significant proportion of Nigerian has no access to financial services thereby increasing the level of banking density.

The African financial system however remains largely underdeveloped compared to the developed financial market due to a number of factors, which include the adoption of financially repressive policies, poor macroeconomic management and political corruption, together giving rise to bank insolvencies, low savings rates and inefficient resource allocation. The underdevelopment has meant that the African economies struggle to accelerate economic development and reduce poverty. This study compares the development indicators of Nigeria financial market and South Africa.

LITERATURE REVIEW

Financial Sectors Development

Financial sector development is often understood to mean that; sectors and agents are able to use a range of financial markets for savings and investment decisions (Shaw, 1973 and Akani and Lucky, 2014). Encompassing long maturities; financial intermediaries and markets are able to deploy larger volumes of capital and handle larger turnover, without necessitating large corresponding movements in asset prices (market liquidity); and the financial sector can create a broad menu of assets for risk-sharing purposes (hedging or diversification).

In other words, financial sector development allow savers to invest in a broad range of quality investment and risk-sharing instruments and allow borrowers to likewise tap a broad range of financing and risk management instruments (Xu, 2000). Financial sector development is widely believed to confer important stability benefits to an economy, albeit with caveats. For instance, by increasing transaction volumes, it can enhance the capacity to intermediate capital flows without large swings in asset prices and exchange rates. But it can also attract volatile capital inflows, complicating macroeconomic management.

Financial Depth

The functioning of financial markets, including money, foreign exchange, and capital markets bonds, equities, and derivative and structured finance products) should also be covered. For financial institutions, the structural overview should focus on identifying the number and types of institutions, as well as growth trends of major balance sheet aggregates; for financial markets, a description of the size and growth trends in various financial market instruments (volume and value) would be appropriate. The overview should also reflect new linkages among financial markets and institutions that may be forged from a variety of sources, including innovations in financial instruments, new entrants into financial markets (hedge funds), and changing practices among financial market participants (energy trading and investments by financial institutions).

The overall size of the system could be ascertained by the value of financial assets, both in absolute dollar terms and as a ratio of gross domestic product (GDP).

Although identifying the absolute dollar amount of financial assets is informative, normalizing financial assets on GDP facilitates benchmarking of the state of financial development and allows comparison across countries at different stages of development. Other indicators of financial size and depth that could be usefully examined include ratios of broad money to GDP (M2 to GDP) private sector credit to GDP (DCP to GDP) and ratio of bank deposits to GDP (deposits / GDP) (Chinedua and Amaka, 2015 and Akani and Akani, 2019). However, one should be careful in interpreting observed ratios because they are substantially influenced by the state of financial and general economic development in individual countries.

The private credit, therefore, excludes credit issued to governments, government agencies, and public enterprises. It also excludes credit issued by central banks which makes it especially convenient to study in these countries (Cihak et al. 2013). The ratio of private credit to GDP varies between different countries and is closely correlated with the income level of the country. The second variable taken into consideration is the ratio of broad money M3 to GDP.

Competition, Concentration and Efficiency

Competition in the financial system can be defined as the extent to which financial markets are contestable and the extent to which consumers can choose a wide range of financial services from a variety of providers. Competition is often a desirable feature because it normally leads to increased institutional efficiency, lower costs for clients, and improvements in the quality and range of financial services provided. There are numerous measures of competition, including the total number of financial institutions, changes in market share, ease of entry, price of services, and so forth. In addition, the degree of diversity of the financial system could be an indicator of competition or the lack thereof because the emergence of vibrant non-bank intermediaries and capital markets often have been a source of effective competition for banking systems in many countries (Olorunmade, Samuel, and Adewole, 2019). All things remaining equal, an increase in the number of financial institutions or an expansion in available financial market instruments will increase competition by expanding the available sources of financial services that consumers can access. Ease of entry into the system could be judged by looking at the regulatory and policy requirements for licensing, for example, the required minimum paid-up capital.

Financial Access

According to the model used by Cihak et al. (2013), better functioning financial systems allocate capital based more on the expected quality of the project and entrepreneur and based less on the accumulated wealth and social connections of the entrepreneur. Thus, to develop informative proxies of financial development, it is useful to move beyond financial depth and also include indicators of financial access the degree to which the public can access financial services. As with the other measures, both financial institutions and financial markets are examined.

In relation, a widely available variable is the number of bank accounts per 1,000 adults. Other variables in this category includes: the number of bank branches per 100,000 adults, the percentage of all firms with line of credit, and the percentage of small firms with line of credit. When using these proxies, one needs to be mindful of their weaknesses. For example, the number of bank branches is becoming increasingly misleading with the move towards branchless banking. The number of bank accounts does not suffer from the same issue, but it has its own limitations. In particular, it focuses on banks only, and does not correct for the fact that some bank clients have numerous accounts (Cihak et al. 2013).

Scope and Coverage of Financial Services

The financial system provides five key services: (a) savings facilities, (b) credit allocation and monitoring of borrowers, (c) payments, (d) risk mitigation and (e) liquidity services. Savings mobilization can be assessed by examining the effectiveness with which the financial system provides saving facilities and mobilizes financial resources from households and firms. The extent of financial savings could be ascertained by examining the level and trends in the ratio of broad money to GDP. This indicator overstates the true picture if currency constitutes a high proportion of broad money. Other more specific indicators of access to savings facilities include the ratio of bank deposits to GDP and the proportion of the population with bank accounts. Information on the outreach of the financial system can help interpret developments in financial savings.

Market Capitalization Ratio

Capital Market capitalization refers to the total naira market value of a company's outstanding shares. Commonly referred to as market cap is calculated by multiplying a company's shares outstanding by the current market price of one share, the investment community uses this figure to determine a company's size, as opposed to using sales or total asset figures (Osuala, Okereke, and Nwansi, 2013and Akani and Akani, 2019). In this study, capital market capitalization is measured in relationship to Broad Money Supply which signifies percentage of Broad Money Supply that is invested in the Nigeria capital market.

Financial Efficiency

For intermediaries in the model (Cihak et al. 2013) efficiency is primarily constructed to measure the cost of intermediating credit. Efficiency measures for institutions include indicators such as overhead costs to total assets, net interest a comparative empirical analysis of financial margin, lending-deposits spread, non-interest income to total income, and cost to income ratio. Closely related variables include measures such as return on assets and return on equity. While efficient financial institutions also tend to be more profitable, the relationship is not very close. For example, an inefficient financial system can post relatively high profitability if it operates in an economic upswing, while an otherwise efficient system hit by an adverse shock may generate losses. For this study the authors have consider a variable that reflects the extent of competition in banking and finance. The net interest margin which is the difference between the interest income generated by banks or other financial institutions and the amount of interest paid out to their lenders, reflects the bank intermediation costs and their growth rates which gives us information regarding the bank efficiency and market competitiveness.

Interest Rate Spread

Interest rate spread in an economy is crucial for growth and development, as numerous authors suggest a critical link between the efficient intermediate and economic growth. Efficient intermediation benefits real economy by allowing higher expected return to a saver and providing more opportunity by cheap investable funds (Quaden, 2004). Higher interest rate spread discourages a potential saver and is a barrier for a potential investor, since the cost of intermediating between a saver and an investor has strong implication for effective mobilization of funds. Inefficiency of financial intermediary causes high intermediation cost and increases loss of productive funds in intermediary process. This leads to a reduction in lending, investment and economic growth.

Gross Fixed Capital Formation

Capital formation refers to the proportion of present income saved and invested in order to augment future output and income (Bakare, 2011). It usually results from acquisition of new factory along with machinery, equipment and all productive capital goods. Capital formation is equivalent to an increase in physical capital stock of a nation with investment in social and economic infrastructure. Gross fixed capital formation can be classified into gross private domestic investment and gross public domestic investment. The gross public investment includes investment by government and public enterprises. Gross domestic investment is equivalent to gross fixed capital formation plus net changes in the level of inventories (Bakare, 2011).

METHODOLOGY

The study adopted descriptive statistics to compare the financial sector development indicators of Nigeria and South Africa. Secondary Data were sourced from central bank of Nigeria statistical bulletin and World Bank data base for various years. The study used percentage differences to comparatively depicts the nexus between Nigeria and South Africa Financial Indices. Proxies such as private sector credit to gross domestic product, broad money supply to gross domestic product, bank branch per 100,000 adults, ATM to 100, 000 adults, market capitalization ratio, capital formation ratio and interest rate spread were compared

DATA AND ANALYSIS

Table 1: Comparative Analysis of Financial Depth of Nigeria and South Africa (PSC/GDP)

Year	CPS/GDP: NIGERIA	CPS/GDP: SOUTH AFRICA
2000	7.69	130.31
2001	9.40	138.79
2002	8.21	110.72
2003	8.24	115.86
2004	8.21	126.93
2005	8.26	138.16
2006	7.99	156.98
2007	11.12	160.12
2008	17.67	140.35
2009	20.55	145.94
2010	18.60	148.98
2011	16.93	139.60
2012	20.43	146.48
2013	19.67	149.24
2014	19.24	150.97
2015	19.84	147.51
2016	20.77	143.82
2017	19.43	147.47
2018	17.63	138.79
2019	17.28	128.966
Average	**14.86**	**140.30**

Source: Central bank of Nigeria Statistical Bulletin and Word Bank Data Base

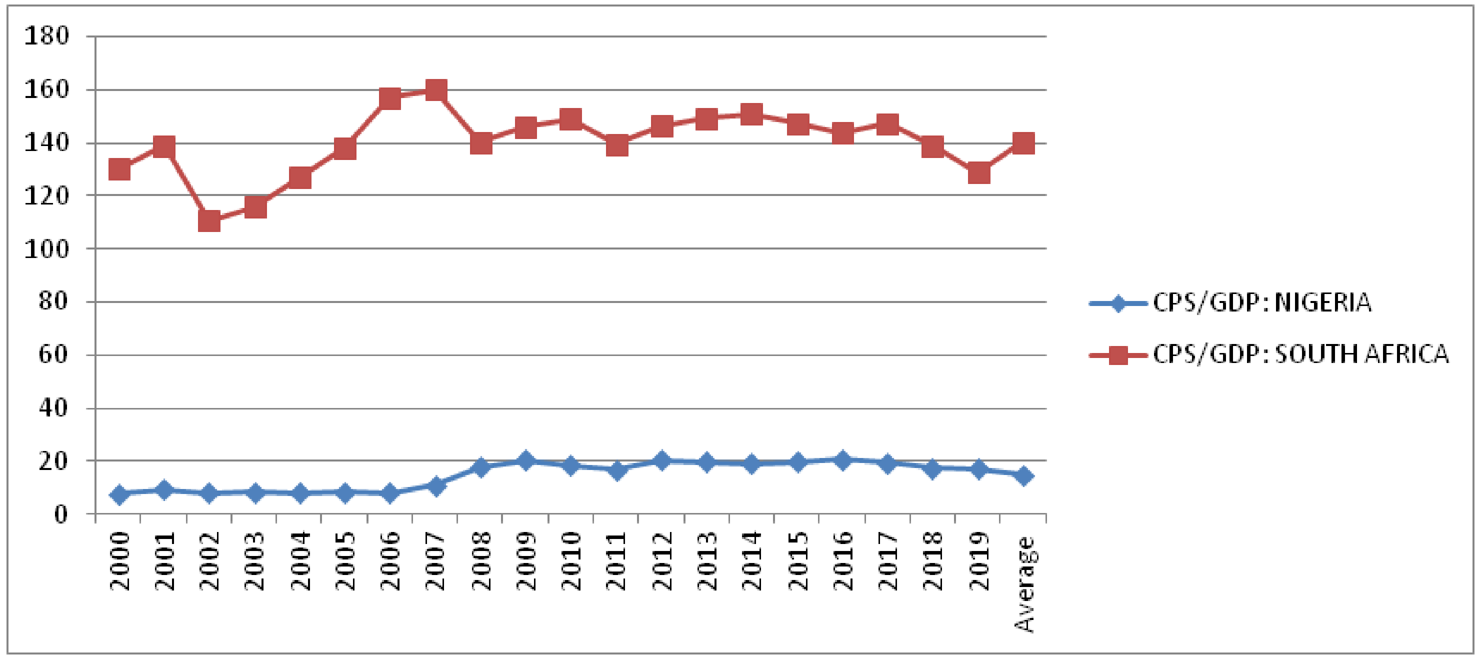

Figure 1: Comparative Analysis of Financial Depth of Nigeria and South Africa (PSC/GDP)

Within the periods covered in this study, South Africa has higher financial depth as measured by percentage of private sector credit to gross domestic product. In the year 2000 while Nigeria private sector credit to gross domestic product was 7.69 percent South Africa had a high rate of 130.31 percent. In 2010, Nigeria had 18.60 percent while South Africa had 148.98 percent. In average, Nigeria had 14.86 percent within the periods while South Africa had 140.30 percent. Therefore, the high differences observed in financial indices of South Africa to Nigeria is traceable to some stringent macroeconomic polices introduced in South Africa Economic Management team.

Table 2: Comparative Analysis of Financial Depth of Nigeria and South Africa (M3/GDP)

Year	M3/GDP: NIGERIA	M3/GDP: SOUTH AFRICA
2000	12.74	52.71
2001	15.60	57.380
2002	13.29	58.288
2003	14.68	60.431
2004	12.31	61.597
2005	11.85	64.97
2006	13.25	73.185
2007	15.54	79.086
2008	22.07	80.80
2009	21.88	77.678
2010	20.33	75.80
2011	20.05	74.636
2012	21.62	72.942
2013	23.40	71.014
2014	22.93	70.87
2015	22.18	73.466

2016	23.90	72.405
2017	25.16	72.18
2018	23.31	72.776
2019	23.75	74.125
Average	**18.99**	**69.82**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

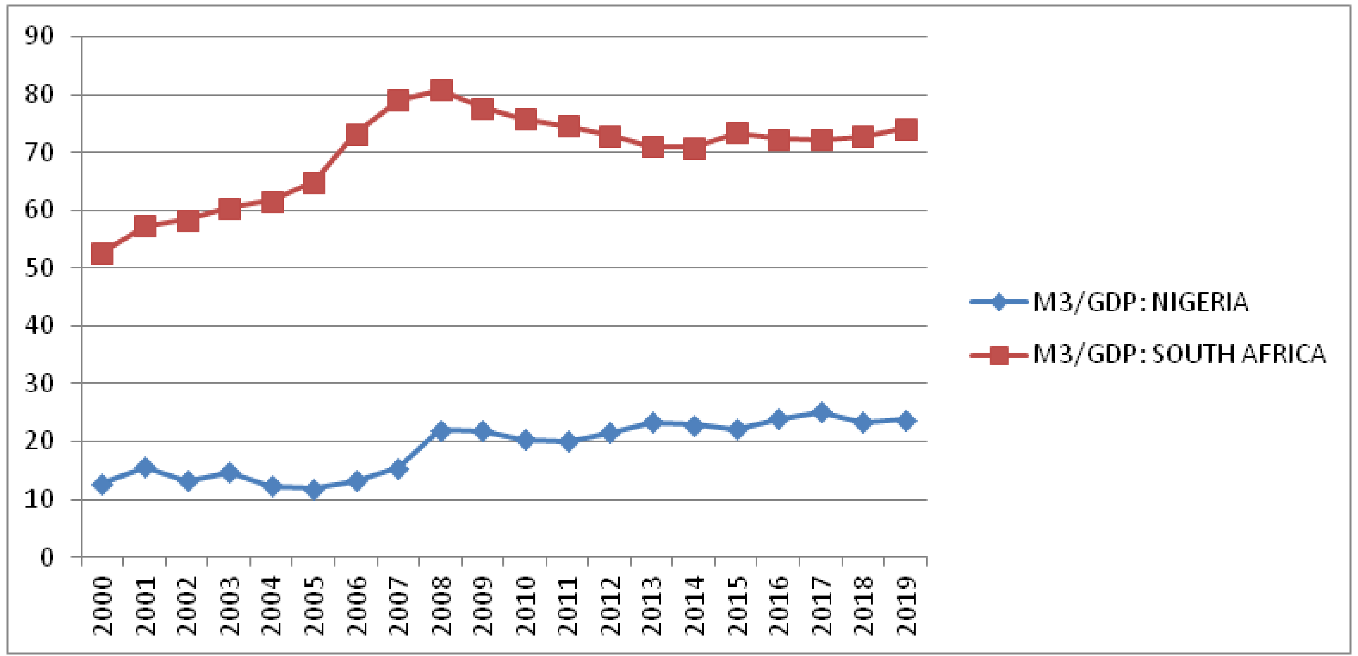

Figure 2: Comparative Analysis of Financial Depth of Nigeria and South Africa (M3/GDP)

Evidence from table 2 and figure 2 proved that South Africa have higher financial depth than Nigeria. In the year 2000, Nigeria had a percentage of 12.74 percent compared with south Africa of 52.71 percent, in 2005 Nigeria had money supply to gross domestic product declined to 11.85 percent while that of south Africa increased to 64.97 percent. in 2010, it is evidenced that Nigeria had 20.33 percent while south Africa had 75.80 percent. The average within the periods covered in the study proved that Nigeria had 18.99 percent compare with South Africa of 69.82 percent.

Table 3: Comparative Analysis of Nigeria and South Africa Bank Branch Per 100,000 Adults

Year	Bank Branch Per 100,000 Adults : NIGERIA	Bank Branch Per 100,000 Adults : SOUTH AFRICA
2004	4.64	4.2
2005	6.94	4.18
2006	7.18	3.78
2007	5.87	5.21
2008	7.67	6.27
2009	9.08	6.48
2010	9.80	6.56
2011	10.27	6.41
2012	9.95	5.82
2013	10.10	5.9
2014	10.85	5.61
2015	10.44	4.98
2016	10.13	4.74
2017	10.42	4.44
2018	10.16	4.3
2019	9.56	5.45
2020	9.22	4.63
Average	**8.95**	**5.23**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

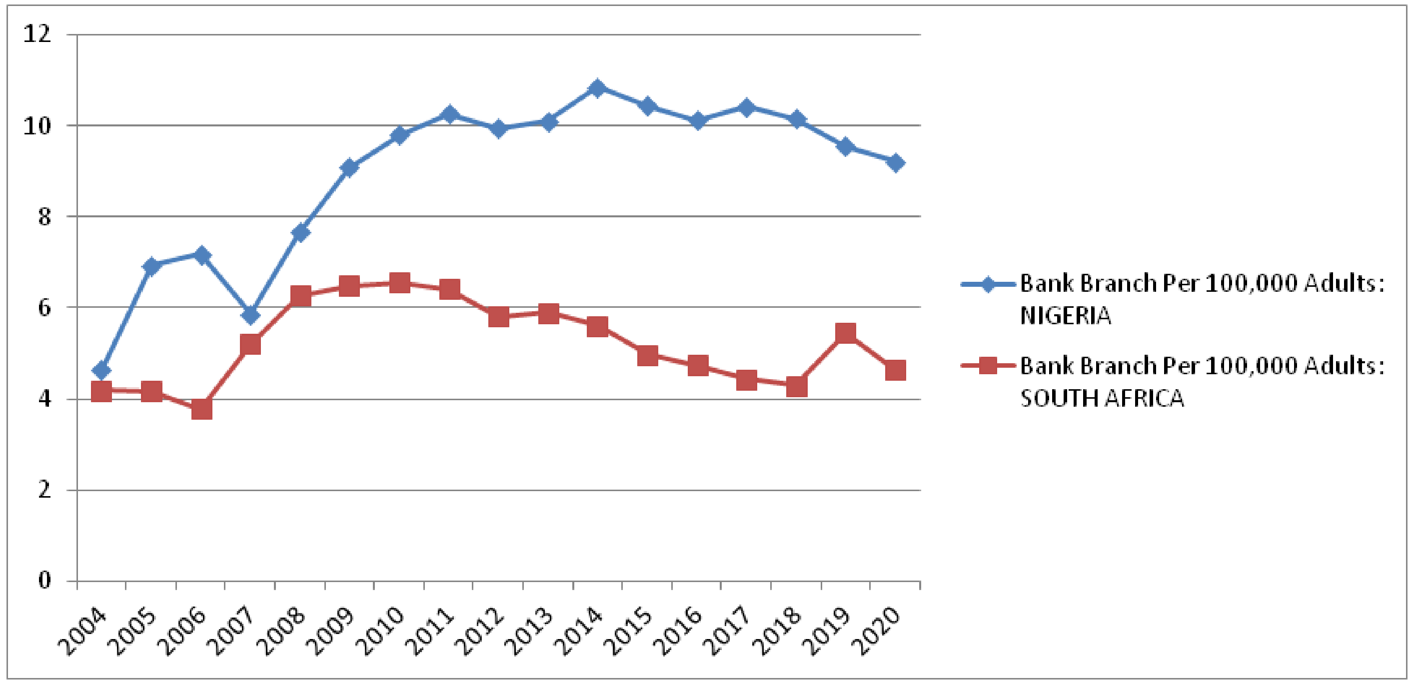

Table 3 Compares Nigeria and South Africa Bank Branch per 100,000 Adults. Evidence from the table shows that Nigeria have higher number of adults per bank branch within the periods covered in this study. In 2004 Nigeria had 4.64 compare with South Africa of 4.2 percent. In

2010, Nigeria ratio increased to 10.80 while that of South Africa increased to 6.56 percent, the value in 2020 shows that Nigeria had 9.56 compare with South Africa of 5.45 percent

Table 4: Comparative Analysis of Nigeria and South Africa ATM per 100,000 Adults

Year	ATM per 100,000: NIGERIA	ATM per 100,000: SOUTH AFRICA
2005	0.68	24.608
2006	1.78	26.07
2007	4.477	29.925
2008	8.642	42.784
2009	11.469	50.929
2010	11.226	55.319
2011	11.944	57.267
2012	11.493	57.087
2013	13.312	58.042
2014	16.188	65.5
2015	16.211	68.794
2016	16.738	68.956
2017	16.328	67.74
2018	16.98	66.934
2019	16.957	65.311
2020	17.453	58.588
Average	**11.99**	**53.99**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

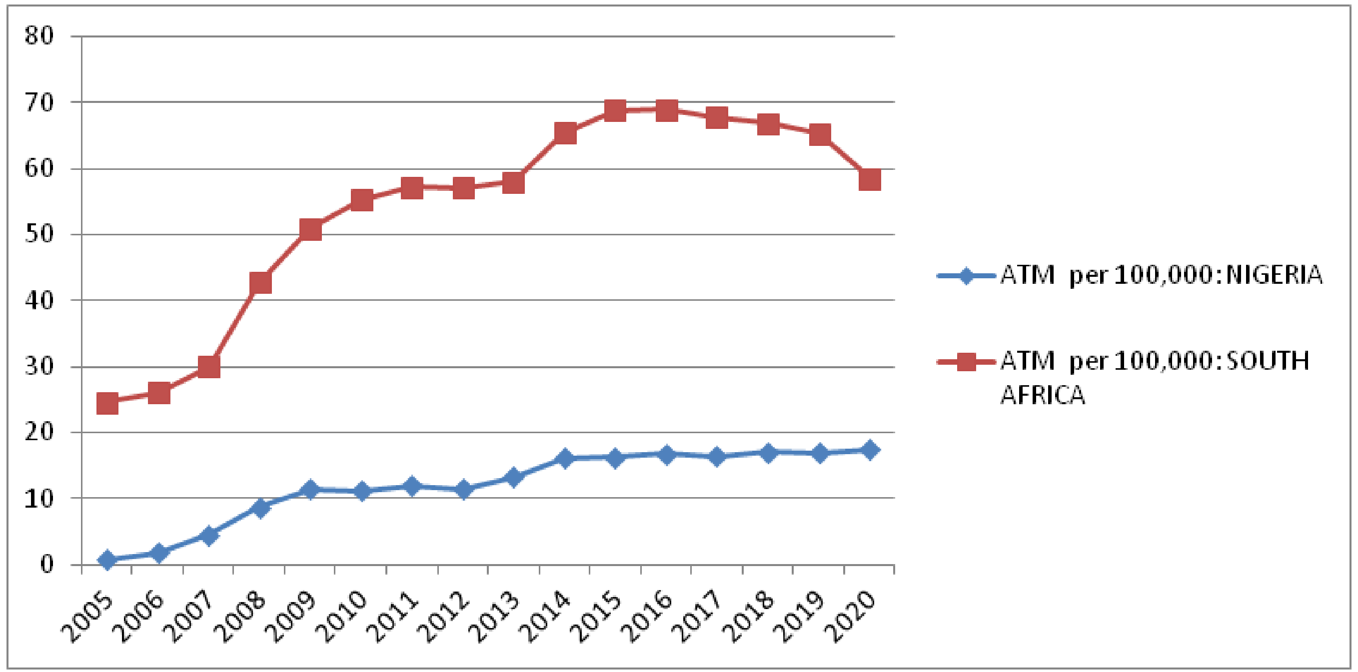

Table 4 Compares Nigeria and South Africa ATM per 100,000 Adults. Evidence from the table shows that Nigeria have higher number of adults per bank ATM within the periods covered in this study. In 2004 Nigeria had 0.68 compare with South Africa of 24,608 percent. In 2010, Nigeria ratio increased to 11.944 while that of South Africa increased to 55.319 percent, the value in 2020 shows that Nigeria had 17.453 compare with South Africa of 58.588 percent.

Table 5: Comparative Analysis of market capitalization of Nigeria and South Africa (MKT/GDP

Year	(MKT/GDP): NIGERIA	(MKT/GDP): SOUTH AFRICA
2000	6.847	149.823
2001	8.145	121.361
2002	6.750	157.598
2003	10.219	148.781
2004	12.196	193.587
2005	13.022	213.099
2006	17.866	261.83
2007	39.950	276.601
2008	24.422	168.323
2009	15.876	269.998
2010	18.161	246.439
2011	16.315	189.482
2012	20.639	229.031
2013	23.819	257.017
2014	18.952	266.149
2015	18.061	231.706
2016	15.948	321.805
2017	18.581	352.156
2018	17.148	234.959
2019	17.953	300.582
Average	**17.04**	**22.95**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

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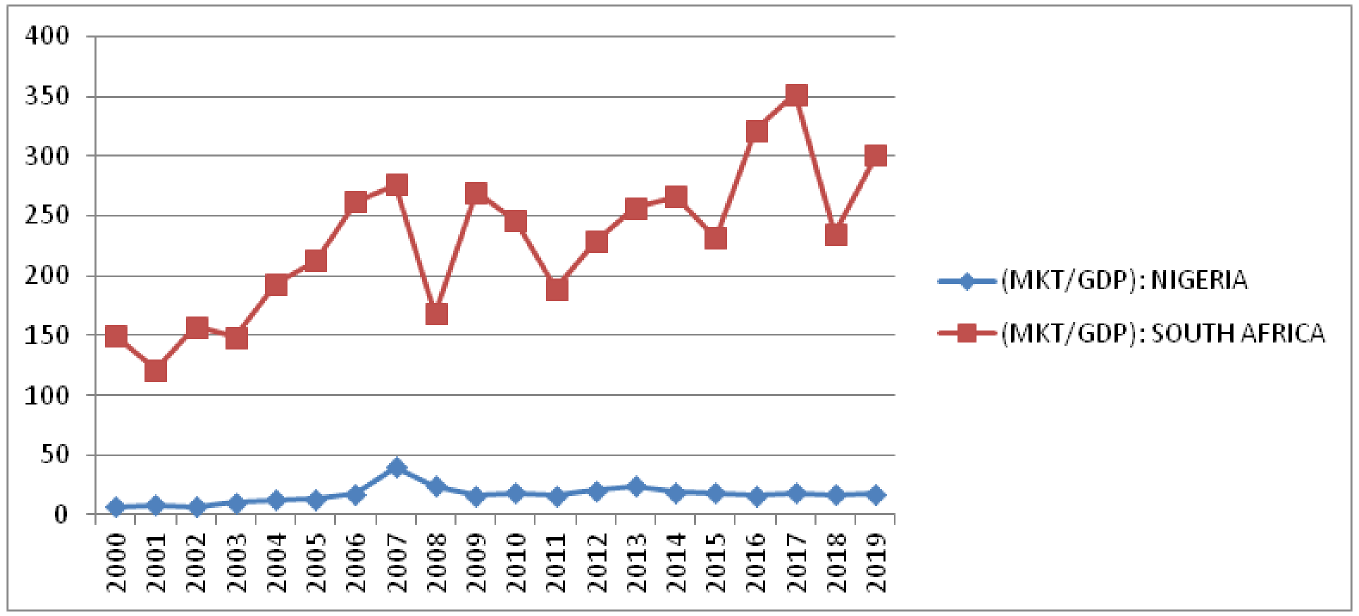

The market witnessed a steep decline in trading volumes and overall market capitalization, with the value index dropping from 33,358.3 points in 2006 to 20,730.6 points in 2014, and the value of approved new issues dropping precipitously to N2.03 billion in 2014 from N1, 410 trillion in 2006. According to NSE (2014), the listed equities of Nigeria capital market was 190 with 48 listed bonds (including one exchange traded fund), and an average daily turnover this year of US$17 million, the market capitalization of equities on the NSE currently stands at N6.54trn, while that of bonds is slightly lower at N3.74 trillion, (Nigerian Stock Exchange, 2014). Figure 2.1 below shows the trend of Nigeria capital market capitalization as percentage of gross domestic product from 2008-2019. Between 2008-2019 Nigeria capital market capitalization was 14.26 in 2008, 11.6 in 2009 14.4 in 2010, 10.3 in 2011 and 8.9 in 2019.

Johannesburg Securities Exchange was renamed JSE Securities Exchange, which provided a market for securities trading with a regulated procedure. The JSE's market capitalization stood at USD614 billion as at end May 2009 and the market turnover was USD300 billion in 2008 calendar year SARB (2009) cited in Uyaebo et al (2015). Between 1995 and first quarter 2013, JSE averaged 15,656 Index points reaching an all-time high of 40,984 Index points in March of 2013 and a record low of 4,308 Index points in September of 1998. The FTSE / JSE All Share Index has a base value of 10,815.083 as of June 21, 2002 (Uyaebo et al., 2015).

Table 6: Comparative Analysis of Capital Formation Ratio of Nigeria and South Africa (GFCF/GDP)

Year	(GFCF/GDP): NIGERIA	(GFCF/GDP): SOUTH AFRICA
2000	34.110	15.614
2001	30.926	15.51
2002	27.583	15.15
2003	29.387	15.981
2004	27.118	16.46
2005	26.19	17.246
2006	27.866	18.925
2007	21.245	20.647
2008	19.897	23.411
2009	22.05	21.512
2010	17.562	19.26
2011	16.361	19.116
2012	14.959	19.228
2013	14.904	20.374
2014	15.803	20.374
2015	15.49	20.311
2016	15.367	19.421
2017	19.814	18.765
2018	25.416	18.187
2019	29.399	17.90
Average	**22.57**	**18.67**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

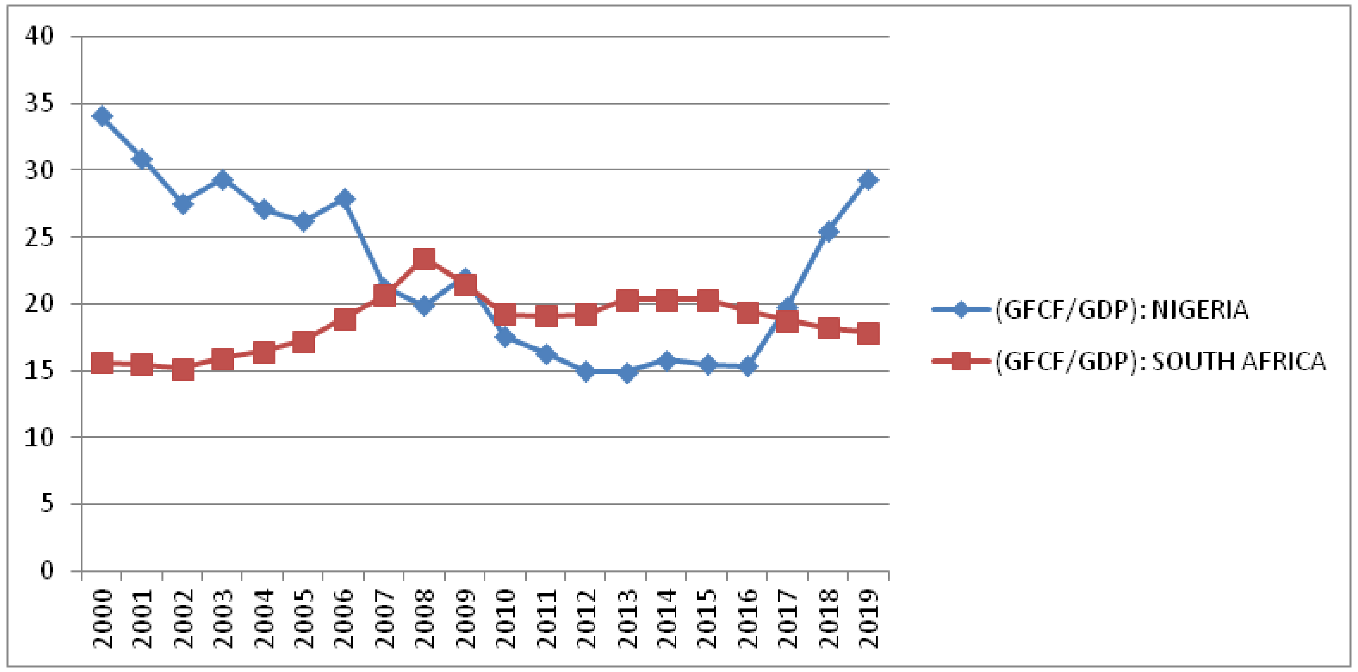

Table 6 Compares Capital Formation Ratio of Nigeria and South Africa, evidence from the table shows that Nigeria higher gross fixed capital formation ratio within the periods of the study. While Nigeria had average of 22.57 percent South Africa had average of 18.67 percent.

Year	(Interest Rate Spread): NIGERIA	(Interest Rate Spread): SOUTH AFRICA
2000	9.58	10.25
2001	8.18	5.24
2002	8.10	5.69
2003	6.50	3.16
2004	5.48	8.66
2005	7.42	4.47
2006	7.14	4.91
2007	6.65	4.62
2008	3.27	3.97
2009	6.03	5.78
2010	11.06	3.91
2011	10.33	3.27
2012	8.39	2.32
2013	8.78	3.29
2014	7.21	2.21
2015	7.70	3.39
2016	9.37	4.04
2017	8.00	3.03
2018	7.20	4.85
2019	8.09	5.93
Average	**7.72**	**4.65**

Source: Central Bank of Nigeria Statistical Bulletin and Word Bank Data Base

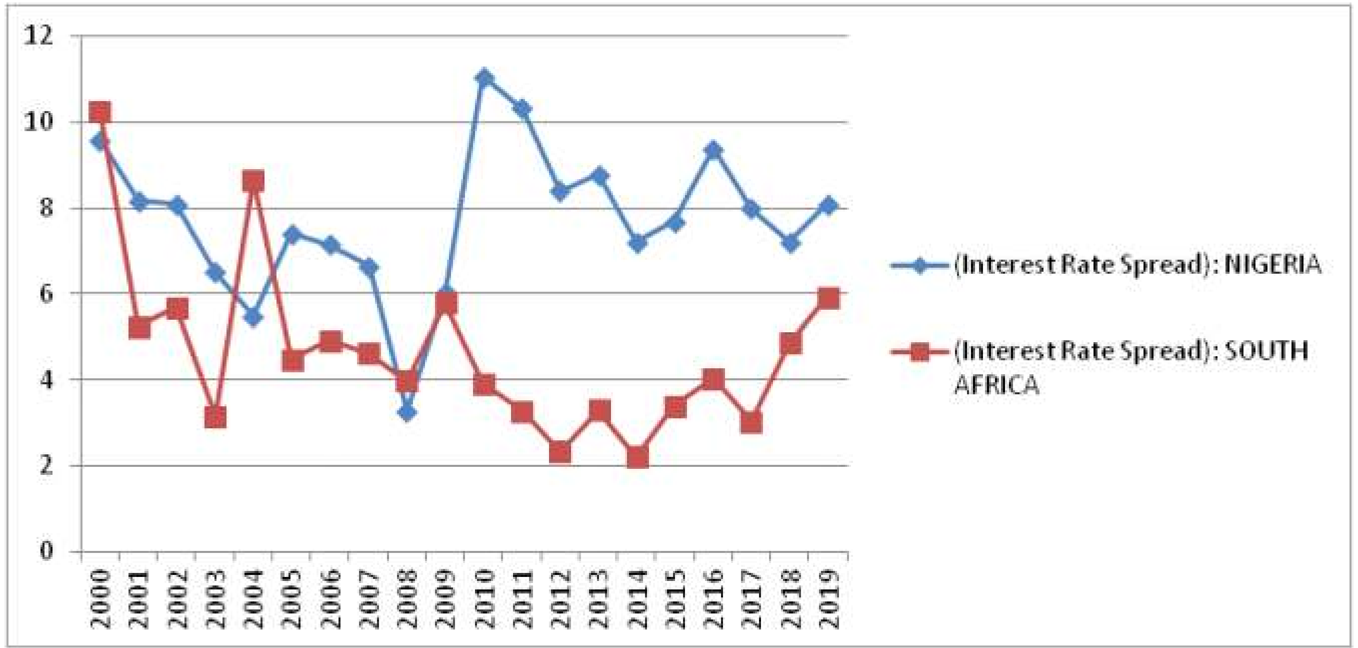

Table 7 interest rate spread in Nigeria and South Africa, evidence from the table shows that Nigeria higher interest rate spread from 2010 to 2019 within the periods of the study. While Nigeria had average of 7.72 percent South Africa had average of 4.65 percent.

CONCLUSION

The development of financial market can be measured in terms of credit issued to private sector to liquid liabilities, domestic credit to the private sector to gross domestic products the ratio of liquid liabilities to gross domestic products are included to capture the impact of stock market development, the stock market capitalization to gross domestic products turnover ratio, value traded ratio, number of listed companies, are examined. The ratio of broad money and narrow money is also employed to examine the structure of the financial system and its importance. The study concludes that South Africa financial market is more developed that Nigeria. South Africa has higher financial access than Nigeria. South Africa have higher market capitalization ratio than Nigeria while Nigeria have higher gross fixed capital formation ratio within the periods covered in this study. Therefore, the high differences observed in financial indices of South Africa to Nigeria is traceable to some stringent macroeconomic polices introduced in South Africa Economic Management team

RECOMMENDATIONS

The study therefore recommend amongst others for the need to deepen the operational efficiency of the financial market such as increase bank branches, full deregulations of the interest rate and increase financial inclusion policy to reduce the financial dualism, encourage financial participation increase banking habits and reduce banking density.

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DEFAULT AND CREDIT RISK: THE IMPLICATION ON CAPITAL ADEQUACY OF NIGERIAN COMMERCIAL BANKS

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ABSTRACT

Credit and default risk are two micro prudential determinants of bank soundness and bank distress. This study examined the relationship between credit and default risk on capital adequacy of commercial banks in Nigeria. The study used time series data sourced from Central Bank of Nigeria Statistical Bulletin, Financial Statement of Commercial Banks and Financial stability reports. Ordinary Least Square method of cointegration, unit root test, vector error correction and Granger Causality test was used to examine the dynamic relationship between credit and default risk and its effect on commercial bank capital adequacy. Credit risk was proxy by non-performing loans, loan loss provision, non-performing loan to total assets, sub-standard non-performing loans, lost non-performing loans and standard non-performing loans while default risk was proxy by economic risk, inflation risk, exchange rate risk, interest rate risk, liquidity risk and political risk. The study found that non-performing loans, standard non-performing loans, lost non-performing loans and sub-standard non-performing loans have negative impact on commercial bank capital adequacy. All the independent variables of credit risk have negative impact on commercial bank capital adequacy except economic risk. The cointegration test found that the independent variables have long-run relationship with the dependent variable. The unit root test validates the presence of unit root at first difference while the causality test proved bi-directional relationship between the variables. We conclude that default and credit risk have significant impact on Commercial Bank capital adequacy, we recommend strategic and tactical method to reduce and manage credit and default risk in Nigerian banking industry.

Keywords: Default Risk, Credit Risk, Non-Performing Loans, Liquidity Risk, Interest Rate Risk, economic risk.

INTRODUCTION

Banks are financial institutions whose business involves the management of assets and liabilities. The Bank and Other Financial Institution Act, (BOFIA) 1991 as amended empowered the monetary function of lending and borrowing, this means financial intermediation to bridge the financial disequilibrium that exists among different economic units and transmit the government monetary policy for the realization of macroeconomic goals. Unlike other business organizations

such as the manufacturing firms that stock of tangible goods as inventory. Banks trade on money which is sensitive to uncertainties. By its nature banks face a number of risks including interest rate risk, default risk, operational risk and exchange rate risk (Arunwa & Musa, 2014).

Credit creation is the prime operation of banks but exposes to credit risks for the banks due to failure of the borrowers to fulfill the commitment with banks. The extent to which deposit money banks extend credit to the public for productive activities accelerates the pace of a nation's economic growth and its long-run sustainability (Marsh, 2008). The credit transformation unction of banks enhances the ability of investors to exploit desired profitable ventures. Credit creation is the main income generating activity of banks (Kargi, 2011). It exposes banks to credit risk and therefore does not only affect the performance of banks but can lead to insolvency, liquidation and bank distress if poorly managed. Banks operate as profit making organizations and therefore expect to generate profit for investors and shareholders, the profitability of banks is a linear function of the micro prudential factors such as credit risk, management, composition of assets and capital adequacy and macro prudential factors such as inflation, growth of the economy, exchange rate etc.

Conceptually, Basel committee on banking supervision (2001) defined credit risk as the probability of losing the outstanding loans partially or totally due to uncertainties in the operating environment. Credit risk as a micro prudential determinant of profitability is determined also by a macro prudential factors such as business cycle, inflation, external and domestic monetary policy shocks. For instance, over N1Trillion was discovered by Central Bank Nigeria examination team in 2009 which was blamed on the global financial crises in 2007 / 2008 and other macroeconomic shocks.

Deterioration in asset quality as credit risk is much more serious problem to banks unless the management ensures mechanism to timely detect such problem and ensure ways to manage it. High credit risk is a common cause of bank failure. Credit risk leads to poor asset quality and result to non-performing loans that can seriously damage banks financial position having an adverse effect on banks operation (Lafuente, 2012). Again, in recent times the monetary authorities and deposit money banks have become very cautious in granting loans due to non-performing assets that expose banks to credit risk. For instance, section 18 of Bank and Other Financial Institution Act 1990 as amended limit bank lending to 20% of total bank capital to single obligor while section 20 prohibits bank lending to management without disclosure of the nature of interest. Thus, given the unique feature of banking sector and the uncertainties in the environment in which they operate and also the rapid expansion of banking institutions in Nigeria, there is strong wish to conduct study on the effect of credit risk on the profitability of deposit money banks.

The issue of default and credit risk in the Nigerian banking sector gained increasing attention in the past two decades due to the fact that, high concentration of the banks has led to banking distress that threatened the economy and loss of public confidence in the banking industry. For instance, the Nigerian banking sector crisis over the years has been blamed on poor quality of assets resulting high from credit risk. High credit risk affects banks' liquidity and profitability which are the main components for overall efficiency of the bank. Increase in credit risk provision diminishes income and creates liquidity risk for banks and reduce banks overall credit rating including its corporate image (Badar&Yasmi, 2013). This means that credit risk is one limiting factor against bank performance and should be given due consideration because of its negative effect. The adverse effect of credit risk is attributed to bank mangers, poor selection of borrowers, poor monitoring, poor appraisal methods, macroeconomic and monetary policy shocks such as level of economic performance, inflation and international and domestic monetary policies. For instance, the global financial crises of 2007 / 2008 was traced to mismatch of assets and liabilities of banking sector.

The relationship between default and credit risk and commercial banks has well been documented in literature at global level. Most of the studies were made with reference to developed countries where the banking system is better developed and assets well structured compared with the emerging economics like Nigeria where the total assets and liabilities of the banking industry is not up to one bank (Toby, 2006). This means, they do not explain the issues for emerging market like Nigeria. Furthermore, there has not been much research conducted to date on default credit risk and capital adequacy of commercial banks in Nigeria except Kolapo et al (2012). This study fails to capture default and credit risk variables such as interest rate risk and default risk, creating a knowledge gap on the relationship between credit risk and capital adequacy of Nigeria commercial banks.

LITERATURE REVIEW

Concept Credit and default Risk in Banking Sector

Risk is the position where the actual return of an investment is different from expected return. Risk means the possibility of losing the original investment and the amount of interests accrued on it. Credit risk is the risk that a borrower defaults and does not honor its obligation to service debt. It can occur when the counterpart is unable to pay or cannot pay on time (Gestel and Baesens, 2008). Investopedia indicates that credit risk is the risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.

Investors are compensated for assuming credit risk by way of interest payments from the borrower or issuer of a debt obligation, and credit risk is closely tied to the potential return of an investment, the most notable being that the yields on bonds correlate strongly to their perceived credit risk. Credit risk refers to the probability of loss due to a borrower's failure to make payments on any type of debt. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both a bank's capital and loan loss reserves at any given time – a process that has long been a challenge for financial institutions. Credit risk denotes to the risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.

The default of a small number of customers may result in a very large loss for the bank" (Gestel &Baesems, 2008). It has been identified by Basel Committee as a main source of risk in the early stage of Basel Accord. A bank exists not only to accept deposits but also to grant credit facilities, therefore inevitably exposed to credit risk. Credit risk is by far the most significant risk faced by banks and the success of their business depends on accurate measurement and efficient management of this risk to a greater extent than any other risks (Gieseche, 2004). According to Chen and Pan (2012), credit risk is the degree of value fluctuations in debt instruments and derivatives due to changes in the underlying credit quality of borrowers and counterparties. Coyle (2000) defines credit risk as losses from the refusal or inability of credit customers to pay what is owed in full and on time. Credit risk is the exposure faced by banks when a borrower (customer) defaults in honouring debt obligations on due date or at maturity.

This risk interchangeably called 'counterparty risk' is capable of putting the bank in distress if not adequately managed. Credit risk management maximizes bank's risk adjusted rate of return by maintaining credit risk exposure within acceptable limit in order to provide framework for understanding the impact of credit risk management on banks' profitability (Kargi, 2011). Demirguc-Kunt and Huzinga (1999) opined that credit risk management is in two-fold which includes, the realization that after losses have occurred, the losses becomes unbearable and the developments in the field of financing commercial paper, securitization, and other non-bank competition which pushed banks to find viable loan borrowers. The main source of credit risk include, limited institutional capacity, inappropriate credit policies, volatile interest rates, poor management, inappropriate laws, low capital and liquidity levels, direct lending, massive licensing of banks, poor loan underwriting, laxity in credit assessment, poor lending practices, government interference and inadequate supervision by the central bank (Kithinji, 2010).An increase in bank credit risk gradually leads to liquidity and solvency problems.

Credit Risk Management Strategies

The credit risk management strategies are measures employed by banks to avoid or minimize the adverse effect of credit risk. A sound credit risk management framework is crucial for banks so as to enhance profitability guarantee survival. According to Lindergren (1987), the key principles in credit risk management process are sequenced as follows; establishment of a clear structure, allocation of responsibility, processes have to be prioritized and disciplined, responsibilities should be clearly communicated and accountability assigned. The strategies for hedging credit risk include but not limited to these;

i. Credit Derivatives: This provides banks with an approach which does not require them to adjust their loan portfolio. Credit derivatives provide banks with a new source of fee income and offer banks the opportunity to reduce their regulatory capital (Shao and Yeager, 2007). The commonest type of credit derivative is credit default swap whereby a seller agrees to shift the credit risk of a loan to the protection buyer. Frank Partnoy and David Skeel in Financial Timesof 17 July, 2006 said that "credit derivatives encourage banks to lend more than they would, at lower rates, to riskier borrowers". Recent innovations in credit derivatives markets have improved lenders' abilities to transfer credit risk to other institutions while maintaining relationship with borrowers (Marsh, 2008).

ii. Credit Securitization: It is the transfer of credit risk to a factor or insurance firm and this relieves the bank from monitoring the borrower and fear of the hazardous effect of classified assets. This approach insures the lending activity of banks. The growing popularity of credit risk securitization can be put down to the fact that banks typically use the instrument of securitization to diversify concentrated credit risk exposures and to explore an alternative source of funding by realizing regulatory arbitrage and liquidity improvements when selling securitization transactions (Michalak and Uhde,2009). A cash collateralized loan obligation is a form of securitization in which assets (bank loans) are removed from a bank's balance sheet and packaged (tranched) into marketable securities that are sold on to investors via a special purpose vehicle (SPV) (Marsh,2008).

iii. Compliance to Basel Accord: The Basel Accord are international principles and regulations guiding the operations of banks to ensure soundness and stability. The Accord was introduced in 1988 in Switzerland. Compliance with the Accord means being able to identify, generate, track and report on risk-related data in an integrated manner, with full auditability and transparency and creates the opportunity to improve the risk management processes of banks. The New Basel Capital Accord places explicitly the onus on banks to adopt sound internal credit risk management practices to assess their capital adequacy requirements (Chen and Pan, 2012).

iv. Adoption of a sound internal lending policy: The lending policy guides banks in disbursing loans to customers. Strict adherence to the lending policy is by far the cheapest and easiest method of credit risk management. The lending policy should be in line with the overall bank strategy and the factors considered in designing a lending policy should include; the existing credit policy, industry norms, general economic conditions of the country and the prevailing economic climate (Kithinji,2010).

v. Credit Bureau: This is an institution which compiles information and sells this information to banks as regards the lending profile of a borrower. The bureau awards credit score called statistical odd to the borrower which makes it easy for banks to make instantaneous lending decision. Example of a credit bureau is the Credit Risk Management System (CRMS) of the Central Bank of Nigeria (CBN).

Theories of Bank Credit

Loan Pricing Theory

Banks cannot always set high interest rates, e.g. trying to earn maximum interest income. Banks should consider the problems of adverse selection and moral hazard since it is very difficult to forecast the borrower type at the start of the banking relationship (Oputu, 2010). If banks set interest rates too high, they may induce adverse selection problems because high-risk borrowers are willing to accept these high rates. Once these borrowers receive the loans, they may develop moral hazard behaviour or so called borrower moral hazard since they are likely to take on highly risky projects or investments (Chodecai, 2004). From the reasoning of Stiglitz and Weiss, it is usual that in some cases we may not find that the interest rate set by banks is commensurate with the risk of the borrowers.

Firm Characteristics Theories

These theories predict that the number of borrowing relationships will be decreasing for small, high-quality, informationally opaque and constraint firms, all other things been equal (Godlewski&Ziane, 2008).

Theory of Multiple-Lending

It is found in literature that banks would be less inclined to share lending (loan syndication) in the presence of well developed equity markets and after a process of consolidation. Both outside equity and mergers and acquisitions increase banks' lending capacities, thus reducing their need of greater diversification and monitoring through share lending. Degryse et al (2004). This theory has a great implication for banks in Nigeria in the light of the recent 2005 consolidation exercise in the industry.

Hold up and Soft Budget Constraint Theories

Banks choice of multiple-bank lending is in terms of two inefficiencies affecting exclusive bank-firm relationships, namely the hold-up and the soft-budget-constraint problems. According to the hold-up literature, sharing lending avoids the expropriation of informational rents. This improves firms' incentives to make proper investment choices and in turn it increases banks' profits (Von Thadden, 2004; Padilla and Pagano, 1997). As for the soft-budget-constraint

problem, multiple-bank lending enables banks not to extend further inefficient credit, thus reducing firms' strategic defaults. Both of these theories consider multiple-bank lending as a way for banks to commit towards entrepreneurs and improve their incentives. None of them, however, addresses how multiple-bank lending affects banks' incentives to monitor, and thus can explain the apparent discrepancy between the widespread use of multiple-bank lending and the importance of bank monitoring. But according to Carletti et al (2006), When one considers explicitly banks' incentives to monitor, multiple-bank lending may become an optimal way for banks with limited lending capacities to commit to higher monitoring levels. Despite involving free-riding and duplication of efforts, sharing lending allows banks to expand the number of loans and achieve greater diversification. This mitigates the agency problem between banks and depositors, and it improves banks' monitoring incentives. Thus, differently from the classical theory of banks as delegated monitors, their paper suggested that multiple-bank lending may positively affect overall monitoring and increase firms' future profitability.

The Signaling Arguments

The signaling argument states that good companies should provide more collateral so that they can signal to the banks that they are less risky type borrowers and then they are charged lower interest rates. Meanwhile, the reverse signaling argument states that banks only require collateral and or covenants for relatively risky firms that also pay higher interest rates (Chodechai, 2004; Ewert and Schenk, 1998).

Credit Market Theory

A model of the neoclassical credit market postulates that the terms of credits clear the market. If collateral and other restrictions (covenants) remain constant, the interest rate is the only price mechanism. With an increasing demand for credit and a given customer supply, the interest rate rises, and vice versa. It is thus believed that the higher the failure risks of the borrower, the higher the interest premium (Ewert et al, 2000).

Empirical Review

There are numerous researches on the effect of credit risk on financial performance. Hakim and Neaime (2001) tried to examine the effect of liquidity, credit, and capital on bank performance in the banks of Egypt and Lebanon; they found that there was a sound risk management actions and application of these banks rules and laws. HosnaManzura and Juanjuan (2009) found that Non-performing loans indicator affected on profitability as measured by (ROE) more than capital adequacy ratio, and the effect of credit risk management on profitability was not the same for all the banks included in their study.

Njanike (2009) found that the absence of effective credit risk management led to occurrence of the banking crisis, and inadequate risk management systems caused the financial crisis. Kithinji (2010) indicated that the larger part of the banks' profits was influenced by other variables other than credit and nonperforming loans. Aduda and Gitonga (2011) found that the credit risk management effected on profitability at a reasonable level. Aruwa and Musa (2012) investigated the effects of the credit risk, and other risk components on the banks' financial performance. They found a strong relationship between risk components and the banks' financial performance.

Boahene, Dasah and Agyei (2012) examined the relationship between credit risk and banks' profitability. They found a positive relationship between credit risk and bank profitability.

Gakure, Ngugi, Ndwiga and Waithaka (2012) investigated the effect of credit risk management techniques on the banks' performance of unsecured loans. They concluded that financial risk in a banking organization might result in imposition of constraints on bank's ability to meet its business objectives.

Kolapo, Ayeni and Oke (2012) showed that the effect of credit risk on bank performance measured by ROA was cross-sectional invariant, though the degree to which individual banks were affected was not captured by the method of analysis employed in the study. Poudel (2012) explored the various credit risk management indicators that affected banks' financial performance; he found that the most indicators affected the bank financial performance was the default rate.

Musyoki and Kadubo (2012) seek to assess various parameters pertinent to credit risk management as it affects banks' financial performance. They concluded that all these parameters had an inverse Investment Management and Financial Innovations, impact on banks' financial performance; however the default rate was the most predictor of bank financial performance, on the contrary of the other indicators of credit risk management.

Nawaz and Munir (2012) found that credit risk management effected on the banks' profitability, and they recommended that management should be cautious in setting up a credit policy that might not negatively affect profitability. Abdelrahim (2013) concluded that liquidity and bank size affected strongly on effectiveness of credit risk management. Adeusi, Akeke, Adebisi and Oladunjoye (2013) concluded that risk management indicators (doubt loans, and capital asset ratio) effected on banks performance. Berrios (2013) showed that less discreet lending affected negatively on net interest margin. Kaaya and Pastory (2013) showed that credit risk indicators negatively affected on the bank performance.

Ogboi and Unuafe (2013) concluded that bank's financial performance had been affected by sound credit risk management and capital adequacy. Abiola and Olausi (2014) revealed that banks' profitability had been affected by credit risk management. Singh (2013) revealed that Effective risk management was critical to any bank for achieving financial soundness. Idowu and Awoyemi (2014) revealed that credit risk management had an effect on the banks' profitability. Li and Zou (2014) found that the indicator of Nonperforming loans had positive impact on banks profitability as measured by return on equity (ROE) and return on assets (ROA). Kurawa and Garba (2014) revealed that the variables of credit risk management effected on the banks profitability.

Kargi (2011) evaluated the impact of credit risk on the profitability of Nigerian banks. Financial ratios as measures of bank performance and credit risk were collected from the annual reports and accounts of sampled banks from 2004-2008 and analyzed using descriptive, correlation and regression techniques. The findings revealed that credit risk management has a significant impact on the profitability of Nigerian banks. It concluded that banks' profitability is inversely influenced by the levels of loans and advances, non-performing loans and deposits thereby exposing them to great risk of illiquidity and distress. Epure and Lafuente (2012) examined bank performance in the presence of risk for Costa-Rican banking industry during 1998-2007. The results showed that performance improvements follow regulatory changes and that risk explains differences in banks and non-performing loans negatively affect efficiency and return on assets while the capital adequacy ratio has a positive impact on the net interest margin. Kithinji (2010)

assessed the effect of credit risk management on the profitability of commercial banks in Kenya. Data on the amount of credit, level of non-performing loans and profits were collected for the period 2004 to 2008. The findings revealed that the bulk of the profits of commercial banks are not influenced by the amount of credit and non-performing loans, therefore suggesting that other variables other than credit and non-performing loans impact on profits.

Chen and Pan (2012) examined the credit risk efficiency of 34 Taiwanese commercial banks over the period 2005-2008. Their study used financial ratio to assess the credit risk and was analyzed using Data Envelopment Analysis (DEA). The credit risk parameters were credit risk technical efficiency (CR-TE), credit risk allocative efficiency (CR-AE), and credit risk cost efficiency (CR-CE). The results indicated that only one bank is efficient in all types of efficiencies over the evaluated periods. Overall, the DEA results show relatively low average efficiency levels in CR-TE, CR-AE and CR-CE in 2008. Felix and Claudine (2008) investigated the relationship between bank performance and credit risk management. It could be inferred from their findings that return on equity (ROE) and return on assets (ROA) both measuring profitability were inversely related to the ratio of non-performing loan to total loan of financial institutions thereby leading to a decline in profitability.

Ahmad and Ariff (2007) examined the key determinants of credit risk of commercial banks on emerging economy banking systems compared with the developed economies. The study found that regulation is important for banking systems that offer multi-products and services; management quality is critical in the cases of loan-dominant banks in emerging economies. An increase in loan loss provision is also considered to be a significant determinant of potential credit risk. The study further highlighted that credit risk in emerging economy banks is higher than that in developed economies.

Al-Khouri (2011) assessed the impact of bank's specific risk characteristics, and the overall banking environment on the performance of 43 commercial banks operating in 6 of the Gulf Cooperation Council (GCC) countries over the period 1998-2008. Using fixed effect regression analysis, results showed that credit risk, liquidity risk and capital risk are the major factors that affect bank performance when profitability is measured by return on assets while the only risk that affects profitability when measured by return on equity is liquidity risk.

Ben-Naceur and Omran (2008) in attempt to examine the influence of bank regulations, concentration, financial and institutional development on commercial banks' margin and profitability in Middle East and North Africa (MENA) countries from 1989-2005 found that bank capitalization and credit risk have positive and significant impact on banks' net interest margin, cost efficiency and profitability.

RESEARCH METHODS

Research Design

Zikmund, (1991) noted that research design is a master plan specifying the methods and procedures for collecting and analyzing needed information. Baridam, (1999) suggested that the choice of a design is influenced by the purpose of the study, type of investigation, study setting, unit of analyses and time horizon of the study. However, for the purpose of this study, the secondary data source was used, and the simple regression data analysis method will be used. The two-tailed test will be used in testing the formulated hypotheses.

Sources of Data

Secondary data was used in this study. The relevant data used were sourced from the publications of the Central Bank of Nigeria statistical bulletin of CBN, stock exchange fact book and financial statement of the banks in the sample size.

Model Specification

This study is modelled according to the work of Kolapo, Ayeni and Oke (2012), which studied the effect of credit risk and commercial bank performance. However, this study has the model below BI= f (NPL, LLP, NPL / TA, SDNPL, LNPL, SUBNPL)

$$CBI = a_0 + a_1 NPL + a_2 LLP + a_3 NPL/TA + a_4 SDNPL + a_5 LNPL + a_6 SUBNPL + U$$

1

Where:

NPL	=	Capital Adequacy Indicator
SBNPL	=	Sub standard non performing loans
SNPL	=	Standard non performing loans
LNPL	=	Lost non performing loans
LLP	=	Loan Loss Provision
TNPL	=	Total nonperforming loans
U	=	Error terms
a_0	=	The regression intercept

A-priori Expectation of the Result = $a_1, a_2\ a_3\ a_4\ a_5\ a_6 < 0$

CBI= f (INTR, EXR, INFR, POR, ECR, LIQR) 2

$$CBI = a_0 + a_1 INTR + a_2 EXR + a_3 INFR + a_4 POR + a_5 ECR + a_6 LIQR + U \quad 3$$

Where:

CBI	=	Capital Adequacy Indicator
INTR	=	Interest Rate Risk
EXR	=	Exchange Rate Risk
INFR	=	Inflation Risk
POR	=	Political Risk
ECR	=	Economic Risk
LIQR	=	Liquidity Risk
U	=	Error terms

a_0 = The regression intercept

A-priori Expectation of the Result = $a_1, a_2\ a_3\ a_4\ a_5\ a_6 < 0$

Data Analysis Techniques

The method of data analysis to be used in this study is the simple linear regression using ordinary least square method with Econometric View. This approach, which is a quantitative technique, includes tables and the test for the hypotheses formulated by using ordinary least square.

Estimation Procedure

Unit Root Test

Spurious regression can be detected in regression model by low Durbin Watson and relatively moderate R^2. Therefore, to distinguish between correlation that arises from share trend and one associated with an underlying causal relationship; we use both the Augmented Dickey fuller (Dickey and Fuller, 1979, 1981)

$$X_t = m + QX_{t-1} + e_t \ldots\ldots 4$$

The null hypotheses for the ADFstatistic test are H_0.

Non stationary (unit root) and H_0: Stationary respectively

Cointegration

To search for possible long run relationship amongst the variables, we employ the Johansen and Juselius (1990) approach. Thus, the study constructed a p-dimensional (4x1) vector auto regression model with Gaussian errors that can be expressed by its first differenced error correction form as:

$$DY_t = G_1 DY_{t-1} + G_2 DY_{t-2} + \ldots + G_{k-1} DY_{t-k+1} - P Y_{t-1} + m + e_t \ldots\ldots 5$$

Where Y_t are the data series studied, te is i. i. d, N(0, ∑) iG+ -1 + A_1+A_1 + A_2 + A_3 + ……. + A_i for i = 1,2,3……..,k-1, Π = I – A_1 – A_2 - ……-A_k. The Π matrix conveys information about the long term relationship among the Y_t variables studied. Hence, testing the cointegration entails testing for the rank r of matrix Π by examine whether the eigenvalues of Π are significantly different from zero.

Johansen and Juselius (1990) proposed two tests statistics to determine the number of cointegrating vectors (or the rank of Π), namely the trace and the maximum eigen-value (-trace) is computed as;

$$l\ trace = -T å^{n}_{j=r+1} In(1 - l_j) \ldots\ldots 6$$

The trace tests the null hypothesis that "at most" r cointegration vector, with "more than" r vectors being the alternative hypothesis. The maximum eigenvalue test is given as:

$$l_{max} = -TIn(1 - l_{r+1}) \ldots\ldots 7$$

It tests the null hypothesis of r cointegrating vectors against the alternative hypothesis of r + 1 cointegration vectors. In the equation (3) and (4), is the sample size and is the largest canonical correlation.

Granger Causality

In case we do not find any evidence for cointegration among the variables, the specification of the Granger causality will be a vector autoregression (VAR) in the first difference form. However, if will find evidence of cointegration, there is the need to augment the Granger-type causality test model with a one period lagged error term. This is a crucial step because as noted by Engel and Granger (1987).

$$Y_t = a_o + \sum_{i=1}^{n} a_1^{y} Y_{t-1} \sum_{i=1}^{n} X_{a1} X m \quad \ldots\ldots\ldots\ldots\ldots\ldots 8$$

and

$$X_t = b_o + \sum_{i=1}^{n} {}_{b1}^{y} Y_{t-1} \sum_{i=1}^{n} X_{b1} XY_t \quad \ldots\ldots\ldots\ldots\ldots\ldots 9$$

Error Correction Model (ECM)

Co-integration is a prerequisite for the error correction mechanism. Since co-integration has been established, it is pertinent to proceed to the error correction model.

SECTION IV: PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

Effect of Default Risk on Bank Capital Adequacy

Table 1: Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NPL	-0.067542	0.053093	-1.272142	0.2179
LLP	0.056637	0.047042	1.203974	0.2427
NPL/TA	0.005797	0.023857	0.242978	0.8105
SDNPL	-1.719622	0.720156	-2.387845	0.0269
LNPL	-0.044285	0.015444	-2.867579	0.0095
SUBNPL	-0.002355	0.020821	-0.113089	0.9111
C	28.78373	4.573147	6.294076	0.0000
R-squared	0.588260	Mean dependent var		17.61481
Adjusted R-squared	0.464738	S.D. dependent var		4.051277
S.E. of regression	2.963980	Akaike info criterion		5.229357
Sum squared resid	175.7036	Schwarz criterion		5.565315
Log likelihood	-63.59632	Hannan-Quinn criter.		5.329255
F-statistic	4.762385	Durbin-Watson stat		1.101584
Prob(F-statistic)	0.003629			

Source: Extract from E-View 12.0

Table 2: Test for Stationarity

NPL			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.125195	0.0005
Test critical values:	1% level		-3.769597	
	5% level		-3.004861	
	10% level		-2.642242	
LLP			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-6.518051	0.0000
Test critical values:	1% level		-3.711457	
	5% level		-2.981038	
	10% level		-2.629906	
NPL/TA			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.931978	0.0001
Test critical values:	1% level		-3.737853	
	5% level		-2.991878	
	10% level		-2.635542	
SDNPL			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.148472	0.0003
Test critical values:	1% level		-3.724070	
	5% level		-2.986225	
	10% level		-2.632604	
LNPL			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.345706	0.0002
Test critical values:	1% level		-3.724070	
	5% level		-2.986225	
	10% level		-2.632604	
SUSNPL			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.371634	0.0002
Test critical values:	1% level		-3.752946	
	5% level		-2.998064	
	10% level		-2.638752	
CBI			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-5.307578	0.0002
Test critical values:	1% level		-3.724070	
	5% level		-2.986225	
	10% level		-2.632604	

Source: Extract from E-View 12.0

Table 4: Cointegration Test

No. of CE(s)	Eigenvalue	Statistic	Critical Value	Prob.**
None *	0.846884	163.4121	125.6154	0.0000
At most 1 *	0.784457	116.4981	95.75366	0.0009
At most 2 *	0.697052	78.13323	69.81889	0.0093
At most 3 *	0.673901	48.27841	47.85613	0.0456
At most 4	0.413104	20.26458	29.79707	0.4051
At most 5	0.221005	6.941897	15.49471	0.5844
At most 6	0.027539	0.698132	3.841466	0.4034

Source: Extract from E-View 12.0

Table 5: Error Correction Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.414202	0.369162	1.122005	0.2909
D(CBI(-1))	0.200047	0.265716	0.752860	0.4708
D(NPL(-1))	0.081245	0.041266	1.968842	0.0805
D(NPL(-2))	0.025429	0.051368	0.495027	0.6324
D(NPL(-3))	-0.044498	0.035489	-1.253868	0.2415
D(LLP(-3))	-0.057325	0.040381	-1.419581	0.1894
D(NPL/TA(-1))	-0.011032	0.028039	-0.393449	0.7031
D(NPL/TA(-2))	-0.016962	0.024401	-0.695158	0.5045
D(NPL/TA(-3))	0.009985	0.019560	0.510490	0.6220
D(SDNPL(-1))	-1.118611	0.884080	-1.265282	0.2375
D(SDNPL(-2))	1.123405	0.841684	1.334712	0.2148
D(SDNPL(-3))	-1.841668	0.898574	-2.049546	0.0707
D(LNPL(-1))	0.011751	0.015124	0.776984	0.4571
ECM(-1)	-0.035825	0.199663	-0.179425	0.8616
R-squared	0.773520	Mean dependent var		0.517391
Adjusted R-squared	0.446381	S.D. dependent var		2.118458
S.E. of regression	1.576251	Akaike info criterion		4.027097
Sum squared resid	22.36110	Schwarz criterion		4.718267
Log likelihood	-32.31161	Hannan-Quinn criter.		4.200924
F-statistic	2.364503	Durbin-Watson stat		1.780179
Prob(F-statistic)	0.099947			

Source: Extract from E-View 12.0

Effect Credit Risk on Nigeria Commercial Banks Capital Adequacy

Table 6: Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ECR	0.228527	0.079247	2.883713	0.0092
EXR	-0.079810	0.039170	-2.037540	0.0550
INFR	-0.029644	0.016398	-1.807748	0.0857
INTR	-0.030356	0.059359	-0.511391	0.6147
LIQR	-0.009885	0.008259	-1.196751	0.2454
POR	-0.519482	0.884906	-0.587048	0.5637
C	10.26418	1.396918	7.347729	0.0000
R-squared	0.757056	Mean dependent var		17.61481
Adjusted R-squared	0.684173	S.D. dependent var		4.051277
S.E. of regression	2.276758	Akaike info criterion		4.701796
Sum squared resid	103.6725	Schwarz criterion		5.037754
Log likelihood	-56.47424	Hannan-Quinn criter.		4.801694
F-statistic	10.38724	Durbin-Watson stat		1.716233
Prob(F-statistic)	0.000029			

Source: Extract from E-View 12.0

Table 7: Unit Root Test

ECR			
Augmented Dickey-Fuller test statistic		-5.125195	0.0005
Test critical values:	1% level	-3.769597	
	5% level	-3.004861	
	10% level	-2.642242	
	EXR	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-5.904936	0.0001
Test critical values:	1% level	-3.724070	
	5% level	-2.986225	
	10% level	-2.632604	
INFR		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-5.887475	0.0001
Test critical values:	1% level	-3.724070	
	5% level	-2.986225	
	10% level	-2.632604	

INTR		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-4.260128	0.0029
Test critical values:	1% level	-3.724070	
	5% level	-2.986225	
	10% level	-2.632604	
LIQR		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-7.206607	0.0000
Test critical values:	1% level	-3.724070	
	5% level	-2.986225	
	10% level	-2.632604	
POR		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-8.318341	0.0000
Test critical values:	1% level	-3.737853	
	5% level	-2.991878	
	10% level	-2.635542	

Source: Extract from E-View 12.0

Table 8: Causality Test

Null Hypothesis:	Obs	F-Statistic	Prob.
ECR does not Granger Cause CBI	25	2.54639	0.1035
CBI does not Granger Cause ECR		1.98382	0.1637
EXR does not Granger Cause CBI	25	1.39971	0.2698
CBI does not Granger Cause EXR		5.34063	0.0139
INFR does not Granger Cause CBI	25	1.99187	0.1626
CBI does not Granger Cause INFR		1.36628	0.2779
INTR does not Granger Cause CBI	25	0.50649	0.6101
CBI does not Granger Cause INTR		1.14392	0.3385
LIQR does not Granger Cause CBI	25	0.54628	0.5875
CBI does not Granger Cause LIQR		0.34314	0.7136
POR does not Granger Cause CBI	25	6.25190	0.0078
CBI does not Granger Cause POR		1.26487	0.3039

Source: Extract from E-View 12.0

Table 9: Cointegration Test

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.848321	95.78617	95.75366	0.0497
At most 1	0.509840	48.63646	69.81889	0.6958
At most 2	0.425538	30.81087	47.85613	0.6766
At most 3	0.362429	16.95284	29.79707	0.6435
At most 4	0.198301	5.700595	15.49471	0.7306
At most 5	0.006977	0.175045	3.841466	0.6757

Source: Extract from E-View 12.0

Table 10: Error Correction Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.057151	0.489319	2.160453	0.0590
D(CBI(-1))	-0.496105	0.253735	-1.955211	0.0823
D(ECR(-1))	-0.058532	0.130335	-0.449092	0.6640
D(EXR(-2))	0.042189	0.054539	0.773568	0.4590
D(EXR(-3))	0.069259	0.060466	1.145426	0.2816
D(INFR(-1))	-0.000820	0.017428	-0.047071	0.9635
D(INFR(-2))	0.001159	0.015708	0.073763	0.9428
D(INFR(-3))	0.028115	0.023172	1.213306	0.2559
D(INTR(-1))	-0.021814	0.071632	-0.304529	0.7676
D(INTR(-2))	-0.104144	0.066030	-1.577223	0.1492
D(INTR(-3))	-0.092099	0.063095	-1.459679	0.1784
D(LIQR(-1))	0.013864	0.006923	2.002715	0.0762
D(LIQR(-3))	0.004883	0.006521	0.748729	0.4731
ECM(-1)	-0.217273	0.278140	-0.781163	0.4548
R-squared	0.716053	Mean dependent var		0.517391
Adjusted R-squared	0.305908	S.D. dependent var		2.118458
S.E. of regression	1.764934	Akaike info criterion		4.253225
Sum squared resid	28.03491	Schwarz criterion		4.944395
Log likelihood	-34.91209	Hannan-Quinn criter.		4.427052
F-statistic	1.745854	Durbin-Watson stat		1.937975
Prob(F-statistic)	0.203044			

Source: Extract from E-View 12.0

Analysis and Discussion of Results

Evidence from model I found that default risk can explain 58.2 percent variation on bank capital adequacy, the model is statistically significant from the F-statistic and probability. It is evidence from the T-statistics that the independent variables are statistically not significant except standard not performing loans and lost non-performing loans. The beta coefficient shows that all the independent variables have negative impact on bank capital adequacy except loan loss provision and non-performing loans to total assets. The negative impact of the variables confirms our a-priori expectation as Toby (2006) noted that non-performing loans are detrimental to bank capital adequacy. The findings confirm the findi8ngs of Boahene, Dasah and Agyei (2012) on the negative impact of non-performing loans on the profitability of commercial banks. However, the positive impact of loan loss provision and non-performing loans to total assets is contrary to our expectation and can be blamed on management strategies to reduce non-performing loans and macroeconomic policies to reduce the incidence of non-performing loans. The stationarity test of the variables proved that the variables are stationary ate first difference and justifies the integration of 1(1). The Granger causality test proved no causal relationship among the variables, this contrary to our expectation and could be traced to the operating environment. The cointegration test justifies the presence at least three cointegrating equation this confirm the presence of long run relationship. The error correction model proved that the independent variable will adjust by 3.5% volatility in the model, the coefficient of the variables proved that at various lags; the independent variables are positive and also negative. The model can explain 77.3% variation on the dependent variable.

Model II found that credit risk can explain 75.7% variation on the dependent variable. The F-statistic and F-probability found that the model is statistically significant. The beta coefficient of the variables justifies that all the independent variables have negative impact on the dependent variable except economic risk. The negative impact of the variables confirm our a-priori expectation of the results and justifies measures formulated by the regulatory authorities and bank management to reduce credit risk such as the prohibition of bank lending of not more than 20% to a single obligor as contain in section 18 sub section 2 of BOFIA Act 1990 as amended. The positive effect of economic risk is contrary to our expectation and can be traced to monetary and macroeconomic policies to enhance Nigerian business environment.

The stationarity test of the variables proved that the variables are stationary ate first difference and justifies the integration of 1(1). The Granger causality test proved no causal relationship among the variables except uniidirectional relationship from capital adequacy to exchange rate and unidirectional relationship from political risk to capital adequacy, this contrary to our expectation and could be traced to the operating environment. The cointegration test justifies the presence at least three cointegrating equation this confirm the presence of long run relationship. The error correction model proved that the independent variable will adjust by 21.7% volatility in the model, the coefficient of the variables proved that at various lags; the independent variables are positive and also negative. The model can explain 71.6% variation on the dependent variable.

CONCLUSION AND RECOMMENDATIONS

The study examined credit and default risk and the effect on capital adequacy of commercial banks in Nigeria. From the findings, the study concludes that credit and default risk has significant relationship with capital adequacy of commercial banks in Nigeria, we make the following recommendations:

1. There should be sound and internal and lending policies in the commercial banks such as adequate appraisal techniques and monitoring to avert credit risk and default risk
2. There is need to comply and regulation guiding bank lending such as the Basel accord risk management policy. Also, full compliance should be given to rules and regulation guiding bank lending as specified by BOFIA.

3. Prudential measures should be adopted in the commercial banks to manage financial and non financial risk in the banking industry.
4. The credit management department should be effective in risk management such that it will enhance risk management process of the commercial banks.

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ORGANIZATIONAL RESPONSIVENESS AND MARKETING RESILIENCE OF DOMESTIC AIRLINES IN NIGERIA

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ABSTRACT

This study examined the nexus between organizational responsiveness and marketing resilience of domestic Airlines in Nigeria. The study treated organizational responsiveness as unidimensional construct; while marketing resilience was decomposed into situation awareness, coping-with-change, marketing adaptability and resilient marketing ethos. The study adopted a descriptive research design and collected primary data through cross-sectional survey; using a structured questionnaire. The Spearman's rank order correlation served as the test statistic, relying on the statistical package for social sciences (SPSS) version 24.0. The study found that organizational responsiveness relates to marketing resilience of domestic Airlines in Nigeria. Organizational responsiveness posted strong, positive and statistically significant association with all the measures of marketing resilience. The study concluded that organizational responsiveness contributes to the manifestation marketing resilience of domestic Airlines in Nigeria or that marketing resilience of domestic Airlines depends on organizational responsiveness. The study thus recommends that domestic Airlines in Nigeria that desire improved marketing resilience should institutionalize structures and practices that advance or drive their responsiveness capacity.

Keywords: Coping-with-change, Marketing adaptability, Organizational responsiveness, Situation awareness, Resilient marketing ethos

INTRODUCTION

Change is the only certain and consistent phenomenon in the business-scape; and marketers plan and provide for change with a view to reducing its negative effect on their operations (Ebenuwa, 2021; Ateke & Nwulu, 2021). Aspects of change that marketers have increasingly come to terms with is increased enlightenment and sophistication of today's customers; highly disruptive transformation that characterize the business environment; globalization of markets that has weakened national boundaries and socio-economic and health concerns that ravage the world. Most therefore, institute deliberate programmes and practices that enhance their capacity to effectively and timeously respond to market-dynamics, by adapting their operations to emerging challenges or at least, rebound from setbacks (Ebenuwa, 2021). This is commonly expected of firms, given that they recognize the turbulence and volatility of the operating environment and the need to always be prepared for shocks.

However, it is not all firms that are able to effectively maintain their equipoise or successfully rebound from adverse effects inflicted by shocks and disruptions in the market, this is especially so in Nigeria's aviation sector where several domestic airlines have been observed to fold on account of debilitating effects of market dynamics (the likes of Okada Air, Albarka, Sosoliso among others easily come to mind). The Independent, a national daily reported in August 2019 that Nigerian Airlines are having a hard time remaining in business as they are fast loosing seats, passengers and revenue to foreign Airlines even in the domestic market, where Nigerian Airlines hitherto dominated. Also, additions to the list of domestic Airlines in Nigerian that have ceased operations seem to be a regular feature in the aviation sector. These testify to the fact that domestic

Airlines in Nigeria are not as resilient as they should be in their marketing operations in terms of awareness of their operating situation, coping with change, marketing adaptability and resilient marketing ethos to hiccups in the market. The chain effects of this phenomenon on industry structure, life, and society is manifold.

In the circumstance, this study is inclined to believe that domestic Airlines in Nigeria have not been quick to responding to real market changes as they should be; as it has been shown that responding appropriately to marketplace shifts, enhance the wellness of firms (Ateke & Didia, 2017). This study is of the view that domestic Airlines could be more resilient if they are responsive to changes in the market. That is, domestic Airlines in Nigeria can improve their marketing resilience by being more responsive to present and emerging market conditions. Previous studies report that marketing resilience may be orchestrated and nurtured through employees' competences (Ateke & Nwulu, 2018; Harcourt & Ateke, 2018; Eketu & Ogbu, 2017), process innovation (Ahiauzu & Jaja, 2015), marketing agility (Ateke & Nadube, 2017), knowledge management (Fani & Fard, 2015; Mafabi, Muene, & Ahiauzu. 2013) market-sensing (Ebenuwa, 2021; Ateke & Didia, 2017) among others.

We therefore, examined the connection between organizational responsiveness and marketing resilience of domestic Airlines in Nigeria. The study is appropriate at this point in the annals of the aviation sector in Nigeria when domestic carriers are finding it increasingly more challenging to withstand competition from foreign carriers, global health challenges are crippling economies and running firms into bankruptcy, and when dwindling fortunes of domestic Airlines is raising concerns about job security. These factors, and more, have necessitated the need to further explore ways of achieving and maintaining marketing resilience for domestic Airlines.

LITERATURE REVIEW

Foundational Theory

This study is a premised on the theory of distinctive competences (Selznick, 1957). Theory of distinctive competences is a benchmark theory of strategy and competitiveness which holds that firms own or have access to “a set of unique capabilities” which allows them to enter markets of interest and gain advantage over competitors. Distinctive competences evolve from “tangible and intangible resources which a firm owns or has access to” (Graig & Grant, 1993). A firm's strengths which cannot be easily matched or imitated by competitors, and which builds competitive advantages are its distinctive competence. Abdullah, Sabah, and Shawqi (2017) therefore, views distinctive competences as the “aggregate of multiple activities that firms perform better than rivals in an industry. Mooney (2007) define it as “a unique firm-specific strength that allows a company to better differentiate its products and achieve competitive advantage.”

Hence, “distinctive competence must be sustainable and visible to consumers, and not restricted to the outcome of a firm's special adaptation to its special purposes and programmes” (Abdullah *et al.*, 2017). A distinctive competence is usually a strategic strength, but a strategic strength may not always be a distinctive competence as rivals in a highly competitive industry are apt to imitate a firm's competence, such that what was once a distinctive competence could become a minimum requirement to compete in the industry. The theory of distinctive competence thus presupposes that firms could develop competences in specific areas such as environmental scanning and cross-functional responsiveness or in general areas by developing expertise in such areas as marketing, procurement, production etc. which are noticeable by rivals and customer. This study therefore adopts the theory of distinctive competences as a baseline theory on the premise that it is a viable theory to explain how firms can develop expertise in responding swiftly to market shifts, thus enhance their resilient capacity in their operating environment.

Concept of Responsiveness

Harcourt and Ateke (2018) construe responsiveness as firm's “ability to detect environmental changes and adapt to them by (1) making changes internally at individual action and learning level or at organizational structures and policies, and (2) developing active interfaces that alters the environment to increase the firms' adaptability”. It represents the ability to employ aggressive marketing strategies in response to environmental disruptions. Responsiveness is thus not strictly determined by the nature of change, but also by other factors that foster or inhibit action.

Responsiveness is also the ability to configure or reconfigure resources and processes to respond promptly to environmental demands (Dove, 2001). It represents the ability to respond to market demands in terms of quality, speed and flexibility (Asree, Zain, & Razalli, 2010). The construct of responsiveness is viewed from service marketing and operations management perspectives (Palmer, 2001). From service-marketing perspective, responsiveness is related to the willingness to help customers and speed of service delivery; while from operations management perspective, it is related to the speed and variety of products offered (Nwulu & Ateke, 2018). This study however takes an integrated view of responsiveness and represents it as the ability to respond promptly to market shifts, as well as the willingness to (re)configure marketing programmes, practices and activities to deliver consistent value and maintain a consistent image.

Responsiveness is thus a cumulative capability in terms of multiple performance measures such as quality, speed and flexibility (Hoyt, Huq, & Kreiser, 2007). It is an aspect of the market orientation construct where it represents the swift and seamless response to market intelligence about current and future market situations; as well as threats and opportunities embedded in those situations. It entails the capacity to speedily summon individual and collective competencies to address issues relating to the firm itself, its customers, as well as all other factors in the environment (Hoyt *et al*., 2007). The ability and capacity to respond to challenges posed by the environment is often a strategic one for most marketers.

The design school of strategy formation suggests that responsiveness consists in a strategy formation as entrepreneurial response to match internal abilities and opportunities in the environment ((Nwulu & Ateke, 2018; Hoyt *et al*., 2007). Environmental scanning provides marketers with intelligence, which they respond to, in a manner that promotes marketing wellness. Marketers that react quickly and effectively so, survive better and are more resilient in the long haul. Marketers adapt to contextual vagaries by being responsive through fast decisions while simultaneously considering several possible alternatives (Ateke & Nadube, 2017). Responsive marketers undertake prompt and seamless transformations in their configuration, programmes and activities (Brannen & Doz, 2012), including “leadership, strategy, innovation, knowledge sharing and organization” (Brueller, Carmeli, & Drori, 2014). “Responsiveness thus relates to strategy and marketing that permeates the variables involved in marketing management actions that pique marketers to innovate, seize opportunities, adapt and act proactively” (Hult, Ketchen & Slater, 2005).

Marketing Resilience

The construct of resilience originated from physics where it was used to describe “the quality of materials to regain their original shape after being bent, compressed, or stretched” and in engineering where it was used to “determine the capacity of an entity or system to maintain and renew itself, particularly in the presence of stressors” (Smyntyna, 2016). The construct has

however, gained transdisciplinary significance, and is emphasized in psychology, economics, emergency management and organizational studies (Ateke & Nwulu, 2018); as well as in cultural and social anthropology, psychiatry, behavioural studies, and healthcare systems (Mallak, 1998) cited in Ebenuwa (2021). In organizational studies, resilience is defined as the ability of a firm to reinvent itself when conditions change, and the capacity to respond to uncertain conditions (Ebenuwa, 2021; Akhigbe & Onuoha, 2019); and is exemplified in the ability to react to, and rebound from disruptions timeously. Resilient organizations have the ability to anticipate, prepare for, respond and adapt to gradual and abrupt disruptions in the operating environment without losing their functional capabilities (Ateke & Nadube, 2017).

The construct of resilience is herein extended and applied to marketing to represent the ability of marketing to cope with disruptions in the operating milieu, overcome adversity and function adaptively, as well as stage a comeback from shocks. It is the ability of marketing to recover rapidly, overcome, respond or otherwise adapt to disruptions in marketing operations caused by environmental upheavals. This is in line with the conception of resilience as “a system's ability to continue to perform and meet its objectives amidst adverse conditions” (Barasa *et al*., 2018) cited in Ateke and Nwulu (2018). Marketing operations are conducted in plastic conditions that present both threats and opportunities; cultivating a resilient marketing culture therefore better positions a firm to prosper (Harcourt & Ateke, 2018).

Resilience is a multidimensional construct. In this study, we decompose marketing resilience into situation awareness (Lee *et al*., 2013), coping with change (Zhang & Liu, 2012), marketing adaptability and resilient marketing ethos (Lee, Vargo, & Seville, 2013; Stephenson, Vargo, & Seville, 2010; McManus, Seville, Vargo, & Brunsdon, 2008). These measures were preferred because marketing must be conscious of its operating environment in order to adeptly tinker the variables with which it seeks to build and maintain profitable relationship with stakeholders. Also, marketing operations must be nimble enough to respond to market shifts seamlessly and timeously. In addition, marketing must have the ability to maintain its operational capabilities under different circumstances; it must be able to cope with change. Resilience requires marketing to function effectively, irrespective of disruptions in the operating context; and be able to create and deliver consistent value all the time and in all conditions. Finally, marketing must develop a culture of resilience if it must be able to cope with environmental shocks and rebound from setbacks better and stronger; the marketing function must have a resilient culture.

Situation awareness

Very costly marketing errors will be committed if the marketing function is not always conscious of its operating environment (Ateke & Nwulu, 2018). The concept of situation awareness thus describes the knowledge marketing has of its operating environment (McManus *et al*., 2008); which includes the ability to anticipate opportunities, threats, disturbances and the ability to correctly identify potential crisis, their likely effects and what must be done to turn things around (Tamunomiebi, 2018). It involves understanding how events, trends, information, or own action affect goal realization (Gugerty, 1997). Marketing is the bridge between the firm and its market, and is therefore, required to always be alert to changes even before they become manifest and possibly take a toll on the firm's health. Ahiauzu and Jaja (2015) observe that:

> “The loss of situation awareness usually occurs over a period of time and leaves a trail of clues such as confusion, use of improper procedures; departure from regulations; failure to meet planned targets; unresolved discrepancies; ambiguity and fixation. Situation awareness is thus dynamic, hard to maintain, and easy to lose”.

Keeping in touch with the environment all the time is very difficult, especially during complex high stress operations (Tamunomiebi, 2018). Marketing thus require resources to continually scan the environment to discern opportunities that could be exploited and threats that should be avoided. Therefore, "combining new information with existing knowledge in working memory and the development of a composite picture of the situation along with projections of future status and subsequent decisions as to appropriate courses of action to take" is essential to marketing resilience.

Coping-with-change

Change represents a transformation of situations from established or expected trajectory to radically different courses, thus requiring (re)planning in order to remain focused on a preset course. The environment in which business is conducted is sophisticated, convoluted, intertwined and less predictable (Lelièvre, Radtke, Rohr, & Westinner, 2019). Environmental shocks emerge from several factors that herald change, and these must be subdued by maintaining or reconfiguring current templates or designing and integrating new ones (Rafferty & Griffin, 2006). The ability to implement plans even when unexpected turns tend to upend the plans and dis-align functioning is enhanced by a capacity to cope with change. Coping with change involves accommodating unexpected vagaries in the environment and remaining the same in functions, structures, processes and programmes.

Environmental disruptions force marketers to reset and reinvent their operations by retreating to the core of their business that remains strong (vision, mission, values and the main products that the business is well known for); or by reducing expenses (staff, operating, marketing, etc.) in response to the situation (Herscovitch & Meyer, 2002). Reinvention becomes adequate after resetting; as the business can "craft new plans, develop products and delivery methods, hire people and spend money on growth again" (Herscovitch & Meyer, 2002). The intent this strategic maneuver is to effectively cope with change. In coping with change, the ability to absorb and react to shock is crucial. Marketers must constantly roll with changing market requirements by creating new products and processes, as well as the accompanying levels of customer service and customer-firm interfaces. This without, marketers will awake to find that yesterday's customers are different than today's customers and that today's customers will not be available tomorrow; and therefore have "the wrong value directed at the wrong people at the wrong time". To forestall this, marketers must be equipped with the right information from the right sources and also be fitted to cope with change (Lelièvre *et al*., 2019).

Marketing adaptability

McCann (2004) and Hamel and Välikangas (2003) view the capacity to adapt marketing activities to changing market conditions as "the ability or inclination of individual or teams within marketing to maintain an experimental attitude towards new situations as they occur and act in terms of changing circumstances". Marketing adaptability is a process that promotes the design and implementation of proactive insights about future possibilities that enables the creation of value that connects with stakeholders. It is linked to competitiveness as it is a resilient characteristic, and describes the ability to adapt operations to prevailing conditions with a view to gaining advantage over less adaptive competitors, and maintain a robust marketing profile (Akhigbe & Onuoha, 2019). Marketing adaptability implies "the aptitude to adapt swiftly to varying environmental conditions; and is essential to navigating firms in the contemporary business milieu where turbulent disruptions constitute the new norm; and facilitates firms' ability to respond to threats and opportunities. Marketing is inherently adaptive, the practice of marketing today is markedly different than what obtained a decade ago, and it will appear even

more different by the next decade (Ateke & Nadube, 2017).

Marketing adaptability may be orchestrated by changes in internal resources or external challenges; it is nonetheless, the natural outgrowth of a market orientation or the "customer first" mindset that adapts to changing customers' requirements and specificities of other environmental factors. It often involves reforming marketing programmes and operations to suit changing consumer preferences, geography or era in which the firm operates. Marketing adaptability is thus context-specific (McManus *et al*., 2008); "it varies in terms of value and nature and may be analyzed through coping ranges, the conditions a system can deal with, accommodate, adapt to, and recover from" (Ateke & Nwulu, 2018). Marketing adaptability promotes consistent alignment of marketing objectives and customer desires, mostly, by creating "innovative customers" or marketing practices, programmes and operations to suit emerging market trends (Ateke & Nwulu, 2018).

Resilient marketing ethos:

Marketing ethos represents market-oriented values, norms and actions that inform and guide marketing actions. It is one that practically translates the marketing concept, which emphasizes the importance of customers not just within marketing, but throughout the firm; and anchored on identifying market demands and meeting them better than competitors. A market-oriented culture focuses on developing, communicating and delivering value; and thrives on learning about market developments, sharing this information with appropriate personnel, and adapting operations to changing conditions. Zostautiene, Zvireliene, and Susniene (2017) aver that marketing practices are encumbered by a "perfect storm" of adversities orchestrated by forces ranging from turmoil and instability of markets, economic downturns, changes in employees' values, resource shrinkages, technological advances, fragmented demographics, pandemics, etc.

The most suitable time since the invention of management for firms to prepare for adversity by building resilient marketing ethos is now. A resilient marketing culture is a climate within marketing that foster resilience in the wake of adversity; an environment that the majority of marketing personnel perceive as non-punitive, but motivating and supportive (Zostautiene *et al*., 2017). One that encourage innovation, stimulate personal satisfaction and growth, as well as extraordinary success. A resilient marketing ethos is one equipped to face challenging market disruptions, and handle turbulence proactively; with skills, tools, and a mindset to cope with new realities; one designed to "perform in the storm" in times of disruptions. Resilient marketing ethos is a system-wide shared attitude, habits and beliefs that encourage resourcefulness, reflectiveness and responsiveness to environmental shifts (Stephenson *et al*., 2010).

Organizational Responsiveness and Marketing Resilience

The statement of foremost English geologist, biologist and naturalist, Charles Darwin (1809-1882) that "it is not the strongest of species that survive, nor the most intelligent, but the one most responsive to change" aptly contextualizes the imperative of responsiveness to market dynamics. Marketing pundits have thus called attention to strategic actions - "a pattern of resource allocation and alteration of marketing practices that enable ?rms to improve marketing performance" (Ketchen, Hult, & Slater, 2007; Barney, 1996). Responsiveness is a market-driven firm-level strategic action that respond to external environmental factors while taking existing frameworks and constraints of the market structure and characteristics into account (Jaworki, Kohli, & Sahay, 2000) in Wei and Wang (2011). Highly responsive firms utilize various resources to meet market-dynamics. Homburg, Grozdanovic, and Klarmann (2007) argue that maintaining and enhancing a ?rm's responsiveness to environmental changes endow competitive advantage that enhance a ?rm's market position and fortunes; just as failure to respond appropriately to market-dynamics could waste a ?rm's scarce resources (Jayachandran & Varadarajan, 2006).

Responsiveness describes firms' ability to respond to changing market conditions appropriately, so as to reduce threats or capitalize on opportunities (Collins & Hitt, 2006). For marketers that are faced with environmental challenges, “responsiveness also represents the ability to respond to emergent opportunities or concerns” (Lindblom, Olkkonen, Mitronen, & Kajalo, 2008). Responsiveness is a core competency that enhances the provision of superior customer value, strong differentiation and extendibility which are relied upon to achieve desired financial and market positions (Nwulu & Ateke, 2018). The potency of responsiveness to better the lot of firms was supported by Agha, Alrubaiee, and Jamhour (2012) who observed that core competences have strong positive impact on organizational performance.

The vagaries of the competitive environment have made responsiveness an imperative to survival and growth of firms (Luo, 2012). It helps maximize marketing's initiatives and proactive pursuit of new opportunities that are consistent with company's goals” (Birkinshaw, 1996). In addition, responsiveness motivates marketing to “establish sustained, solid relationships with publics, which in turn creates more opportunities or extenuates contextual hazards” (Luo, 2012). Responsiveness stimulates business success, and is required for competitiveness, since it serves as a foundation for bolstering the formulation and implementation of appropriate (Porter, 1990) in Luo (2012).

Previous studies have posted in varying degrees of coherence, the predictive power of responsiveness on company wellbeing. Wei and Wang (2011) report that organizational responsiveness and innovation enhances superior performance. Garrett, Covin and Slevin (2009) observe that responsiveness determine market pioneering; and that “responsiveness is a critical competency for market pioneers.” Responsive firms adapt quickly to changing market conditions (Randall, Morgan, & Morton, 2003), and this rapid adaptation is critical when conditions re?ect ambiguity and uncertainty. The forgoing suggests that responsiveness will relate to marketing resilience significantly. However, in order to allow for statistical testing and interpretation, the study formulates the following null hypotheses:

- Ho_1: Organizational responsiveness does not relate significantly to situation awareness of domestic Airlines in Nigeria.
- Ho_2: Organizational responsiveness does not relate significantly to coping with change of domestic Airlines in Nigeria.
- Ho_3: Organizational responsiveness does not relate significantly to marketing adaptability of domestic Airlines in Nigeria.
- Ho_4: Organizational responsiveness not relate significantly to resilient marketing ethos of domestic Airlines in Nigeria.

METHODOLOGY

The focus of this study is to examine the association between organizational responsiveness and marketing resilience. The study adopted a descriptive research design. The study was anchored on the realist ontology and positivist epistemology; it adopts a nomothetic methodology based on the conviction that man's interaction with the environment is deterministic. A questionnaire thus served as the instrument of primary data collection. The study was conducted in a natural setting; hence, the researcher did not exert any form of control over the research elements (the test units). The cross-sectional survey, which permits researchers to collect data from test units at a point in time, was adopted.

The population of the study comprised domestic airlines in Nigeria. Information from the Nigerian Civil Aviation Agency (NCAA) indicates that there are twenty-three (23) domestic Airlines in Nigeria. These twenty-three (23) domestic Airlines constitute the population of the study. The study took a census since the population of the study is not large. The study however surveyed one hundred and fifteen (115) management level staff of the twenty-three (23) airlines on a sample frame of five (5) respondents per airline. The study purposively surveyed marketing; operations; corporate communications; regional and general managers of the airlines. The choice of this category of staff is premised on the conviction that they are (1) better placed to understand the trajectory of the study, (2) privy to the core of airline operations and therefore possess the required information, and (3) in positions of authority to speak for their firms.

The instrument used in the study passed face and content. The face validity of the instrument was ascertained through the opinion of experts consisting members of the academia within marketing, organizational studies, and measurement and evaluation; and practitioners with adequate knowledge of the subject of the study; while content validity was predicated on the fact that it was derived from literature, and mostly from instruments used by other researchers, with minimal adaptation. The internal consistency of the instrument was determined through the Cronbach's Alpha test of reliability, with a threshold of 0.70 (Nunally, 1978). Table 1 presents a summary the results.

Table 1: Reliability result for the study

Variables	**No. of items**	**Alpha coefficients**
Organizational responsiveness	7	0.992
Situation awareness	8	0.820
Coping-with-change	6	0.967
Marketing adaptability	8	0.914
Resilient marketing Ethos	9	0.962

Source: Simulation from SPSS output of data analysis on organizational responsiveness and marketing resilience (2021).

The Spearman's Rank order correlation served as test statistic, relying on the Statistical Package for Social Sciences (SPSS) version 24.0. The choice of the Spearman's Rank order correlation is premised on its noted flexibility in assessing correlations for both ordinal and interval data (Neuman, 2006). The decision rule for accepting or rejecting the null hypotheses was premised on the adoption of the 0.05 level of significance as a criterion for assessing the Probability value (Pv). Hence where $Pv < 0.0$, the null hypothesis was rejected, and accepted where is $Pv > 0.05$.

RESULTS AND INTERPRETATION

Table 2: Relationship between organizational responsiveness and metrics of marketing resilience

			Organizational Responsiveness	situation awareness	Coping-with-change	Marketing adaptability	Resilient marketing ethos
Spearman's rho	Organizational Responsiveness	Correlation Coefficient	1.000	.801**	.695**	.725**	.663**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	109	109	109	109	109
	Market situation awareness	Correlation Coefficient	.801**	1.000	.752**	.825**	.818**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	109	109	109	109	109
	Coping-with-change	Correlation Coefficient	.695**	.752**	1.000	.790**	.806**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	109	109	109	109	109
	Marketing adaptability	Correlation Coefficient	.725**	.825**	.790**	1.000	.767
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	109	109	109	109	109
	Resilient marketing ethos	Correlation Coefficient	.663**	.818**	.806**	.767**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	109	109	109	109	109

Source: SPSS Output of Data analysis on organizational responsiveness and marketing resilience (2020).

Table 2 presents the results of the test of linear correlations between organizational responsiveness and measures of marketing resilience. A summary of the results is as follows:

1) Organizational responsiveness has a very strong, positive and statistically significant correlation with situation awareness of domestic Airlines in Nigeria is with rho = 0.801 and Pv = 0.000. The null hypothesis is thus rejected.

2) There is a strong, positive and statistically significant relationship between organizational responsiveness and Nigeria's domestic Airlines' ability to cope with change, with rho = 0.695 and Pv = 0.000. The null hypothesis is rejected based on this evidence.

3) The relationship between organizational responsiveness and marketing adaptability of domestic Airlines in Nigeria is strong, positive and statistically significant with rho = 0.725 and Pv = 0.000. Thus, the null hypothesis is rejected.

4) Organizational responsiveness and resilient marketing ethos of domestic Airlines in Nigeria have strong, positive and statistically significant connection with rho = 0.663 and Pv = 0.000. The null hypothesis is rejected based on these facts.

The result from the test demonstrates that the relationship between organizational responsiveness and market situation awareness appears to be the highest as it reflects a very strong relationship. This is as the relationship between organizational responsiveness and coping with change is revealed to be strong, that of organizational responsiveness and market adaptability is also strong and finally the relationship between organizational responsiveness and resilient marketing ethos is strong. These results demonstrate that organizational responsiveness play substantial role in the actualization of marketing resilience of domestic Airlines in Nigeria.

DISCUSSION OF FINDINGS

This study concentrated on examining the nexus between organizational responsiveness and marketing resilience of domestic Airlines in Nigeria. The results generated from the empirical analysis point to a strong, positive and statistically significant relationship between organizational responsiveness and marketing resilience. The findings suggest that timely and evident addressing of market dynamics by domestic Airlines in Nigeria contributes substantially towards resilient marketing outcomes like situation awareness, coping with change, marketing adaptability and resilient marketing ethos. The observed relationship between the variable support the view of previous scholars (Jung, 2007; Fani & Fard, 2015; Grinstein, 2008) who highlight the importance to marketing effectiveness, brand visibility and business success. Day (2011) argue that marketing actions should be reflexive and at the same time tailored to integrate the uniqueness of each market. According to Lin and Wang (2017), the adaptation and design of marketing strategies should not only focus on objective of the firm, but should also integrate the properties and characteristics of the groups, elements and units that make up its market.

Day (2011) revealed responsiveness as a key driver of firms' effectiveness in adapting products to suit the needs and expectations of the market. From this perspective, each context has or is marked by underlying attributes and gaps that differentiate it from other contexts. Such factors shape the behaviour, preferences and choices of customers and although may share in some of the general features of other markets, nonetheless, Day (2011) argued that other features may be tailored to reflect the dominant values inclinations of the context. From this perspective, organizational responsiveness inclines marketing actions and behaviour to align strategies and programmes to customer preferences and choices as reflected in the values and other contextual features of the market. Day (2011) stated that such responsiveness also serve for effective service localization and improvement.

The current findings also align with the position that organizational responsiveness enhances the provision of superior customer value, strong differentiation and extendibility which enables the achievement of desired financial and market positions (Nwulu & Ateke, 2018); and that responsiveness betters and strongly relates to organizational performance (Agha *et al.*, 2012). The findings further corroborate the stance that organizational responsiveness is imperative to survival and growth of firms in today's competitive environment (Luo, 2012); because it facilitates the maximization of marketing initiatives and proactive pursuit of new opportunities (Birkinshaw, 1996). Wei and Wang's (2011) report that organizational responsiveness enhance superior performance; Luo's (2012) position that responsiveness stimulates business success; and Randall *et al.* (2003) position that organizational responsiveness inform rapid adaptation in the face of ambiguity and uncertainty are supported by the findings of this study.

CONCLUSION AND RECOMMENDATIONS

Domestic Airlines in Nigerian have a challenge to address market shakeups; and extenuate the effects of competitiveness deficiencies, dis-functionalities and pervasive change in the industry. This however, will require not only being alert to changing market conditions, but also, to be smart in appropriating responses to observed changes in market conditions. This study focused on assessing the link between organizational responsiveness and marketing resilience. The results from the empirical analyses demonstrate that a strong, positive and statistically significant correlation exists between the variables. This implies that organizational responsiveness contributes significantly towards enhanced marketing resilience of domestic Airlines in Nigeria. This observation presents organizational responsiveness as an essential determinant of competitiveness and ability of domestic Airlines in Nigeria to sustain their relevance through increased levels of situation awareness, ability to cope with change, marketing adaptability and resilient marketing ethos.

In view of the findings of the study and the discussions that followed, the study concludes that organizational responsiveness leads to marketing resilience through heightened situation awareness, ability to cope-with-change, marketing adaptability and resilient marketing ethos. This is facilitated through adaptation, change forecasting and market opportunities exploitation that inform domestic Airlines' behaviours and actions. The study therefore recommends that domestic Airlines in Nigeria that desire to maintain or enhance their resilient capacity should institutionalize structures and practices that advance or drive their responsiveness. This may take the form of proactive market-sensing effort that facilitate timely gathering and sharing of market(ing) intelligence to direct appropriate organizational response.

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SUPPLY CHAIN RISK MANAGEMENT PRACTICES AND ORGANIZATIONAL RESILIENCE: REALITIES FOR THE NEW NORMAL

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ABSTRACT
The purpose of the study was to examine the influence of Supply chain risk management (SCRM) practices on organizational resilience in the new normal. The study adopted the cross-sectional survey research design. The population of the study was 50 selected firms from Rivers State. The respondent includes mangers from the selected firms thus; the sample size for the study was 50, where 41 copies of the questionnaire was return usable. The hypotheses were tested using the multiple regression analysis with the aid of the Statistical Tool for Social Sciences (SPSS version 25.1) the study revealed that supply chain risk management practices is significant and positively related to organizational resilience. The study concludes by stating that SCRM practices of (risk identification, risk assessment and risk mitigation) play key role in the ability of firms to react to and recover from disruptive event especially the current Covid-19 pandemic. As a result, the study recommends that Managers should consider supply chain risk management practices as a key part of the organizational process. Managers should collaborate with other supply chain partners to get relevant information that would assist in supply chain risk management.

INTRODUCTION
The outbreak of the COVID-19 pandemic throughout the world which started in late 2019 and continued through 2020 made the subject of supply chain risk and resilience a vanguard in the minds of practitioners, academics, and the general public in a way that it never has been before. Ferguson and Drake (2020) posits that at a first glance, it might seem to be inexcusable that so many supply chain experts were caught unprepared to deal with the pandemic. Studies abound that have revealed how firm around the world have dealt with significant supply chain disruptions in the past. Mangan and Lawan (2016) investigated the factory fire that cost hundreds of millions of dollars in damages and lost the study also examined the issues of product recalls to the tune of 21 million products due to a foreign supplier using lead paint, the study observed that the organization was able to rebound and stay afloat because it had supply chain risk management practices as one of its key processes. Another scholar McCren (2019) evaluated the effect of natural disasters such as earthquakes, hurricanes, tornadoes, and tsunamis resulting in approximately 35% of the affected companies going out of business within 3 years. These firma that went out of business never considered supply chain risk management practices as relevant to their business, hence when the disruption came they were not prepare and had no strategy in place to handle the disruption. The scholars also examined the effect of cyber security breaches costing an average of $6 or $7 million per incident (McCrea, 2019). Meanwhile, Fergusson et al. (2020) pointed out that many companies even have experience within the past 20 years responding to the outbreak of diseases such as SARS in Canada and many Asian countries and

foot-and-mouth disease in the United Kingdom, they argued that what kept these firms afloat and resilient was that they did not ignore supply chain risk inherent in their operations.

Scholars and practitioners agree that the “old” way of supply chain risk management practices must be updated in the aftermath of the COVID-19 pandemic to develop a more resilient network to handle future disruptions (Anbumozhi et al., 2020; Rennie, 2020; Winn, 2019). Sengupta, (2020) cautioned against complacency among supply chain professionals they have to be watchful to avoid letting down their guard if they are not affected by major disruptions for a long period of time. Is the pandemic creating a “new normal” in supply chain risk management or simply accentuating what has already become normal? Is there an increasing tendency towards technology? This tendency presents a very crucial challenge for supply chain risk management practices that require a critical vision of the realities of the new normal with regards to the post-Coved era

Statement of the Problem
The Covid-19 pandemic has changed everyday life, caused wide-scale illness and death, and provoked preventive measures like social distancing, confinement, and school closures. It has struck disproportionately at those who provide essential services (doctor's nurses etc.) and those unable to work remotely; in an already precarious marketplace, unemployment is having terrible consequences. The pandemic is now the chief sign of both globalization and deglobalization, as nations close borders and airports sit empty. There are no departures, no delays. Everything has changed, and no one was prepared. The pandemic has disrupted the flow of time and unraveled what was normal. It is the emergence of an event that restarts time, creates radical ruptures and imbalances, and brings about a contingency that becomes a new necessity (Žižek 2020). Such events indicate our current reality and act as a pointer to our new realities. The pandemic has reshuffled our needs, which are now based on a new order. Whether for short or medium duration, will it end in a return to the “normal” or move us into an unknown future? Žižek contends that “there is no return to normal, the new 'normal' will have to be constructed on the ruins of our old lives, or we will find ourselves in a new cruel condition whose signs are already clearly discernible” (Žižek 2020). It is pertinent to note that the pandemic has ushered in a “new” normal, in which digitization enforces ways of working and learning. It forces education and industry practitioners further into “technologization”, a development already well underway, fueled by commercialism and the reigning market ideology, the same can be said of supply chain risk management. It is against this background that this paper seeks to explore the effect of supply chain risk management practices on organizational resilience in the “new normal”

Purpose of the Study
To evaluate the influence of the supply chain risk management practices on organizational resilience in the new normal.
Other sub-objectives include
1. To determine the impact between risk identification and organizational resilience
2. To ascertain the impact between risk assessment and organizational resilience
3. To identify the impact between risk mitigation and organizational resilience

Study variable and research frame work
Study variable reveals the direction of the research work they serve as the skeletal structure upon which the entire work is built upon. This study has two major variable supply chain risk

management which is the predictor variable with risk identification, risk assessment and risk mitigation as it dimensions while resilience the criterion variable was treated as a single measure

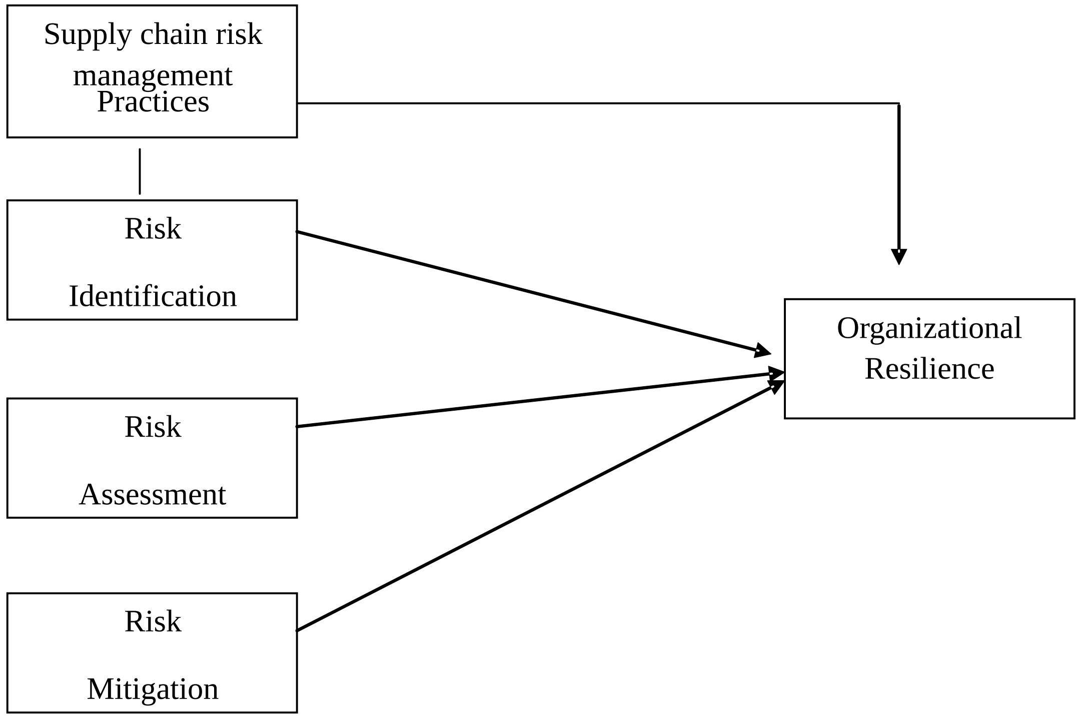

Fig.1.1 Conceptual framework for the study
Source (dimension adapted from ElBaz & Rule 2020)

Study Hypotheses

The following hypotheses were made for the study:
$H0_1$: Risk Identification does not significantly influence Resilience
$H0_2$: Risk Assessment does not significantly influence Resilience
$H0_3$: Risk Mitigation does not significantly influence Resilience

LITERATURE REVIEW

Theoretical Foundation

This study is anchored on the resource-based view theory (RBV). Scholars like (Ojala & Hllikas, 2006; Tsai et al 2008; Chowdbury & Quaddus, 2017; Fan & Stevenson, 2018), have deployed RVB to examine how firms coordinate their resources in responses to supply chain risk. The theory states that firms need to realign their resources and process to quickly adapt to the resulting disruption arising from threats. Meanwhile, The RBV is a theoretical approach that emerged as a response to the turbulence in the business environment resulting from globalization, technological innovations, and economic crises (Wernerfelt, 1984; Barney, 2012). According to RBV, firms can achieve competitive advantages if they possess valuable, inimitable and non-substitutable resources (Barney, 1991; Hart, 1995).

Supply chain risk management practices

Agigi et al. (2016) describe SCRM as a set course of action taken by firms to identify, assess, analyze and manage risk in the firms supply chains. Diehl and Spinler (2013) described supply chain risk management practices as the organizations effort to handle the associated risk that can occur in their supply chains. On their part, Wieland and Wallenberg (2012) described “supply chain risk management practices as implementing strategies that hedges risk that occur regularly or are rare within the supply chain which results from a constant assessment to ensure that risk is reduced”. The focus of this definition is on how the organization can use strategies to measure and mitigate risk along the supply chain. Thun and Hoenig, (2011) had suggested that” supply chain risk management practices involves, the practices of identifying, analyzing and controlling of risk issues they believe that can harm the organization”. This definition is concerned with how the firm is managing risk within the supply chain. Scholars like (Neiger Rotaru, Churilov, 2009; Tummala & Schoenherr, 2011; Ho, Zheng, Yildiz & Talluri, 2015) are in consensus that SCRM is aimed at developing strategies for the identification, assessment, treatment, and monitoring of risks in supply chains. On his part Ahmed (2017) argues that scholars have suggested the use of risk identification, risk assessment, risk treatment, and risk monitoring represent the four main stages of the SCRM process. We deployed risk identification, risk assessment and risk mitigation as dimensions of supply chain risk management practices in this study.

Risk Identification

Ho, Zheng, Yildiz, and Talluri (2015) defined risk identification as the process that involves the identification of risk types, factors or both that may affect the organization's supply chain.
Breuer et al. (2013) defined risk identification as the process of identifying vulnerabilities and the relationships between risk both internal and external to the firms supply chain
Scholars agree that the first step in SCRM practices concerns the identification of risks with respect to the supply chains (Kleindorfer & Saad, 2005; Wieland & Wallenberg, 2012). Buhman, et al (2005) stated that this can be achieved through continuous screening of potential SC risks. Scholars like accurately (Craighead et al., 2007; Chowdhury & Quaddus, 2017) are of the view that the sternness of disruptions impacts depends on early detection of its probability, they argued further that firms must deploy risk identification practices to discover the sources of supply chain risks. On their part Wieland and Wallenberg (2012) argued that, due to the complexity of SCs and the resources constraints; firms must collect data on their critical processes flows and partners in the SC to optimize the efficiency of SCRM. However, Fan & Stevenson (2018) stated that risk identification plays a crucial role and influences the outcomes of the subsequent processes in SCRM

Risk Assessment

Simba, Niemann, Kotze and Agigi (2017) defined risk assessment as the process of determining the likelihood, frequency and the impact of disruptions within a range of different possible scenarios relating to disruptions. On their part Ho et al. (2015) described risk assessment as the process of assessing the probability of an event occurring and the significance of the consequence when it occurs. Earlier scholars have described risk assessment as the evaluation of risk's occurrence including an estimation of its impact (Kleindorfer & Saad, 2005; Schmitt & Singh, 2009; de Souza et al., 2009; Wieland and Wallenberg, 2012). This process they concluded seeks to provide an in-dept collective, adaptive capability of organizations in the supply network to maintain a dynamic equilibrium, react to and recovers from a disruptive event, and to regain performance by absorbing negative impacts, responding to unexpected changes, and capitalizing on the knowledge of success or failure. Wieland and Wallenberg (2012) stated that the severity of the supply chain disruption impacts is dependent on the risk's event duration and speed of propagation. Supporting this view Fan and Stevenson (2018) stated that the purpose of risk assessment is to prioritize the identified risk by their likelihood in an appropriate manner which ultimately leads to the next SCRM practice i.e. mitigation.

Risk Mitigation

Simba et al. (2017) described risk mitigation as any effort or group of effort that is targeted at reducing the negative impact of an event occurring can be described as risk mitigation. Liu et al (2014) stated that risk mitigation will reduce the probability or the effect or both on the organization, hence it become significant for managers to pick a strategy that will suit the mitigation of each risk. Scholars like Azadegan et al. (2020) are of the view that consequent upon the data collected from previous SCRM practices; risk mitigation tends to address supply chain risk with suitable measures through mitigation strategies. On their part Fan and Stevenson argue that the efficiency of risk mitigation depends largely on the close collaboration with other supply chain partners and the recognition of supply chain practices value within the firm. Meanwhile, risk mitigation will reduce the probability or the effect or both on the organization, hence it become significant for managers to pick a strategy that will suit the mitigation of each risk

Organizational Resilience

Simba et al. (2017) stated that supply chain resilience can be seen as an adaptive capability that enables firm to prepare for unforeseen events, it also allows firm to counter disruptions and return operations to a stable state via the continuity of operations at the required level of connectivity and control over infrastructure and functionality of the SC.

On their part Petit et al. (2013) described resilience as the capability to anticipate and overcome supply chain disruption. Leveraging and reconfiguring resources becomes a key factor to recover from disruption and maintain performance. Park (2011). Stated that supply chain resilience is an adaptive capability that prepares, responds and recovers supply chain from unprecedented events through maintaining stability of operation. Earlier scholars like Rice and Caniato (2003) described resilience as the ability to respond to an unexpected disturbance and then restore operations to normal, while for Sheffi (2005) it the ability to contain the effect of the disturbance and subsequent recovery process Therefore, in a situation of disruption such as COVID-19 epidemic, firms' reconfiguration and deployment of resources / capabilities through SCRM help them cope with disruption impacts and maintain SC resilience

Realities of the New Normal

Pacheco (2019) described the “New Normal” is a term that suggests that things will not be the same as they were before. It gained prominence in the aftermath of the financial crises of 2007 / 2008. What will the new normal look like? We can broadly predict that health and hygiene will be top on the list for people, first-line workers will now be appreciated better than before, and travelling both for business and pleasure will never be the same. The New Normal will be different in each industry, and responding to operational needs vary, from maintaining productivity to meeting demands and most notably managing supply chain disruptions. The term “new reality.” Hold key significance for supply chain risk management, because there will be nothing “normal” about supply chains as businesses face the next couple of years. Another reality is that supply chain management is now more strategic to business than ever before. Supply chain management as we know it has been disrupted, and the new reality is that every aspect of the supply chain needs to be examined in detail to ensure it is resilient to ever-present shocks in supply, distribution, and demand. This new reality also includes digital disruption of supply chain networks, disintermediation of many traditional networks, increased online business, home deliveries, and innovative outsourcing models.

Empirical Reviews

Toile, Wieland and Marcus Wallenberg (3013) in their study on the influence of relational competence on supply chain resilience: A relational view, surmised that SCRM strategies assist in the management of both daily and exceptionally risk facing the supply chain. Wieland and Marcus Wallenberg (2012) stated that risk oriented action such as supply china effect management and supply chain risk knowledge management have been shown to have a positive impact on resilience. Studies have shown that SCRM is the most pronounced resilience driver since it builds coordination within relationships in supply chain.

Supply Chain Risk Management and Resilience

Several scholars have conducted studies that show the nexus between SCRM practices and supply chain resilience. Elba and Rule (2020) conducted a study titled can supply chain risk management practices mitigate the disruption impact on supply chain resilience and robustness? Evidence from an empirical survey in a Coved-outbreak era. The purpose of the study was to investigate the role of supply chain risk management practices in mitigating the effect of disruptions impact on supply chain resilience and robustness the study used structural modeling equation to test its hypotheses it has a sample size of 470 drawn from 3410 French films. The findings reveal the mediating role of SCRM practices and the prominent role they play in fostering supply chain resilience and robustness. Overall, by providing empirical assessment of a comprehensive SCRM framework.

Ivanovo and Deluge (2020) conducted a study titled viability of intertwined supply network: extending the supply chain resilience angles towards survivability. The purpose of the study was to evaluate the ability of firms respond to the current disruption created by the Coved -19 outbreak the study found that survival is dependent largely on the collaborations among supply chain partners. The study revealed that effective integration and collaboration among sc would enhance the recovery and survival of SC firms.

Headway, Carnolale, and Hazen (2019) conducted a study with the topic understanding risk management for international supply chain disruptions: risk detection, risk mitigation and risk recovery. The sought to gain insight into risk management practices for international supply chain during disruption the study noted that the practice of risk identification, risk assessment and risk mitigation are key factor to facilitate recovery (resilience) of supply chains.

Simba, et al. (2017) conducted a study on supply chain risk management process for resilience: A study of South African grocery manufacturers, the purpose of the study was to determine whether the SCRM process enables supply chain resilience among grocery manufactures in South Africa. The study adopted the descriptive research design the findings revealed that most firms deliberately implement SCRM process of risk identification, assessment, mitigation and monitoring to mitigate disruption. The study also indicated that SCRM process facilitates resilience among grocery manufacturers in South Africa.

METHODOLOGY

This study adopted the cross-sectional survey research design. This research design enabled the researcher to collect unprejudiced data from the study targets and describe the relationship between the variables. The data were collected through s survey administered to a total of 50 firms in Rivers State. While, 41 completed surveys were returned indicating 82% response rate. The managers of these firms form the respondents of the study. The study made use of both descriptive and inferential statistics to analyze the data obtain. While the study used multiple regression to test the hypotheses

RESULT AND DISCUSSION

Table 4.1 Response Rate

SN	Characteristics of Instrument	Available quantity	Percentage %
1	Total copies distributed	50	100
2	Copies returned	44	88
3	Copies not returned	6	0.08
4	Usable rate	41	79

Source: Desk Research 2021

From the table 4.1 we observe that the percentage of returned and useable questionnaire is 79% which quite high and appropriate for the study.

Table 4.2 Descriptive Sta tistics

	N	Mean	Std. Deviation
Risk Identification	41	4.1	1.261
Risk Assessment	41	4.1	1.289
Risk Mitigation	41	3.9	1.787

Source: Authors computation using SPSS 25.1

Table 4.2 shows the that risk identification has a mean of 4.1 and a standard deviation of 1.261 While risk assessment has a mean of 4.1 and a standard deviation of 1.289 and risk mitigation has a mean 3.9 and a standard deviation of 1.787.

Decision Rule:

Decision Rule: if the probability value of the coefficient is $\leq$ 0.05(5%), the relationship is statistically significant but if otherwise it is not statically significant. Also, if F value $\geq$ 19.7107 the regression model is accepted to befitting with a higher degree.

Table 4.3 Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.917[a]	.840	.828	.765	.840	64.964	3	37	.000

a. Predictors: (Constant), Risk Mitigation, Risk Identification, Risk Assessment

b. Dependent Variable: Organizational Resilience

Table 4.4 ANOVA (test using alpha .05)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.095	3	38.032	64.964	.000[b]
	Residual	21.661	37	.585		
	Total	135.756	40			

a. Dependent Variable: Organizational Resilience

b. Predictors: (Constant), Risk Mitigation, Risk Identification, Risk Assessment

The overall regression model was significant, $F(3, 37) = 65$, $P< .001$, $R^2 = .840$

Table 4.5 Regression analysis for the relationship between the dimensions of supply chain risk management practices and organizational resilience

Variable	B	SEB	β	t	sig
Risk Identification	116.6	.097	.560	1.706	.002
Risk Assessment	132.3	.096	.924	13.811	.000
Risk Mitigation	112.7	.070	.680	.999	.003

Source: Authors computation using SPSS version 25.1Dependent Variable: Resilience

We conducted a multiple regression analysis to determine the best linear combination of the dimensions of supply chain risk management (risk identification, risk assessment and risk mitigation) and organizational resilience. The mean and standard deviation can be found in table 4.2. The combination of the variables significantly predicted organizational resilience (OR) $F(3, 37) = .65$, $P< .001$, $R^2 = .840$, implies that 84% of variance in organizational resilience was explained by the model. In the view of Gilner, Morgan and Leech (2016), this is a very high effect. The beta weights are presented in table 4.5; they will be used to test hypotheses for the study.

Hypothesis 1

$H0_1$: There is no significant relationship between risk identification and organizational resilience

The regression result in table 4.5 shows that risk identification has a significant influence on organizational resilience. The beta weight (β) value of .560 is indication that about 56% of organizational resilience can be achieved by the early detection of risk along the supply chain. In order words risk identification accounts for 56% of organizational resilience. While, 44% is explained by other factors, also, the influence of risk identification is statistically significant at the 5% level of significance, judging from the F-value of 166.1 which is > 19.71, therefore hypothesis one ($H0_1$) of this study is rejected and the alternate hypothesis is accepted. This implies that risk identification significantly and positively influences organizational resilience

Hypothesis 2

$H0_2$: There is no significant relationship between risk assessment and organizational resilience

The regression result in table 4.5 shows that risk assessment has a significant influence on organizational resilience. The beta weight (β) value of .924 is indication that about 92% of organizational resilience can be achieved by risk assessment of the supply chain. In order words risk assessment accounts for 92% of success of organizational resilience. While, 8% is explained by other factors, also, the influence of risk assessment is statistically significant at the 5% level of significance, judging from the F-value of 132.3 which is > 19.71, therefore hypothesis two ($H0_2$) of this study is rejected and the alternate hypothesis is accepted. This implies that risk assessment significantly and positively influences organizational resilience

Hypothesis 3

H_3: There is no significant relationship between risk mitigation and organizational resilience

The regression result in table 4.5 shows that risk mitigation has a significant influence on organizational resilience. The beta weight (β) value of .680 is indication that about 68% of organizational resilience is influenced by risk mitigation. In order words risk mitigation accounts for 68% of success of organizational resilience. While, 32% is explained by other factors, also, the influence of risk mitigation is statistically significant at the 5% level of significance, judging from the F-value of 112.7 which is > 19.71, therefore hypothesis two ($H0_3$) of this study is rejected and the alternate hypothesis is accepted. This implies that risk mitigation significantly and positively influences organizational resilience

DISCUSSION

The result from the study shows that supply chain risk management practices is significant and positively related to organizational resilience. We find support for our position in the work of Elba and Rule (2020) who found that SCRM practices play prominent role in fostering organizational resilience. Also, the findings validate the position of Duhadway et al. (2019) with reference to recovery effort needed for supply chain resilience. Furthermore, our finding is in line with the position of Simba et al. (2017) whose study revealed that SCRM practices / processes facilitates resilience among organizations Thus, our study indicates that SCRM affect positively organizational resilience following the unexpected Covid-19 outbreak. The study show that as a result of the threat of the Covid-19 disruptions firms were forced to 'improvise' new measures of risk assessment and processing a “reality of the new normal” as firms have to ensure a paradigm shift in their approach to SCRM practices Finally, by investigating the role of SCRM impacts on organizational resilience in COVID-19, we highlight the responses of firms to the epidemic and how it affects of their SC resilience. SCRM practices is no longer treated as an after though but has taken key position in the thinking of management Therefore, we provide a broader outlook of SC resilience assessment which extends the findings of extant literature.

CONCLUSION

In this paper, we empirically investigated the nexus between SCRM practices and organizational resilience in this era of Coved -19 a reality for the new normal. The term “new normal” hold key significance for supply chain risk management, because there will be nothing “normal” about supply chains as businesses face the next couple of years, as businesses face the next couple of years. Another reality is that supply chain risk management is now more strategic to business than ever before. Supply chain management as we know it has been disrupted, and the new reality is that every aspect of the supply chain needs to be examined in detail to ensure it is resilient to ever-present shocks in supply, distribution, and demand. This study has been able to show that SCRM practices of (risk identification, risk assessment and risk mitigation) play key role in the ability of firms to react to and recover from disruptive event especially the current Covid-19 pandemic.

Practical implications

Our findings might incite firms to voluntarily adopt SCRM initiatives or develop existing practices because of their potential benefits on SC resilience. The results provide guidance to firms about the specific conditions for SCRM practices in order to enhance their outcome. The priority of firms should be to develop efficient and updated risk identification measures because they affect the other SCRM processes. Thus, the results indicate that firms need to develop interconnected SCRM practices in order to improve their SC resilience. However, looking at COVID-19 impacts on firms' performance and financial capabilities (Gereffi, 2020), not all of them may have the necessary resources and capabilities to do so. This may create a decision dilemma for SC managers who will need to justify investing in SCRM processes. Indeed, scholars like (Blackhurst et al., 2005; Braunscheidel & Suresh, 2009; Norrman & Jansson, 2004), have argued that SCRM is often seen as an efficient tool when facing high-frequency-low-impact events. But other group of scholars likes (Sodhi et al., 2012) added that SCRM is less efficient for high-frequency-low-impact events such as epidemic outbreaks. In this study our findings provide a strong argument that SCRM practices be treated as a key process in organizations and not as an after-thought. As the pandemic has shown, unprecedented event don't often announce their arrival firms have to be alert and one sure method is to inculcate SCRM practices into their key operations.

Recommendations

Based on the finding and conclusion of the study, it is therefore recommended as follows:

- Ø Managers should consider supply chain risk management practices as a key part of the organizational process.
- Ø Managers should collaborate with other supply chain partners to get relevant information that would assist in supply chain risk management

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SUPPLY NETWORK DESIGN DECISIONS AND SERVICE QUALITY IN THE NEW NORMAL: INSIGHTS FROM PAINT MANUFACTURING FIRMS

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ABSTRACT

This study examined the connection between supply network design decisions and service quality of paint manufacturing firms in Rivers State. The study adopted a correlational research design and collected primary data via cross-sectional survey, using structured questionnaire. The Pearson Product Moment correlation served as the test statistic, relying on the statistical package for social sciences (SPSS) version 23.0. The study found that supply network design decisions (facility location, transportation mode and vehicle routing) have strong, positive and statistically significant association with service quality, with transportation mode and service quality having the strongest link. The study concluded that supply network design decisions inform service quality of paint manufacturing firms in Rivers State, and that service quality of paint manufacturing firms in Rivers State depends on supply network design decisions. The study thus recommends that paint manufacturing firms in Rivers State that seek improved service quality should pay attention to supply network design decisions such as mode of transportation, facility location, and vehicle routing.

Keywords: Facility location, service quality, supply network design decisions, transportation mode, vehicle routing

INTRODUCTION

Paint manufacturing firms aspire to meet desired service goals at the lowest possible cost; while keeping pace with market conditions or demand. Firms often make substantial savings in logistics costs and simultaneously improve service levels by (re)designing distribution networks. To achieve this, Akcali, Çetinkaya and Uster (2009) aver that an ideal network has the optimum number, size and location of warehouses to support inventory replenishment activities of retailers within supply chain processes. Supply network design presents managers and scholars in the field of supply chain management with issues, concerns and obstacles given the fact that the concept is relatively new; and the salient issues that de? ne its content, scope and boundaries are still emerging (Amin & Zhang, 2013).

Network design is considered a strategic problem and one of the most critical decisions in supply chain management because of its long term effects on supply chain performance (Bashiri & Hossein, 2012). A crucial aspect of supply chain planning is decisions on the best possible supply network design so that all operations can be performed efficiently. This entails integration of factors such as vehicle routing, transportation modes, facility location with other important functions of the supply chain such as procurement, production, inventory and distribution, and routing (Otto & Obermaier, 2009). Design decisions are speci? c decisions that must be made

regarding the overall structure and design of the supply chain, including decisions regarding physical network design (capacity positioning, transportation network and facilities), sourcing strategies (component sourcing, spend allocation decisions); social network design (contract ?ows, information ?ows, relationship ?ows, etc.); relationship governance mechanisms (contractual and collaborative governance); and behavioural management strategies (Ozceylan & Turan, 2014).

Paint manufacturing firms in Rivers State often fail in their plan to build their facility in strategic positions due to land availability and other factors. Some of these firms adopt road transportation where marine transportation should be preferred (Lead Capital Limited, 2008). Nwannekanma (2018) in an interview with Abimbolu Babatunde the new chairman of the Paints Manufacturers Association of Nigeria (PMA) decried the increased cost of paint production. According to him a transport bill for a 20 feet container which prior to this time was N35, 000 but at present is N350, 000. These challenges call for a careful design of supply chain network with good understanding of the role of supply network design decisions on business performance. This study therefore, seeks to contribute to extant literature by investigating the connection between supply network design decisions and service quality of paint manufacturing firms in Rivers State.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Supply Network Designs Decision

Ramezani, Kimiagari and Karimi (2014) define supply network designs decision as the configuration of the supply network in which locations and capacities of facilities are determined. The concept of supply network design lies at the very heart of these investment decisions (Badri, Mahdi & Taha, 2013). There are two possible logistics in this regard: forward logistics and reverse logistics. Different firms may have different objectives for the supply network design, but the ultimate objective of supply network design decisions is to increase companies' value through cost minimization (Nwulu, 2019). Supply network design is a rich aspect of supply chain management that goes beyond issues of buyer-supplier relationships or vertical integration to decision of vehicle routing, mode of transportation, and facility location among others.

According to Pishvaee, Rabbani and Torabi (2011), supply network design decision determines the technology, process and manufacturing assets for a company over time, to fulfill customers' demand while remaining competitive. Because most supply chain decisions involve high investment costs and are not easily reversible, network design decision is crucial to long-term success of firms. Due to the long planning horizon and the difficulty to alter a network design on short notice, strategic supply chain decisions face a high exposure to uncertainty while the extent and possible impact of uncertainties is lower for tactical planning and still lower for operations (Badri *et al.*, 2013).

Supply network design decision is multidimensional. Chen and Gong (2013) determined facility location, warehouse capacity, transportation mode, material flow, vehicle routing and warehouse layout as dimensions of supply network design decision; while Qiang and Nagurney (2012) identify facility location, capacity of facilities, distribution centre, technology facility and transportation network as dimensions of supply network design decision. Also, Tsao and Lu (2012) and Nagurney (2010) decomposed supply network design decision into capacity of warehouse, mode of transportation, flow of materials, warehouse layout, vehicle routes and location of facility. This study thus adopts facility location, transportation mode and vehicle routing as dimensions of supply network design decisions.

Facility Location

Facility location decisions are decisions made by managers, which are aimed at selecting a location for the settlement of any intended facility of the business concern. Amiri (2006) points out that facility location decisions are usually based on such factors as labor supply condition, raw materials supply condition, distance to market, and several other factors. Decisions on location form an integral part of strategic supply chain planning. Although it might appear that location decisions are one-time problems faced by new firms, existing ones often face more difficult challenge in this regard (Melo, Nickel, Saldanha & Gama, 2007). The location of non-manufacturing operation helps determine how conveniently customers can conduct business with the company. Location of manufacturing and non-manufacturing company operations can have a great impact on operating cost, thereby affecting profit and perhaps the price at which products are offered (Kahraman, Ruan, Chen, & Paulraj, 2011). Analysis of location decision begins with a brief overview of the reasons firms must make location decisions, the nature of these decisions, and a general procedure for developing and evaluating location alternatives (Melo *et al.*, 2007).

Facility location concerns the choice of location of one or multiple facilities, in a given geographical space and subject to some constraints, to optimally fulfill predetermined objectives. As a general rule, profit-oriented organizations base their decisions on profit potential, whereas nonprofit organizations strive to achieve a balance between cost and level of consumer service (Albareda-Sambola, Fern´andez, & Laporte, 2007). It would seem to follow that all organizations attempt to identify the best location available. However, this is not necessarily the case. In many instances, no single location may be significantly better than the others. There may be numerous acceptable locations from which to choose, as shown by the wide variety of locations where successful organizations can be found. Furthermore, the number of location that would have to be examined to find the best location may be too large to make an exhaustive search practical (Aksen & Altinkemer, 2008). Consequently, most organizations do not set out with the intention of identifying the one best location; rather, they hope to find a number of acceptable locations from which to choose, and to avoid choosing a location that will create future problems (Plastria, 2001).

Transportation mode

Transportation involves the movement of people, goods and services from point of origin to destination (Tsao & Lu, 2012). Transportation centrally affects the relationship between physical space and society, and changes in transportation affect the organization of human activity. It structures the built environment, spurs growth, as well as facilitates business performance (Ramezani *et al.*, 2014). Mode of transport is a term used to distinguish between different ways of transportation or transporting people and products. There are several modes of human and material transportation. However, organizations supply chain network decisions cut across four major areas which are road transportation, maritime transportation, air transportation and pipeline transportation (Ramezani *et al.*, 2014; Tsao & Lu, 2012); and since each mode of transportation has a fundamentally different technological solution and require a separate environment, selection of which transportation mode to adopt is crucial a supply network design decision.

Modes of transportation are designed to either carry passenger and freight but most carry both. For instance, an automobile has the capacity to carry some freight while a passenger plane has a belly hold that is used for luggage and cargo. Each mode is characterized by a set of technical, operational, and commercial characteristics and these are considered in supply chain network decisions (Ozceylan & Turan, 2014). Technical characteristics relate to attributes such as speed, capacity, and motive technology, while operational characteristics involve the context in which

modes operates, including speed limits, safety conditions, or operating hours. The demand for transportation and the ownership of modes are dominant in supply chain networks (Bashiri & Hossein, 2012).

Vehicle routing

Modern transport organizations which run on low operating margins and are governed by extreme market pressures must, as a normal part of business, drive costs down utilizing a range of processes and technologies (Archetti & Speranza, 2012). Presently, the trends to reduce transportation cost among organizations have necessitated the need for efficiency and effectiveness in transportation. Vehicle routing problem has attracted many researchers in the past due to its interesting nature and economic scale (Crama, Rezaei, Savelsbergh, Van, & Woensel, 2018). Battarra, Cordeau and Iori (2014) define vehicle routing as the process of creating the most cost effective transport means through minimization of distance or travel time necessary in order to reach a set of planned stops. Vehicle routing is a crucial process in logistics systems, especially due to high competition and narrowing margins in markets. Routing of goods and services incurs huge costs for vehicle operation, fuel, labor, and maintenance. Dorling, Heinrichs, Messier and Magierowski (2017) define routing in supply chain network, as systems that determine the shortest path between two locations within a road network.

The objective of routing is to minimize total cost of providing service which includes vehicle capital costs, mileage, and personnel costs (Errico, Desaulniers, Gendreau, Rei & Rousseau, 2018). For school bus routing and scheduling, a typical objective is to minimize the total number of student-minutes on the bus (Crama *et al.*, 2018). This criterion highly correlates to safety. For emergency services, such as ambulance, police and fire service, minimizing response time to an incident is of primary importance in routing (Archetti & Speranza, 2012).

Most organizations assure their clients of package delivery within a specific time frame. Thus, an appropriate objective function should consider more than just cash cost of delivering a service. The subjective costs associated with failing to provide adequate service must be considered as well (Fagnant & Kockelman, 2015). Matl, Hartl, and Vidal (2019) argued that vehicle routing problems are often presented as graphical networks. The use of networks to describe these problems has the advantage of allowing decision makers to visualize the problem under consideration and avoid costs associated with failing to provide adequate service to customers (Figliozzi & Tipagornwong, 2017).

Service Quality

The enduring success and survival of any service organization is essentially determined by its ability to deliver quality service to customers. Service quality can be viewed as a perceived judgment, resulting from an evaluation process where customers compare their expectations with received service. Service quality is the degree of discrepancy between customers' normative expectations and perceptions of service performance. Perceived service quality is then interpreted from the differences in degree and direction between perceptions and expectations. According to Ismail and Yunan (2016), service quality means the ability of a service provider to satisfy customers efficiently. It measures increase in customer satisfaction towards a firm's service and in turn helps the firm to position its service in the minds of customers. By satisfying customers through quality service, firms not only retain their current customers, but also increase their effectiveness and overall performance due to its positive link with profits, increased market share, and customer retention (Ismail & Yunan, 2016).

Earlier studies distinguished quality of service from quality of goods based on the inherent features of service. Hence there is a distinct framework for quality explication and measurement. However, speaking from a general point of view, customers satisfaction gained from customer experience and service quality is a veritable tool for winning customer loyalty and improving business performance (Azman & Norashyikin, 2009). Service quality benefits organizations in a plethora of ways. While some service organizations adopt service quality in building brand image and positioning, some implement it to ensure customer satisfaction, high revenues, increased customer retention and purchase behaviour (Al-Borie & Damanhouri, 2013) all of which ultimately increases market share and general business performance. Any act that predicts variety, quality, dependability and timely delivery of service can be attributed to service quality and leads to business performance (Azman & Norashyikin, 2009).

Supply Network Design Decisions and Service Quality

Supply network design decisions are pivotal to business performance. This is because they easily relates to several market, customer and financial outcomes that signal performance. Firms have thus approached network design decisions with studied diligence. Also, prior studies have hinted a positive connection between network design decisions different outcomes, including service quality. Chen and Gong (2013) studied supply network design and performance; and observed that there is strong significant and positive relationship between supply network and performance of transportation firms. Similarly, Nagurney (2010) investigated effect of optimal supply network design on total cost minimization and demand satisfaction in the Kenyan transport system; and that a significant and positive relationship exists between the variables. Also, Tsao and Lu (2012) examined the effect of supply network design on transportation cost and found a significant and positive relationship exists between supply network design and transportation.

Bhatnagar and Sohal (2005) investigated the impact of facility location on supply chain competitiveness. The study found that location factors significantly impact supply chain competitiveness and manufacturing practices. Similarly, Avittathur, Shah and Gupta (2005) examined distribution centre location modeling for differential sales structure; and found a strong positive relationship between distribution centre locations modeling for differential sales structure. Amiri (2006) likewise, studied distribution network design and supply chain system efficient; and found that there is a statistically strong and positive relationship between facility location and efficient solution procedure in a supply chain system. Aksen and Altinkemer (2008) examined facility location and optimal performance; and revealed that good location decisions reduces over storage and optimizes performance; while Aardal, Labb, Leung and Queyrane (2006) studied the impact of changing configuration of the distribution network in order to improve financial performance without reducing customer service. The study found that sighting facility in good locations aids effective distribution network and leads to improved financial performance.

The forgoing evidence of positive relationship between supply network design decisions and different aspects of business performance suggests that supply network design decisions will equally relate to service quality, since service quality as also an aspect of business performance. However, for the purpose of statistical analysis and interpretation, the following hypotheses are formulated:

Ho_1: There is no significant relationship between facility location and service quality of paint manufacturing firms in Rivers State.

Ho_2: There is no significant relationship between transportation mode and service quality of paint manufacturing firms in Rivers State.

Ho_3: There is no significant relationship between vehicle routing and service quality of paint manufacturing firms in Rivers State.

METHODOLOGY

The purpose of this study was to examine the link between supply network design decisions and service quality of paint manufacturing firms. The study adopted a correlational research design. The population of the study comprised 18 registered paint manufacturing firms operating in Rivers state which are listed in the Rivers State Yellow Pages (2013 / 2014). The study took a census because the population is small. However, the study surveyed 72 management level staff of the firms (procurement, logistics, warehouse, and marketing) on a sample frame of 4 respondents from each firms. The final analysis of the study was based on data collected from 49 respondents. The study utilized structured questionnaire to collect primary data from. The instrument was validated via a jury, consisting of academic and industry experts; while its reliability was confirmed through the Cronbach's alpha test with a threshold of 0.70. The Pearson Product Moment Correlation served as the test statistic to assess the linear relationship between the dimensions of supply network design decisions and service quality. All statistical analyses were conducted, relying on the Statistical Packages for Social Sciences (SPSS) version 23.0.

Table 1: Reliability coefficients of proxies of supply network design decisions and service quality

S/No	Variables	No. of items	No. of cases	Cronbach's Alpha
1.	Facility location	5	49	0.849
4.	Transportation mode	6	49	0.714
5.	Vehicle routing	5	49	0.907
6.	Service quality	8	49	0.811

Source: SPSS output of data analysis on supply network design decisions and service quality (2021).

Results and Interpretation

Table 2: Relationship between Facility Location and Service Quality

		Facility Location	Service Quality
Facility Location	Pearson Correlation	1	.413**
	Sig. (2-tailed)		.003
	N	49	49
Service Quality	Pearson Correlation	.413**	1
	Sig. (2-tailed)	.003	
	N	49	49

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

Source: SPSS output of data analysis on supply network design decisions and service quality (2021).

Table 2 displays a P(r) of 0.413** on link between facility location and service quality. The value indicates a moderate positive relationship between the variables. The test produced a probability value (0.000) that is less than the critical value (0.05). This shows that the relationship between facility location and service quality is statistically significant. This further implies that facility location contributes to service quality of paint manufacturing firms in Rivers State. Based on this, the null hypothesis was rejected.

Table 3: Relationship between Transportation Mode and Service Quality

		Transportation Mode	Service Quality
Transportation Mode	Pearson Correlation	1	.890**
	Sig. (2-tailed)		.000
	N	49	49
Service Quality	Pearson Correlation	.890**	1
	Sig. (2-tailed)	.000	
	N	49	49

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

Source: SPSS output of data analysis on supply network design decisions and service quality (2021).

Table 3 shows a P(r) of 0.890** between transportation mode and service quality. This value indicates a very strong positive relationship between transportation mode and service quality. The probability value (0.000) is less than the critical value (0.05); suggesting that the connection between the variables is statistically significant. This implies that transportation mode contributes to the manifestation of service quality of paint manufacturing firms in Rivers State. The study thus rejects the null hypothesis in favour of the alternate.

Table 4: Relationship between Vehicle Routing and Service Quality

		Vehicle Routing	Service Quality
Vehicle Routing	Pearson Correlation	1	.684**
	Sig. (2-tailed)		.000
	N	49	49
Service Quality	Pearson Correlation	.684**	1
	Sig. (2-tailed)	.000	
	N	49	49

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

Source: SPSS output of data analysis on supply network design decisions and service quality (2021).

Table 4 shows a correlation coefficient of 0.684** on association between vehicle routing and service quality. This value indicates a strong positive relationship between the variables. The probability value (0.000) produced by the test, and which is less than the critical value (0.05)

shows that the relationship between vehicle routing and service quality is statistically significant. This further implies that vehicle routing is strongly associated with service quality of paint manufacturing firms in Rivers State. The study thus rejects the null hypothesis which states that there is no significant relationship between vehicle routing and service quality of paint manufacturing firms.

DISCUSSION OF FINDINGS

This study examined the connection between supply network design decisions and service quality. The empirical analyses revealed that supply network design decisions have positive and statistically significant association with service quality. This is demonstrated in the coefficient values of 0.413** between facility location and service quality; 0.890** between transportation mode and service quality; and 0.684** between vehicle routing and service quality. The probability value of the associations is 0.000; which is less than the critical value of 0.005. The results show that the strongest link is between transportation mode and service quality. The results of the study converge with the findings of Boudoin, Morel and Gardat (2014) that supply network design decisions relates strongly to urban logistics effectiveness.

The results also validate the findings of Luo, Qin, Che and Lim (2015) supply network design decisions like vehicle routing impact service delivery consistency. Similarly, the current findings cohere with that Qiu, Qiao and Pardalos (2019) who revealed that vehicle routing impacts optimal production, replenishment, delivery and inventory management. The findings further confirm the position that supply network design decisions are pivotal to business performance; because they easily relates to market, customer and financial outcomes that signal performance (Aksen & Altinkemer, 2008; Aardal, *et al*., 2006).

In addition, the current findings support the findings of Chen and Gong (2013) that there is strong significant and positive relationship between supply network design and performance of transportation firm; and that of Nagurney (2010) that optimal supply network design impacts total cost minimization and demand satisfaction. The finding of Bhatnagar and Sohal (2005) that location factors significantly impact supply chain competitiveness is supported by the findings of this study. The findings also support the observation of Amiri (2006) that distribution network design and facility location positively relates to efficient solution procedure in a supply chain system; and that of Aksen and Altinkemer (2008) that facility location reduces over storage and optimizes performance.

CONCLUSION AND RECOMMENDATIONS

Faster technological advances, shorter product life cycle and intense global competition are the realities of today's business environment. These force firms to actively acquire new ways to achieve competitiveness. Sustainable competitiveness however, stems mostly from customer equity, which is itself a product of customer satisfaction. Literature is replete with evidence that service quality is a strong driver of customer satisfaction. This study examined the relationship between supply network design decisions and service quality of paint manufacturing firms in Rivers State. The study found that supply network design decisions (facility location, transportation mode and vehicle routing) have positive and statistically significant correlation with service quality.

In view of the results of the empirical analyses and the discussion of findings that followed, the study concluded that supply network design decisions has positive connection with service quality of paint manufacturing firms in Rivers State, through facility location, transportation mode and vehicle routing. The study thus recommends that paint manufacturing firms in Rivers State that seek improved service quality should pay attention to supply network design decisions such as facility location, transportation mode and vehicle routing; as these are found to inform service quality for paint manufacturing firms in the new normal.

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MARKET-SENSING: AN IMPERATIVE TO INNOVATIVENESS OF HOSPITALITY FIRMS IN RIVERS STATE IN THE NEW NORMAL

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ABSTRACT

This examen focused on ascertaining the nexus between market-sensing and innovativeness of hospitality firms in the new normal. Market-sensing was treated unidimensionally, while innovativeness was decomposed into product innovation, process innovation, market innovation, behaviour innovation and strategic innovation. The study adopted a descriptive research design and collected primary data through cross-sectional survey using structured questionnaire. The study collected data from 20 hospitality firms cutting across 4 categories (Food and Beverages; Travel and Tourism; Lodging; and Recreation). 5 firms were surveyed in each category. 7 respondents from each of the firms served as test units in the study. However, after data cleaning, 107 responses were found useable for the final analysis. The validity of the research instrument was ascertained via expert jury opinion, while its reliability was determined through the Cronbach's Alpha test. The Pearson Product Moment Correlation served as test statistic, relying on the Statistical Package for Social Sciences (SPSS) 22.0. The study found that market-sensing has strong, positive and statistically significant correlation with innovativeness of hospitality firms. The study concluded that market-sensing is associated with innovativeness of hospitality firms in the new normal; and recommends that hospitality firms in Rivers State that seek product innovation, process innovation, market innovation, behaviour innovation and strategic innovation in the new normal should install and utilize systems that enhance their market-sensing capabilities.

Keyword: Behaviour innovation, market innovation, market-sensing, process innovation, product innovation, strategic innovation

INTRODUCTION

Marketing practice today, require firms to be anticipatory in their market-serving activities and programmes. They must sense shifting market conditions and adapt their operations accordingly, if they are to offer innovative profitable solutions. This requires finding newer better ways to determine changing market trends, and creating solutions for existing and emerging problems. However, firms can surmount this challenge if they are quick to detect shifts in market conditions and correctly interpret the meaning and implication of such shifts for their future and fortunes. The Covid-19 pandemic has impacted the world with far-reaching effects; the true range of which can only be imagined. Yet, just as the pandemic has upended lives, markets, and lay

bare, the competence or otherwise of firms and governments; it has also paved way for long-term economic power-shifts in several ways than is presently discernible. It is clear however, that Covid-19 has disrupted economic activities, forced firms to rejig business models; and pay more attention to the collection, interpretation and utilization of market intelligence (Ateke, 2021).

Firms must gather and interpret market intelligence, and make sense of trends identified, and use them to adapt marketing operations. This means that marketing resources ought to be harnessed only after the firm has sensed and made sense out of market intelligence. Stern, Daryl, and Gregory (2007) observe that the increasing amounts of information about the content and structure of the business environment has rendered it complex. This complexity is worsened by plastic operating conditions, quickened technological advances, and presently, global health concerns; which have disrupted business activities and underscored the need for firms to seek sustainable competitiveness through innovativeness (Ateke & Nwulu, 2021).

Long-term survival and profitable growth in today's mercurial operating environment is anchored on anticipating, identifying and responding appropriately, to market disruptions. The ability of firms to sense market shifts and refocus marketing programmes and policies smartly and seamlessly has become a minimum benchmark for sustained growth and robustness and route to escape extinction (Ateke & Nwulu, 2021). Previous studies suggest that market-sensing confer positive outcomes on firms. Ebenuwa (2021) report that market-sensing relates to marketing resilience; while Ateke and Didia (2017) connected market-sensing to business wellness. Lindblom Olkkonen, Mitronen, and Kajalo (2008) linked market-sensing to opportunity seizing, value creation, and adaptability. Marketing-sensing is also connected to superior value delivery (Cirjevskis, 2019; Day, 1994); responsiveness to changing market conditions (Teece, 2012); organizational renewal (Teece, Pisano, & Shuen, 1997); and product and business model innovation (Susanto, 2019; Alharbi & Wang, 2016; Linjconsin & Jaaji, 2010).

This study however, joins the discourse on market-sensing and innovativeness by examining the nexus between the variables in hospitality firms in Rivers State in the new normal. The study is necessitated by the need to determine how hospitality firms are achieving sustainable profitable growth in spite challenges of the Covid-19 pandemic which roiled the business-scape and has orchestrated new business models, rules, procedures and methods.

Sociological Baseline Theory

This study on market-sensing and innovativeness of hospitality firms in the new normal is anchored on the absorptive capacity theory (Cohen & Levinthal, 1990). Absorptive capacity theory postulates that firms' improve their competitiveness by understanding the value of new market intelligence, and incorporate and utilize same in their operations. The theory assumes that firms can become more innovative, adaptive and perform better if they assimilate and deploy new knowledge in their operations. Implicit in this theory is that, firms with expertise in identifying, assimilating and applying new knowledge will outperform rivals that do not possess such expertise. The theory is built on the premise that assimilating and utilizing new knowledge requires firms to develop a knowledge base by: (1) conducting own research and development; (2) deriving new knowledge from own current operations; (3) borrowing knowledge from other firms or research institutes; (4) acquiring new knowledge by purchasing new equipment, hiring new talents, or training current employees in the use of new methods. In essence, absorptive capacity is helpful to firms because it enables the deployment of knowledge created in one period, for use in another (Miles, 2012).

Absorptive capacity theory is adopted as a baseline theory for this study in lieu of its anchorage on the necessity for firms to identify, incorporate and utilize new knowledge in their operations. In essence, possessing the ability to sense new knowledge, as well as incorporating and using the new knowledge help firms to build strong knowledge base; set up a knowledge culture in which everyone sees the importance of learning and using new knowledge to reach goals; monitor the environment to identify better and newer ways of doing things; select knowledgeable people who can adapt and modify new knowledge for the firm; create teams that promote the acceptance and use of new knowledge; and monitor the progress of new knowledge, keep track of successes and failures, and use that intelligence to keep the cycle.

Market-sensing

Proactive firms unceasingly scan their environment to identify promising market opportunities for exploitation (Takahashi, Bulgacov, Semprebon, & Giacomini, 2016). This attitude is in lieu of the perennial challenge of firms to be abreast with changing market requirement and the need to alter marketing programmes and practices to remain fit. “Market-sensing is a collection of routines that shape how, and what information a firm assimilate, how it interprets the information, and what actions it considers appropriate” (Stern, Daryl, & Gregory, 2007) in response to the information. Market-sensing is also the process through which firms acquire, interpret, and act on information about their operating milieu. Thomas, Clark, and Giona (1993) define (market) opportunity sensing as a “reciprocal interaction of information seeking, meaning ascription, and action”. Market-sensing is thus a multidimensional construct, based on the interplay of meaning and action (Weick, Sutcliffe, & Obstfeld, 2005).

Highly developed market-sensing capability enable firms to better assimilate, analyze and communicate a greater amount and variety of information that lead to a wide range of responses to environmental conditions (Popadiuk, Luz, Kretschmer, 2018; Stern *et al*., 2007). It also enhances firms' ability to identify unserved, underserved and unsatisfied market segments; competitors' offerings that are not fulfilling market requirements; and channels through which to route offerings (Alharbi, 2015). Market-sensing thus comprise analytical systems that learn, filter, shape, and calibrate opportunities; including all processes that help firms collect and analyze information to learn about customers, competitors, channel members and other environmental forces and factors (Wagner, Wenzel, Wagner, & Koch, 2017). This is however, fostered by perceived market turbulence, an open-minded organizational culture and team functional diversity (Teece, 2012).

Mama and Onuoha (2020) and Lindblom *et al*. (2008) view market-sensing is an essential futuristic behaviour that align firms to bridge information gaps about short and long-term environmental shifts. It provides intelligence about emerging market disruptions and broader environmental awareness that enable firms avoid risks or overturn threats into opportunities (Ateke & Nwulu, 2021). Companies' ability to sense market opportunities is gaining increased attention in recent times based on the notion that awareness of environmental disruption facilitates the contrivance

of efficiently effective responses (Rohrbeck, 2011). Mama and Onuoha (2020) contend that market-sensing is an essential capability that firms must acquire to navigate the market; and reduce the effects of incremental and abrupt market shifts on their operations. Hence, identifying, exploring and interpreting market intelligence is the core of market-sensing; and firms must create protocols to scan and keep in touch with market trends that may be exploited for innovative solutions.

Innovativeness

Innovativeness is a widely studied construct in different fields, including management, psychology, economics, sociology and science; and is conceptualized differently to fit the particular field (Fubara, 2020). It however, comprise the entire process that begins with an idea and continue through all steps to develop a market-worthy product that improve standard of living and economies (Ateke & Harry, 2021). Fubara (2020) states that contemporary conceptualizations present innovativeness as “consisting all scientific, technical, commercial and financial steps necessary for successful development and marketing of new or improved products, the commercial use of new or improved processes or equipment or the introduction of a new approach to social service.” It is a process that provides added value and novelty through new market, procedure, solution or product development (Mcfadzean & Shaw, 2005). Innovative capability is the hallmark of holistic value creating dynamics in which opportunities for change are exploited and new ideas are generated, translated and implemented (Yam, Lo, Tang, & Lau, 2011). Innovativeness enables value differentiation and confers sustainable competitiveness on firms in the new economy (Ateke & Harry, 2021; Jaesu, Kyung, Tony, & Heonsoo, 2015). Thus, non-innovative firms cannot survive the vagaries of today's technology-driven and pandemic ravaged markets.

Taking a cue from Chen and Sawhney (2010), Ateke and Harry (2021) decompose innovativeness into product innovation, process innovation, market innovation, behavior innovation, and strategic innovation. These are adopted as dimensions of innovativeness in this study. The components are however not mutually exclusive, as product innovation and market innovation are interlinked and are both market-based; while behaviour and process innovation are internally focused, and form the basis for product and market innovation. Strategic innovation highlights a firm's aptitude to recognize and take advantage of external opportunities timeously; in order to deliver innovative solutions that meet market requirements and explore new markets through novel processes, behaviours and strategies (Wang & Ahmed, 2004).

Product innovation describes the perceived uniqueness of products, their superior advantage, the behavior change they require, or consumer's learning required to use them (Jaesu *et al*., 2015). Innovative products are defined by their perceived newness, originality, or uniqueness (Henard & Szymanski, 2001). Product innovation could be: improvement on existing products or creation of new ones. Change in customers' tastes and expectations of existing products, over time, may trigger the need for product improvement. No product remains the same from introduction to decline; they necessarily undergo modification to meet the demand of the time (Fubara, 2020). Successful product innovation is achieved by prioritizing consumers' needs; and then satisfying those needs by developing unique products. A product's newness to the firm; the market's newness to the firm; a product's superiority to competing products and the adoption difficulty experienced by customers are measures of product innovation (Lee & O'Connor, 2003).

Process innovation represent the activities involved in providing new solutions to existing problems or performing existing business processes in markedly different ways that generates highly beneficial results. It is a new or significantly improved approach to carrying out business processes that results in increased productivity and cost reduction (Sidhartha & Maheshkumar, 2015) in Ateke and Harry (2021). Developing new operational processes or techniques, new equipment, or software are aspects of process innovation. Innovative processes facilitate methods, designs and techniques involved in producing quality products from input resources (Fubara, 2020). High quality products are often the result of innovative processes. Processes innovation is thus important to firms because it confer the ability to take advantage of resources and competences; and ability to (re)combine and (re)configure resources and capabilities to meet prevailing market requirements (Wang & Ahmed, 2004).

Market innovation encompasses novelty related to market research, advertising and promotion, as well as identifying and exploiting new market opportunities (Ateke & Harry, 2021). It involves applying new approaches that enable a firm to exploit new market(s). A firm can enter a new market with products that have cutting-edge technological content; or expand its market share in an existing market, using existing products, but with the adoption of new marketing programmes (Ateke & Harry, 2021). Either way, the firm could engage new competitors in a new or existing market (Wang & Ahmed, 2004). Though treated as different components of innovativeness, market innovation and product innovation are intricately inter-twined; and market innovation is often studied as product-market innovation. However, while the central focus of product innovation is product newness, market innovation emphasizes the novelty of market-oriented approaches (Ali, Krapfel, & Labahn, 1995).

Behavior innovation refer to the development and application of novel ideas and procedures in individuals' work, work unit, or firm; and results in innovative culture, and overall receptivity to new ideas (Ateke & Harry, 2021). Innovative behaviour is the basis of novel outcomes (Wang & Ahmed, 2004). Individuals or groups within a firm can apply innovative behaviour; hence, herald the introduction of new ideas, or making an existing idea work better (Ateke & Harry, 2021). Innovative behaviour may thus be observed at the individual, team and management levels; and may reflect behavioural commitment (Avlonitis, Kouremenos, & Tzokas, 1994). Innovative individual behaviour is a normally distributed underlying personality construct that is interpreted as a willingness to change; while innovative team behaviour is the ability of teams to adapt to change or willingness to change (Lovelace, Shapiro, & Weingart, 2001). Managerial innovativeness on the other hand, encompasses management's readiness to change, and dedication to encourage new approaches to solving problems, as well as willingness to promote new ideas (Lovelace *et al*., 2001).

Strategic innovation involves developing new competitive strategies that create value for the firm and its stakeholders. It involves redefining what a firm is and what it stands for, to create fundamentally different approaches to business operations (Markides, 1998); and provide unique solution to new and existing problems. The redefinition of a business may result in new sets of behaviour, methods and processes of conducting business operations, and developing products

and markets (Ateke & Harry, 2021). Gaps in industry positioning may be identified and exploited to grow into new mass markets (Wang & Ahmed, 2004). Strategic innovation thus, focuses on determining the firm's ability to manage ambitious objectives, and identify disparities between these ambitions and existing resources in order to optimize resource utilization and goal attainment (Wang & Ahmed, 2004).

Market-sensing and Innovativeness

Firms can become more innovative and achieve sustainable competitiveness by scanning their operating milieu, and identifying and interpreting trends (Foley & Fahy, 2009). Healthy business outcomes have been linked to market-sensing capabilities of firms. Innovativeness is a prerequisite to survival and growth; and market-sensing entrench innovative culture in firms by enhancing their ability to identify opportunities; and enabling appropriate responses that align the firm and its resources to current and emerging market realities (Ateke & Nwulu, 2021). Market-sensing enable firms to seize opportunities, create value, and adapt to changing market conditions (Lindblom *et al*., 2008). It enhances firms' capacity to undertake activities required to learn about market conditions and enable superior value delivery (Lindblom *et al*., 2008); facilitate appropriate response to changing market conditions; exploitation of new opportunities; engagement with customers and cultivation of strong bonds with collaborators (Teece, 2012).

Market-sensing is essential to superior customer value creation (Day, 1994) because it allow firms to identify and assess emerging opportunities; and take advantage of them (Cirjevskis, 2019). Ateke and Didia (2017) suggests that market-sensing lead to continuous learning and knowledge accumulation through ongoing collection of market intelligence which is used to create superior value. It keeps firms continually updated about market conditions and requirements, and facilitate the contrivance of marketing actions that promote innovation (Linjconsin & Jaaji, 2010). Market-sensing capabilities facilitate market orientation and results in improved responsiveness to market conditions (Ateke & Didia, 2017). It is associated with organizational renewal (Teece *et al*., 1997); effective efficiency (Vorhies & Morgan, 2005); and product and business model innovation (Cirjevskis, 2019; Susanto, 2019; Alharbi & Wang, 2016).

Additionally, firms provide unique value by offering products that match customers' requirements, at the right time; thus demonstrate that they are sensitive to customers' value requirements (Ateke & Nwulu, 2021). Achieving this however, require firms to constantly listen to, and respond to customers. Anticipating customers' requirements and creating value that is consistent with those requirements fuels innovativeness. Innovativeness is thus a cornerstone of, and a natural outcome of customer value creation (Ateke & Harry, 2021). Consequently, awareness of the operating environment is associated with innovativeness (Fubara, 2020; Jokubauskienė & Vaitkienė, 2017; Hao, Xiaoning, & Shiquan, 2016). The foregoing suggests that market-sensing will relate to innovativeness of hospitality firms in the new normal. However, for the purpose of statistical analysis and interpretation, the study hypothesizes as follows:

H_1: Market-sensing does not significantly relate to product innovation of hospitality firms.
H_2: Market-sensing does not significantly relate to process innovation of hospitality firms.
H_3: Market-sensing does not significantly relate to market innovation of hospitality firms.
H_4: Market-sensing does not significantly relate to behaviour innovation of hospitality

firms.

H_5: Market-sensing does not significantly relate to strategic innovation of hospitality firms.

METHODOLOGY

The aim of this study was to examine the correlation between market-sensing and innovativeness of hospitality firms in the new normal. The study believes that the physical senses can capture reality (realist ontology); and that knowledge is concrete and transferable (positivist epistemology). The study also believes in the deterministic nature of man's interactions with the environment, hence; rely on a quantitative approach to acquire primary data (nomothetic methodology) (Saunders, Lewis, & Thornhill, 2019; Creswell & Creswell, 2017; Sekaran & Bougie, 2016). The study was conducted in a natural setting; so, the researcher did not control the research elements. The study thus adopted a descriptive research design.

The population of the study comprised hospitality firms in Rivers State. 20 firms in 4 categories (Food and Beverages; Travel and Tourism; Lodging; and Recreation) of hospitality firms were surveyed. To avoid lopsidedness in data collection, and without any intention to compare outcomes, 5 firms were surveyed from each of the 4 categories. A total of 140 respondents were surveyed, on a sample frame of 7 respondents per firm. However, the final analysis of the study was based on data gleaned from 107 respondents. A structured questionnaire served as instrument of primary data collection. The content validity of the instrument was attained by adapting existing scales used in previous works; and through the opinion of a jury of experts; while its internal consistency was determined via the Cronbach's Alpha test, with a threshold of 0.70 set by Nunally (1978). Table 1 below provides a summary of the results of the reliability analysis. The Pearson Product Moment Correlation served as the test statistic, relying on the Statistical Package for Social Sciences (SPSS) 22.0.

Table 1: Summary of reliability of study instrument

Variables	**Dimensions**	**No. of Items**	**Cronbach's Alpha**
Predictor	Market-sensing	8	0.751
Criterion	Innovativeness		
	Product Innovation	5	0.790
	Process Innovation	5	0.840
	Market Innovation	5	0.771
	Behaviour Innovation	5	0.720
	Strategic Innovation	5	0.740

Source: Simulation from SPSS output of data analysis on market-sensing and innovativeness (2021).

Table 1 shows that the instrument used for the study passed the Cronbach reliability threshold of 0.70 suggested by Nunally (1978). This means that the instrument is reliable and meets the required standard of precision and clarity; and that it can provide the same results repetitively.

RESULTS AND INTERPRETATION

Table 2: Correlation matrix of market-sensing and proxies of innovativeness

Correlations

		Market-sensing	Product Innovation	Process Innovation	Market Innovation	Behaviour Innovation	Strategic Innovation
Market-sensing	Pearson Correlation	1	.788**	.783**	.822**	.738**	.721**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	107	107	107	107	107	107
Product Innovation	Pearson Correlation	.788**	1	-	-	-	-
	Sig. (2-tailed)	.000	.000	-	-	-	-
	N	107	107	107	107	107	107
Process Innovation	Pearson Correlation	.783**	-	1	-	-	-
	Sig. (2-tailed)	.000	-	.000	-	-	-
	N	107	107	107	107	107	107
Market Innovation	Pearson Correlation	.822**	-	-	1	-	-
	Sig. (2-tailed)	.000	-	-	.000	-	-
	N	107	107	107	107	107	107
Behaviour Innovation	Pearson Correlation	.738**	-	-	-	1	-
	Sig. (2-tailed)	.000	-	-	-	.000	-
	N	107	107	107	107	107	107
Strategic Innovation	Pearson Correlation	.721**	-	-	-	-	1
	Sig. (2-tailed)	.000	-	-	-	-	.000
	N	107	107	107	107	107	107

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

Source: Simulation from SPSS output of data analysis on market-sensing and innovativeness (2021).

Table 2 shows the results of correlation analysis between market-sensing and proxies of innovativeness (product innovation, process innovation, market innovation, behaviour innovation, and strategic innovation). The results demonstrate that market-sensing positively relates to all the measures of innovativeness. Specifically, Table 2 shows that market-sensing has strong positive relationship with product innovation, process innovation, behaviour innovation and strategic innovation; with correlation coefficients of 0.788, 0.783, 738 and 0.721 respectively; and a very strong relationship with market innovation with a correlation coefficient of 0.822. The probability value for correlation between market-sensing and all the proxies of innovativeness is 0.000 < 0.05 which suggests that market-sensing has statistically significant association with innovativeness of hospitality firms in the new normal. The study thus rejected the null hypotheses earlier formulated. In other words, market-sensing relates to innovativeness of hospitality firms in the new normal.

DISCUSSION OF FINDINGS

This study examined the correlation between market-sensing and innovativeness of hospitality firms in the new normal. The empirical analyses conducted reveals that market-sensing has strong, positive and statistically significant connection with innovativeness through market innovation, product innovation, process innovation, behaviour innovation and strategic innovation. The findings align with reports of prior studies which advance market-sensing as a potent driver of continuous learning and knowledge accumulation through ongoing collection of market intelligence which is used to create superior value (Ateke & Didia, 2017); and give credence to the notion that improved market-sensing facilitate market orientation and results in improved responsiveness to market conditions. Similarly, the findings are in line with the findings of Jokubauskienė and Vaitkienė (2017) that market knowledge (often accumulated through market-sensing) impacts open innovation process of firms.

The findings also corroborate the position that marketing-sensing relates to organizational renewal and responsiveness (Fang & Zou, 2009); business model innovation (Cirjevskis, 2019); and product innovation and company growth (Alharbi & Wang, 2015). In Addition, the findings cohere with the position of the dynamic capabilities theory that firms' ability to identify market opportunities, and capacity to seize them, creates a culture of innovation (Teece, 2012). The position that marketing-sensing enable firms to refine markets, products, processes, behaviours and strategic postures; which is observed through internal movements that results in economies of scale and efficient orchestration of resources (Popadiuk *et al*., 2018) is validated by the findings of this study. The findings further confirm the statement that market-sensing provide intelligence about current and emerging market conditions; and broader environmental awareness that allows firms to organize to avoid risks or overturn threats into opportunities (Mama & Onuoha, 2020; Lindblom *et al*., 2008). Firms that possess highly developed marketing-sensing capabilities better assimilate, analyze and communicate greater amounts and variety of information that leads to a wide range of responses to market shifts (Stern *et al*., 2007); enhance their ability to identify unserved, underserved and unsatisfied market segments; and channels through which to route offerings (Alharbi, 2015).

CONCLUSION AND RECOMMENDATIONS

Advances in technology and global health concerns orchestrated by the Covid-19 pandemic have occasioned remarkable disruptions to business operations; creating both threats and opportunities for firms, depending on their resources and how well they are able to utilize them to respond to market conditions. Firms often become more innovative in the face of adversity; they figure out creative ways of obtaining, combining, and deploying resources in ways that adequately align their operations to their operating context. This innovativeness is however, enhanced by their ability to identify and assess current and emerging opportunities and take advantage of them. New products and processes are developed mostly in response to sensed shifts in the environment. Therefore, firms become more innovative and achieve sustainable competitiveness, mostly through scanning the market, and identifying and interpreting trends.

This study focused on assessing how market-sensing relates to innovativeness of hospitality firms in the new normal. In view of the results of the empirical analysis and the discussion of findings, which situated the outcomes within extant literature, the study concludes that market-sensing strongly relates to innovativeness (market, product, process, behaviour and strategic innovation) of hospitality firms; and that innovativeness of hospitality firms in the new normal largely depend on their ability to identify, evaluate and exploit market opportunities. The study thus recommends that hospitality firms that seek to improve their innovativeness in the new normal should develop capabilities that will enable them continually monitor, gather and interpret market intelligence relating to customers, competitors, regulators, collaborators and other forces and factors in their operating environment.

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ASSET QUALITY AND PROFITABILITY OF THE NIGERIA BANKING INDUSTRY: APPLICATION OF GRANGER CAUSALITY FRAMEWORK

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ABSTRACT

This study investigate the causal effects of asset quality shocks on the profitability of Nigeria banking industry for a period of 11 years ranging from 2008 to 2019.Time series data were sourced from the Nigeria deposit insurance corporation annual reports and accounts, CBN financial stability report and CBN statistically bulletin for various years. The granger causality framework was employed in analyzing the time series data. The result shows evidence of causality between asset quality and return on asset of commercial banks in Nigeria. Based on this we conclude by saying that maintaining sound assets quality position is critical to the long term performance, survival and sustainability of banks in Nigeria.

Keyword: Asset Quality, Non Performing Loan, Commercial Banks, Granger Causality Framework, Nigeria

INTRODUCTION

Basically, banks are faced with numerous challenges in the money creation business and banks are known for their risk taking behavior (Iwedi & Onuegbu, 2014) which includes credit risk, market risk, interest rate risk, default risk, operational risk and exchange rate risk (Aruwa & Musa, 2014). Consequently, for banks to achieve their profitability objective it behooves on them to maintain an appropriate level of stability and resilience in the system which of course are dependent on the level of assets quality maintained by the bank (Swamy, 2015). Assets quality management entails maintaining sound and judicious granting of loans and advances that must comply with set standard since poor quality assets affects the financial performance and the soundness of the banking system.

Iwedi (2017) stress that bank shocks is occasioned by non-performing assets which of course affect a nation's development plans and hampers economic prosperity. The banking system stability is a pre-requisite for economic development and resilience against financial crisis. Just like any other enterprises, banking sector success is assessed based on profitability and quality of assets it possesses (Ombaba, 2013). Assets quality shocks and deteriorating level of bank assets has remained an issue confronting financial institutions in Nigeria. There is no gain saying the fact that this was not unconnected with weak credit policies and practices, insider abuses and unstable macroeconomic environment. In Nigeria, Non-performing assets (NPA) reached

alarming levels in the 90s in excess of fifty percent (50%) of gross loan. This of course collapsed over 30 commercial banks, several community banks, primary mortgage institutions and finance companies. In 2009, the non performing assets ratio of 10 banks including the intervened banks averaged 54.2 percents (Oni, 2012).

The total credit extended by the deposit money banks to the domestic economy amounted to N15.29 trillion in 2018, representing a 3.90% decrease from the N15.91 trillion recorded in 2017. Deposit Money Banks in Nigeria experienced deterioration in assets quality at end of December 2016. The ratio of non-performing loans (NPLs) to gross loans deteriorated by 25.7 percent at end of December 2016 compared with the levels at the end of December 2015, 2014, 2013 and 2012 of 10.3, 6.4, 7.3 and 8.2 percent, respectively. The deterioration in asset quality was largely attributed to the rising inflationary trend, negative GDP growth, and the depreciation of the naira (CBN, 2016). Similarly, the industry non-performing loans (NPLs) decreased by 25.15% to N1.79 trillion in 2018 from N2.36 trillion in 2017. The banking industry was exposed to high credit risk as depicted by the high NPLs ratio of 11.70% at end of 2018, though an improvement when compared with NPLs ratio of 14.84% recorded at end of 2017 (CBN 2018). However, the industry NPLs ratio of 11.70% exceeded the maximum prudential threshold of 5% for deposit money banks. Going by this, there is need to constantly investigate and analyze the factors that could influence bank performance in Nigeria with the aim of providing empirical evidence based on which solutions can be proffered.

Empirical Review

Bulk of studies suggests that poor asset quality (NPAs) of banks is closely related to economic prosperity. Kithinji (2010) tested the effect of credit risk management (measured by the ratio of loans and advances on total assets and the ratio of non-performing loans to total loans and advances on return on total asset in Kenyan banks between 2004 to 2008). The study documented that the bulk of the profits of commercial banks are not influenced by the amount of credit and non performing loans. The implication is that other variables apart from credit and non performing loans impact on banks' profit. Kargi (2011) found in a study of Nigeria banks from 2004 to 2008 that there is a significant relationship between banks performance and credit risk management. He found that loans and advances and non performing loans are major variables that determine asset quality of a bank.

Muhammed, Shahid, Munir and Ahad (2012) used descriptive, correlation and regression techniques to study whether credit risk affect banks performance in Nigeria from 2004 to 2008. They also document that poor credit risk management has a significant impact on profitability of Nigerian banks. Kolapo, Ayeni and Ojo (2012) applied panel data regression for the period 2000 to 2010 found that the effect of credit risk on bank's performance measured by the return on asset (ROA) of banks is cross sectional invariant. Khalid (2012) result showed that a bad asset ratio is negatively associated with banking operating performance after controlling for the effect of operating scale, traditional banking business concentration and the idle fund ratio.

In an attempt to examine the effect of credit risk on bank performance, Iwedi and Onuegbu (2014) used panel data regression on a sample of 15 Nigerian deposit money banks. Using judgmental sampling technique, the findings revealed a positive relationship between the ratio of non-performing loans to loans and advances and ratio of loans and advances to total deposits on bank performance. Abata (2014) examined assets quality and bank performance of six largest banks quoted in Nigeria stock exchange for fifteen years (1999 – 2013). The results show that assets quality has statistical relationship and influence bank performance in Nigeria.

Lucky and Nwosi (2015) study examined the relationship between asset quality and the profitability of the fifteen (15) quoted commercial banks in Nigeria from 1980 – 2013. The Ordinary Least Square properties of Augmented Dickey Fuller Test, Co-integration and Granger Causality test were employed to determine the short and long –run relationship between the dependent and the independent variables. The regression result proved that percentage of non-performing loans to total loans and percentage of non-performing loans to total customers' deposit have positive relationship with return on investment while percentage of loan loss provision to total loans and percentage of loan loss provision to total asset have negative relationship with return on investment of the commercial banks. The unit root test shows stationarity of the variables in order of 1(1), the co-integration reveal long run relationship between the variables while the granger causality reveals no causal relationship among the variables. The model summary proved that the explanatory variables can explain 65.5% variation on the explained variables.

Eyup K & Niyazi T and Nurcan O, (2017) investigates whether non-performing loans affect the banks profitability in Turkey. The study applies a panel regression method to the quarterly data set of 55 banks in Turkey during the period from 1st quarter of 2005 to 3rd quarter of 2016. It is found that there is a significant, negative relationship between non-performing loans and bank profitability which is measured by return on equity and return on asset. The higher non-performing loans, the lower asset quality, leads to the lower return on equity and return on asset, and the lower non-performing loans, the higher asset quality, leads to the higher return on equity and return on asset. Salike and Ao (2018) study the determinants of Asian banks' profitability with particular focus on the role of asset quality. Using fixed effect estimation for the panel data of the sample that consists of 947 banks from 12 Asian economies over the period of 2001-2015. The study finds that poor asset quality (measured as impaired loans over gross loans) has a significant negative impact on banks' profitability. Other bank-specific variables – capital adequacy, income diversification and operating inefficiency – are also important determinants. With regard to macroeconomic factors – real gross domestic product growth has most significant influence on the performance of banks.

Ifdah and Dian (2019) studied whether assets quality and capital have an effect on credit risk and profitability in both conventional and Islamic banks in Indonesia. 115 banks in Indonesia form the population of the study. The results show that assets quality has a positive and significant effect on credit risk in both conventional and Islamic banks. On the other hand, capital has no effect on credit risk in both types of banks. Assets quality has a positive and significant effect on profitability in conventional banks, but has a negative effect on Islamic banks. Capital has a positive and significant effect on profitability in conventional banks. Meanwhile, credit risk has a negative and significant effect on profitability in both banks. Mbatabbey (2019) This study investigate the relationship between asset quality and deposit money banks performance in Nigeria over a period of 30 years ranging from 1986 to 2016, utilizing time series data collected from the Nigeria deposit insurance corporation annual reports and accounts, CBN financial stability report and CBN statistically bulletin for various years. The study utilizes both the descriptive and econometric techniques to analyze the time series data. The result shows that there is a short run relationship between asset quality and deposit money bank performance in Nigeria.

Alqahtani, F., Hamdi, B. & Skully, M. (2021) examine whether the relationship between asset quality and profitability is linear or nonlinear, using a global dataset containing 2,943 banks from

advanced and emerging economies. The study uses the *U*-shape test to investigate the existence of a nonlinear relationship between asset quality and profitability. In addition, the dynamic panel generalized method of moments (GMM) and quantile regression are used to examine the nonlinear effect of profitability on nonperforming loans (NPLs). The results show empirical evidence supporting the existence of a nonlinear relationship in the form of a *U*-shape. This is also confirmed through the three-stage *U* test procedure. After distinguishing between advanced and emerging economies, the study also find that, in advanced markets, the credit policy responds more rapidly to changes in credit market conditions than in emerging markets, providing insights into credit market dynamics.

Methodology

3.1 Data

Bi annual data spanning the period of 11 years were used and this were sourced from the Nigeria deposit insurance cooperation (NDIC) and Central Bank of Nigeria (CBN) financial stability report.

3.2 Model Specification

The causal effect between asset quality and return on asset of commercial banks in Nigeria is modeled as follow:

$$RNA_t = f(NPN_t\, LSL_t\, LTA_t)$$

(1)

To have the estimable version of above equation, equation (1) can be rewritten to have

$$RNA_t = \alpha_0 + \beta_1 NPN_{t-1} + \beta_2 LSL_{t-2} + \beta_3 LTA_{t-3} + \mu_{it}$$

(2)

Where

RNA = Return on Assets

NPN=Non-Performing Loans to Total Loans

LSL =Liquid Assets (core) to Short term Liabilities

LTA =Liquid Assets (core) to Total Assets

a_0 = Constant

b_1 - b_3= Coefficients of independent variables

m_i = Error Term

4. Results and Discussions

Table 1 Granger Causality result ON Bank Assets Quality and Return on Assets

Null Hypothesis:	Obs	F-Statistic	Probability
NPN does not Granger Cause RNA	33	1.77927	0.43031
RNA does not Granger Cause NPN		0.11710	0.52000
LSL does not Granger Cause RNA	33	2.60432	0.09471
RNA does not Granger Cause LSL		3.59150	0.04320
LTA d oes not Granger Cause RNA	33	7.04864	0.30093
RNA does not Granger Cause LTA		3.35894	0.05074
LSL does not Granger Cause NPN	33	0.92660	0.40960
NPN does not Granger Cause LSL		0.62885	0.54176
LTA does not Granger Cause NPN	33	1.99824	0.15750
NPN does not Granger Cause LTA		1.25612	0.30281
LSL does not Granger Cause LTA	33	0.02567	0.97468
LTA does not Granger Cause LSL		3.31366	0.05361

Source: E view 9.0 Output

The result of the Pairwise granger causality test conducted with a maximum log of 2 as presented in the above table. The null hypothesis is rejected if the probability of F-statistics given in the test result is less than 0.05. From the table the result shows that at 5% level of significance, the shock from non-performing loan to gross loan (NPN) does not granger cause banking sector profitability (RNA), just as Nigeria banking industry (RNA) does not granger cause Non Performing loan. This implies that the level of NPL shock in the Nigeria banking industry cannot influence return on assets of banking institutions in Nigeria vice versa. Also the result as shown in table 1 above reveals that there is no evidence of causality flowing either from Liquid Assets (core) to Short term Liabilities (LSL) shock to banking sector profitability (RNA) or banking sector profitability (RNA) to Liquid Assets (core) to Short term Liabilities (LSL) shock. This evidence is confirmed by the probability value at both instances were greater than 0.05 and 0.10 measured at 5% and 10% Significance level. Finally, the results reveal the case of a unidirectional causality flowing from ratio on assets (ROA) to liquids asset to short term liabilities of Nigeria. The implication of this is that an increase in ratio on assets (ROA) can boost banks liquidity to meet short term obligation as they come due. Our finding collaborate the findings (Kpefan 2013), the study cannot accept the null hypothesis of no causal affect between asset quality and DMB performance in Nigeria. By inference therefore, the results shows that asset quality shock does not granger cause or influence Nigeria banking industry profitability.

CONCLUSION

Conclusively, it can be deduced that there asset quality shocks does not granger cause Nigeria.

This agrees with the fact that good assets quality is relevant deposit money banks (DMBs) performance. Furthermore, maintaining sound assets quality position is critical to the long term performance, survival and sustainability of DMBs in Nigeria. Based on this, the following recommendations are made:

i Managers of banks should encourage activities that will promote DMBs liquidity which will be used to meet customers run on the banks and other short term obligation.

ii Managers of banks should continue practice prudent credit risk management to safeguard assets and protect interests of the investors.

iii Banks should from time to time review their credit pokey to further reduce the incidence of bad loans.

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KNOWLEDGE MANAGEMENT AND SUPPLY CHAIN PERFORMANCE OF PUBLIC UNIVERSITIES IN RIVERS STATE

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ABSTRACT

This study focused on knowledge management and supply chain performance of public universities in Rivers State. A causal draft research model was conveyed to handle the three (3) hypotheses formulated for the study. The survey research method was employed on a population of three public universities domiciled in Rivers State. The study employed a survey research design on a population consisting of three public universities in Rivers State (Rivers State University, Ignatius Ajuru University of Education and University of Port Harcourt). The population in this study constitutes 3 public universities in Rivers State, whereas the sample size was obtained by using simple random sampling, and stratified sampling techniques with the rationale of acquiring representative samples in accord with accurate yardstick. A total of 346 respondents were obtained from the public universities studied. Primary data were processed using simple regression analysis to measure the effect of the independent variables (knowledge acquisition, knowledge dissemination and knowledge utilization) on the dependent variable. The simple regression analysis was used to test the hypotheses earlier stated. The results the study indicate that there is a very strong, positive and significant influence of knowledge acquisition and knowledge utilization on supply chain performance, while knowledge dissemination has a strong, positive and significant influence on supply chain performance Based on the findings, the study therefore concludes that, knowledge management positively and significantly influence supply chain performance of public universities in Rivers State, and recommends amongst others that public universities' managers should focus on operationalizing the individual components of knowledge management, e.g., knowledge acquisition, knowledge dissemination and knowledge utilization, and combine efforts to implement collaborative technologies to encourage supply chain performance in their institutions.

Key Words: Knowledge acquisition, Knowledge dissemination, knowledge utilization, Supply chain performance.

INTRODUCTION

In the recent decades, it has become manifest that competition is more among supply chains (SCs) than between individual organizations (Attia, 2015: Shakeriny, Dehnavi & Shaten, 2016). Hence, managers' midpoint of attention should not only be on the planning and operations of internal activities, but also on how the diverse capabilities, resources, and processes of all the firms in a supply chain can be valuably incorporated and harmonized. The swell in global competition has strained organizations to appreciate that they have to better handle their supply chains in order to carry on. Supply Chain Management (SCM) tenders to businesses the way to connect technology with people in an endeavor to bring into line the technology with the capabilities of every one business and along with its business partners facilitating rapid respond to customers' needs (Serdaris *et al.*, 2014; Sakas *et al*, 2014; Shaik & Abdul-Kader, 2013; Marinagi & Akrivos, 2011).

Managing sustainable supply chains extends further than traditional approaches, supported for example on performance metrics of cost, time, and flexibility of supplies and deliveries, and necessitates collaboration and long-drawn-out precision transversely all companies in supply chains, for guaranteeing included “moral, economic, legal, social and technical” performances that are requisite under a sustainability perception (Zimon, Tyan & Sroufe, 2019). To visage these multifaceted challenges, there is mounting consciousness that knowledge is a strategic resource that needs to be appreciated.

Knowledge is a liquefied merge of enclosed occurrence, standards, relative data, and professional imminence that must be incorporated and handled appropriately to boost a firm's performance and its potential to bring in modernism and face shifting state of affairs (Davenport & Prusak, 1998). Knowledge management is viewed as a fundamental strategic asset that facilitates the coordination and integration between supply chain members (Rashed *et al.*, 2010; Samuel *et al.*, 2011; Tan & Cross, 2012; Xu *et al.*, 2014). How firms should plan their knowledge management (KM) activities is a contested question (Bolosani *et al.*, 2017), and acknowledgment of KM as a strategic building block of these days' competitiveness is rising. The embracing of suitable KM approaches is also acknowledged to be a means to realize sustainability goals Martinez *et al.*, 2018). Knowledge is analyzed as a key strategic reserve for organizational continued existence, firmness, enlargement and enhancement (Hassan & Al-Hakim, 2011).Knowledge management (KM) would support companies to stay competitive, through sharing information with the external partners and being acquainted with their competitors' products, services, tactics and best practices (Kyobe, 2010).

Knowledge is a decisive reserve that ought to be managed suitably not only in solitary companies but also crosswise supply chains. In essence, knowledge engendered in any division of a supply chain and curving through intercompany links ought to be managed appropriately for realizing superior business significance (Thomas *et al.*, 2017: Rodriguez-Chriquez *et al.*, 2016). To continue to exist in international markets where the demand for green production is growing, the efficacy of supply chain management must cultivate (Wang, Liu, Liu &Huang, 2019). Moreover, it is essential that companies and managers arrive at a towering altitude of ripeness in their supply chain management practices, to lessen risks of disruptions (Tubis, 2021). This is very imperative to educational supply chain.

Educational supply chain characterizes supply chain management concept to the educational institutions and it aims at improving the wellbeing of the end customer or the society. To achieve this goal, educational institutions require a confident degree of knowledge regarding the partners in their supply chains as well as suppliers, customers, and the consumer. The performance of the supply chain in educational setting depends on the unspoiled harmonization of all supply chain stakeholders to make certain attainment of enviable outcomes. This study embodies educational supply chain management model for public universities composed of education supply chain and research supply chain. Knowledge management can lend a hand to trim down the knowledge gaps that are most important in the management of purchases, supplies, and sales, to make certain a perceptible and translucent environment. In short, it is fundamental for present and upcoming managers of supply chains to learn how to put into operation and apply proper Knowledge management practices in their organizations as well as in their relationships with external partners

There are, however, only a few empirical studies spotlighting on the relationship between Knowledge management and supply chain performance in the academic settings, more specifically in higher education institutions (Ngoc-Tan & Gregar, 2018; Raj-Adhikari, 2010; Mathew, 2010; Yang & Chen, 2009). Thus, number of empirical studies on how the concepts of knowledge management impacts on supply chain performance is scarce, especially in relation to the education sector in the developing countries, such as Nigeria. In view of that, this contemporary study desires to provide empirical evidence on how knowledge management impacts supply chain performance in public universities in Rivers State of Nigeria.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Knowledge Management

Knowledge management scope is about the generation, communication, transformation and application of knowledge that is sufficient onto the reasoned action in situated contexts in which individuals and organizations find themselves (Zhu, 2008),

van Donk and Riezebos (2005) refers to knowledge management as the emerging body of techniques, apparatuses, systems and principles through which establishments can obtain, cultivate, quantity, dispense and deliver a yield on their intellectual possessions. Knowledge Management as seen by Chuang (2004), is the aptitude of a company to obtain, produce, handover, assimilate, share and apply knowledge related resources and activities across functional boundaries. Knowledge management is viewed as a fundamental strategic asset that facilitates the coordination and integration between supply chain members (Rashed *et al.*, 2010; Samuel *et al.*, 2011; Tan &Cross, 2012; Xu *et al.*, 2014).

Knowledge management can thus, be perceived as a methodical style to handling and powering an establishment's knowledge chattels which might embrace knowledge of the establishment's customers, products, market, procedures, finances and peculiar services. Knowledge management takes care of the organizational improvement of knowledge with innumerable technologies, utensils, and progressions to accomplish established goals. Knowledge management concerns management of data, information, unambiguous and inferred knowledge. The main enablers of knowledge, in any business, are employees, processes and technology.

The application of knowledge management according to Tesavrita, Suryadi, Wiratmadja, and

Govindaraju (2017), can be observed at both an intra-organizational and an interorganizational level. While intra-organizational knowledge management spotlights on knowledge management approaches, procedures, undertakings, and technologies contained by the boundaries of an organization, inter-organizational knowledge management denotes the utilization of knowledge management to bring about the relationships with external partners (suppliers, customers, service providers, etc.). In view of the fact that sustainable growth matters affect all companies in a supply chain, it is imperative to take in hand answers from a shared rather than an individual point of view. Therefore, knowledge management between diverse companies is even more significant than that of each company on the inside, for realizing sustainable growth that adds value to the whole public. Yang and Chen (2007) noted that this would enable the organization to gain sustainable competitive advantage, as well as, to improve organizational effectiveness. To the point, it is possible to conclude that knowledge management deals with knowledge and its foundation progressions in establishments, and the attainment of goals and competitive advantages springing from the right utilization of knowledge.

According to Dev Raj Adhikari (2010), knowledge management in educational institutions can be defined as the systematized and methodical method of engendering and circulating information, and deciding on, extracting, and positioning explicit and tacit knowledge to build inimitable value that can be used to fortify teaching-learning atmosphere. Habib and Jungthirapanich (2009) identified research framework of educational supply chain management for the Universities as:

1. Education Suppliers consisting of: Suppliers of the student (High School / College), Suppliers of the faculty (Other Universities), Self-funding students, Source of Fund – Family (Parents, Siblings), Relatives, etc., Government and Private Organizations (Scholarship), Suppliers of Assets or Equipment (Furniture, Computer, Networking Equipment, etc.), and Suppliers of Educational Materials (Stationery, Instruction Materials, etc.)

2. Research Suppliers made up of Suppliers of Internal Research Projects (University Self-Funding) b) External Research Projects (External Research Funds, Ministry of Education, Private Organizations, etc.), and

3. Customers composed of two major parts in the customers namely education customers and research customers for the universities. Education Customers: a) Graduates with desirable quality b) Family (Parents, siblings, relatives, etc.) c) Employers of government and private organizations Research Customers: a) Funding organizations of research projects b) Quality research outcomes (Researchers, research publications, findings etc.) are part of the society, the final outcomes of this supply chain, including graduates with desirable quality and quality research outcomes are delivered to the society. This conceptual model depicts two types of contributions to the society, which are human resource contribution, i.e. quality graduates and research contribution, i.e. research findings.

Mathew (2010) contended that knowledge management delivers some of the clarifications to the difficulties that are applicable for sustainable higher education teaching learning processes. Dev Raj Adhikari (2010) stressed that in today's world, trying to manage the educational institutions without knowledge management initiatives can bring about defeat. Maponya (2004) stated that if knowledge management is applied meritoriously, it can result in enhanced decision-making competences, condense “product” development cycle time, enhanced academic and administrative services, and abridged costs. This study adopts knowledge acquisition, knowledge dissemination and knowledge utilization as the dimensions of knowledge management.

Supply Chain Performance

Performance measurements are convenient pinpointing utensils for healthier decision-making and a major necessity of fruitful unceasing modernization (Soosay & Chapman, 2006).In order for organizations to increase their performance and survive in a competitive atmosphere, they also have to join forces and construct enduring relationships with upstream and downstream partners in the supply chain (Huo, 2012; Xu *et al.*, 2014). Scholars have suggested immeasurable structures for supply chain performance, in order to qualify the adeptness and the usefulness of the supply chain, where different dimensions of supply chain performance are reflected (Lin, Huang & Li, 2002; Lin & Li, 2010; Gunasekaran *et al.*, 2004; Sillanpaa & Kess, 2011).

Empirical Review

Ngoc-Tan and Gregar (2018) investigated the influence of knowledge management on innovation in an academic setting, by means of survey data composed in 2017 in 30 public universities correspondingly located in 3 regions of Vietnam. The study adopted the Structural Equation Modeling (SEM) to test the hypothesis concerning knowledge management and innovation, and found that knowledge management expansively influences technical innovation in academic surroundings and that not all constituents of knowledge management are directly linked with administrative innovation.

Nurul and Lee (2018) examined the influence of knowledge sharing on the service innovation performance of restaurant in North Kalimantan, Indonesia. The study used 150 employees working in the restaurant businesses in North Kalimantan and data were composed by means of survey method with questionnaire. The regression analysis was employed to demonstrate the influence of the independent variable on the dependent variable. It was found that the influence of knowledge sharing on the performance of service innovation displayed significant results. Knowledge sharing activities was found to have a positive influence on innovation performance of restaurant business services in North Kalimantan.

Nausheen and Lin (2013) studied the connection between knowledge management practices and company performance, using a purposively selected sample of 412 employees at dissimilar managerial positions. The study looked at the predicting linkage of knowledge management practices (sharing of best practices and building of consistent process, continues employee learning, effective management of knowledge, innovative culture development, and management of core competencies) with company performance. The questionnaires concerning knowledge management practices and company performance were administered to respondents, and data analyzed using correlation and regression analysis to institute the association amid several Knowledge management practices and company performance.

Fagade (2011) studied the impacts of knowledge management on supply chain management most especially in emerging economy like Nigeria by means of interview and personal observations and found that the rate of change in business environment restate why the knowledge management method: that is based on development of mutual respect and interdependence that is much anticipated in the new business milieu, most particularly in supply chain in collaborating all-inclusive partners in the network.

From the review of literature, the study developed the following conceptual framework:

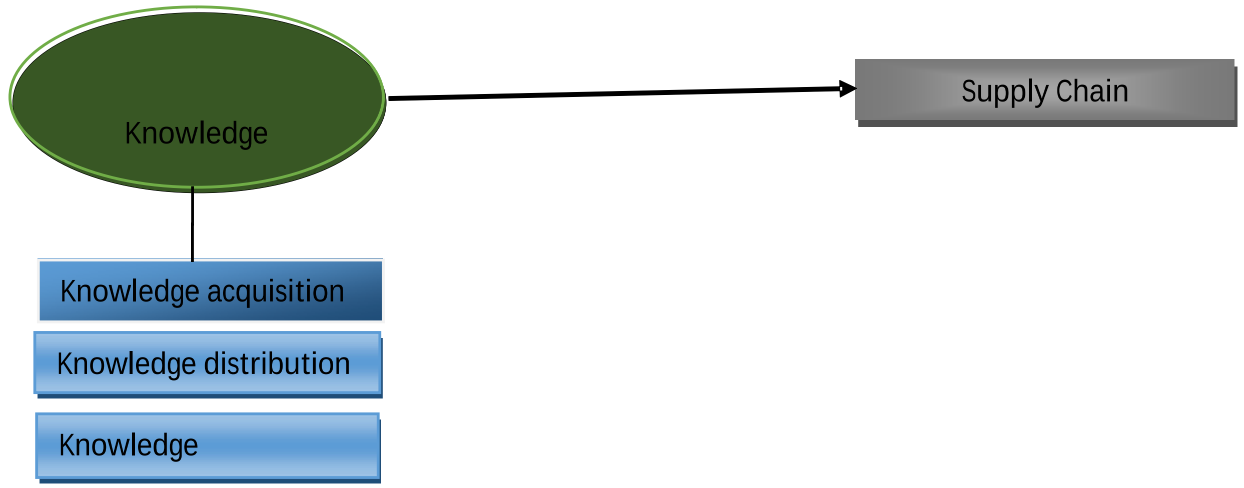

Figure 1: Conceptual Framework of Knowledge Management and Supply Chain Performance.
Source: Designed by the Researchers, 2021.

From the conceptual review, the following hypotheses were formulated:

Ho_1: Knowledge acquisition does not significantly influence supply chain performance of public universities in Rivers State.
Ho_2: Knowledge dissemination does not significantly influence supply chain performance of public universities in Rivers State.
Ho_3: Knowledge utilization does not significantly influence supply chain performance of public universities in Rivers State.

METHODOLOGY

This empirical study addresses how supply chain management contributes to successful university operations. This study employed a survey research design on a population consisting of three public universities in Rivers State (Rivers State University, Ignatius Ajuru University of Education and University of Port Harcourt). The total population of academic staff in the thee universities combined is 2,517. The University of Port Harcourt has a teaching staff, of 1,390 (Uniport Staff Profile, 2020), Rivers State University has a teaching staff strength of about686, while, Ignaitus Ajuru University of Education boast of about 441 teaching staff (University Official Staff Profile, 2017). The academic staff were adopted the study's respondents.

Table 1: Total population of the public universities in Rivers State

Categories	Uniport	%	Rivers State University	%	IAUE	%
Teaching staff	1,390	100	686	100	441	100
Total				**₦2,517**		

Source: Fieldwork, 2021

The simple random sampling technique was adopted for the study. The sample emanates from public universities in Rivers State. The respondents were from the academic staff of the universities who are directly affected by academic staff development. The Rivers State University has 686 academic staff. the Ignatius Ajuru University of Education has 441 academic staff, and the University of Port-Harcourt has 1390 academic staff. This summed up to 2517 academic staff for the three universities studied.

Sample Size for the study

For a process of random sampling technique (s), Uniport = 417, RSU = 206 and IAUE = 132 respondents respectively from each stratum. The sample was chosen for the sake of equal representation of opinions, experience in knowledge management and supply chain performance of public universities of in Rivers State, and to elicit accurate information bordering on the study.

The total population of academic staff consists of 2517 as indicated by establishment units of the three institutions under study. To obtain sample size of academic staff from the population of 2517, the Taro Yemen's Formula for sample size determination was used.

The formula is $S = N / (1 + Na^2)$.

Where n is the sample size

N is the population

1 is constant and

e is level of significance (i.e. 0.05).

Therefore; $n = 2517 / 1 + 2517(0.05)2$

$n = 2517 / 1+2517(0.0025) = 2517 / 1+ 6.2925$

$n= 2517 / 7.2925 = 345.$

= 345 teaching staff respondents. The sub-sample of size for each university was determined using the formula by Krecjie and Morgan (1970) as follows:

s = XS / P

Where;

s= Sub-sample size for each university

X = Population of academic staff in each university

S = Total sample size for the study

P = Total population of all the university based on job category of academic staff

Based on this formula, a total sample size of 346 respondents was used. Stratified sampling was used to arrive at the respondents per institution from the target population. Information on the diverse departments and teaching staff per department were supplied by the human resource manager of the universities under study. The departments supplied the strata and each nth number was supplied with the questionnaire until the sample size was arrived at. The researchers selected the Professors, Associate Professors, Readers, and Senior Lecturers as respondents. The study used self-administered questionnaires to assemble primary data from the respondents based on a 86.5 per institution. On the whole, information from the three public universities brought the total number of respondents to 346.

Results

Reliability Cronbach's α was conducted to examine the internal consistency of multi-item constructs. All constructs prove their reliability. The exact results of the scale reliability analysis are reported in Table 3.

Table 3 Shows the reliability measure of Knowledge Management and Supply Chain Performance (n=346)

Scale	Dimension	Items	Reliability
KA	Knowledge Acquisition	5	0.851
KD	Knowledge Dissemination	5	0.951
KU	Knowledge Utilization	5	0.914
SCP	Supply Chain Performance	4	0.978

Source: SPSS 22.0 Output, based on 2021 field survey data

Knowledge acquisition (KA), knowledge dissemination (KD) and knowledge utilization (KU) have values of 0.851, 0.951 and 0.914 respectively. In the interim, supply chain performance (SCP) attain value of 0.978. All constructs have the values that exceeds the normally conventional threshold value of 0.7 (Bagozzi & Yi, 1991) and are sufficient for the succeeding phase of simple regression analysis.

Table 2: Influence of Dimensions of Knowledge Management on Supply Chain Performance (n=346)

Independent Variables	Dependent variable	Estimate	P Conclusion
Knowledge Acquisition ==>	Supply Chain Performance	.0875	Supported (P > 5%)
Knowledge Dissemination ==>	Supply Chain Performance	.0774	Supported (P > 5%)
Knowledge Utilization==>	Supply Chain Performance	.0924	Supported (P < 5%)

Note: *,** Significant at < 0.10 and < 0.05 respectively

Table 2 shows that for hypothesis one, two and three, the significant is .000 which is lesser than 0.05; there is a significant, influence of knowledge acquisition, knowledge dissemination and knowledge utilization on supply chain performance with the R-square (Coefficient of Determination) that there is 87.5%, 77.4% and 92.4% direct influence of the knowledge acquisition, knowledge determination and knowledge utilization on supply chain performance. This shows that the dimensions of knowledge management can affect supply chain performance to a high degree.

DISCUSSIONS OF FINDINGS

The results of hypothesis one shows that knowledge acquisition has a very strong, positive and significant influence on supply chain performance (0.875: 0.000<0.05), knowledge dissemination has a strong, positive and significant influence on supply chain performance (0.774: 0.000<0.05), and knowledge utilization has a very strong, positive and significant influence on supply chain performance (0.924: 0.000<0.05).

It is clear as crystal that these results of depict the significance of knowledge management in academic institution. To start with, the pragmatic result demonstrates that Knowledge management (knowledge acquisition, knowledge dissemination and knowledge utilization) broadly and positively influence supply chain performance of public universities in Rivers State. This indicates that knowledge acquisition, knowledge dissemination and knowledge utilization facilitates for supply chain performance in public universities. By positioning knowledge management inventiveness, the universities can exploit it knowledge reserve to build up innovative academic programs, improve its existing programs by putting forward novel courses and disciplines to meet societal demand. This supports Ngoc-Tan and Gregar (2018) findings that knowledge management expansively influences technical innovation in academic surroundings.

This is also in line with Yahya and Goh (2002) who found out that knowledge management is a course of action that boosts knowledge application to realize innovation or advancing business performance.

CONCLUSION

The aim of the present study was to investigate the influence of knowledge performance on supply chain performance. Consistent with previous studies, we are able to achieve complete convergence between the three measures of knowledge management in terms of their response to supply chain performance. Besides, the dimensions contribute to our understanding of the underlying latent construct in relation to the selected dimensions of knowledge management. The results provide empirical evidence that the dimensions of knowledge management (knowledge acquisition, knowledge dissemination and knowledge utilization) have significant impact on supply chain performance. Accordingly, the study concludes that knowledge management significantly influences supply chain performance of public universities in Rivers State.

RECOMMENDATIONS

In line with the findings of the study, the following recommendations were made:

1. Public universities should ensure adequate and rewarding knowledge management packages to attract superior supply chain performance in their universities.
2. Given that empirical evidence has shown that knowledge management is important with respect to supply chain performance, it is important that establishments, particularly public universities should embrace this activity to achieve collaboration levels that can improve supply chain performance in their institutions.
3. In order to consistently increase supply chain performance, the public universities managers should always direct efforts towards integrating their resources and processes to ensure consistent fluidity with the functioning of knowledge management.
4. Public universities' managers should focus on operationalizing the individual components of knowledge management, e.g., knowledge acquisition, knowledge dissemination and knowledge utilization, and combine efforts to implement collaborative technologies to encourage supply chain performance in their institutions.

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INFORMATION TECHNOLOGY COMPETENCY AND KNOWLEDGE MANAGEMENT OF PUBLIC UNIVERSITIES IN RIVERS STATE

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ABSTRACT

The objective of this research is to analysis: 1) Identify and analyze the effect of information technology competency on knowledge generation, 2) identify and analyze the influence of information technology competency on knowledge transfer, 3) identify and analyze the influence of information technology competency on knowledge codification and storage). The population in this study was 3 public universities in Rivers State. While the sample size of 365 was done by using simple random sampling, and stratified sampling techniques with the purpose of obtaining representative samples in harmony with precise benchmark, Based on the declared benchmark then the amount of the final sample had complete data. In this study, a total of 365 respondents were obtained from the public universities studied. Primary data were processed using simple regression analysis to measure the effect of information technology competency on the dependent variables consisting of: knowledge generation, knowledge transfer and knowledge codification and storage indicator of knowledge management. The findings in this study are: 1) information technology competency has a very strong, positive and significant influence on knowledge generation, 2) information technology competency has a very strong, positive and significant influence on knowledge transfer, 3) information technology competency has a very strong, positive and significant influence on knowledge codification and storage). The study therefore concludes that, information technological competency significantly influence knowledge management, and recommends that that university management should sensitize their teaching staff on the information technology standard being applied in their relevant institutions and channel them all the way through their profession conduit to attract an efficacious knowledge management process.

Keywords: Information technology competency, knowledge codification and storage knowledge generation, knowledge transfer.

INTRODUCTION

Knowledge management has materialized as a distinctive area in the study of business and is recurrently alluded to as a precursor of performance in establishments. The implementation knowledge management practices fruitfully will enable establishments to perform shrewdly to uphold their competitive advantage by budding their knowledge assets (Wigg, 1999). It is crucial to be acquainted with knowledge generation, method of disseminating in a business and what dynamics smooth the progress of these processes (Stewart, 1997; Davenport &Prusak, 1998), especially the role of information technology in these processes.

Information technology (IT) is widely documented as the building block for establishments to survive and compete favourably with others. Hence, education managers are motivated to adopt information technology in their operations in order to achieve efficient and effective performance in their establishments. Establishments, especially those in the education sector operate in complex and competitive environment, characterized by altering circumstances and extremely capricious economic environment and information technology inclinations.

Information technology has been an innermost theme in the knowledge management text (Constant *et al*., 1996; Hayes & Walsham, 2003) Information and communication technologies have been intimately associated with the development of the immense preponderance of knowledge management inventiveness. The influence of IT competency on knowledge management may materialize as direct influence of information systems on knowledge management procedures; or they may indirectly influence information systems on knowledge management by affecting appropriate dynamics such as structure, which, subsequently, influence knowledge management

Information technologies are pigeonholed by their ability to power the traditional ways of appreciating assured structural sensations and behaviors and affect how firms wrestle with the trials flung up by the knowledge society. Information technology has been a fundamental theme in the knowledge management literature (Constant *et al*., 1996; Hayes & Walsham, 2003). Information and communication technologies have been meticulously linked with the development of the great majority of knowledge management initiatives. Franco and Mariano (2007) predicted that virtually 70% of publications on knowledge management emphasis on the design of IT systems. The influence of IT competency on knowledge management can be well-thought-out to be twofold: direct and indirect. Information systems can directly influence the knowledge management processes. They can also indirectly influence knowledge management by affecting contextual factors such as structure, which, in turn, influence knowledge management.

In recent years, several scholarly endeavours have associated knowledge management with the development of information and communication technologies, for instance Awara, Udoh and Anyadighob (2018)examined the impact of information technology (IT) tools on supply chain performance of online retailers in Calabar Metropolis, Cross River State., Ming-Llang, Kuo-Jui and Nguyen (2011) investigatedthe impact of information technology (IT) in supply chain management (SCM), and Attar and Sweiss, (2010) studiedthe relationship between IT adoption and job satisfaction within the Jordanian construction industry. None of the above mentioned studies investigated the influence of information competency on knowledge management in the educational sector. Therefore, to fil this gap in literature, this current study investigates the influence of information competency on knowledge management of public universities in Rivers State.

LITERATURE REVIEW AND HYPOTHESES

Information Technology Competency

The information technology upheaval has expedited the routes of searching for and recuperating information, however, simultaneously it has led to a significant development in the database business. Firms must be able to use information technology to acquire expedient information for their decision-making. In line with Tippins and Sohi (2003'), this study defines information technology competency as just how the establishment uses these technologies to bring about its information meritoriously.

In the sphere of information technology, managerial decisions on adoption of innovative technologies experience a number of encounters. The route of technological modernization is branded by intrinsic improbabilities. Investments in innovative technologies have wide-ranging altitudes of risk as novel groundbreaking technologies that propose value-added performance possibly will similarly propose a lesser possibility of efficacious expansion (Krishnan & Bhattacharya, 2002). Besides, information technology adoption resolutions may well be influenced by choices of other economic representatives. Given a network externality, the advantage to a business of decide on a technology lies with its inherent reckoning as well as the "network" value emanating from others espousing similar technology (Farrell & Saloner, 1986; Katz & Shapiro, 1986). Enquiries on technology adoption in management information systems (MIS) acknowledged a number of conceptual models and general frameworks for such decisions as well as the technology acceptance model (TAM) and the unified theory of acceptance and use of technology (Gangwar *et al.*, 2014; Roy, 2017) including precise variables and success factors that influence adoption behavior (Ghezzi *et al.*, 2013).

The Concept of Knowledge Management

Defining the concept of knowledge management is not forthright, for the reason that it has been considered by numerous disciplines and from diverse methodologies. For example, Davenport *et al.* (1998) defines knowledge management as a method of assemblage, spreading and competent use of the knowledge resource. O'Dell and Grayson (1998) perceive knowledge management as a policy to be established in a company to guarantee that knowledge touches the right people at the right time, and that those people share and consume the information to progress the company's operations. Defining knowledge management, Bhatt (2001) conceptualized it as a method of knowledge creation, validation, presentation, distribution and application. Too Bounfour (2003) defines knowledge management as a set of processes, substructures, and methodological and decision-making tools, calculated to craft, share and power information and knowledge inside and about the company. Despite the variations in the definitions of knowledge management, there appears to be a harmony to recognize knowledge management as a set of procedures permitting the use of knowledge as a strategic dynamic to enhance and engender value (Bueno & Ordoñez, 2004). Knowledge management can therefore, be professed as a logical mode to conducting and enabling an establishment's knowledge property which might hold close knowledge of the establishment's customers, products, market, procedures, finances and peculiar services. Knowledge management considers the establishment's improvement of knowledge with incalculable know-how, paraphernalia, and sequences to bring about conventional aspirations. Knowledge management has to do with management of data, information, unequivocal and contingent knowledge. The main stimulators of knowledge, in any industry, are employees, processes and technology.

Knowledge can also be famed from data, information, and wisdom (Anand & Singh 2011). Knowledge management is more than a decision-making exercise, it's a principal apparatus that powers organizational cultural, operational, and tactical influence on managerial efficacy (Zheng *et al.*, 2010).In an establishment, learning and selection processes are vital to build, capture and assimilate the knowledge (Kim *et al.* 2012). Healthily time-honored amalgamated apparatuses implanted in the business will turn into a principal competence for the company (Kim *et al.* 2012), permitting them to absorb and consume the information more meritoriously. knowledge management comprises three foremost procedures, which are explicitly: knowledge generation, knowledge transfer, and knowledge codification and storage.

Knowledge Generation

Knowledge generation can be defined as the procedure by which the business acquires knowledge, either from externally or engendered within (Lee & Hong, 2002; McCann & Buckner, 2004). In consequence, knowledge generation is not only about engendering fresh substances, but also concerns substituting, endorsing and bring up to date the company's prevailing knowledge (Alavi & Leidner, 2001; Bhatt, 2001). Organizations can obtain knowledge outwardly from diverse fonts, for example conversation with external representatives, collaborators and partners, buying copyrights or captivating new employees (McCann & Buckner, 2004). Within, knowledge creation can include developing fresh substances or substituting current substances (Alavi & Leidner, 2001)

Knowledge Transfer

Knowledge transfer denotes the progression by which a firm shares knowledge amongst its divisions and associates, upholding unique appreciation (Alavi&Leidner, 2001). It is necessary for the business to cultivate a passable arrangement of informative interface systems that permit entities of miscellaneous spheres, cultures, and geographic situations, to have admittance to similar information and as well come collectively through the system to carry out a specific scheme.

Knowledge Codification and Storage

Knowledge codification and storage is actually a significant piece in the operative management of knowledge (Casey, 1997; Cross & Baird, 2000). The prevailing knowledge need be taken, classified, presented and positioned in stores in a regulated mode, so it can be recycled far ahead (Choi *et al.*, 2008). Conversely, it is necessary to reminisce that organizational knowledge is disseminated and dispersed all the way through the business.

Information Technology and Knowledge Management

Information technology simplifies the development of Knowledge Management undertakings and advances its proficiencies and can be correlated to knowledge management with a number of ways. The term embraces computers, ancillary equipment, software and procedures. The information technology is recognized by all those contrivances that lead to the construction and preservation of knowledge. Knowledge creation, sharing, storage, are enriched by the application of such technologies, which expedites communication, transmission and speed. Information technology is a worthwhile utensil to preclude knowledge loss and to stimulate its creation linking all the individuals among the business.

Empirical Studies

Awara *et al.* (2018) examined the impact of information technology (IT) tools on supply chain performance of online retailers in Calabar Metropolis, Cross River State by adopting the cross-sectional survey research design and the purposive sampling procedure. Data were analyzed by means of the multiple regression analysis, and the findings demonstrated that information technology (IT) tools have positive influence on supply chain performance of online retailers in Calabar Metropolis. The study concluded that supply chain management commences and culminates with the customers, and, the exclusive purpose of the integration and collaborations of the supply chain is to efficiently and proficiently gratify customers' demands and requirements, as well as add value to the supply chain potentials which would improve their performance, and recommends that operational retailers should construct an operative supply chain, assimilated with information technologies empowered logistic system that can expand supply chain performance and response speedily to unforeseen requirements of the consumers.

Ming-Lang *et al.* (2011) investigated the impact of information technology (IT) in supply chain management (SCM). The study used benchmarks that embraced the applications of IT to acquire the high firm performance encompassing marketing performance, financial performance, and customer satisfaction. The study used the fuzzy DEMATEL techniqueto demonstrate the interrelationships amongst all of benchmarks, and the result revealed that advanced IT is the cause criteria leading to marketing performance and customer satisfaction.

Attar and Sweiss (2010) studiedthe relationship between IT adoption and job satisfaction within the Jordanian construction industry, in order to fill the knowledge gaps by investigating the relationship between IT adoption and job satisfaction from the perception of Jordanian contracting firms. The study developed measures by means of MSQ and IT Barometer surveys. 50 questionnaires were circulated to investigate this relationship among different contracting companies in Jordan. Descriptive statistics were obtained and hypotheses were tested using multiple regression analysis, and the results portray that additional investment in technology would relatively increase employee job satisfaction concerning inherent and general perceptions.

From the review of literature, the study developed the following conceptual framework:

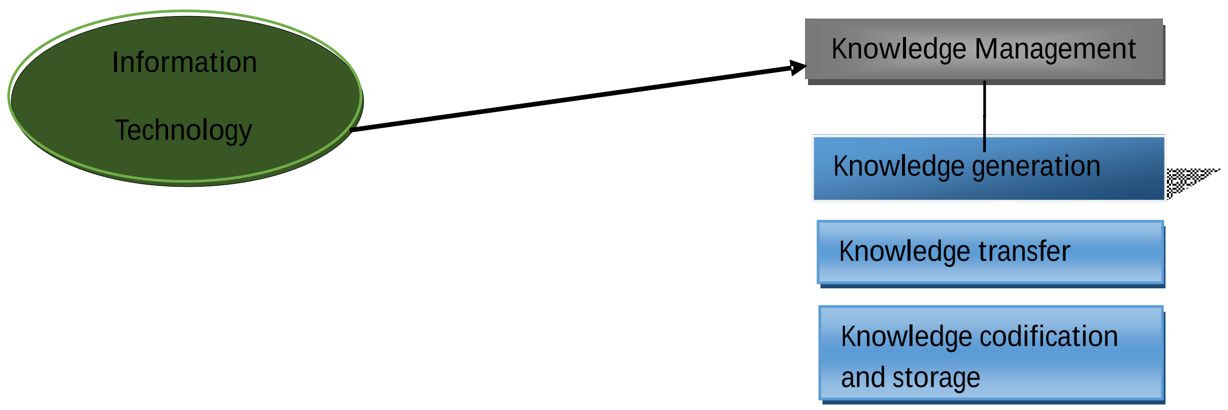

Figure 1: Conceptual Framework of Information Technology
Competency and Knowledge Management
Source: Designed by the Researchers, 2021.

Given this conceptual framework, the three hypotheses are as follows:

Ho_1: Information technology competency does not significantly influence the process of knowledge generation in public universities in Rivers State.
Ho_2: Information technology competency does not significantly influence the process of knowledge transfer in public universities in Rivers State.
Ho_3: Information technology competency does not significantly influence the process of knowledge codification and storage in public universities in Rivers State.

METHODOLOGY

The study adopted a causal research design. The study was cross sectional survey study, since it enables observational study that engrosses the analysis of data composed from a population, or a representative subset. It concerned compilation of primary data at precise point in time. The target population for the study comprised all teaching staff from the all the three universities within Rivers State (Rivers State University, Ignatius Ajuru University and University of Port Harcourt). The total population of academic staff in the thee universities combined is 2,517. The University of Port Harcourt has a teaching staff, of 1,390 (Uniport Staff Profile, 2020), Rivers State University has a teaching staff strength of about 686, while, Ignaitus Ajuru University of Education boast of about 441 teaching staff (University Official Staff Profile, 2017). The sample size of teaching staff that were studied was determined by the use of the formula developed by Taro Yamane (1967). According to Mugenda & Mugenda (2009) 30% of the total population is considered as adequate sample size. The universities were pulled out on the basis of number of teaching staff. The study used simple random sampling to decide on respondents from each of the universities.

Thus the formulae n= N / 1 +N (c) squared
Where n is the sample size
N is the population
1 is constant and
e is level of significance (i.e. 0.05).
Therefore; n = 2517 / 1+ 2517(0.05)2
n = 2517 / 1+2517(0.0025) = 2517 / 1+ 6.2925
n= 2517 / 7.2925 = 345.

= 345 teaching staff respondents. The sub-sample of size for each university was determined using the formula by Krecjie and Morgan (1970) as follows:

s = XS / P

Where;
s= Sub-sample size for each university
X = Population of teaching in each university
S = Total sample size for the study
P = Total population of all the universities based on job category of teaching staff

Based on this formula, a total sample size of 346 respondents was used. Stratified sampling was used to arrive at the respondents per institution from the target population. Information on the diverse departments and teaching staff per department were supplied by the human resource manager of the universities under study. The departments supplied the strata and each nth number was supplied with the questionnaire until the sample size was arrived at. The study used self-administered questionnaires to assemble primary data.

Reliability

Table 1 shows the reliability assessment of our predictor variables using Cronbach's alpha. It indicates how the items for each factor were internally related in the manner expected. As we can see, the value of the Alpha coefficient for the composite scale and the subscales are all above the threshold $(\alpha \geq 0.70)$ hence, they are all reliable.

Table 1 Test of Reliability

Scale	Dimension	Items	Reliability
KG	Knowledge Generation	5	0.776
KT	Knowledge Transfer	5	0.890
KCS	Knowledge Codification and Storage	5	0.754
KM	Knowledge Management	5	0.931

Source: SPSS output, 2021.

RESULTS AND DISCUSSIONS

On the basis of the above analysis, the influence of information technology competency on the beforehand acknowledged knowledge management measures (knowledge generation, knowledge transfer, and knowledge codification and storage) is now evaluated.

The study sought after ascertaining whether information technological competency had significant effect on knowledge management in public universities in Rivers State. The results in

Hypothesis One

Regression analysis of Information Technology and Knowledge Generation

Table 2. Regression analysis of Information Technology and Knowledge Generation

Model	R	R Square	Adjusted R Square	F (ANOVA)	Sig
1	.934a	.872	.869	293.198	0.000

a. Predictors: (Constant), Information Technology Competency

The model summary of the regression analysis in Table 2 shows that information technology competency accounted for 87.2% of the variance in knowledge generation among the respondents from public universities in Rivers State (R square = 0.872). This shows that 12.8% of the variance in knowledge generation was explained by factors not in the study.

Hypothesis Two

Regression analysis of information technology competency and Knowledge Transfer

Table 3. Regression analysis of Information Technology and Knowledge Transfer

Model	R	R Square	Adjusted R Square	F (ANOVA)	Sig
1	.908a	.824	.820	201.531	0.000

a. Predictors: (Constant), Information Technological Competency

The model summary of the regression analysis in Table 3 shows that information technology competency accounted for 84.2% of the variance in knowledge transfer among the respondents from public universities in Rivers State (R square = 0.824) and as such 15.8% of the variance in knowledge transfer was explained by factors not in the study.

Hypothesis Three

Regression Analysis of Information Technology Competency and Knowledge Codification and Storage

Table 4. Regression analysis of Rewards management and affective commiment

Model	R	R Square	Adjusted R Square	F (ANOVA)	Sig
1	.982a	.964	.964	5325.613	0.000

a. Predictors: (Constant), Financial Rewards

Information technology competence accounted for 96.4% of the variance in knowledge codification and storage among the respondents from public universities in Rivers State (R square = 0.964) as shown in the model summary of the regression analysis in Table 4. The other 3.6 % of the variance in knowledge codification and storage was explained by factors that are not in the study.

Based on the analysis results of information technology effects on knowledge management dimensions (knowledge generation, knowledge transfer and knowledge codification and storage), it is found that there are significant and positive effects, then the research hypotheses stating that information technology competency does not significantly influence knowledge generation, knowledge transfer and knowledge codification and storage have adequate evidence to be rejected, and the alternate hypothesis that that information technology competency does not significantly influence knowledge generation, knowledge transfer and knowledge codification and storage be accepted. This finding indicates that increased information technology competency for a university can describe the increased knowledge generation, , knowledge transfer and knowledge codification and storage in the public universities in Rivers State. Based on the empirical study, then, the increased information technology competency supports the increased knowledge generation, knowledge transfer and knowledge codification and storage. Positive relation between information technology competency and knowledge generation, knowledge transfer and knowledge codification and storage means that higher information technology competency will lead to better knowledge generation, knowledge transfer and knowledge codification and storage and universities will be rated higher. Therefore, higher positive managers of universities perception to invest in information technology systems will support the chance of the universities growth in knowledge generation, knowledge transfer and knowledge codification and storage, which will subsequently lead to stakeholders' satisfaction. These research results support the findings of Ming-Lang *et al.* (2011) stating that advanced IT is the cause criteria leading to marketing performance and customer satisfaction. By higher information technology competency, it will attract patronage so that the value of the university will also increase, by the increased rating, then the universities worth will increase. There will be increased shareholder value when the increased universities worth can be seen through high ratings by stakeholders. This high ratings on of the universities depends on the information technology competency which stimulated meritorious knowledge generation, knowledge transfer and knowledge codification and storage, resulting to enhanced teaching staff job satisfaction. This in line with Attar and Sweiss (2010) whose results portray that additional investment in technology would relatively increase employee job satisfaction concerning inherent and general perceptions.

CONCLUSION AND RECOMMENDATION

This study investigated the effect of information technology competency on knowledge management. The results of regression analysis showed that information technology competency had significant positive effect on knowledge transfer and knowledge codification and storage. This means that, the success of knowledge generation, knowledge transfer and knowledge codification and storage in public universities was as a result of their implementation of satisfactory information technology know-how, such as computers, ancillary equipment, software and procedures, which expedites communication, transmission and speed. The findings from this study has shown that information technology competency contributes significantly to teaching staff of public universities desire to remain productive in their jobs depending on how they have access to information technology tools. The study therefore, concludes that, information technology competency significantly influence knowledge management in public universities in Rivers State, and recommends that university management should sensitize their teaching staff on the information technology standard being applied in their relevant institutions and channel them all the way through their profession conduit to attract an efficacious knowledge management process.

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ACCOUNTING FOR CONTRACT REVENUE WITH CUSTOMERS: A STRATEGIC ANALYSIS AND PROSPECTS FOR INDUSTRIAL ADVANTAGE

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ABSTRACT

Business organizations exist to make profits. Profits cannot be made without such organizations earning revenue in the first instance. Just like profits are planned, earning revenue must also be properly planned and the accounted for. Realizing the importance of revenue accounting in terms of earning, recognizing and measuring earned revenue, various accounting standards relating thereby have been issued by the relevant authorities. However, observed deficiencies have led to recent reviews leading to the issue of IFRS 15. IFRS 15 is particularly important when accounting for revenue from complex projects vis-à-vis investors' concerns. Independent Power Projects which meet the definition of "complex projects" are relatively new in Nigeria and as such, there had been this feeling that previous standards on revenue accounting were not robust enough to accommodate such complexities. This paper discussed revenue accounting regarding independent power projects under the purview of IFRS 15. In achieving this, secondary sources of data gleaned from journal articles, text books, companies' Financial Statements and the internet were used. The discussion of revenue recognition and measurement were related to consideration variables embedded in contracts that produce such projects. The strategy adopted which was centered on the contract transaction price theory, we believed, would enhance the understanding of practitioners, researchers and even investors. Major findings were that most contracts under-reported revenue as a result of poor recognition and measurement. It was also noted that the structuring of contracts determined what should be considered as variables for purpose of revenue recognition and measurement. On the strength of these findings, the study recommended that at the point of contract negotiation and structuring, knowledgeable professionals should be involved so that every important variable for consideration would be captured rightly.

Keywords: Contract obligations, contract price theory, independent power project, revenue, revenue recognition.

INTRODUCTION

The issue of revenue is very central to every profit-making venture irrespective of the industry. Every business is expected to earn revenue in a reasonable volume for its continuous existence to be guaranteed. The more the revenue, the likely larger the Net Operating Profit percentage, an indication that the entity's management may have efficiently utilized the resources put in its care. It is also implicated that larger Revenue means larger share of the firm's market in its industry.

Generally, revenue could be defined as the gross inflow of economic benefits arising in the ordinary course of activities and resulting in increase in Equity but specifically not including what equity participants may have contributed during a financial year (Nweze, 2015). It is further implicated here that this definition has thrown up a revenue concept that excludes amounts collected on behalf of third parties. Companies that handle Independent Power contracts for their customers also operate on the principle and the intention of continuity. Almost all Independent Power Projects are Turnkeys which usually span more than one accounting period. Operation is, then expected to be broken down into day and night so that both revenue and cost could be accounted for on matching and accrual bases. Accruals accounting is anchored on the matching of costs with revenue they generate. It is essentially necessary under this concept that in attempting to account for revenue, there should be a point stated in clear terms at which revenue may be recognized in order to correctly treat related costs incurred in earning such revenue. Independent Power Projects usually include various stages: design, procurement of component parts and accessories, base civil and other engineering works, installations and commissioning. Each stage could be structured as a milestone for purposes of revenue recognition. When a milestone is not completed, the cost of work done so far thereon could be carried as an asset in the Statement of Financial Position until such milestone is completed, they should then be written off as a charge to the trading account. Which of this treatment should be applied cannot be decided until it is clear at what moment the milestone could be ready to earn revenue at what point it could be said that sale has taken place. Decisions like this may have a direct effect on profit especially that under the concept of prudence, it would be unacceptable to recognize profit on sale except at the point sale had taken place in accordance with the parameter for revenue recognition. Revenue is mostly recognized as earned at the point of sale because at that point, the necessary criteria must have been met.

Many Analysts have argued that International Accounting Standard No. 18 which dealt with revenue is too vague especially that it did not accord recognition to the obvious fact that revenue yielding activities are varied and will, as such, require specified treatments accordingly. They contended that a standard that advocated a blanket treatment to all revenues may not serve the best interest of investors, especially when the issue is about Independent Power project which is relatively new in Nigeria. It is therefore very comforting to them and a welcome development that a new standard in the appellation scope of International Financial reporting Standard No. 15 was issued.

In this paper, methods of accounting for Revenue from contracts with customers for Independent Power Projects under the new standard from investors' perspective, was being examined. In doing so, the reasons given by the International Accounting Standards Board for issuing the new standard were also examined vis-à-vis the overall thinking of users of Financial Information, especially Investors.

Concept of Revenue

The definition of revenue accommodates revenue, income, gains, profit and interest. The basics are that revenue must represent gross inflow of economic benefits which at the end of the day, leads to increase in equity without contributions from equity participants. The term 'gross inflows' implies that such inflow does not take into account, at this stage, related costs incurred in earning the inflows. These inflows must also arise from the ordinary activities of the entity during the period but certainly not amount collected on the behalf of third parties. It is safe to say that when an entity collects revenue from taxes such as withholding tax which are collectable at source on behalf of government, the collecting entity cannot consider such as revenue. The entity is rather seen as an unpaid Agent for this purpose. The revenue to be considered must have also arisen during defined periods. This streams from the concepts of periodicity, accruals and matching. The period within which the revenue is earned must be determined in order to facilitate its being matched with related costs in an appropriate manner so as to determine profit, gains or loss, whichever is the case. Doing this is not without challenges. The basic challenge is therefore how to efficiently determine the spread of such revenue over certain periods, especially if the ordinary revenue producing activity is not such that could be concluded within a single accounting period as in the case of most Independent Power Projects. The inflow is expected to lead to increase in equity without contributions by equity participants. In ordinary accounting practice according to Darrel (2011), gross inflows representing revenue are not added to equity directly. Equity is increased usually by the 'Net Revenue' in the form of profit or gains. Retained profit as a proxy, best describes this line of thought. In this respect, the word “gross” appears to be misleading. While gross inflow does not increase shareholders' wealth, net inflow does. Shareholders' wealth may be increased through increased share prices or increased dividend payment. It should be borne in mind that dividend is usually declared and paid out of net revenue that is not retained for organic expansion. In a study carried out by Nweze (2015), deliberate effort was made to find out if there was any connection between gross inflow and increase in equity. The most obvious link was discovered to be that increased gross inflow might lead to a reasonable increase in the size of net profit, hence, better dividends. This may however, not always count as there could be large gross revenue without a significantly proportional net revenue. The concept of increased equity as a consequence of large gross inflow seems to have left both analysts and investors in doubt.

Revenue in the context of the conceptual framework of the International Accounting Standards Boards (IASB, 2011) is one of the elements of financial statements. Recognizing it is contingent on a number of conditions but it must first of all qualify to be defined as revenue with a background that its numbers can be measured reliably. Measuring it reliably also implies that related costs can also be so measured. Consideration received for sale should therefore be deferred as a liability until revenue recognition can take place. When transaction are in semblance of a typical trade by barter in that goods and services are exchanged for other goods and services, agitations may arise as to whether the goods or services exchanged are similar or not. If the goods or services in exchange are similar, then, no revenue must be recognized (Ama, 2017). The reason is that goods or services exchanged serve as the cost of goods or services received in return. The value of goods or services received represents inflow of value. In the spirit of “substance over form”, this kind of transaction may require that the worth of the goods or services received be considered as part of gross inflow.

Revenue recognition from the sale of goods takes place when significant risks and rewards of ownership of the goods are transferred to the buyer, the entity retains neither continuing managerial involvement of ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits of the transaction will flow to the entity and the costs of the transaction can be measured reliably (Femi, 2017). If the revenue generating activity is a service, then, revenue is recognized when the outcome of the transaction can be reliably estimated such that revenue can be recognized according to the stage of completion at the reporting date. In case there is no possibility of reliably estimating the outcome of the transaction, contract costs termed recoverable will be used to determine the extent of revenue recognition. Sometimes, the costs of the contract from start to finish are reasonably estimated and segmented according to the various stages or milestones but at other times, the contractor may not be able to reasonably estimate the costs as such. This is where Independent

Power Projects pose a particular challenge. In the first instance, cost could be used as a basis for revenue recognition split in milestones. In the second case, it would be difficult to use cost as recognition base. Particularly, if the contract for Independent Power Project is cost plus, then, some costs that were not anticipated may crop up.

Looking at the opinion flowing from risk and reward concept, revenue recognition in Independent Power projects may not serve the best interest of investors. This concept also holds that when ownership is transferred and the contractor is not any more involved in the continuous management of the project, then, risk would have been transferred and revenue could be recognized. For Independent Power Projects, commissioning does not necessarily terminate the contracts. The contractors most of times, have the expertise and so may be involved in the maintenance on a continuous basis. This may not be seen as a different project but as an integral part of the entire project. Costs would be incurred on a flowing basis as such. Revenue recognition may therefore be based on the total incurred costs evaluated as transaction price on the basis of time value of money. This is a modified fair value measurement.

REVIEW OF RELATED LITERATURE

Accounting for revenue from contracts refers to the recognition, measurement and reporting of gross inflows emanating from jobs or projects undertaken by an entity (contractor) for another entity (customer) for monetary considerations. Such contracts usually span over more than one accounting periods and will therefore demand that, under the new standard, bundling or unbundling of obligations, deferral of costs, timing of revenue recognition for up-front fees, measurement and timing of recognition for variable consideration be determined from the word go. According to Ama (2017), these requirements offer a more comprehensive model of accounting for revenue arising from contracts with customers. These requirements which are built around a five-step model are more detailed and prescriptive than the earlier guidance. It is obviously a hybridization of principles-based and rule-based approaches especially that it is a product of a joint efforts of both International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB). Complex projects such as Independent Power projects which have had most of their complexities not accounted for under previous guidance, would be best served under this comprehensive model. According to Deloitte (2017), whereas previous IFRSs allowed significant room for judgment in devising and applying revenue recognition policies and practices, the guidance on accounting for revenue from contracts with customers is more prescriptive in many areas relevant to the industries that embark on serious projects. Independent Power projects meet the definition of “serious projects” and will therefore benefit massively from timing of revenue and recognition of profit. This is not merely a financial reporting issue. It is implicated that a greater marketability of such projects has to be prepared, financial analysts need to be left in no doubt about the intricacies of such project complexities and for entities that undertake such projects to accord emanating changes wider but timely considerations. According to Deloitte (2017), changes in this regard include those that affect key performance indicators and other metrics, those that affect the profile of tax cash payments, those that relate to the availability of profits for distribution and those that concern compensation and bonus plans. The impact this will exert on the timing of project completion targets being achieved and the probability of target being met as well as potential non-compliance to project loan covenants are, as a matter of necessity, to be extensively reviewed.

Since the model adopted in this regard is a comprehensive one, accounting for Independent Power Project revenue will include extensive disclosure which has the likelihood of orchestrating serious modifications to existing accounting processes. Nkwaegbu (2017) argued that entities would need to modify existing systems to accommodate these changes or outrightly abandon their old systems, if such systems have no flexibilities for adjustments, and develop new system solutions in an Information Technology dominated accounting world. In determining the extent to which modifications are needed, entities with Independent Power projects file will cogitate the need for robust flexibility to cope with these changes. Independent Power projects are high tech in both design and construction with huge capital outlays in most cases. Entities will therefore wish to undertake portable ones that may sometime not be necessarily categorized under popular contract terms of cost plus or lump sum. Portable products of Independent Power Projects are sometime built within the premises of the customer, financed solely by the contractor only to be handed over to the customer on completion. Revenue consideration here is anchored on a "pay as you go" agreement. The customer only pays for what metered to have been consumed. This development echoes the need for efficient flexibility to cope with even future changes in pricing and variety of product offerings made to customers.

Using this comprehensive model by entities offering a variety of Independent Power Projects to customers, Ogwuru (2017) contended that certain issues are likely to be of particular relevance. This relevance is however, affected by negotiated considerations between the entity and the customer. Notwithstanding, it behooves on the entity, according to Ogwuru (2017), to unbundle multiple performance obligations within a single contract even when there is the existence of combined related contracts for revenue recognition purposes. In this respect, it seems to imply that in the combined contracts, there exists a provision of series of distinct goods and services that are substantially the same. The entity will therefore, pick each project as a stand-alone and carefully assess the impact of variable considerations, assess whether there is a significant financing components within it, allocate the transaction price to performance obligations, consider the likelihood of customer options to purchase additional goods or service, assess whether to recognize revenue over time or at a point in time, measure progress towards completion of a performance obligation and capitalize costs of obtaining or fulfilling the contract for that project. Ogwuru (2017) argued that for complex projects, customers' option to purchase additional goods or services may include request to the entity to handle maintenance services for the project, increase the capacity of the already completed or almost completed project or carry out certain modifications so fundamental that may require redesigning the entire project.

The foundational principle on which the new model is built is that an entity is required to recognize revenue in such a manner that depicts the pattern of transfer of goods and services to customers. According to Deloitte (2017), the amount recognized should reflect the amount to which the entity expects to be entitled in exchange for those good and services. In doing this, the entity has to identify the contract with a customer first of all, identify performance obligations in the contract, determine the transaction price, allocate the transaction price to separate performance obligations and recognize revenue as the entity satisfies a performance obligation. For many entities according to Zakari (2016), identifying the contract with a customer will relatively be a straightforward thing to do. The key point is to determine when a contract comes into existence. According to Thom-Otuya (2011), a contract can be written, verbal or implied. According to Ola, C.S. (1997), contracts must contain evidence of "offer and acceptance" whether it is written, verbal or implied. Acceptance should be conveyed in an understandable approval in which the rights and obligations of each party to the contract are separately identified. In the views of Zakari (2016), an undertaking qualifies as contract with a customer if the contract has been approved by the parties. The entity can identify each party's rights regarding the goods or services to be delivered, the entity can identify the payment terms for the goods or services to be delivered, the contract has commercial substance and it is probable that the entity will collect the consideration to which it is entitled in exchange for the delivery of the goods or services. Entities

will additionally need to consider whether the contracts for such projects should be combined for accounting purposes and then, look at how to account for any alterations that crop up. On a general basis, contracts are meant to be accounted for separately. According to Nweze (2015), it is so important that each contract be considered separately for purposes of accounting especially that a separate cost ledger would be maintained for each in a series. This makes the determination of what each contract has contributed to the overall performance of the entity easy. Nweze (2015) further advanced his view by asserting that in a business world where performance measurement is the language especially when it comes to evaluating departmental, branch or divisional performances, the fairing of each contract should be independently evaluated on its merits. Where modifications are requested, the incremental costs of such modifications should be matched with incremental revenue. This position notwithstanding however, the view of International Financial Reporting Standard (IFRS) number 15 is that contracts should be combined:

> *"If they are negotiated as a package with a single commercial objective especially if the amount of consideration to be paid in one contract depends on the goods or services to be delivered in another contract or the goods or services promised in the contracts are considered to be a single performance obligation".*

This is one area where investors tend to appreciate the new IFRS 15 as respects investments in Independent Power Projects in relation to the previous standards. Before the completion of the project of IFRS and even until the time of its issuance by IASB, there were no requirements by any standards on revenue, especially IAS 18that dictated when an entity should combine contracts for revenue recognition purposes. Although IAS 11 included requirements as to when multiple construction contracts should be combined and treated as a single contract. These provisions are, as at today, superseded by the requirements of IFRS 15 which include specific guidance that requires contract combination if one or more of the criteria for this purpose are met. In the view of Femi (2017), the requirements of the new standard have placed a demand on entities engaged in contracts for complex projects such as Independent Power Projects to put in place specific procedures to evaluate whether multiple contracts have been entered into with same customer around the same time in a manner that overtly or covertly reveals independence showing or suggesting the thinking that each contract is a unit of account or profit center. In doing this, Femi (2017) suggested that entities will need to put in place controls to guarantee that an evaluation is carried out to determine, on judgment basis, whether contract combination criteria according to IFRS 15, are met. The final conviction that the yardsticks are met could, in an important manner, affect the timing of revenue to be ultimately recognized. If the customers are not related, such contracts cannot be combined (Femi, 2017). In similar direction, contracts on which the entity already has a hand on would not be combined with contracts which do not yet give rise to enforcement rights and obligations as this may define contracts that are still being anticipated for the future.

In the construction and installation of independent power projects, contracts that give rise to such projects should be analyzed in such a way that deliverables would be identified on hand. This is another feature of the new IFRS 15 which equally tends to boost investor confidence. The process of identifying deliverables which is called "unbundling" is a key judgment in recognizing revenue. Performance obligations need to be decided at inception of the contract. According to Abdulahi (2016), if distinct goods or services cannot be identified, entities are permitted to combine goods or services until they identify a bundle of goods or services that is separated by a visible sign. An entity would be required then, to determine which of its promised goods or services should be accounted for as performance obligations by determining which promised goods or services are distinct. Goods or services in the perspective of this standard wear a distinct look if it is proven that the customer can benefit from it on a stand-alone basis or in combination with other resources available to the customer. It is when this is conveniently done that revenue related to it could be determined also. According to Zakarina (2012), mere recognition of revenue refers to accepting that that revenue should be incorporated as part of the Financial Statements. However, this in itself does not present the revenue as being fairly reported until proper measurement is done. In measuring revenue accruing from Independent Power Projects contracts, the entity will be required, by the implication of the new standard, to assess those things that impact the amount of revenue to be recognized.

Relating to how to measure the total revenue arising under a contract, International Financial Reporting Standard no. 15 (IFRS 15) typically advocates that revenue should be measured on the bases of the amount to which an entity expects to be entitled instead of the amounts that it expects to collect ultimately. This suggests that revenue should be adjusted for discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties and allied items. Such things as expectations for bad debts are not revenue adjustable items in this circumstance (IFRS 15). The standard however gives an exception to this rule. Transactions that include significant financing components are treated differently as revenue from them should be recognized based on the fair value of the amount receivable, which will reflect the customer's credit risk as it is incorporated into the discount rate applied. In measuring the consideration to which the entity expects to be entitled, both fixed and variable considerations should be taken into account reviewed over the past business practices of the entity. Published policies or specific statements that create a valid expectation in the customer that the entity will only enforce payment of a portion of the stated contract price should also be considered (Nkwaegbu, 2017).

For Independent Power Projects, most of the times, the customer furnishes initial consideration by making payments in advance. In this circumstance, Femi (2017) advocates the use of “time value of money”. If an entity determines that the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer, then, the consideration should be adjusted for the time value of money (Femi, 2017). This may lead to interest expense being recognized at the point of transfer of control and interest income is recognized if payments were made in arrears.

Contract Transaction Price Theory

The contract transaction price theory (CTPT) is developed based on the argument that revenue recognition from contracts with customers is evaluated on the dictates of the price. Such prices are impacted by certain considerations some of which are variable, fixed and the others non-cash in nature. It is arguably evident that most contracts for Independent power projects can be of a long term nature and will often include such variables. In this case, the timing of cash flows from customers may not correspond with the timing of recognition of revenue. This could arise where there are phrases in the contracts that result in holdback provisions, milestone payments, incentive fees and advance payment. This implies that carefulness must be employed in determining the transaction price so that everything that impacts it would have been considered.

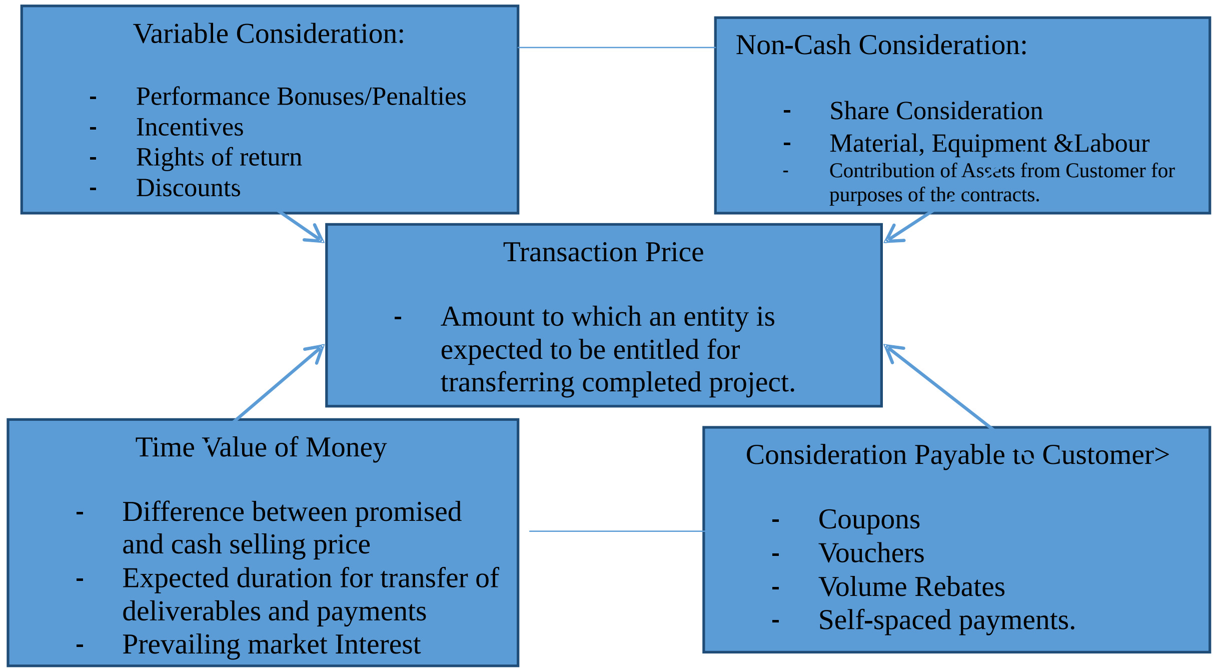

Fig. 1: Conceptual Application of the Contract Transaction Price Theory to Independent Power Projects.
Source: Desk Research 2021.

After determining the transaction price, steps would be taken on how that transaction price is allocated among the various performance obligations that define the contract. If there are multiple performance obligations so identified with single contracts, it will be a prudent revenue accounting approach to allocate the transaction price to each separate performance obligation on the basis of “relative stand-alone” concept. But it must be established that the stand-alone selling price is directly observable, otherwise, the entity should estimate it using adjusted market assessment approach, an expected cost-plus margin or residual approach especially if necessary conditions are met. According to Arumeme (2010), Independent Power Projects are not independent until they are able to generate power and such power efficiently evacuated to desired destination through transmission line network. For this reason, the discussion about whether contracts that produce them would be negotiated from the stand-alone perspective or combination perspective would be of tremendous effect especially at the inception. Most power projects such as Turbines use gas for powering. Again, when kilowatts are produced, there must be complementary facilities to evacuate them unto a network of transmission lines. It is only logical that at inception, considerations should be given to these items to form part of the installation and completion. If the selling price in terms of stand-alone is greater than the promised consideration, the customer is assumed to have enjoyed a discount. Sometime, such discounts could only qualify to have been enjoyed on some of the performance obligations. This, in the view of the standard, should be so allocated. However, if this is not the case, then, the discount should be allocated proportionately to all the performance obligations identified in the contract.

Contribution to Knowledge

This study contributes to the existing knowledge by reviewing the provisions of IFRS 15 against those of IAS 18 on revenue and then, drawing out those areas in the new standard that have attracted the preference of investors over and above the earlier standards. Because the study expresses the views of different academic scholars and also expanded them in view of current realities, it will surely serve as a source of academic literature and industry practice. There exists very scanty literature on Independent Power projects especially in Nigeria as this industry is a recent experience relatively speaking. Because the study extensively domesticated the provisions of the new standard to contracts that give birth to independent power projects, firms whose business it is to handle such projects would find this material very helpful when accounting for revenue from such projects. It will also help Accountants working in the power sector to gain better understanding of accounting for revenues from such projects. Because the study clearly explains issues of cashflow timing, project accountants and facility lenders will stand a better chance to appropriately time expected inflows to enable near accurate facility repayment plans and as such, leads to overcoming the usual challenge of wrong timing which in a number of cases, has led to rendering facilities obtained for such contracts un-performing. Finally, the study may serve as guidance for further research to be carried out on the subject matter area that the study did not address.

CONCLUSION

This article reviews the existing literature on accounting for revenue from contracts with customers as concerns Independent Power Projects in Nigeria. The adoption of IFRS no. 15 is hailed especially by investors and its wider acceptability is expected to increase over time. Under this standard, a very comprehensive model is brought to bear. Unlike the previous standards, this standard sets out a lot of parameters for recognizing revenue in such a practical way that leaves virtually no loopholes. Time value of money is an important consideration introduced here. Independent power projects which are relatively new in Nigeria are usually very complex. Some may be segmented into milestones for purposes of revenue recognition, taken into consideration transaction price and other obligations, while others may be turnkeys handed over to the customer on a pay-as-you use basis. Revenue recognition process must consider therefore, what constitutes obligation and at what point in time such obligation could be said to have been performed so as to guarantee revenue being earned. Revenue recognition strategies which should be defined from the inception of the projects should put into consideration performance implication of projects that are either stand-alone or those that must be used in combination with other assets. Where the customer would need to make available some other assets to facilitate a successful execution of contracts for IPP projects, provisions for such considered assets must be made and this eventually will affect revenue recognition pattern too. Conclusively, we can say that because these current guidelines are comprehensive in nature, revenue recognition seems to be more detailed to the delight of investors.

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TAX ENFORCEMENT MEASURES AND TAX REVENUE GENERATION IN RIVERS STATE: REALITIES OF THE NEW NORMAL

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ABSTRACT

This Survey is on Tax Enforcement Measures and Tax Revenue Generation in Rivers State. This study focuses on the best ways to carry out Enforcement Measures in the new normal, and the extent this could enhance revenue generation in Rivers State. The quest for ways to increase public revenue prompted this study. The objectives of the study is to determine the extent to which search and seizure(S&S) and litigation affects personal income tax (PIT). The study examined the relationship between tax enforcement measures and tax revenue generation in Rivers State; the pilot study consisted of two hundred and thirty six (236) staff of Rivers State Internal Revenue Services, with adequate knowledge of the variables under study, data for the study were collected from respondents using, personal and questionnaire instruments found to be reliable with Cronbach's Alpha. Data were analyzed using descriptive and Pearson correlation coefficient statistical tools with the aid of statistical package for social sciences (SPSS 23 window). Our findings reveals: Search and Seizure(S&S), litigation has relationship with Personal Income Tax. The study recommends that litigation support should be adopted by Rivers State Internal Service as it will enhance the payment of tax by the tax payers. The penalty for tax should be made stiffer to serve as deterrent to tax defaulters; also Search and Seizure (S&S) should be followed with strict adherence to COVID 19 protocol to the later when a crime is suspected.

Key words: Enforcement measures, Personal income tax, Revenue Generation, Tax

INTRODUCTION

Nigeria as a country is endowed with both material and human resources, and aside from revenue from the oil sector, taxation is another significant source of revenue for the country, especially when considering the tax system and administration in place in Nigeria despite the pandemic's challenges. As is the case in other parts of the world, the government has the legislative authority to impose any type of tax on its citizens at any rate it deems appropriate. Governments in developed and developing countries alike rely heavily on tax revenue to fund infrastructure and developmental projects. Thus, taxation can be viewed as a tool for financing large-scale public projects. Nigeria today requires an effective and efficient tax system to generate sufficient revenue to finance economic growth and development. Numerous authors have defined the term "tax." According to one of these definitions, tax is "a mandatory payment levied on citizens by the government for the purpose of achieving its objectives." Due to its mandatory nature, citizens are expected to pay taxes. The citizenry, on the other hand, may do so voluntarily

or under duress, depending on how taxpayers view the tax system and administration in general. These levies are levied on personal income, which includes wages, business profits, interest, dividends, discount, and royalties. Additionally, it is assessed against corporate profits, petroleum profits, and capital gains.

Tax, according to the Oxford Advanced Learner's Dictionary, is "money that must be paid to the government in order for it to provide public services." Tax is defined in the Black Law Dictionary as "a monetary charge imposed by the government on individuals, entities, or property in order to generate revenue." Taxes, as defined by Thomas Cooley, are "enforced proportional contributions from individuals and property levied by the State in exercise of its sovereignty for the support of government and all public needs." Taxation is defined in the National Tax Policy as "a financial charge or levy imposed on an individual or legal entity of the State; it is a financial burden imposed on individuals or property to fund government expenditure." It continues, "tax is not a voluntary payment or donation, but a mandatory contribution enacted by legislative authority."

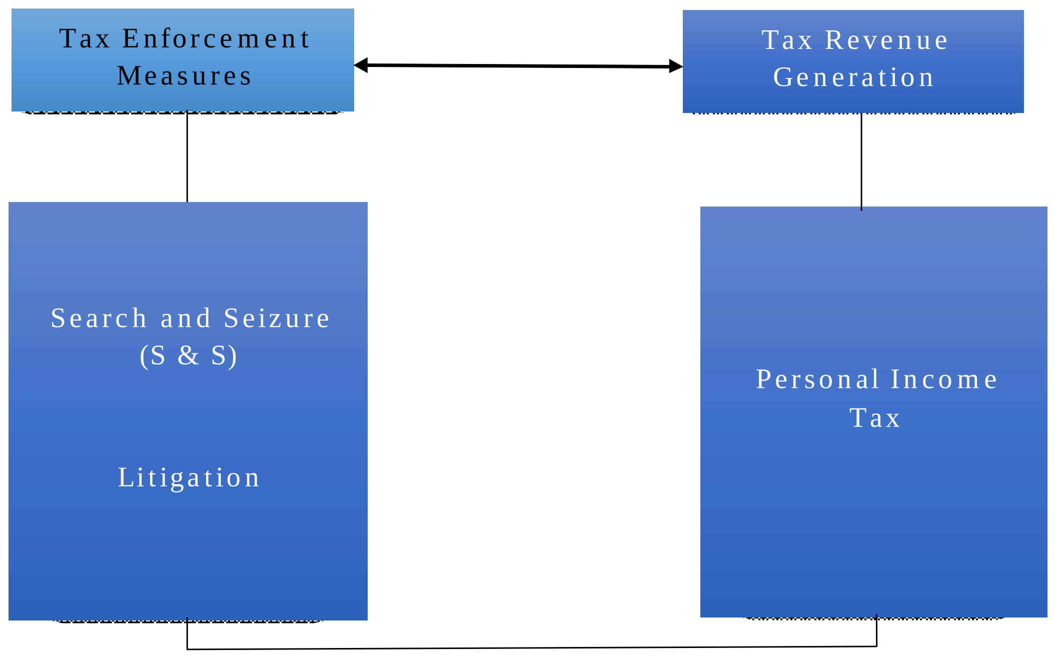
The Nigerian tax administration system and its neglect of the informal sector should raise concerns about the country's tax administration. Due to the informal sector's failure to bring the categories of people who fall into this tax bracket into the tax net, thereby reducing the amount of revenue due to the government, this has contributed to a heavy strain on the formal sector of the economy. There are instances in which the Relevant Tax Authority (RTA) colludes with those in the informal and formal sectors to evade and avoid tax. Thousands and millions of Naira are lost each year as a result of ineffective tax legislation and collection mechanisms; thus, the purpose of this paper is to implement measures to mitigate revenue loss and generate sufficient revenue.

The purpose of this study is to demonstrate how Tax Enforcement Measures affect Tax Revenue Generation in Rivers State, using Search and Seizure and Litigation as proxies for Tax Enforcement Measure and Personal Income Tax as proxy for Revenue Generation. Therefore, this paper is interested in determining the extent to which Search and Seizure has a significant impact on Personal Income Tax, as well as the extent to which litigation has a significant impact on Personal Income Tax.

Conceptual Framework

Using applicable framework results in fair presentation of the variables in a study (Perez 2014). The independent (Tax Enforcement Measures) variable here are search and seizure, litigation, while for Tax Revenue Generation is Personal Income Tax.

Conceptual Framework of Tax Enforcement Measures and Tax Revenue Generation



Source: Conceptualized from Desk Research

Hypotheses of the Study

Consequently, the following Null hypotheses are formulated to guide the research.

HO_1 There is no significant relationship between search and seizure and personal income tax revenue in River State.

HO_2 There is no significant relationship between Litigation and personal income tax revenue in River State.

LITERATURE REVIEW

Tax enforcement

Tax enforcement is inevitable in the Nigerian tax system and administration; this is because of the ingenuity of the tax payers in keeping what is due to the government or not paying their complete tax to the tax authority (Kiabel & Nwokah, 2009). Tax enforcement in Nigeria tax system has become one of the integral parts of the tax administration given the ingenuity of taxpayers, individual and corporate bodies in keeping aside part of what is due to the government as taxes or not remitting same at all (Tanko,2015). Tax enforcement remains a desideratum and indeed inevitable in effort to improve revenue base in Nigeria. Tax law enforcement remains unavoidable in the tax system and administration in an effort to administer all the tax laws in Nigeria because it has the effect of punishing offenders by either distrainment or prosecution and act as deterrence for other members of the public while engendering voluntary compliance to the laws (Tanko, 2015).

According to Kiabel and Nwokah (2009) states that revenue generation from internal sources is imperative and beneficial to the government than revenue generated from external sources. Hence, the necessity for state government to source for internal revenue in no small measure depends on strong administrative revenue collection machineries. It is glaring that due to persistent inability to change statutory revenue collection from federation account most states opt for reduction in social and economic spending, reduction in wastes to cut cost of governance, and enforcing compliance to enhance revenue generation. In furtherance, state government's weak bookkeeping, accounting and auditing architecture and the crowding-out effects of Federal Government of Nigeria (FBN) bonds issuances in the domestic bond market has posed stringent constraints for states to access the debts market to raise long term funds to provide social economic infrastructure for her citizens. Thus, inability of most state governments to provide admissible audited financial statements, acceptable projects feasibility report proposals, Irrevocable Standing Payment Order (ISPO), and other conditions has prevented most states from accessing the capital market to borrow long term funds to finance capital projects.

Enforcement laws involves the use of application of all those relevant laws that will help and assist the tax official in the performance of his duties, laws not necessarily relating to the taxation but are relevant to the enforcement of tax laws. The various enforcement measures under the Nigerian Tax Act include litigation, exercise of search and seizure, exercise of power to lay distress, denial of Tax Clearance Certificate, imposition of penalty and interest, authority to the Attorney-General of the federation (AGF) to deduct unremitted withholding tax from funds due to relevant agencies of government and authority to the Nigeria Customs Services (NCS) to refuse clearance to any defaulting shipping company (Arogundade, 2005). Enforcement must be convincing to tax payers to do the right thing. It is essential to note that the justification for legitimizing enforcement will be eroded if wrongly and harshly applied. Tanko (2015) stated that tax authority catches tax defaulters and cheats, increase level of compliance by enforcing relevant tax laws. While KPMG (2016) observed the aggressive tax enforcement procedures adopted by tax authorities in Nigeria, in recent times to enhance compliance to recover unpaid taxes from defaulting tax payers, enforcement compliance with tax provisions, defaulting companies has

been sealed up. Hence, enforcement is the driving force that promotes tax compliance, and the inevitability of tax enforcement engenders self-assessment that can impact positively on revenue drive of the tax authority. The veritable plan of action available for administrators capable of enhancing tax revenue is tax enforcement. Elleman and Obaro (2011) identified different types of tax enforcement procedures capable of inducing compliance as aggressive tax drive campaign by relevant complying unit to meet non-complying companies to convince their decisions to effect tax payment, the use judgment debts, sealing up of office premises and seizing movable properties of indebted taxpayers to compel him to pay the taxes due, the legitimate right to distrain the taxpayers of his goods, chattel real estate, financial instructions belonging to the indebted taxpayers for the purposes of sale to the tax amount due to government are possible enforcement procedures. Over the years, there has been a battle between the defaulting taxpayers and the relevant tax authorities in respect of enforcement of delinquent taxes. Taxpayers always seek to find ways or means to throw the burden of income taxation off their shoulders, thereby refusing to comply with the provisions of the relevant tax laws. There are set down procedures and standards that are to be followed by the tax officials that include, penalties, civil and criminal litigation, distrain of defaulting taxpayer's property, use of tax clearance certificate, etc. for effective enforcement of such delinquent taxes in the Nigeria tax laws (Musa, 2014). However, the researcher will only lay emphasis on; litigation, power to distrain and search & seizure.

Litigation

It is a personal action which is instituted to compel payment or the doing of some other thing which is purely civil. It is a proceeding in a court of competent jurisdiction by one party against another for the forceful compliance or protection of a private right or for the redress or prevention of a private wrong. The civil action maybe involving a private party suing another private party or a private party suing or being sued by the Government but the proceedings do not involve criminal proceedings. Under the Federal Inland Revenue Act civil actions are provided for under Section 34(1) and states as follows: "Without prejudice to any other provision of this Act, or any other Law listed in the first schedule to this Act, any amount due by way of Tax shall constitute a debt due to the service and maybe recovered by a civil action brought by the Service." Civil litigation presupposes that the Federal Inland Revenue Service (hereinafter referred to as FIRS) has legally engaged the defaulting Tax payer with all the statutory demand Notices, Reminders and distrain. Civil litigation is therefore undertaken as a last resort to redress a particular civil wrong perpetrated against the Service.

Search and Seizure

Though interpretation may vary, this right sometimes requires law enforcement to obtain a search warrant before engaging in any form of search and seizure. In cases where evidence is seized in a search, that evidence might be rejected by court procedures, such as with a motion to suppress the evidence under the exclusive rule. Tanko (2015), in their study, Tax Law Enforcement: Practice and Procedure, they found that search and seizure often scare a tax payer and serves as an efficient apparatus by tax authority to enforce tax on a tax Direct Assessment, also they found out that most tax seizure lead to court litigation and expenses on both side, furthermore they found out in their study that tax search and seizure are not the effective way to enforce taxes.

Tax Revenue Generation

Bhatia (2001) contends that revenue receipt includes "routine" and "earned" income. For these reasons, according to him, revenue do not include borrowing and recovery of loans from other parties, but it includes tax receipts, donations, grants, fees and fines and so on. Similarly, Pearce

(1986) defined government revenue as all the money received other than from issue of and debt, liquidation of investments. Government revenue includes tax collections, charges and miscellaneous revenues, utility and insurance trust revenue for all funds and agencies of a government. Public revenue according to Stephen and Osagie (1985) is concerned with various ways in which the government raises revenue.

Hofer and Schedal (1978), described strategy as a game plan through which aims and objectives of an organization is achieved. They also defined strategy of revenue generation as the fundamental pattern of present and planned resource department, and environmental interaction that indicate how the organization will achieve its aims and objectives. However, for effective revenue generation, Hofer and Schedal (1978) suggested the following strategies: Introduction of additional sources of revenue, Providing an incentive for extra efforts of the revenue generation staffs, Periodic training by officer of the revenue generation, Efficient and effective collection of existing taxes, Public enlightenment and campaign that will educate the tax payer on the importance of prompt payment.

Personal Income Tax (PIT)

The pay as you earn (PAYE) system is adopted in Nigeria because it is more economical and convenient to collect. Below a certain income level taxes, some allowances are usually given to the taxpayer. The history of personal income taxation in Nigeria can be said to be dated back to the age of man prior to the period of the European colonization, these are a type of personal income taxation in Nigeria dating back to the days of one's great - grand fathers whereby communities tax themselves through communal labor to execute community projects to help them. Review of literature has shown that the inter-tribal wars, which existed in the olden days, were attributed to search by stronger towns or communities to get more towns or communities under their control. The weaker towns / communities conquered become the subject of the stronger one, paying taxes to them while securing will be provided in turn.

During the era, people cheerfully paid taxes in kind by rendering services such as clearing the bush paths, digging of toilet pits, wells and go on for the benefit of the community as a whole. Failure to render such services usually resulted in seizure property reclaimable on payment of money or which represent money and even lead to ostracizing. This is still being practiced in some parts of towns or villages of this country today especially in the Igbo and Yoruba speaking areas. And this is the reason behind fund lunching in every festive period for executing the community development project common among the Igbo's and Yoruba's today. The earliest trace of any form of direct taxation was in the Northern Nigeria. The organized forms of administration by emirs, who are highly respected leaders and the spirit of Islam which made it possible for people to contribute towards charity, laid a sound foundation in Northern Nigerians. Prior to 1900, there were a number of levies or forms of personal tax on agricultural products and livestock like the "Zakka", "the Kurdin", and the "Jangali" taxes. The "Zakka" tax prescribed by Holy Korean as levied on Muslim for charitable, religious and educational purposes. This is levied on cattle and gains. KurdinKasa, an agricultural tax is levied on non-Muslims. The "ShukkSukka" is levied on farmers on plantain tax. The cattle owners were subjected to "Jangali" a cattle were subjected to "Khara" or community tax. In addition, there existed a form of death duty called "Gado" and a type of gift to the superiors termed "Gaisua", Nigerian income tax in modem form began in 1940 although there was a simplified type of tax dating back to 1927 and Northern Nigeria was one of the first sections in Africa to use direct personal taxation under the Fulani Emirs prior to the advent of the British.

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METHODOLOGY

The research design that was adopted in this study is quasi-experimental design. The reason is that the entire population cannot be studied and a survey is considered appropriate. The population of this study is the fifteen (15) branches of Rivers State Internal Revenue Service (RIRS) operating in Rivers State. A total of five hundred and seventy-six (576) staff was used as samples for the study adopting the Taro-Yamen's formula. Analysis was carried out using the Pearson Product Moment Correlation Coefficient (PPMCC) with the aid of Statistical Package for Social Sciences (SPSS) version 21.0.

ANALYSIS AND DISCUSSION

Table1 Relationship between Search and Seizure and Personal Income Tax

Correlation Result for Search and Seizure and Personal Income Tax

		SS	PIT
Search and seizure	Pearson Correlation	1	.945**
	Sig. (2-tailed)		.000
	N	70	63
PIT	Pearson Correlation	.945**	1
	Sig. (2-tailed)	.000	
	N	70	63

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

Source: SPSS 21.0

$Ho_{1:}$ There is no significant relationship between search and seizure and personal income tax($r = 0.945$, $p = 0.000 < 0.01$).

Based on the results illustrated, the previous fourth bivariate null hypothetical statement is hereby rejected as the study finds that: There is a significant relationship between search and seizure and personal income tax.

Relationship between litigation and personal income tax

Table 2 Correlation Result for litigation and personal income tax

		Litigation	PIT
Litigation	Pearson Correlation	1	.929**
	Sig. (2-tailed)		.000
	N	70	63
PIT	Pearson Correlation	.929**	1
	Sig. (2-tailed)	.000	
	N	70	63

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

Source: SPSS 21.0

$Ho_{1:}$ There is no significant relationship between litigation and personal income tax ($r = 0.929$, $p = 0.000 < 0.01$);
Based on the result illustrated, the previous bivariate null hypothetical statement is hereby rejected as the study finds that: there is a significant relationship between litigation and personal income tax.

CONCLUSION AND RECOMMENDATIONS

The researcher thus concludes as follows: Search and seizure significantly influences personal income tax even in the pandemic era; Litigation significantly influences the personal income tax. Search and Seizure is appropriate when a crime is suspected and therefore will enhance tax revenue if adopted even in line with the COVID 19 protocol, Tax penalty should be stiffer enough to serve as deterrent to would-be tax defaulters and the rate of penalty should be on a percentage basis, whereby if the tax payable is say ?200,000 (Two hundred thousand naira) a reasonable percentage should be attached to the figure of the tax payable to deter defaulters and this will also save the consistent changes in the tax rate and will stand a test a time ; also, distrain should be encouraged, Litigation support should be adopted by Rivers State Internal Service as it will enhance the payment of tax by the tax payers.

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THE EFFECT OF FINANCIAL PERFORMANCE ON LIQUIDITY OF A FIRM IN THE OIL AND GAS SECTOR IN NIGERIA

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ABSTRACT

This paper evaluates the performance of companies in the Oil and Gas sector (up-steam and mid-stream) from 2015-2019 by encouraging investors to invest in the oil and gas industry in Nigeria. The population of the study is twenty (20) oil and gas companies in Nigeria. Sample sizes of three (3) up and mid-stream companies were used. Data were collected from historical financial statement. Analysis were performed using financial ratios; Revenue Earned (RE), Net Profit Margin (NPM), Return on Capital Employed (ROCE), Return on Assets (ROA), Gearing Ratio (GR), Earnings Per Share (EPS), and Current Ratio (CR). Result indicates that company B performance is encouraging using Z-score to analyse the positions of the company the Z-score indicates that company B performance is encouraging on long-term solvency while safer to that of company A and high risk to company C. The ratios indicated at various level that Company B is doing well followed by Company A and Company C the reason is that company B operates in up-stream, mid-stream and down-stream of the industry. Finding indicates that companies in the oil and gas sectors were not performing above average due to various activities affecting the industries in Nigeria. Similarly, what could also contribute to this is oil spill, oil and gas storage facilities, theft of oil and gas product, over trading, encourage long-term solvency, to check on their labour forces and reduction of other operational cost, finally, company C to engage in up-stream, mid-stream and down-stream and not to operate on mid-stream only. In other to improve a better financial performance, organisations need to take a pro-active step as in getting an understanding with the host communities, so as to see the oil and gas pipeline and oil field as their own, step should also be taking to maintain the oil and gas pipeline facilities. Finally, government security agencies to see also the oil and gas activities as their own since it contributes 90% of the Nigeria's economy.

Keywords: Financial Performance, Liquidity, Firm, Oil and Gas, Nigeria

INTRODUCTION

Every organisation need to be appraised to know its performance through its appraisals either financial or non-financial measures, this has been raised by so many accounting and management literatures. It is an appraisals that enables an investors to make a decision as to where and when to make a choice as to investing in a particular venture, in this context we shall only discuss on the financial perspectives using various accounting ratios for assessing organisational performance, it refers to the proportionality in percentages or sometimes the rate which expresses the relationship between one item of account and another in the same financial statements, using: past, present and anticipated future event of the financial position in other to know the financial muscles of the organisation. Ratios are classified into two: ratios according to origin and ratios according to usage, ratio according to origin is grouped into income statement ratios, statement of financial position ratios and the combined ratio, in that of income statement and statement of financial position, items to be computed were collected in each of them for computation, while for that of the combined ratios items for computation are collected from both in the income statement and statement of financial position, ratio according to usage are classified into: profitability, activity, leverage and liquidity.

In evaluating organisational performance, while discussing on the impact of global economics crises on the performance of industries and companies in Poland, said: - *many financial and non-financial factors have been used to measure it, including gross profit, profitability, return on sale (ROS), return on asset (ROA), return on equity (ROE), return on investment (ROI) and revenue growth. Other factors are market share, sales growth.*

Return on Equity is one of the ratios that actually deals with the shareholders' fund, it shows how well an organization performs financially in regards to it profit after tax generated. it enables shareholders to know their wealth maximization on their investments. It indicates the higher the rate, the better it becomes and the lower the rate the reverse the case. According to Fernando and David, Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets. ROE is considered a measure of a corporation's profitability in relation to stockholders' equity. Sustainable growth rates and dividend growth rates can be estimated using ROE, assuming that the ratio is roughly in line or just above its peer group average. Although there may be some challenges, ROE can be a good starting place for developing future estimates of a stock's growth rate and the growth rate of its dividends. These two calculations are functions of each other and can be used to make an easier comparison between similar companies. To estimate a company's future growth rate, multiply the ROE by the company's retention ratio. The retention ratio is the percentage of net income that is retained or reinvested (part of retain earnings) by the company to fund future growth. It is reasonable to wonder why an average or slightly above-average ROE is good rather than an ROE that is double, triple, or even higher than the average of its peer group. Aren't stocks with a very high ROE a better value? Sometimes an extremely high ROE is a good thing if net income is extremely large compared to equity because a company's performance is so strong. However, an extremely high ROE is often due to a small equity account compared to net income, which indicates unfavourable that is riskier to an organization. Inconsistent profits: the first potential issue with a high ROE could be inconsistent profits. Imagine that a company, Warmisky & Co, has been unprofitable for several years. Each year's losses are recorded on the statement of financial position in the equity portion as a "retained loss." These losses are a negative value and reduce shareholders' equity. Assume that Warmisky & Co has had a windfall in the most recent year and has returned to profitability. The denominator in the ROE calculation is now very small after many years of losses, which makes its ROE misleadingly high. Excess debt: second issue that could cause a high ROE is excess debt. If a company has been borrowing aggressively, it can increase ROE because equity is equal to assets minus debt. The more debt a company has, the lower equity can fall. A common scenario is when a company borrows large amounts of debt to buy back its own stock. This can inflate earnings per share (EPS), but it does not affect actual performance or growth rates. Negative net income: finally, negative net income and negative shareholders' equity can create an artificially high ROE. However, if a company has a net loss or negative shareholders' equity, ROE should not be calculated. If shareholders' equity is negative, the most common issue is excessive debt or inconsistent profitability. However, there are exceptions to that rule for companies that are profitable and have been using cash flow to buy back their own shares. For many companies, this is an alternative to paying dividends, and it can eventually reduce equity (buybacks are subtracted from equity) enough to turn the calculation negative. In all cases, negative or extremely high ROE levels should be considered a warning sign worth investigating. In rare cases, a negative ROE ratio could be due to a cash flow-supported share buyback program and excellent management, but this is the less likely outcome. In any case, a company with a negative ROE cannot be evaluated against other stocks with positive ROE ratios. Return on Equity (ROE) is probably the most important number in the financial universe. Every company is driven by profit and Return on Equity (ROE) is considered to be the best indicator of the profitability of a company. Debt holders just want to get their interest and principle back i.e. they will obtain a fixed rate of return. On the other hand, equity holders get a variable return. For this reason, this number is considered more important than Return on Assets or Return On Invested Capital. Formula:

Return On Capital Invested = Profit After Tax (PAT) / Equity

Return on equity (ROE) is one of the few ratios that uses after tax profits. Meaning that Return on equity tells the shareholders how many naira of profit after tax earnings, the company generated for every naira of equity capital it had.

Similarly, Return of Asset is a type of return on investment (ROI) metric that measures the profitability of a business in relation to its total assets. This ratio indicates how well a company is performing by comparing the Net profit it's generating to the capital it's invested in assets. The higher the rate of return in percentage (%), the more productive and efficient management is in utilizing economic resources. Return on assets (ROA) is an indicator of how profitable a company is able to strive in the economy to its total assets. ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings. ROA is displayed as a percentage; the higher the ROA the better. Every organization have their ways of defining their ratios and these are one of the disadvantages which most organization faces. However, we shall define ours by using the two different formula in respect of these study.

The ROA formula is:

Return on Asset = PBIT x 100

Average Assets

PBIT = Profit Before Interest and Tax.
Average Asset = (Ending Asset-Beginning Asset) / 2
Second formula:

PBIT x 100

End of Period Assets

End of Period Assets Return on Asset =

This paper vividly departs from other existing work as it's focussed on the Oil and Gas Sector in Nigeria. However, this paper is aimed on the outpour of the Oil sector to current and potential investors in the up and mid-stream sector of the oil and gas companies by adopting financial ratios that will ideally focused on various measures of performance. The next section on this paper will be discussing on the literature review, theories, empirical review, methodology, followed by, data presentation and analysis. However, findings conclusion and recommendations were presented in the last two sections of the paper.

LITERATURE REVIEW

Financial Ratios

In appraising the performance of an organisation quantitatively, financial ratios is the most acceptable ratio by providing a yardstick in evaluating the performance of various organisation that are similar in operation or in the same line of business, it could also be used to appraise an organisational performance over periods. In accounting literatures secondary data could be collected from the organisational income statement and statement of financial position. Therefore, financial ratios show a clearer picture of an organisational performance using prepared financial statements in assessing the financial performance. Financial ratio is significant to every stakeholder: shareholders; efficiency ratios may help analyse productivity by comparing important data such as the cost of goods sold and the revenue of the company, employees, Investors and creditors; Investors and creditors will look closely at ratios which measure financial strength and profitability, managers, customers, government and competitors of the organisation.

Nigeria is the largest producers of oil and gas in Africa and one of the largest in the world due to the quality of Nigerian crude. Nigerian bonny light crude also known as Brent and Light sweet crude is the best in the world oil market due to its three (3) in one. Buying Nigerian bonny light crude is buying three different raw- products such as condescends, natural gas, and crude oil which make it the best in the Oil Petroleum Exporting Company (OPEC) market lastly in April 2018 rise up to $73.79 per barrel.

Oil drilling activity in Nigeria stated in Owerri axis with the first oil well drilled proven to discovered that oil was no in commercial quantity (not up to 10000 barrels per day or oil revenue expected to generate will not be able to cover operating expenses) it was after this, Shell-BP discovered oil in commercial quantity in 1956, other oil wells were also discovered in Afam and Bomu in Ogoni. Oil boom stated between 1960-1973 in the wake and end of the Nigerian civil war before then Nigeria rate of crude oil export to her total export was 2%, this rise to over 100% of the crude export quantity.

The contributory factor to the oil boom in Nigeria was analysed by (Sam. 2018), in his publication, said the oil boom in Nigeria was as a result of the 6- days war between the Israel and Egypt, in ability to optimise the often un-budgeted income, in 1973 the Yun-kippur war or the Arab-Israel war, the Iran –Iraqi war in 1979-1980 was not left out. It was on this note of price of oil fluctuations that the president, President Olusegun Aremu Obasanjo through the minister of Finance introduced Excess Crude Account (ECA) to manage the nation's economy during oil boom and oil declined.

According to Lioudis and Robert (2021), Oil is a commodity, and as such, it tends to see larger fluctuations in price than more stable investments, such as stocks and bonds. There are several influences on oil prices, a few of which we will outline below. Oil prices are influenced by a variety of factors, particularly the decisions about output made by producers like the Organization of Petroleum Exporting Countries (OPEC), independent petro-states like Russia, and private oil-producing firms like ExxonMobil. Like any product, the laws of supply and demand influence prices. Natural disasters that could potentially disrupt production, and political unrest in oil-producing countries all impact pricing. Production costs influence prices, along with storage capacity. Although less impactful, the direction of interest rates can also influence the price of commodities.

Similarly, Ibrahim, (2018), gave reasons on the factors that fluctuate oil price the variables that can also affect output growth in Nigeria, and these variables could have a direct or indirect effect on output growth. These variables include real government expenditure, real exchange rate, inflation rate, real money supply, and real import, it should be noted that the real money supply represents the monetary sector, while real imports represent the external sector of the economy.

Policy makers in the oil and gas sector may take a bold step to control the controllable factor that contribute to the fluctuation of oil and gas price and its production and advice government to make judicious use of the ECA and the implementation of policies against pipeline vandals at the various communities in the country, oil and gas stakeholders should see it as a point of duty in securing oil and gas pipeline and to protect it from vandals.

Theoretical Framework

Oil and gas are natural resources that are in abundance in the earth crust meaning oil wells in Nigeria will not get dried no matter the level of drilling and exploration activities that is being carried out day by day by the oil companies, to some scholars this is not true and that oil will someday dry up beneath the earth crust. The theory underpinning this statement is the Hubbert Peak Theory as the one of the primary theory which stated that petroleum production trend will take the shape of a bell, petroleum production will increase to a peak point there by start to decline until it will finally fall to zero (Hubbert, 1982).

Empirical Review

Ismail and Islam (2021), did a work on liquidity management and financial performance of listed oil and gas companies in Nigeria, and figure out the link between liquidity and profitability, as well as the impact of liquidity on profitability. Ten listed companies with a bigger market share in the oil and gas sector of the Nigerian economy were subjected to a fixed panel regression study. Secondary data was gathered for ten years, from 2011 to 2020, from their published annual reports. Profit after tax (PAT), Return on Asset (ROA), and Return on Equity (ROE) were used to determine profitability (ROE). Internal liquidity variables such as equity, debt, and sales were utilized to determine the behavior of the dependent variable, but external elements such as lending interest rate and exchange rate were employed to further explain profitability behavior. The data were analyzed using a multiple regression approach. The findings reveal that debt has a significant negative impact on companies' profitability. Similarly, equity capital, as well as retained earnings, are more beneficial to firms than the debt financing of the oil and gas sector.

Similarly, Etim et.al. (2020), did a paper to examine financial performance determinants at the Oil and Gas sector in Nigeria using listed oil and gas companies. This Investigation is premise on the assertion that the higher the financial performance indicator the better firms will perform, hence the need to confirm the assertion at the Oil and Gas sector which is the anchor of the Nigerian economy. Ex-post facto research design was adopted involving the use of data extracted from published annual account of the sampled oil and gas companies for the period 2012-2018. Data collected were analysed using descriptive and inferential statistical techniques involving correlation analysis, R-square, adjusted R2, t-statistic, Durbin-Watson (DW) statistic, F-ratio and P-value obtained through multiple regression analysis at 5% level of significance. The variables of study were Return on Assets (ROA) for financial performance, capital structure (CAS), liquidity (LQ), Size (SZ), Age (AG), Sales Revenue Growth (SRG), Profit Margin (PM) and Tangibility (TAN) as internal variables, and the inflation rate (IFR) and Growth rate of Real Gross Domestic Product (RGDP) as external variables. Result shows four (4) variables CAS (β=0.2998; P-value

<0.05); SZ (β =0.266, P-value <0.05); AG (β =0.267, P-value <0.05) and PM (β =0.758, P-value <0.05) were statistically significant in the model. R2 value of 82.7% explains the variation in ROA is caused by the internal and external variables of the study. It was recommended that the liquidity of the Oil and Gas companies should be effectively managed by the reduction of excessive current assets as well as disposing of some tangible assets without adversely affecting operations and acquisition of debt instrument such as the debenture instrument.

Sulaiman, (2012), did a paper to assesses whether restructuring improve the performance of firms by conducting an industry analysis of the oil and gas sector in Nigeria. The study is limited to a sample of pair companies listed on the Nigerian Stock Exchange (NSE) drawn from the sector. Data were collected from the NSE Fact book and Annual Statement of Accounts and Reports of the firms. Comparisons are made between the mean of 3-years pre-restructuring and 3-years post-restructuring financial ratios, while the year of restructuring is exempted. Using financial ratio analysis and paired 't' test, the study reveals that restructuring has significant effects on profitability, liquidity and solvency of the firms. Also, there is improvement in the firms' performance after the restructuring. It recommends that restructuring should not be used to keep failing business alive but to increase competitiveness and financial standing and management should also instil discipline upon itself so that the continued existence of the firm is not jeopardized.

Osamor and Adebanjo (2020), did a paper to investigates financial stability of Oil and Gas firms' in relation to their performance. Secondary data which were sourced from Annual reports of seven (7) Oil and Gas firms for twelve years (2007 – 2018) were used for the study. The model estimation showed that Return on Assets (ROA) serves as proxy for performance indicator while Fixed Asset Ratio, Proprietary Ratio, Debt Ratio and Equity Ratio serve as proxy for financial stability indicators. The study made used of descriptive statistics and panel data regression estimation technique to analyse the data. The results of the study showed that financial stability ratios have no effects on firms' performance, while financial risk ratios have effects on firm's performance in Oil and Gas firms. The study concluded that financial stability ratios (fixed assets ratio and proprietary ratio) do not influence firms' performance, while, financial risk ratios (debt and equity ratio) do influence firms' performance.

Solanke (2021), did a study on the impact of indebtedness on the performance of quoted Nigerian downstream oil and gas companies. The main objective of the study is to find out whether or not indebtedness has impact on the financial performance of the quoted Nigerian downstream oil and gas companies, using Return on asset (ROA) and Return on capital employee (ROCE) as proxies to financial performance. Secondary data of 11 listed oil and gas companies on the Nigeria Stock Exchange from 2007-2019 were used in the study. The data generated were analysed using multiple regressions to examine the relationship between the variables. Indebtedness is proxied by long term debt, short term debt and total debt, using the pooled ordinary least square, fixed effect and random effect models. After the estimation, the study found that long term debt negatively and significantly impacts on the financial performance of quoted Nigerian downstream oil and gas companies.

Bingilar and Kpolode, (2021), Carried out a work on the implication of Capital structure and financial performance of oil and gas companies listed on Nigeria exchange group. capital structure which is represented by equity to capital ratio (ECR) and debt to equity ratio (DER) and the performance which is represent by return on equity (ROE) of oil and gas sector firms listed on Nigeria exchange group, eight (8) firms were used for the study with data ranging from 2020 to

2013. The result showed that the companies experience a weak level of activities between the period of 2015 and 2014. ECR has a coefficient of -7.393806, and statistical value of 0.0405 while DER has a coefficient of -2.922808, and statistical value of 0.0247, the study also showed that Nigeria oil and gas sectors experienced a slow economic activities between 2016 and 2015 however the entities employed external sources of finance which was matched to the company's capital structure and also with the help of relevant stakeholders, the entities where revitalized financially and found that capital structure has statistical significant impact on performance.

Methodology

The study adopted a secondary data approach using published financial statements over the period 2015-2019 from the website of each of the organisations used, three (3) up-stream operators in the oil industry were used. These constitute the population of the study. These also form the sample size, the reason for the selected three (3) companies were based on the companies we can lay hands on their financial statement on net.

The performance of the companies as measured using financial ratios, the paper adopts Return On Capital Employed (ROCE), Return On Assets (ROA), Net Profit Margin (NPM), Earning Per Share (EPS), Gearing Ratio (GR) as well as Revenue Earned (RE) in assessing the financial performance of the company studied. The tools were further passed through a predicted distress of the various organisational performances and to differentiate the difference between companies with financial muscle and the non-financial muscle. (Sanobar, 2012).

The formula for the Z-score is: $Z = 1.2\,X(1) + 1.4\,X(2) + 3.3\,X(3) + 0.6\,X(4) + 1.0\,X(5)$.

Where: X(1) = working capital / total assets
X(2) = retained earnings / total assets
X(3) = earnings before interest and taxes / total assets
X(4) = market value of equity / book value of total liabilities
X(5) = sales / total assets

Nwanyanwu, (2017), analysed the Atman's multiple discriminate analysis model Z-score.

Z-score of less than 1.8 indicate high failure, between the range of 1.8 and 2.7 are signals of likelihood of being risky while z scores higher and above 2.7 indicate long term solvency situation. However, RE, which exposes the future total income at gross of the organisation, management performance in utilising resources is determined by ROA, NPM is used to evaluate the per x amount to be generated after government interest have been considered, it is the x amount to be appropriated to shareholders. EPS is the measure taken to know the earning of the equity shareholders on each or ordinary share invested, ROCE indicate on how management efficiently in utilized both equity and debt capital to earn income, finally, GR is the measure to indicate the relationship between loan note including debt capital and ordinary shares issued.

DATA PRESENTATION AND ANALYSIS

Table A, B, and C represents the financial report extract from the company's published financial statement for the various years in review, conversion was made during these periods as ? to a £ as 477.80, 477.60, 477.125, 477.09 and 477.055 in 2012-2016 respectively, while ? to a $ as 362 in 2015-2019.

Table A, Represents Financial Reports Extracts in company A
(? '000)

Year	**2019**	**2018**	**2017**	**2016**	**2015**
Revenue	27,087,915.00	32,366,172.00	44,461,847.00	55,393,489.00	61,428,464.00
Net Profit	426,198.00	2,043,551.00	3,618,993.00	6,669,718.00	7,933,869.00
Total Assets	32,424,464.00	33,700,190.00	36,210,925.00	36,546,048.00	37,243,207.00
Current Liabilities	13,381,745.00	13,256,083.00	8,053,870.00	15,124,230.00	15,170,349.00
Current Assets	8,119,733.00	7,612,310.00	13,008,336.00	14,849,903.00	14,757,696.00
Equity	25,341,079.00	25,643,048.00	29,681,469.00	27,771,409.00	28,174,868.00
Long-Term Liabilities	7,059,973.00	8,057,141.00	6,529,456.00	7,361,085.00	7,399,523.00
Retain Earning	33,446.00	-4,480,808.40	405,556.25	-89,692.92	345,928.92

source: publication on net on the company's website

Table B, Represents Financial Reports Extracts in company B
(? '000)

Year	**2019**	**2018**	**2017**	**2016**	**2015**
Revenue	290,952,520.00	208,027,688.00	240,618,693.00	238,163,180.00	217,843,731.00
Net Profit	20,353,076.00	6,495,390.00	5,558,326.00	8,120,018.00	7,098,172.00
Total Assets	136,928,160.00	83,653,555.00	95,512,428.00	79,403,587.00	76,067,065.00
Current Liabilities	113,112,861.00	63,949,939.00	7,860,987.00	63,159,760.00	61,951,375.00
Current Assets	106,770,698.00	56,126,370.00	70,333,586.00	56,123,131.00	55,736,281.00
Equity	23,570,097.00	16,242,481.00	13,929,778.00	13,240,785.00	11,301,914.00
Long-Term Liabilities	245,202.00	3,461,135.00	2,978,663.00	3,003,042.00	2,813,776.00
Retain Earning	23,400,336.00	16,072,720.00	13,760,017.00	11,301,914.00	11,132,153.00

source: publication on net on the company's website

Table C, Represents Financial Reports Extracts in company C
(? '000)

Year	**2019**	**2018**	**2017**	**2016**	**2015**
Revenue	5,337,328.00	2,958,264.00	6,544,960.00	5,181,306.00	1,493,974.00
Net Profit	5,151,633.00	2,182,860.00	5,816,254.00	5,148,002.00	1,459,946.00
Total Assets	94,705,354.00	80,716,950.00	81,125,648.00	79,013,740.00	78,142,406.00
Current Liabilities	1,465,738.00	1,616,330.00	1,033,872.00	596,214.00	367,430.00
Current Assets	1,694,884.00	7,048,502.00	7,536,840.00	5,519,414.00	4,713,964.00
Equity	247,246.00	197,652.00	195,480.00	196,204.00	196,204.00
Long-Term Liabilities	81,088.00	88,690.00	94,120.00	5,430.00	-
Retain Earning	7,633,856.00	5,808,290.00	6,770,486.00	5,134,246.00	4435948

source: publication on net on the company's website

Table 1-8, present information, on gross revenue earned by various companies. However, relevant ratios were used to evaluate the performance of various companies studied. Table 1 shows the Revenue Earned by various companies in the up-steam and mid-steam sector of the oil industry, the revenue earned by various companies were not impressive because there is no steady increase in revenue compared to the previous years in that of company A, during the year 2015 the revenue cut across the companies dropped and started picking up in 2016. In company B and C, but company A further dropped in revenue earning and could not picked up in 2016. Company B, had a steady increase in revenue earned to a better average performance.

Table 1 Revenue Earned (RE) in ? '000'000

Companies	2019	2018	2017	2016	2015	Average
A	27,087,915.00	32,366,172.00	44,461,847.00	55,393,489.00	61,428,464.00	44,147,577.40
B	290,952,520.00	208,027,688.00	240,618,693.00	238,163,180.00	217,843,731.00	239,121,162.40
C	5,337,328.00	2,958,264.00	6,544,960.00	5,181,306.00	1,493,974.00	4,303,166.40

Source: Table A, B, and C.

Net Profit Margin (NPM) performance measure is shown in Table 2 Company data were collected and the three companies were analysed, company C, documented higher when compared to that of company A to an average performance of 91.25% and 8.19% respectively it shows that company B engaged in high operating expenses and company C minimised its operation cost to the barest minimum. Table 3 shows ROCE as an ideal measure to show how shareholders wealth and outsiders investment are utilized to increase their wealth it is also known as the Return on Net Asset. In the table company B, shows a favourable average performance, it shows on how efficient use of shareholders and debt equity by management.

Return On Assets (ROA) is the profit generated from the utilisation of the total assets of an organisation, more so it shows how well is equity and other debt financing has been utilised to generate income, the higher the rate the better the financial viability. Table 4, indicated that over the period, the company's performance has no linear trend but rather an undulating trend over the years, though all the companies were not performed above 50%. However, company B have an encouraging performance as it picked up from 2015. The average performance was as 11.385%, 9.601% and 4.739% for company A, B and C respectively.

Table 2 Net Profit Margin (NPM) in percentage %

Companies	2019	2018	2017	2016	2015	Average
A	1.57	6.31	8.14	12.01	12.92	8.19
B	7.10	2.32	2.31	3.41	3.26	3.66
C	96.52	73.79	88.87	99.36	97.72	91.25

source: table A, B, and C.

Table 3 Return On Capital Employed (?)

Companies	2019	2018	2017	2016	2015	Average
A	0.017	0.080	0.121	0.240	0.282	0.148
B	0.864	0.400	0.400	0.613	0.628	0.581
C	0.055	0.028	0.073	0.066	0.019	0.048

source: table A, B, and C.

Table 4 Return On Assets (ROA) percentage (%)

Companies	2019	2018	2017	2016	2015	Average
A	1.314	6.064	9.994	18.250	21.303	11.385
B	14.864	7.765	5.819	10.226	9.331	9.601
C	5.440	2.703	7.169	6.515	1.864	4.739

source: table A, B, and C.

Table 5 Gearing Ratio (GR) in Percentage (%)

Companies	2019	2018	2017	2016	2015	Average
A	27.860	31.420	21.998	26.506	26.263	26.809
B	1.040	21.309	21.383	22.680	24.896	18.262
C	0.087	0.112	0.118	0.007	-	0.065

source: table A, B, and C.

Table 6 Earnings Per Share(EPS)

Companies	2019	2018	2017	2016	2015	Average
A	-	-	-	-	-	-
B	43.580	11.920	13.030	51.710	13.760	134.000
C	20.800	11.042	29.776	26.290	7.539	95.447

source: table A, B, and C.

Gearing Ratio (GR), refers to the foundational ratio of an organisational performance of long-term debt compared to its equity capital. The point when processing what amount of debt an organization is undertaking as contrasted with its equity, the debt to equity ratio is generally utilized. The higher the rate, the position of high powered gear. Table 5 indicated that company A. is highly geared, company B, performance is quite encouraging as in it limitation of debt capital and long term borrowings. Company C need to be highly geared in as much as possible to expand its capital base as indicated in table 5, averagely companies, performed; 0.065%, 18.262% and 26.809% for company C, B and A respectively.

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding *share* of common *stock*. *Earnings per share* serve as an indicator of a company's profitability. The higher the EPS the better it become, meaning investors of the company are earning better. Table 6 reviews for only Company B and C due to the unavailability of related data in company A, the table indicated that investors in company B are earning better than that of company C. In company B, the EPS indicated that in 2013, the organisation made the highest EPS as 51.71 and later dropped to 13.03 and 11.92 as in 2014 and 2015 respectively. Averagely, company B, indicated an average EPS of

134.

Current Ratio indicates the short term solvency of an organisation. It is the ability of organisational liquid assets to meet up its short term obligation. In computation, 1:1 is not ideal but 2:1 is ideal. However, above 3 to 5 is not actually good for a company in the oil industry because it will indicate that there is an over trading, tying down an organisational liquid asset unnecessarily except there are cogent reasons for that. Table 7, indicated that the companies A and B performance were not encouraging. However, company C, is over trading as it averages performance shown in table 7.

Table 7 Current Ratios

Companies	2019	2018	2017	2016	2015	Average
A	0.607	0.574	1.615	0.982	0.973	0.950
B	0.944	0.878	0.895	0.889	0.900	0.901
C	1.156	4.361	7.290	9.257	12.830	6.979

source: table A, B, C and D.

The distress score "Z" computed using the "Z" model developed by Atman (1993) are disclosed in Table 8

Table 8 Distress Ratio (Z-Score)

Companies	2019	2018	2017	2016	2015	Average
A	1.429	1.495	2.959	2.847	3.101	2.366
B	2.924	3.044	4.469	3.550	3.383	3.474
C	0.448	0.377	0.634	0.642	0.547	0.530

Source: table A, B, and C.

Z-score indicates that $Z > 2.99$ is safer performance, $1.81 < Z < 2.99$ is an average performance while $Z < 1.81$ is risky performance. Average "Z" scores are 2.366, 3.474 and 0.530 for company A, B, and C. Accepting the distress score specification, Company C, is facing high risk of failure while company A, indicates an average safer performance and B have potentials of long term solvency.

DISCUSSION OF FINDINGS

Results indicate that Oil and Gas companies are really in a dangerous situation such as militancy, pipeline ruptures, oil and gas theft, environmental, social and economic challenges, with the exception of company B, managed to stand tall, Revenue were derived based on the demand on their products as Nigerian crude being the richest product in the petroleum industry. Data on the ratios indicated that Company B is performing better and financial engineering is ok. However, do not perform well in the case of short term finance that is not able to meet up its short term financial obligation. Table 5 GR indicates that company A, really depend on debt capital to its equity capital were by depending on long term loan. On personal discussion with some of the employees of company C, that company C have sold most of their equipment to other companies in the industry were by trying to wound up, more especially, there is on-going staff retrenchment

periodically.

However, introduction of cost reduction strategies and the reduction of overdependence on debt capital, more so entering into MoU with the host communities should be cordial so as to encourage every community to see that they protect the oil and gas pipelines in their domain against spill, theft, sabotage etc. putting into consideration of natural disaster that may come up in the process, government security agencies were also not left out. Similarly, we interviewed some of the staff of company A and B and discovered that company B operates on Up-stream, mid-stream and down-stream, company A operates only on Up-stream while company C operates on up-stream and mid-stream. Finally, every stakeholder should give full support to the exploration and drilling activities that is taking place in their domain, more so companies should not fail to perform its corporate social responsibility.

CONCLUSION AND RECOMMENDATIONS

Oil and Gas companies in Nigeria, particularly the Up-Stream and the Mid-Stream sector of the oil industry are facing a great set back and so the profitability is not encouraging. However, the profitability performance as computed indicated that the financial ratios computed across the three Companies is not encouraging if not that of company B, due to their engagement in both up and down-stream sector of the petroleum industry, it would have been concluded that the factors affecting the low performance of the other two companies would have been the general factors affecting the up-stream and the mid-stream sector in the industry.

In other to perform better, is to understudy the company B. pattern of survival such as cost reduction strategies and the reduction of overdependence on debt capital, more so entering into MoU with the host communities should be cordial so as to encourage every community to see that they protect the oil and gas pipelines in their domain against spill, theft, sabotage etc. putting into consideration of natural disaster that may come up in the process, government security agencies were also not left out.

Companies studied are those we can get their financial statement on their official website, other companies in the up-stream, mid-stream, and down-stream could also be studied, which investors are willing to invest in the petroleum industry due to its high demand in local and international market.

Finally, Nigerian government should try as much as they could in diversifying their economy towards agriculture and other national income generating activities of the economy by encouraging large and small scale formers the opportunity to grant, price stag and provision of local and foreign market for large scale production of agricultural produce.

This study is significant as it added to the body of knowledge by enriching literature in the Nigerian oil and gas sector, in a promising economy, furthermore, it exposes the factors affecting investors in the oil and gas sector particularly, those potential investors in Nigerian oil and gas business.

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THE DELUSION OF SHAREHOLDER PRIMACY IN CORPORATE GOVERNANCE AND THE PANDEMIC EFFECT

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ABSTRACT

The corona virus pandemic took the world by a storm - no one, no country, no government was prepared for the magnitude and enormity of the problems that would emerge from the epidemic that is ongoing until this moment. The pandemic poked holes at the shareholder primacy model of corporate governance which maintains that the creation of shareholder value is the only purpose of a firm. This research is questioning the sensibility behind the shareholder primacy model, it is also questioning the agency theory of corporate governance which supports the shareholder primacy. In truth, the agency theory has some useful applications – in resolving the agency problem and its suggestion of aligning the interest of the manager and shareholder. However, its suggestion that the purpose of a firm is to create value for its shareholder is one that is misleading and untrue. As the pandemic has revealed, the shareholder alone do not and cannot run the firm efficiently, they need other critical stakeholders. This research is suggesting a broader and more inclusive approach should be taken, one that considers the important of other stakeholders. Also, the research suggests that alternative theories such as the stakeholder and resource based view could be used in redefining the purpose of the firm beyond the narrow interests of shareholder value. In doing so, the firm stands a better chance of creating long term value through ensuring other critical stakeholder's interests are protected.

INTRODUCTION

In what could never have been anticipated or imagined, coronavirus (COVID-19) spread across the globe like wildfire, and causing chaos and harm wherever it spread, seriously affecting world economies, global businesses, particularly the operations of publicly listed companies. This pandemic is not just a health problem, but it also severely affected global corporations in different ways as a result of the measures put in place to contain and mitigate the spread of the virus – those measures included social distancing policies, mobility restrictions, community lockdowns and stay-at-home orders. The colossal impact of the pandemic has been extensively documented on the labour market (Mayhew and Anand, 2020) stock market (Ashraf, 2020), business modelling (Yahaya et al., 2020), and the financial sector (Baicu et al., 2020).

Business management and economic consultants make the claim that the epidemic has impacted all businesses and industries in developed and developing countries, but they are quick to point that the impact differs, with some industries more severely affected than others. For example, although demand for specific domestic goods and services appeared to be on the increase in the first week weeks of the pandemic, other industries, such as the airline, hospitality, and

entertainment industries collapsed (Pantano et al., 2020). The enormity of the impact of the pandemic on global economy is estimated to have cost trillions of dollars, to make a bad situation worse, the pandemic trigged a global recession that the world economy is yet to recover from.
In all this, the pandemic has resulted in business scholars and academics – reawakening and age old debate on the role and responsibilities of a business? Should the role of a business be limited to making shareholders happy and earning a return for shareholders? Or is there more to businesses than making profits, are business not to have a moral responsibility to look after other stakeholders, and the society at large? The agency theory of the firm tends to make the argument that a business is responsible to one specific group of persons, the shareholders and earning a profit or maximizing shareholders value. While this may be true in part, the pandemic has sort of called to question – this age old thinking about shareholder primacy?

The likes of Friedman has argued, and eloquently so, that the sole purpose of a business is to meet the needs of its shareholders and its shareholders alone. He persuasively argued that businesses were created to return value to shareholders and this was the primary responsibility of a business. He further suggested that greed was good, and shareholders had the right to invest their money in whatever causes they desired, but he firmly believed that companies should intentionally focus their efforts on creating value for its shareholders. By doing so, shareholders would be allowed to make the decisions on their own, on how to support their own social values.

Corporate social responsibility or corporate spending on social, ethical and environmental matters, Friedman argued, was wrong, as it was spending someone else's money – in this case, it is spending shareholders money – on things that the shareholder did not give consent to purchase. As doctrine and dogma, this thinking shaped the corporate world through the 1980s and 1990s were the main focus on shareholder value was measured in financial performance and profitability. This shareholder primacy gospel also took hold of boardrooms and business schools and continued as a Wall Street mantra until 2008, when the dangers of short-termism were visibly illustrated by the financial crisis, and the consequent long term financial, economic and societal harm of shareholder primacy became too glaring and increasingly urgent to ignore. Since then, holistic acceptance of and relevance of the Friedman doctrine has been called into question, a growing consensus of economists, investors, business leaders, policymakers, lawyers and some members of the academic community have begun to embrace a different business model – a more inclusive model, a model that includes other stakeholders as part of their business model and this is key to sustainable broad based and long term prosperity.

Recently, two events, the pandemic and its disproportionate impact on various classes of people in the society and the focus on injustice and inequality arising from the unlawful and extrajudicial killing of George Floyd – have accelerated the discussion on corporate purpose and the age old debate about stakeholder governance. The result has been exciting and intense conversation about agency theoretical position on the purpose of the firm and questions about the thinking behind shareholder value. This research set out to argue that the relevance of the narrow minded thinking that suggest the sole purpose of the firm is to create shareholder value, the pandemic has shattered that thinking in ways that advocates of the shareholder value could not have imagined.

This research argues that inclusion of other critical stakeholders is crucial for corporate governance, especially corporate governance in developing country, and it's so important for sustainability and long term economic prosperity in developing countries. For too long, the traditional view of the firm and the shareholder primacy has held sway, this research hopes to contribute to the research by suggesting a more inclusive framework should be adopted. The thinking that shareholders and shareholder value matters should give way to a more pragmatic thinking – one that emphasizes that the purpose of the firm goes beyond creating shareholder value and shareholder wealth. This research is suggesting that alternative theories such as stakeholder and resource based view be sought. The research is discussed as follows, section 2 discusses agency, stakeholder and resource based view theories, section 3 discusses the implication of pandemic on shareholder primacy and section 4 is the conclusion.

Agency Theory

The agency theory of the firm was postulated by Berle and Means in 1932. At its basic, the agency theory is a business model that explains the relationship between principal (shareholder) and the agents (managers) of a firm (Fama and Jensen, 1983; Eisenhardt, 1989; Vitola et al., 2019). The shareholders of the business intentionally delegate business making decisions and authorities to the managers. As a result, the decisions that are taken by the managers can have financial implications for the shareholders, as a result of differences in priority, differences in opinion as well as interests of the managers and shareholders (Jensen and Meckling, 1976; De Villiers and Marques, 2016; Mio et al. 2020)

A core philosophy of the agency theory is that the interest of the shareholder and managers may vary as these individuals pursue their own agenda (Brennan and Solomon, 2008; Li et al., 2008). For example, the agenda of the shareholder is to increase shareholder value and earn a return on his capital, that of the manager may be to expand business capacity by building more factories. Building more factories entails spending enormous amount of shareholder capital, which entails a reduced shareholder earning in the short-run. It is this conflict of interests that has resulted in the agency problem (Berle and Means, 1932; Jensen and Meckling, 1976; Fama and Jensen, 1983).

From the onset, agency theory assumes that the interests of the shareholder and the manager vary, and as a result of this variation agency costs may arise (Jensen and Meckling, 1976; Isukul and Chizea, 2015). The agency costs can be classified into three distinct categories: monitoring, residual loss and bonding costs (Fama and Jensen, 1983). The shareholder in attempt to reduce these costs uses some tools to contain the consequences of any opportunistic behaviour by the manager. As such, the shareholder in trying to align the interest of the managers to his, implements incentive based systems to mitigate the divergence of interests.

Thus far, the advent of the Covid-19 pandemic has called into question the primacy of agency theory and the shareholder -centric model of corporate governance - where the needs of the shareholder tend to be of primary consideration to the detriment of other stakeholders of the firm. This year, several boards have been faced with a string of challenging and complex decision making. On a normal day, these decisions would have been relatively simple to make - as it would simply entail an application of a stated dividend policy following past incidence or the firm's earning for the period. However, this year made such a simple decision difficult, as the board was faced with weighing complex issues and balancing multiple issues and factors - for companies that have earned enough profits to consider it.

The post Covid-19 environment is one that is characterized by an unending set of complicated set of demands and pressures from agitated stakeholders, increased expectations corporate citizenship and societal engagement and uncertainty as well as anxiety about the future. It is these factors that have made board decisions making more complex for the shareholder-centric model of governance that has directed boards and corporate leaders for several decades. If there is anything the pandemic has done, it has made it clear that society depends on companies to

function properly to meet its basic necessities - food, clothing, shelter and communication just to mention a few. And also, it has become so obvious that companies do not exist only to maximize shareholders wealth. As such, the board of directors of companies should not limit their concerns to maximizing shareholders wealth, but should also be mindful of the broad range of factors that enables firms to create value over an extended period of time. Fortunately, corporate governance scholars having identified the flaws of this model and have taking time to develop some other theoretical models that embody a collective or team based approach, including stakeholder and resource dependency theory.

Stakeholder Theory

Stakeholder theory is managerial and it is so, because it directs and reflects how managers tend to operate rather than primarily addressing economists and management theorists. The focus of stakeholder theory is summarized in two fundamental questions (Freeman, 1994). First, and more important question is, what is the purpose of the firm? This enables managers to articulate a coherent shared sense of the value they create and what the responsibility that brings the core stakeholders together (Freeman et al., 2004). It is this collective responsibility of the firm that enables the firm to generate superior performance, determined both in terms of financial metrics and in the marketplace. Second, stakeholder theory put forward another question, what is the responsibility of management to its core stakeholders? This forces managers to articulate and communicate their intentions on how they intend to run the business – specifically, it ensures managers think carefully about the kind of relationship they intend to have or they intend to create with their core stakeholders so that they can deliver on their purpose. (Reynold et al., 2006).
The economic realities of the twenty first century underscores that point that is at the core of stakeholder theory (Isukul and Chizea, 2017). Economic value is not created by the managers alone, managers need other stakeholders' collective corporation to create economic value. Economic value is best created by voluntary exchange when people intentionally come together to improve the lot of everyone. As such, managers have a duty, a responsibility to develop relationships, motivate their stakeholders, and create a communal environment where every individual in the firm strives to give their best and in so doing it enables the firm to keep its promise and deliver value at the same time. There is no doubt that shareholders are important and also, that profits are also important and are an important feature of a firm's activity. However, the concern for profit is a byproduct of the process rather than a driver of the process of value creation.
Many corporations have successfully developed business models and run their firms with principles consistent with stakeholder theory. Firms such as Google, Lincoln Electric, and eBay (Collins, 2001) provide compelling evidence of how managers who understand the core thinking of stakeholder theory and have applied this principles to create superior business performance. Certainly, these firms value their shareholders and profits earned by the firm, but none of them makes profit the essential driver of what they do. These firms get it, they understand the crucial value of relationships with stakeholders as part an essential element of ongoing success. In running their business successfully using the stakeholder approach, these businesses have discovered convincing answers to the two important questions posted by stakeholder theory – which underscores the moral presumption of managing – which is focused mainly on purpose and human relationship (Reed, 1999).
Stakeholder theory from the onset assumes that moral values are an essential and necessary part of doing business, and rejects the thinking that ethics and economics can be separated (Freeman, 1994). The separation thesis makes a flawed assumption, that economics and ethics can be easily and neatly separated. In this context, the difficulty of doing business ethics or improving the moral aspect of business becomes a seemingly endless and futile task because business ethics is considered an oxymoron. Many advocates of a shareholder, single objective tend to distinguish

between the economic and ethical consequences of values. And as such, what emerges or the resulting theory is a narrow view of the firm that cannot possible do justice to the panoply human activity that is value creation and trade.

Resource based view theory of the firm

Over the last three decades, the resource based view has become a dominant theoretical paradigm in the business strategy and management research (Barney, 1994). In his seminal paper, Barney introduced resource based view of the firm – and the role of the manager in developing the internal resources of a firm by identifying those resources: assets, capabilities and competencies with the potential to ensuring that the firm delivers superior performance by enhancing its competitive advantage (Barney et al., 2001).

Unlike agency theory, in the resource based model, resources are given priority as they are crucial in enabling the firms attain higher competitive advantage and organizational performance. The theory has been redefined and redeveloped thorough extensive research and there is evidence to support it. Resource based theory maintains that organizations should position themselves strategically based on their resources and capabilities rather than their product and services (Barney, 1991).

The central tenets of the resource base view of the firm are path dependence and firm heterogeneity. The resource based view is a theory that seeks to explain the nature of the firm, as opposed to economic theories such as the transaction cost which seeks to explain why firms exists (Barney & Clark, 2007). Consequently, the resource based view is about how firms operate. The resource based view of a firm maintains that a firm's performance differs because of different resource endowment is a statement that cannot be falsified (Mahoney, 2001).

In the resource based view of the firm path dependence is regarded as a non-replicable knowledge, competence capabilities that exist within an organization that provides competitive advantage (Mahoney & Pandian, 1992). These resources are not replicable because path dependent processes leads to the development of capabilities that cannot be easily copied. Path dependence in resource based view of a firm is an internal feature of a successful firm. Firms heterogeneity in the resource based view can be explained as when a firm owns resources, assets and capabilities that are owned by competing firms, in such situations, or scenarios, such resources, assets and capabilities cannot provide a competitive advantage.

Implications of COVID-19 on shareholder primacy and the agency theory

Shareholder primacy is the foundational basis for the agency theory based model of governance, but if the pandemic has taught us anything, it is the importance of each stakeholder and if the company is to function effectively and succeed consistently over an extend period of time – the needs and problems of other stakeholders needs to be addressed. As the world recovers from the colossal loses caused by COVID-19, it is obvious that many business firms struggled to break even – some as a result of the disappearance of their customers, others as a result of employees forced to stay at home as a result of the social distancing measures. Still, others grappled with external shocks caused by massive supply chain disruptions, rising levels of unsustainable debts and a lack of capital to fund their business operations.

As a result of the unanticipated crisis, it has become conventional practice for management to give regular updates to the board regarding the plight and situation of various stakeholders. Thus, many senior executives and boards have intentionally declared the health and safety of customers and employees as their important priority. In a very convincing way, the pandemic has validated the rationale for interdependence in the Business Roundtable's 2019 statement on corporate purpose, in which 170 chief executive officers pledged to commit to the five stakeholder groups –customers, employees, communities, suppliers and shareholders and it also discarded the idea of shareholder primacy.

Emerging from this crisis, senior management personnel and board of directors are likely to find it difficult to say shareholder – or argue that any stakeholder group such as the shareholder has primacy over the others. As COVID-19 pandemic has instinctively taught us, circumstances and events are the primary determinants of which stakeholder's needs are given priority. In the life of a business, there are times when the public interests must come first, when the customer's interests should be given prime concern and also there are situations in which the shareholders should be given priority.

These lessons from COVID-19 imply a more active role for boards in monitoring companies' relationships with their core stakeholders. That may mean asking management to continue the COVID-born practice of periodic reporting to the board on the status of each group or, more formally, to establish goals and a reporting process that will allow the board to track the company's performance for its stakeholders more systematically over time.

Secondly, the pandemic has brought to the fore the close relationship between business and society and emphasizes the threat that stems from systemic risks that could result in large scale societal problems that advocates of shareholder model have conventionally regarded as outside the horizon of business. The COVID-19 pandemic has shown theoretically, this agency thinking is flawed and that businesses cannot isolate or disconnect themselves from societal issues and problems.

COVID-19 pandemic initially began as a public health crisis and within a short period of time it evolved to an economic and financial crisis of monumental proportions. As the virus spread across the globe, businesses were not spared. Unfortunately, some saw demand for their products and services collapse immediately, while the more fortunate ones faced an inundation of orders. In a short period of time, businesses had to innovate and invent new ways of working in a matter of weeks, if not days. Share prices in the financial markets plunged, the markets went into a frenzy as unanticipated and unprecedented levels of volatility too investors by surprise.

In the face of this predicament, government had to response to the crisis at hand they had not anticipated, and as such, there response was not even handed and in some circumstances, their response was uncoordinated and at times in effective. More worrisome was the fact that economic recovery was largely depended on containing and mitigating the public health crisis, many business firms responded to the crisis by stepping up their production to fill the gap even as they struggled to deal with their own challenges. In many board meetings during the crisis period, executive directors painstakingly reviewed management's plans for getting the company out of the crisis and also, for management effort at helping combat the virus as well as relief effort to help the most vulnerable members of the society.

It was reassuring to see many businesses rose to the occasion, by making the necessary adjustments such as the modifying their production facilities to make needed equipment, providing open-access to information to otherwise exclusive information, offering their services or facilities to health government officials or bringing their wealth of expertise, resources and capabilities to bear on the pandemic in other ways. Other unscrupulous businesses wanted to take advantage of the situation and got caught in with their pants down, by intending to take advantage of government program designed to meet the needs of the less privilege. Many board of directors and senior management personnel were forced to address the difficult questions of corporate and public responsibility at almost the same time that they were dealing with a crisis that they were not prepared for.

For more than a decade, non-governmental organizations, environmentalists have been mounting pressures on business across the globe to address the issues of systemic concerns such as environmental degradation, increasing wealth inequality, climate change, declining public health, rising corruption, weakening public institutions and increasing risks of pandemics. Thankfully, some business leaders have taken the bull by the horn and responded to the clarion call and have created innovative solutions to help address the issues. Sadly, others ignored the issues, feigned ignorance and labelled the problem social issues – and by so doing – redefining it as issues that lie outside their scope of legitimate concerns as business leaders and their shareholders.

Conclusion

It has been 51 years since Friedman's article on the New York time on the purpose of the firm is create shareholder value, the agency theory supports this thinking. In the last five decades since Friedman made this postulation – a lot has happened – and these events have caused business leaders, policymakers, economists, management science, an investors have all questioned the shareholder primacy and agency theory thinking.

While the agency theory explains crucial related issues such as agency problem and suggests meaningful ways of mitigating the agency problem by giving incentives to managers and aligning the interests of shareholders with managers. However, in regards to shareholder primacy – events such as the 2008 financial crisis and more recently the pandemic have questioned the intelligence behind that kind of thinking in the 21st century that the firm depends on several critical stakeholders to ensure that it functions efficiently.

Thus, going forward and looking beyond the havoc wrecked by the pandemic, board of directors, and senior management personnel have been given an opportunity to rebuild with conviction and clarity that comes from an articulation of the purpose of the firm. This should be anchored in a comprehensive manner on an understanding of the fundamental drivers of their business, and the ways in which those drivers shape and are reshaped by values, and the interdependence of critical stakeholders who are crucial to the long-term success of the business.

And as such, it has become important to redefine the purpose of a firm, the simplistic definition of its purpose as one that is intended to create shareholder value no longer holds, a broader definition of the corporation should be sought, one that ensures ethics is a fundamental tenet of a firms behavior. Thus, the purpose of a corporation should be to conduct ethical, lawful, profitable and sustainable business in order to ensure that it succeeds and grows its value over a considerable period of time.

It should be stated that fulfilling the concept of purpose will be difficult and would require a measure of flexibility as it will be different for corporations depending on the industry, regulatory environment, history, cultural values, norms and other factors. To effectively tackle this issue, the board committees – on stakeholder governance should focus on environmental, social and governance issues and the obligations to shareholders. If businesses around the globe could adhere to this blueprint, the inclusion of a stakeholder model of governance would be a better driver of long term value creation and economic prosperity than the shareholder primacy model.

In truth, managers and directors of businesses have a responsibility to exercise their business judgment when acting on behalf of the corporations they represent, skillfully balancing its obligations and rights and taking into consideration the opportunities and risk over the long term, in regular meetings and consultations with shareholders. Business leaders, senior management personnel and directors should not be forced to narrow their vision and act as if any one interest is more important than all the others, as such decision does have potentially damaging consequences, but should instead have leeway to make decisions that are rationale,

and balance the various interests of the critical stakeholders in a manner that will ensure sustainable long term business success of the entire corporation, and not just some exclusive members of the corporation.

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CHALLENGES FACED BY WOMEN ENTERPRENEURS IN STARTING A BUSINESS IN WEST AFRICA: NIGERIA.

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ABSTRACT

Women in West Africa are these days found in all spheres or sectors of the normally male dominated business environment. But this has not come easy by any fete whatsoever. This is a conceptual paper that seeks to find out why the hurdles women in West Africa find it so difficult to start up a business. The aim of this study is to conceptually investigate female entrepreneurs in West Africa. This paper also tried to identify the different types of challenges that entrepreneurial women in West Africa faces, like the culture, custom, religion, social profiles etc. The methodology adopted is strictly theoretical in nature and the researcher finally concluded that women being resilient in nature can and has bridged and broken every barrier confronting them to carve a niche for themselves in this male dominated world.

Keywords: Challenges, Culture, Custom, West Africa, Women Entrepreneur, Religion, Social Profile.

INTRODUCTION

The definition of United Nations Industrial Development Organization (UNIDO, 2008) is, women control most of the economic activities in Africa. Women entrepreneurs in West Africa are greatly underestimated but they contribute to African economies (Xaba, 2002; Verick 2006). And Statistics shows that women owned about one-quarter and one-third of African businesses, (IFC / GEM, World Bank 2007). And so, the significance of female entrepreneurs in the poverty bracket n the economy cannot be over exaggerated (Martins & Anelich, 2000). Therefore, there is vital prospects in confronting or mitigating poverty by way of increase in the private sector through entrepreneurship. But to achieve this, there must be proactive measures to alleviate barriers or challenges facing female entrepreneurs. Nigeria is an African country in the West African sub-region with over a 140 million population with diverse views, beliefs, religion, culture, norms, and over 250 different ethnic groups, and different customary laws. Nigeria is a country that operates an extended family system where Polygamy and large families are rampant.

Over the years, women entrepreneurs have grown in sizein Nigeria, ranging from agriculture, fashion, and technology to cosmetics, media and oil and gas. But despite these breakthrough, female entrepreneurs are faced with many hurdles. The hurdles faced by female entrepreneurs in West Africa in trying to start a business have dampened the moral of many women from venturing into business. And in a male dominated world, women have been able to carve a niche

for themselves though there still exist a wide gulf between men in business and women in business clearly showing that their still exist an imbalance in gender quality.

The aim of this paper is to conceptually ascertain the problems or hurdles women entrepreneurs in West Africa especially in Nigeria faces when starting a business and the following objectives are drawn for this purpose:

Objectives of the Study

- To determine the present status of West African women entrepreneurs.
- To ascertain the problems / challenges / hurdles of African women entrepreneurs.

LITERATURE REVIEW

Theoretical Framework

Entrepreneurs all over the world obey all rules from the formal and informal sector that can either promote or mare their entrepreneurial business as posited by Yunis *et al.* (2019). The feminist theory was adopted because it explains the "position" role of women in the society and it describes and gives insight on gender social entrepreneurship. Also, the Institutional theory was adopted because it explains how the environment can make or mare the female entrepreneur (Scott, 2008; Bruton & Ahlstrom, 2010).

Women Entrepreneurship in Nigeria

All over Africa, women are seen to be subservient to men. They are homemakers and custodians of family honor. The societal mores or custom are conservative, promoting patriarchal culture and practiced all over the African continent, thereby making women to be perpetually under the men folk, invariably making the men gods over the lives of their women. And as Fielden and Davidson (2005) rightly posits, that the success of women entrepreneurs maybe frustrated, impeded, or encumbered by family issues.

Definition of Conceptual Terms

The Concept of Entrepreneurship and Entrepreneur

There are different definitions of entrepreneurship by different scholars, but for the purpose of this paper, the definition by Hisrich and Brush (1985 as cited in Hisrich & Peters, 2002), will be adopted. Entrepreneurship according to their definition is the process of being innovative and not just creating something new, but something that is of value, spending not just time and effort, but also funding this new creation, and so bears both risks and rewards of this new creation / innovation. While an entrepreneur is the individual who undertakes the above process. Also, an entrepreneur can be defined as one who recognizes and distinguishes new markets, ideas and new ways of doing things and replicates them either by transfer, acquisition or out right copying them into a new market (Schumpeter, 1934).

The Concept of Culture

Culture as defined by Taylor (1971) is that composite multiplex whole that consists of characteristics and habits like way of thinking, beliefs, customs, laws etc. by particular people in a society or group. Also, culture as defined by Terpestra and David (1985) as laid down symbols that are captivating, enthralling, that are linked and interconnected, acquired through knowledge and is shared. These symbols are significant and provides a sense of belonging and direction to a particular group of people in a society. In a nutshell, culture can then be seen as the way of life, norms, beliefs etc of a group of people in a society.

METHODOLOGY

This is a theoretical paper that relied solely on qualitative mode of research. The researcher relied on extant literature of different research articles, textbooks, journals, and papers about entrepreneurs and women entrepreneurship.

Challenges Faced by Female Entreprenuers

Women in West Africa have constantly found it difficult to start a business and below are few of the challenges faced by female entrepreneurs The problems faced by women entrepreneurs in West Africa can be divided into two, which are

- External Factors
- Internal Factors

The External Factors

- Lack of Proper Funding

Finance plays a major role when stating a business, and though most entrepreneurs find it difficult to access, it is more tough for the female folks to effortlessly access capital to fund their business despite their impressive business plans, and ways of how to repay the loans to be collected, they are still denied these loans. They have to go through a series of processes and when they are finally given these loans, they are expected to pay more interest rates than their male counterparts and in the long run, they find it difficult to break even and so the business suffers and may eventually go under.

- LACK OF ROLE MODELS AND LIMITED MENTORHIP PROGRAMS

In Nigeria, it is difficult to find and have access to female entrepreneurial mentors unlike the males do. There are lots of male entrepreneurs that mentor the young and upcoming male entrepreneurs and they even have programs in which they tell them what and what not to do and basically teaching them the ropes so when they see any pitfall, they know how to avoid it, because women entrepreneurs usually don't have enough moral support that they need to prevent their businesses from going under when they do face challenges.

- Limited Access o Training And Development

When venturing into a business, adequate knowledge concerning the business is required for it to flourish Constant training and development is needed in every organization because this injects new ideas and innovation into the business. But to do this requires finance which female entrepreneurs are handicapped in.

Internal Factors

- Culture

Culture plays a vital role in every country since it is the way of a people, the way they think, dress and collectively behave. In a country like Nigeria, just like other West African countries, culture is one of the fabrics that holds the country together. An Islamic culture will never let a female walk down the street without a male presence and so does not permit a woman to be entrepreneurial beyond the immediate family setting.

- Business Experience

When venturing into a business, adequate knowledge concerning the business is required for it to flourish. Business experience is a very crucial internal element that impacts success for women businesses (Darroch, 2005). And so, an entrepreneur, who has been in business longer has more clients compared to one who just opened a business.

- Education

The business literature has always linked tertiary education with massive prosperity or wealth (Ayadurai, 2004). It is stated that being knowledgeable enhances the resourceful, administrative and competence skills of a business person and when all combined are critical essentials for the growth of any businesses. In a country like Nigeria, educating a woman is seen as a waste of resources. The women are seen, regarded and confined to keeping the home, she's relegated to the kitchen and house chores and since she would not carry the family name (because she'll get married), she's denied education and only the males in the family would be trained and given adequate education. And this has been reflected in the words of our president Mohammed Buhari, when asked why his wife did not accompany him to a summit holding overseas, his words were “she belongs to the other room”. Lack of educating the woman entrepreneur prevents her from understanding the terms and conditions of loans Berger and Buvinic (1991).

- Religion

Religious beliefs can hinder and determine the boundaries of some women entrepreneurs in Nigeria (Cohen, 2000). This can be true of the Islamic-based norms that frowns and prohibits women entrepreneurs, but when the women are finally allowed to do business, it is on a small scale like working from home but not on a large scale because the women are prohibited from leave the house except the escort of a male present (Cohen & Tinker, 1985).

- Societal Norms and Traditions

It has been declared that females are more at an unfavorable position no thanks to the biased sociocultural norm that recognizes men as the head of the home and which sees women as only wives and mothers (Adesua-Lincoln, 2012). And so, their main responsibility is to see to the keeping of the home, catering for both their husbands and the kids, and so would not have time to think of or venture into any other thing than being a housewife and being a support system to the husband as well as being submissive. Anything other than this will see her as rebellious, domineering and so will cause strife between her immediate and extended family. The single females are not spared because having a business and fending for yourself and being independent will ward off potential marriageable suitors, and so to be a good wife or to be able to be a wife, Nigeria women tend to hide their potentials and conform to the societal norm.

- Doubts about the Competence of Female Entrepreneurs

This is an offshoot of societal discrimination against women. In Nigeria, like many other countries, there are particular jobs or businesses that have been seen and regarded as only male sectored because of the physical nomenclature associated with it, but today women have broken down that barrier and are thriving in these sectors.

Some West African Women (Nigerian) Entreprenuers Are Listed Below

The list below showcases some notable female Nigerian entrepreneurs that have beaten the odds in this male dominated world to make a name for themselves as well as creating paths for upcoming women entrepreneurs to tow.

Adenike Ogunlesi, founder of Ruff 'n' Tumble

Adenike 'Nike' Ogunlesi founded, designed, manufactures and retails designer kiddies wears in Nigeria called Ruff 'n' Tumble which she was selling out of her car and bazaar sales. But today the brand that caters for kiddies from ages 0- 16 years, mixes both trendy indigenous lifestyle with an intercontinental appeal, is a household name in Nigeria.

Folorunsho Alakija – Nigeria
Industry: Oil and Fashion

She is one of the richest women in the world and among the top 10 billionaires in Nigeria. She is a self-made Nigerian billionaire and philanthropist. whose journey began in 1974 as a secretary at Sijuade Enterprises, became a banker, switched to the world of fashion and now the oil industry. Folorunsho Alakija is the Executive Vice Chairman and owner of Famfa Oil as well as real estate properties that comprises Dayspring Property Development Company, and also chairs the Rose of Sharon Group. She launched into business with Supreme Stitches. Folorunsho is a prowess in the world of fashion and has been using fashion and style to promote Nigeria. She serves as the Fashion Designers Association of Nigeria (FADAN) trustee, she also established the Digital Reality Prints Limited. She was rated by Forbes as the second most powerful woman in Africa. She is a humanitarian and uses the Rose of Sharon Foundation to help widows and orphans.

Tara Fela-Durotoye, founder of House of Tara

A Nigerian and a lawyer turned Africa's foremost beauty and makeup business woman, She's the creator and chairperson of House of Tara International which she began at the age of 20, from her living room, she also founded the Tara Orekelewa Beauty collection, Inspired Perfume and the H.I.P Beauty collection. Also, in 1999, she branched out from the cosmetics business and into catalogues for brides which is the first ever in Nigeria. Also, that same year of 2004, Nigeria also witnessed the first notable beauty academy chaired by her that presently employees over 3,000 staff working all over the country. As at today, the Tara brand is a household name with 14 stores all over Nigeria.

Deola Sagoe, founder of Deola

Daughter of the famous and well renowned father of the Elizade group of companies Chief Michael Ade-Ojo, Deola Sagoe has entrepreneurship in her blood, but decided to branch out from the family business and carve a niche for herself in the fashion world. She's the creator of Deola

African high-fashion designer. A Nigeria, she hails from Ondo State. Right from1989, she has been a pioneer of opulent, classy and exquisite fashion and in 2004 during fashion week held in Rome it was she that premiered a collection at AltaRoma as the one and only black woman. She has styled celebrities like Oprah Winfrey, Will Smith, Lydia Hearst, Alek Wek and some Africa's first ladies.

Funmi Iyanda- Nigeria
Industry: Media

Olufunmilola Aduke Iyanda is a successful media mogul of both the print and TV. She's a world-renowned Nigerian business woman, a litterateur, movie, TV producer, TV host and humanitarian. She is the vice president of Creation Television UK, and the chair person at Oya Media. She is the host of a popular chat show called, '*New Dawn with Funmi Iyanda.* This chat show was on air for eight years. She is the recipient of World Economic Young Global Leader and was listed as one of 20 Influential Women in Africa by Forbes Magazine. Funmi is the CEO of Ignite Media now OYA Media

Mosunmola Abudu – Nigeria
Industry: Media

Mosunmola Abudu worked for different reputable firms before founding and becoming the COE of the first global Pan-African television network known as EbonyLife TV a fast-growing black entertainment and lifestyle network and started airing in July 2013. She is amongst the richest women in Nigeria and West Africa's most prosperous and famous female entrepreneurs. EbonyLife TV is actually a subdivision of Media and Entertainment City Africa (MEC Africa) that started airing in 2006 and presently, the network airs all over Africa, UK and the Caribbean. Some of her successful works on this network consists of EbonyLife Films that produced films like, '*Fifty'* and collaborating with The ELFIKE Collections, produced *The Wedding Party (2017).* The movie which was a hit starred A-List actors like Sola Sobowale, Banky W, Adesua Etomi, Richard Mofe Damijo, Ireti Doyle, e.t.c and was an instant hit with movie lovers. She has been the recipient of lots of accolades for being the first African female to own a Pan-Africa TV Channel and in 2013, the Hollywood Reporter ranked her amongst the 25 most influential women in Global TV. By the year 2014, she was the recipient of the Entrepreneur of the Year award in the Women Week that took place in New York, and she also received the Honorary Doctor of Humane Letters (Honoris Causa) given to her by Babcock University. She has also made one of the most influential women in Africa on the Forbes list in 2013. She is known for her popular phrase, "if you can think it, you can do it."

Uche Pedro,

founder of Bella Naija

This is an online magazine that began its operation in July 2006 with Uche as its CEO, and which she used as a pastime. BellaNaija.com, being the brain child of Uche Pedro is a lifestyle, entertainment and fashion portal company in Africa. This online lifestyle magazine is all about developing and delivering sensational and exhilarating online content that caters for the Nigerian and Pan-African market / public. Presently she has over a million subscribers and over 9 million viewers monthly.

CONCLUSION

Female entrepreneurs are an integral part of every economy of any country. Though in a male dominated world, they have strived and scratched and clawed to take a piece and make a place for themselves and from all indications they have come to stay and continue to make a way for other women entrepreneurs. Nigeria being a country in West Africa has not been kind to women entrepreneurs but despite the challenges and hurdles faced, women entrepreneurs have continued to break down barriers to make their voices heard ranging from the media, fashion, into acclaimed male domain like health and oil and gas. Women entrepreneurs in Nigeria apart from putting Nigeria on the global map has also helped to alleviate poverty in the country by providing employment to the teeming unemployed youths, show women that they can be more than what they are by being independent and not depending on anyone, they have also been a source of inspiration and mentors to other women and little girls too.

The study also revealed that women entrepreneurs can actually fend and sustain a family if given a friendly and enabling ground, they can even compete efficiently with other sectors in the country as well as contributing to the nations GDP. Further, the family dynamics is very essential for women entrepreneurs in Nigeria, especially in the Muslim dominated region where married women are seen and relegated to the home- or home-based business where the women are relegated to sell to family members only or at worst the business is at a very low scale making profit to be little or next to nothing compared to their Christian women entrepreneurial counterparts. From the study conducted, it is noticed that these women all have more than the secondary educational level, they all have higher education status with most of them having a doctorate degree. This shows that education is vital, and so for women entrepreneurs to have a large and successful and more profitable business on a larger scale they must be allowed to go to school and be well educated beyond the primary or secondary stage.

Nigeria still needs to do more to make the business environment a level playing field for all; men and women. The government can do this by tackling some of the challenges faced by female entrepreneurs so that more women will be encouraged to embrace entrepreneurship.

But in spite of all these hurdles / challenges / barriers, Nigerian women have continued to push on by breaking the walls in front of them and also fashioned and carved a niche for themselves. Indeed, in a male dominated world, they have inched in and gotten a place at the table for sure, 'THEY HAVE COME TO STAY'.

RECCOMENDATION

- Financial houses should be able to make it possible for women to access loans just like their male counterparts without stringent conditions.
- Education should not be reserved for only the males in a family.
- Women should be encouraged to be whom they are and not confined to the home.
- The Muslim community in Nigeria should realize that we are in an era of gender quality and so should encourage their women to strive for greater heights just like the UAE and Saudi is doing.
- The government of Nigeria should be able to encourage female entrepreneurs by having a special fund in which they can access with little or no interest to enable them go on training and development which in turn will greatly benefit the economy in the long run.
- The Nigerian government should enact laws and policies that should and would protect the female entrepreneurs so they can grow enabling them to employee more people thereby reducing poverty in the country.

FURTHER RESAERCH

This paper has some limitations. This researcher used a qualitative and descriptive approach, that is purely theoretical and conceptual and so limits its generality. Nevertheless, this paper adds to the body of knowledge that looks at female entrepreneurship in developing countries of West Africa with Nigeria as its main focus.

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NATIONS QUEST FOR PEACE AND ALIGNMENT TO THE NEW NORMAL: ANY ROLES FOR THE MARKETING PROFESSION?

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ABSTRACT

Peace is one of the most desirable ingredients required for the existence of every human community, and the need for it has quadrupled as a result the multiple challenges facing the world today. These challenges have further been exacerbated by the need to adjust to the new normal in our contemporary society which nexuses with business operations. The chances for peaceful societies have been fatally sacrificed at the altar of greed, selfish inclinations and the desires for self-aggrandizement of man; and these have made peace a scare commodity. The absence of peace has been linked with catastrophic effects, including business turbulence; which is the reason why deliberate efforts are constantly made by individuals, governments and religious institutions to foster peace. Sadly, the outcomes of these initiatives have not been much to be desired hence the need for a paradigm shift. This paper examined extant literature on the place of the marketing profession in nations' quest for peace. Peace like every commodity can be marketed; hence the argument of this paper that the marketing mix variables of product, price, place, promotion, preach, propagate and patronize readily find application in marketing peace. This paper concluded on the note that the clamor for a paradigm shift in the quest for peace in nations is in the right direction. More so, such shift must include the involvement of marketing professionals into the army of global peace seekers. Therefore, this paper recommends that national governments should promote matters that foster unity, develop a common national value and deploy social marketing programs. Furthermore, corporate organisations should consider peace marketing as a worthy cause to embrace, and firms should be willing to finance peace building activities as well as form coalitions of mega corporations for the promotion and protection of global peace.

Keywords: Mega Corporations, Peace, Peace Marketing Mix

INTRODUCTION

Today's world is a knowledge-based society characterized by technological development and fast evolving innovations. In this era, individuals are continually exposed to stimuli that the society emits. The rate of exposure is determined to a large extent by the beliefs and the values promoted by families, the traditions of the society and the rules encouraged by nations. The rates

at which the component parts of the society assimilate these beliefs, values, traditions and rules has implications on social, political and armed conflicts that endanger world peace. As expected, hostile beliefs and actions of few individuals and organisations create havoc and destruction in the world. In the same vein, Huda (2020) reports that human greed is the main enemy of peace just as poverty is the major cause of conflict.

Sambanis and Elbadawi (2002) study affirm that the misunderstandings in the contemporary world evident by the number of civil conflicts with political and economic consequences greatly increased after 2010. In the midst of the apparent misunderstanding among states characterized by political conflicts, economic turbulences and geo-political instability (Dinu, Săvoiu,& Dabija, 2016), majority of the world leaders have come to embrace the term peace. Global leaders' advocacy for peace has become the most frequent themes in international discussions, summits, negotiations and reunions. Actually, peace is one of the fundamental goals of every society. It is an ideal image of harmony and the reverse of conflict (Galtung, 1969). The outcome of peace is human wellbeing and prosperity is unquantifiable. The presence of peace enables businesses have a greater role to triumph over conflicts across the globe. It is worthy to remark that world conflicts have economic implications. The economic consequences are in the shape of business failures, unemployment, hunger, poverty, malnutrition among several others. Consequently, Haas (2019) advocates that business sustainability and peace-building efforts must develop an interdependent relationship in order to facilitate peace and free the world from the curse of conflict.

There are numerous global evidences of the havoc caused by the absence of peace. In Africa, the 1990s Rwanda genocide is a typical instance. In the present-day Nigeria, the level of insecurity is so high that citizens now live-in apparent fear to the extent farmers can no longer go to the farms just as traders can no longer go to their markets. Also, school children are no longer safe in their various institutions as they have become a common target for kidnapping. Arising from the dangers posed by the absence of peace, and the apparent failure of global peace initiatives as exemplified by national governments inability to guarantee adequate security for her citizens, this paper attempt to leverage on the possibility of creating a peaceful world through marketing actions that encompasses typical marketing processes.

Literature reveals that some scholars believe that peace marketing is essentially the responsibility of the United Nations Organization, National Governments, NGOs, leaders of all shades and law enforcement agencies. Similarly, several others propose that marketing tools and functions can be a useful means of bringing peace in the world (Gerson, 2001, Woolf, 2006; Nedelea & Nedelea, 2015). The contradictions in opinions about whose responsibility it is to nurture and sustain global peace is a great motivating factor for this endeavour. The crucial issue to contemplate is that despite the concerted efforts numerous of governments, international and other private agencies, achieving global peace has remained a mirage. Consequently, this has led to the advocacy for a paradigm shift in proffering therapy for world peace. This paper examines nations' quest for peace: the roles of marketing profession. The concept of peace, peace building initiatives and the place of marketing in the creation and sustenance of peace are extensively explored.

The Concept of Peace

The term peace like many theoretical terms is difficult and slippery to define. Peace like happiness, harmony, justice and freedom is best recognized by its absence. Conversely, the presence of conflict be it ethnic or religious, kidnapping and banditry are indicative of absence of peace. The quest for peace is not restricted to within national boundaries. Rather there is greater need for peace at the international level. The continuous absence of peace both at the national and international levels poses grave danger to the survival of the people and nation. World peace is an ideal form of freedom that is aimed at achieving peace and happiness among and within all nations and/or people. The concept of World peace connotes a planetary non-violence that breeds willing cooperation either voluntarily or by virtue of a system of governance that prevents warfare among nations.

Truth be told, peace represents a need of mankind. To McLeod (2016) peace connotes the need for security and safety. Peace can equally be seen as being on the same level with protection and order. Peace appears as a need to persons that would enable them benefit from a stable environment, lacking in tensions, conflicts as well as generating prosperity and harmony. Peace favours harmonious development of the young generation, who, by becoming a vector of fulfilling some superior ideals, can find an effective way of a favourable communication between people. The idea of peace means prosperous life, because money is not directed to produce death, destruction, suffering, but to increase prosperity of all and each person. Peace offers the creative energy which can build a world. Peace is the chance of a world that can enable man determine cultural and technical progress. Chifu (2006) believes that peace has several meanings. To Chifu peace means understanding. It also connotes the existence of harmony between people. The creation of happy life on earth and ultimately the absence of war atrocities.

Peace Building Initiatives

As a result of the place of peace, several peace building initiatives are commonly available globally. These initiatives are either promoted by individuals, governments or religious organisations. These promoters have elected to the pursuit of global peace devoting enormous resources to the search for peace.

Notable among this group is the Nobel Foundation in Oslo, Norway. In fact, every year the Foundation award a Peace prize to an outstanding individual whose life and actions serves as a heroic message about peace. Globally, there are other orgainsations recognized for their advocacy for peace. Some of these organisations include the American Peace Society, Asia-Pacific Peace Research Association, Bertrand Russel Peace Foundation, Buddhist Peace Fellowship and Catholic Association for International Peace. Others include the Economists for Peace and Security, German Peace Society, Global Peace Institute for Women, International Peace Institute, and Nonviolence International (D'Souza,2015). Regrettably, the multiplicity of these organizations is acknowledged to be one of the problems preventing a serious and impactful peace movement.

According to Collier (2003), the United Nations Organization (U.N.O.), North Atlantic Treaty Organization (N.A.T.O.), the European Union (E.U.), and the Organisation of African Unity (O.A.U.) among several other regional/continental organisations are the main international organizations saddled with the responsibilities of maintaining peace and security. Specifically, in 1981, the United Nations declared September 21, the International Day of Peace. It is dedicated to peace and especially to the absence of war and violence. The day was celebrated for the first time in 1982, and since then it is celebrated each year by many nations, political and military organizations and many people.

Furthermore, religious and political leaders have made concerted efforts in search of peace globally. Worthy of note is the Vatican dedication of January 1 as the World Day of Peace in

December 1967. It was initiated by Pope Paul the 6th, who wanted it to be celebrated each year, on the first day of the calendar year (D'Souza,2015).

Nexus between Peace and National Development

The maxim there is no meaningful development without peace holds true in every nation. This maxim has been found to be true time and time again. With peace at the epicenter and taking into consideration good governance, national development is guaranteed. Economic, educational and general societal wellbeing are the major indicators of national development. In short, the catastrophic effect of violence is an indication of the price of peace on national development. Haas (2019) reported that the global cost of violence and conflicts is 14.76 trillion dollars in the year 2017 alone. Similarly, the Institute for Economic and Peace released its value of peace report showing the global cost of violence at 14.8 trillion US Dollars, or 12.4% of global Gross Domestic Product (GDP). However, as most of the world conflicts have some economic magnitude, business sustainability and peace-building must develop an intertwined relationship to facilitate peace and free the world from the curse of conflict (Haas, 2019). Undoubtedly, the absence of peace has adverse economic, educational and general societal development consequences on any nation.

Truth is that peace represents a felt need. Relying on the principles as enunciated in Maslow hierarchy of needs, the concept of peace unlike food, shelter, sex, clothing etc, which are existential can easily be located in the category of the needs for safety or security. It is an obvious fact that developing nations that do not have a stable economy are more prone to conflict. Scholars have established a relationship between peace and economic development of a state. This implies that peace and economic development are variables which can influence each other. Specifically, economic experts are of the opinion that on the short run economic growth has the capacity to generate peace in a country. It is also expected that on the long run peace could have a positive impact on the economic growth of the society. It is noteworthy to remark that in emerging economies, the rate of entrepreneurship and the development of the business environment is an indication of the state of the economy. In short, the purse of an economy can be felt from the level of production as well as the rate of consumption.

A notable impact of the absence of peace in a nation is the disruption in economic activities. During war time for instance, productive activities cannot be accurately planned and executed. Similarly, market raids are a common occurrence just as warehouses are also targets to be looted. It is equally common to notice that during periods of conflicts the prices of commodities always tend to skyrocket. All these have economic consequences on the affected state. It is also true; an unsafe and unsecured place will be less attractive to investors. Taking a look at goings-on the South Eastern and the North East sections of Nigeria, where safety of people and property is the most unguaranteed good, one can appreciate more the value of peace in relation to the development of any economy. This implies that for any meaningful economic transformation to take place, there should be a semblance of peace though absolute peace may be impossible to attain.

Nations quest for peace is not entirely restricted to adoption of common languages, the educational development of the nation is of equal importance. By nature, all humans are alike but education serves as a means of differentiation. It is a fact that education gives moral rules as well as regulates the behaviour of individuals. The level of education of a nation is indicated by the measures, procedures and concrete activities that contributes to the development and consolidation of the doctrine of mentality. The rate of a nation's educational development is a useful tool for the instauration of worldwide peace. It is a matter of fact that learning albeit educational activities can only take place in a stable and conducive environment. It will be a disservice to expect meaningful learning to take place in a hostile environment. Ironically, this is the current state of education in Nigeria. As a result of the activities of insurgents in Nigeria of late, there are numerous incidences of disruptions in educational activities. These disruptions vary from killing and maiming of teachers, kidnapping of school children, destruction of school buildings and forced closure of schools in troubled areas. In short academic calendars are also altered as a result of the palpable uncertainty under which learning takes place in the affected parts of the country.

United Nations in 2019, reported that the budget of peacekeeping is rising every year; and that over six billion dollars was earmarked to mitigate violence in the past five years. Regrettably, Nigeria of recent has found itself in the middle of conflicts. It is rather unfortunate that lately, Nigeria has become associated with terrorism, kidnapping, bandits, and exploitation of children, drug trafficking, crimes, frauds, intellectual theft or religious crises. In fact, all these activities have made Nigeria to be flag as a dangerous country to visit.

These incidences contribute significantly to the decline in economic development and wellbeing of citizens. Constitutionally, it is the responsibility of every government to transmit to her citizens the feeling of safety as well as protection; regrettably, this has been in short supply in Nigeria and some other African countries. The most disheartening consequence of this palpable insecurity is the negative image of Nigeria among comity of nations.

The Place of Marketing

Marketing as a discipline and a vocation can be regarded as purposefully primed to solve problems. These problems could be at the individual, organizational and national levels. In other words, marketing activities entails proffering solutions to identified problems resulting in a “Problem free world” dwelling in peace. In the view of American Marketing Association (AMA, 2016) marketing activities encompasses the planning and implementation of the conception, pricing, promotion and distribution of ideas, goods and services which ultimately satisfy individual and organizational goals. Kolter (2016) is of the opinion that peace as an idea can be commodified as product to be marketed. As a matter of fact, all products and services are basically ideas which can be served on any platform. This suggests that marketing entails the generation of new ideas, making and implementing plans to satisfy, individual, organizational and societal needs.

Marketing as a commercial activity is primarily concerned with communicating the value of a product, service or idea. The essence of such communication is the promotion of value to customers (Kotler & Zaltman 1971). An organization with the intent of survival engages in marketing activity through the provision of goods and services that persons are willing to and capable of affording. This implies that organizations marketing success rate is largely determined by the level of accuracy in ascertaining customers' demand. Kotler and Zaltman (1971) acknowledge that the most potent marketing philosophy is customer centric. This implies that the organisation focuses its activities and services on meeting customer demands. A formal approach to this customer-focused marketing is referred to as marketing mix. The concept of marketing mix refers to the set of activities, strategies that an organisation uses to promote its brand in the market.

The concept of peace marketing is a relatively new issue in marketing discipline. In 2016 Kotler attempted to liken peace marketing to the spiritual side of marketing. In the process raised some pertinent questions in the form of- “could marketing contribute to global peace”? “Can peace be marketed”? Much later Kotler in 2016 was quoted as saying *“Marketing is love and love is peace”* (Goswami, 2017). The issues raised here provided opportunity for marketing scholars, practitioners and activists to contemplate over how marketing initiatives could contribute to global peace making. The common contemplation among scholars was and is still how peace can be marketed in the mode of products, ideas, and a person or place.

Marketing scholars' associates "Peace Marketing" with several themes that include but not limited to social marketing, conflict management and law (Nedelea & Nedelea, 2015). Nedelea and Nedelea (2016) remarked that the concept of peace marketing can be considered as a component of international marketing. The authors believe that peace marketing could also be regarded as non-profit marketing. Furthermore, other researchers posit that peace marketing can equally be regarded as a part of social marketing. Specifically, Pavlát and Knihová (2019) put peace marketing in the stream of the societal marketing concept. They proposed that peace marketing interventions should educate people to shift their behaviour from self-centric to social-centric. This position is premised on the fact that the essence of peace marketing is to influence social behaviours. The scope of influence of peace marketing entails initiating changes in habits and attitudes in the entire society. The ability to achieve the peace objective demand the development of certain programs destined to impose and sustain causes and ideas that could lead to the salvation of humanity from self-destruction.

Gerson (2001) asserts that modern marketing and its advocacy programs could assist in healing conflict-ridden societies. A review of existing literature reveals how conventional marketing system could be utilized by organizations to consider peace as the key purpose of marketing. However, due to the absence of a clear framework of peace-marketing mix, very scanty literatures are able to establish the idea of marketing peace as the main purpose of modern-day marketing.

According to Brîndu?a-Mariana (2017), peace marketing is governed by the principles of conflict and the principle of helix. The author considers the principle of conflict as the existence of a balance between interests and abilities while the principles of helix explain the idea that the intensity of conflicts tends to decrease with time as well as the cooperation between nations or entities becomes stronger with passage of time. Peace marketing promotes humanity by influencing human behaviour towards social peace and harmony. This is in addition to making the world free from conflict, terrorism, genocide, violence, war and self-destructive acts (Nedelea & Nedelea, 2015). Nedelea and Nedelea (2018) equates peace marketing with human marketing. The researchers conceptualize peace marketing as the rebranding of the classical marketing that is concentrated on the satisfaction of the needs and wishes of clients. Kolter (2016) is of the opinion that marketing peace calls for more than a pointed and continuous communication campaign. It calls for a fundamental change in the distribution of the world's assets and resources. Moreover, peace marketing mix, just like conventional marketing consist of product, price, placement and promotion.

Peace Marketing Mix

The applicability of the conventional marketing mix is undebatable in peace marketing. In particular, Gruener (2016) proposed a peace-marketing mix in the mould of the traditional "4P". The author opines that peace-building interventions are the “peace-product”, The core funding to peace building and sustenance is “peace-price”, peace keeping missions in the conflicting area is “peace-place” and publicizing peace-building information through attractive messages is “peace-promotion”.

Peace as a product

There are disagreements among scholars on the issue of peace as a product to be sold. The issue in contention is should peace be the soul of modern marketing? It is the belief of scholars that to make the world peaceful again, peace-building should be the leading purpose of modern marketing. Peace should be the obvious outcome of every marketing action. In short, Kotler's (2016) revised marketing function is somewhat moving towards a shift in the purpose of marketing from profit to peace. When peace is considered a product, marketing activities scope are restricted to non-for-profit organizations and government agencies. However, when peace is the generic purpose of marketing, peace can be marketed like every other product. To many scholars, peace is a product to peacekeeping organizations. It is their belief that these organisations can sell it, through the conventional marketing mix system.

Price: It is a truism that modern marketing practices has shown that not all marketing transactions involves the exchange of money for a product. Price in the context of peace is concerned with the amount needed to build and sustain peace in the long run. In short, price could be inferred from the budgetary expenditure for peace related programs. The implication is that every nation that desire to have peace within its boundaries should consistently set aside money for securing her borders. The same should be applicable even at the global level. The implication is that various countries need to progressively budget on annual basis an amount related to security matters. Evidence has shown that Nigeria annual budgetary allocation for the protection of her national borders has been in excess of Two billion dollars since the emergence of insurgence in 2009 (Madu &Ogbuji,2017). In practical terms, this amount represents the price set aside for peace in Nigeria.

Place: Place in this context essentially refers to the geographical location where there is incidence of violence. To an undiscerning observer such places may seem remote from the metropolitan city. Or the number of persons affected in the troubled areas may be insignificant. It is important to take punitive actions as evidence has shown that outbreaks of conflict in one place can easily spread to unsuspecting areas. The Arab spring of 2011 readily comes to mind.

Promotion: Promotion as a marketing mix attempts to resolve the issues connected with where, when and how firms pass their marketing message. In the context of peace marketing, it is also concerned with the agency that can champion the marketing efforts and the choice of the appropriate channels. Peace like health has a value. In short, the value of peace can be promoted. The value of peace can be perceived from the need for people to live in peace and harmony with those around just as well as to live a calm and carefree life within family.

Furthermore, Huda (2020) proposed preach, propagate and patronage as additional peace marketing mix. This proposition is hinged on the intent of reframing the conventional marketing mix. It is expected that the proposition would facilitate marketers attempt at transforming marketing functions into a peace building world.

Preach: The term preach is common to all the major religions of the world. To preach among all religion zealots is considered a command from the creator of all. Goldsworthy (2000) sees it as a method of mobilizing human and social values among societies. Following the methods of religious preaching, marketers could send special campaign programs to promote peace in the world. Organizations could sponsor the programs of different religious institution to expedite the peace program. Peace slogans could be added creatively to advertising messages. Religious and social values could be projected through promotional campaigns to minimize consumerism.

Besides, marketers must preach societal marketing values to avoid puffery, racisms, and other forms of marketing malpractices. Gerson (2001) also suggested that private sectors could be involved in the marketing and advocacy for peace building. Marketing firms could help in spreading the benefits of living in a peaceful world. These firms may also independently activate religious and social value-based campaigns to facilitate peace-building.

Propagate: In most cases marketing programs involves activating projects aimed at spreading moral values and spiritual practices. These practices are commonly followed in every issue connected with religion and social culture. Bobrovniko (2002) proposed the propagation of religious principles of tolerance and cohesiveness to make peace among conflicting nations. Similarly, marketers could sell social values like brotherhood, patriotism and volunteerism through social campaign to expedite social change (Kotler & Zaltman, 1971). Propagating peace through social marketing intervention could be a great idea to resist religious fanaticism or counsel misguided people to give-up extremism. Goswami (2009) and Datta (2015) in their research affirmed the effectiveness of this practice. In practical terms, organizations may nominate celebrities to propagate peace in conflicting societies.

Patronage: Peace building is a multi-stakeholder process. The importance of peace cannot be overemphasized to the success of any business venture. Consequently, the absence of peace is very inimical to business success. It therefore behooves on organizational managers to incorporate regular philanthropic activity into its programs that could enable it sponsor peace initiatives aimed at preventing conflict. It is also common practice among high value brand organizations to collaborate with national and international peacekeepers in their search for peace. United Nations Alliance of Civilizations, (2019) reports that the BMW group organizes an international award program. The award is granted to the organization with the most innovative ideas on peace building at the grassroots level. The essence of such an award is to foster intercultural and interfaith understanding of peace, diversity and cross-cultural sensitivity among firms. Marketers could leverage on the inherent benefits of this practice and consequently encourage their target customers to engage in charitable works.

Furthermore, social entrepreneurs could also get involved in peace building activities through socio-economic empowerment. Grim (2014) remarked that few firms in Nigeria and Brazil are currently paused with the idea of assisting small business startups that support marginalized women in rural communities. Patronizing as a peace marketing mix can be closely associated with "Cause Based Marketing". The foregoing notwithstanding, marketing firms that specialized in philanthropic programs has the capacity to facilitate global peace.

Peace Marketing as Cause Related

Private organizations establish businesses both within and outside the borders of a country. In the course of their activities these mega corporations introduce new technologies, participate in foreign direct investments and contribute to regional stability albeit global peace. In the light of this scholars advocate that organisation considers peace marketing effects as caused related. As in cause- related marketing, all stakeholders are expected to be committed to the cause of peace. Varadarajan and Menon (1988) the proponent of cause related marketing acknowledge that cause related marketing is an alignment of corporate philanthropy and business interests. The primary essence of cause-related marketing is the shift of firms' communication emphasis to customers in quest for their support for a cause in order to foster a bond between the cause and customers. This implies that through a cause-related marketing activity, companies often attempt to elicit customers support upon the purchase of the firm's products and services. In practice cause-related marketing activities are often conducted as a promotional campaign. A promotional campaign consists of a series of mass or personal communication messages that share a single idea and theme. This mass communication messages appear in different media within a specific time frame (Beise-Zee, 2013). In this regard, firms could adopt every available promotional activity to the end that the conduct of business is geared towards the creation of global peace.

CONCLUSION

This paper examines the place of marketing in nation's quest for peace. It reviewed literature on individuals, governments and religious institutions peace building initiatives. Literature reveals that absence of peace is catastrophic both to the individuals, organisations and nations. The absence of peace has great economic, political, educational and societal among several others consequences. Specifically, apart from the freedom of movement, the traditional marketing activities among many others are hampered. Of recent the quest for peace constantly remains the central theme of discussion in every gathering of global leaders.

As a result of the necessity of peace, individuals, organisations and governments of nations have devoted substantial resources towards attaining peace. In spite of these efforts, the consensus among global leaders is that attaining peace in the world has become a herculean task. Experience has shown that reliance on conflict resolution strategies is not sufficient to guarantee global peace. In fact, extant literature reveals that conflict resolution theories do not seem to provide enough insights and processes that could help bring conflicting groups into peaceful settlements. This has led to the clamour for a paradigm shift in the quest for peace in nations. This shift is recruiting business organisations into the army of global peace seekers. The inclusion of business organisations would enable business enterprises contribute to nurturing and sustaining the eco-system of peace.

Peace marketing highlights the importance of marketing as it facilitate the improvement of cooperation between organizations and nations most especially in the promotion of global peace. It is a known fact that marketing activities hold a strategic place in international affairs such that it contributes to providing solutions to global conflicts. It is the generally expected that marketing of peace in particular could result in an increase in the level of security, generate higher level of satisfaction of individual needs and contribute to maintaining global peace.

In the same vein, it is also expected that the involvement of business organisations in conjunction with government interventions would facilitate the nurturing and sustenance of global peace building efforts. It is however the contention of this paper that in the light of business organizations commitment to goals attainment objectives, nation's quests for peace could be closer than it is ever imagined; and it is only in the atmosphere of peace that aligning to the new normal can be possible.

RECOMMENDATIONS

Following the review of literature on peace building initiatives and their attendant outcomes, this paper recommends the following.

(1) Governments all over the world can promote peace through the development of a common national language. This practice takes advantage of the benefits of marketing communication. In fact, learning and speaking a common language contributes to the removal of linguistic barriers. It is a proven fact that the language spoken by people ensures not only communication among its members, but also represents a symbol of national identity.

(2) National governments should promote matters that foster the unity of the citizens rather than encourage divisive tendencies. This can be done when appointments and election into offices are on the basis of merit instead of nepotism. Furthermore, persons or tribes with divergent opinions should be integrated rather than ostracize them

(3) The government of all nations should undertake social marketing programs to educate the people about the emotional and functional benefits of respect for all religions in building a peaceful world. As a matter of fact, social marketing of secularism would help all governments of the world to keep the world free from religious zealots and conflicts.

(4) Corporate organisations should consider peace marketing as a worthy cause to embrace. This firms can do as they deploy adequate resources towards the search for national peace. It is strongly believed that firms' involvement in peace marketing should be aimed towards the social transformation and holistic prosperity of the world. In short, peace marketing programs and campaigns must play a pivotal role in resolving conflicts leading to political, social, and individual peace and sustainability.

(5) Corporate organizations should be willing to finance peace building activities. All that is required is for these organisations to contribute a certain proportion of the firm profits for funding peace movements globally.

(6) This paper also recommends that mega corporations can either form national, continental or global coalitions just like the governments of nations to promote peaceful coexistence. It is expected that with these organisations collaborating, the firms can successfully combine their resources and messages to achieve a media presence that would create an impact in the search for global peace.

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INCLUSIVE LEADERSHIP , ORGANIZATION JUSTICE, AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR: INNOVATIVE LEARNING CULTURE MEDIATING ROLE

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ABSTRACT

To sustain the growth, development and competition edge of organization capable and competent leadership role is required both at present and in the future and to achive this inclusive leadership capabilities and organizational justice are in reconciling the need of the employee in terms of organizational citizenship behaviour in workplace of an organisation.This study examines inclusive leadership, organizational justice and oerganisational citizenship behaviour and the mediating role of innovative learning culture in manufacturing companies. The study uses responses from 327 employees from different manufacturing companies selected using cluster sampling method in different state in south-Nigeria based on the natural resources and validity of the state in nation growth and contributions. Relying on regression analysis techniques and PLS structure equation modeling to test three hypothesis. This study validates the assumption that inclusive leadership, positively impact organizational citizenship behaviour in workplace.Further, organizational justice promotes organisatioal citizenship behaviour in the workplace. Similarly, the result suggest that innovative learnuing culture mediaties the relationship between inclusive leaders organizational justice and organizational citizenship behaviour, we therefore conclude that the relationship between inclusive leadership, organizational, justice and organizational citizenship behaviour in workplace need robust capabilities that can foster superior work behaviour role and boost innovative learning.

Keywords: Innovation Learning Culture; Inclusive leadership; Organization citizenship behaviour; Workplace practice; Organizational justice.

INTRODUCTION

Most organizations are redefining employees innovative work roles. In a dynamic and changing context, employees needs to respond to these challenges and engage in more proactive behavior. As the world Business environmental prospect worsen; and organization are shifting their attention to sustainability and innovative ecological development (Bansal and Song, (2017). Several renowned researchers have made contribution on sustainable business management. environmental practice at the strategic level, but fails to pay attention onemployees workbehaviour level (Galpin and Whittington, 2012). (Felin, Foss, and Ployhart, 2015). Under thiscontent, organizational citizenship behavior refers to the employees practices that are not demanded, awarded, or formally recognized by the organization. These practices complement

organizations defensive mechanism oncorporate performance and strategic business analysis. Innovation has been regarded as a learning culture crucial facilitator for growth, sustainable develpoment (Perry-Smith and Shalley, 2003). (Duran, Kammerlander, and Zellweger, 2016). Montag, Maertz and Baer, 2012, Shin, Yuan and Zhou, 2017). (Choi, Tran and Park, 2015). Inclusive leaders exhibits attributes such as openness, availability and accessibility (Carmeli, Gelbard, and Gefen, 2010, Shore, Randel, Chung, Dean, Holcombe Ehrhart and Singh, 2011) in order words, inclusive leaders served as a supportive situational factor which had the potential to enhance organizational citizen behaviour. (Hollander, 2009). In conflict and resolution inclusive leaders starts with respect for others, recognition of their input and responsiveness (Hollander, 2012).

Inclusive leader focuses on mutual goals which were the essence of leaders-followers quality relationship (Graen and Uhl-Bien, 1995, Schriesheim, Castro and Cogliser, 1999, Dulebohn, Bommer, Liden, Brouer and Ferris, 2012). (Edmondson, Kramer, and Cook, 2004, Nembhard and Edmundson, 2006). We argue that inclusive leadership have trait factor to sustain the concept of organizational citizenship behaviour. Extant literature define inclusive leadership as a win-win situation of visionary relationships (Hollander, 2009). Hollander (2009) emphasizes the important role of followers in the relationship and paid attention to their perception of leadership. Manufacturing companies needs dynamic inclusive leaders that tolerates employees views, failures and errors, butfocuses on training praising with achievement to overcome (Ven, 1986). Procedures rules toward employeesaccounts for objetivity. Nonetheless, many studies have shown that inclusive leadership is associated with procedural rules to promote an inclusive culture (Edmundson, Kramer, and Cook, 2004, Nembhard and Edmundson, 2006) fairness (Hollander, 2012), interest, and willingness to provide assistance (Carmeli, Gelbbard and Gefen, 2010, Choi, Tramand Park, 2015), ideas, commitment and displaying extra-role behaviour (Pless and Maak, 2010, WalumburaCropanzano and Goldman, 2011). Most of these studies gave little attention to organizational citizenship behaviour.

Scholars has affirm factors that may significantly catalyze organizational citizenship behaviour (Khan and Rashid, 2012; Podsakoff, Whitting, Podsakoff and Blume, 2009). These are, leadership and innovative learning culture which have attracted the interest of researchers (Danish, Munir, Ishaq and Arshad, 2014), Graham (1988) and Podsakoff et al (1990), Lian and Tui (2012) specified that a follower need to be aware of his or her leadership style in work place and how to promote subordinate organizational citizenship behaviour, since an inappropriate inclusive leadership style may result to negative consequences, (Motowidlo, 2003). Arguably, Farroqui (2012) posit that supportive management and leaders contingent reward behaviours, exerts impact on organizational citizenship behaviour but no emphasis was place in innovative learning culture as a mediating variable, In this study, we argue that leadership is all about creative and innovative ability, working conditions, organizational system, policies and procedures, personal development, appreciation, security and supervision (Qi and Liu, 2017, Qi, Liu, Wei and Hu, 2019, Rehman, Bhatti and Chaudhry, 2019). According to Podsakoff, Mckenzie, Paine and Bacharach, (2000), organizational citizenship behaviour has been influenced by leadership styles, but the way and manner remains unclear. However, literature has documented the relationship between organization justice, organizational learning culture, leadership and organizational citizenship behaviour (Armagan and Erzen, 2015, Danish et al 2014, Zagorsek, Dimovski and Skerlavaj, 2009). Similarly, researchers haveinvestigated the mediating influence of organizational justice and organizational learning culture on the leadership-andorganizational citizenshipbehaviour. For instance, Javed, Abdullah, Zaffar, Haque and Rubab, study (2018) is a welcome example that examined the mediating role of psychological empowerment between inclusive leadership and innovation work behaviour, however, the study did not evaluate the role of innovative learning culture as a mediator. Additionally, study on inclusive leadership has only disclosed the mediating role of caring ethical climate, norms and behaviours (Qi and Liu, 2017) and perceived organizational support (Qi et al, 2019) in the relationship between inclusive leadership and employees innovative behaviour. Little has been found on the mediating role of contextual factors such as organization innovation learning culture. To cover the aforementioned theoretical gaps, this study seeks to investigate the role of inclusive leadership organisational justice on organizational citizenship beahviour, as well as the mediating role of innovative learning culture from the perspective of resource-based view theory.

Previous studies have explained leaders influences on subordinates behaviour through resource based theory with emphasis onorganizational internal and external resources how management pays attention to that resources (Rehman et al 2019). Such studies assessed inclusive leadership and organizational justicein developed economic contexts (Choi et al, 2015, Ullah et al, 2021, Aboramadan et al, 2020, Rehman et al, 2019, Armagan and Erzen, 2015, Javed, et al, 2018, Qi and Lui, 2017, Qi et al, 2019), we align with the argument of Wernerfelt, (1989) that context matter in inclusive leadership theory development. Nonetheless, there is a gap in knowledge of the subject matter, especially in emerging market contexts. Besides, we respond to calls by other researchers to evaluate and investigate inclusive leadership organizational justice, organizational citizenship behaviour, innovative learning culture in varying contexts especially in developing countries (Ullah et al, 2021, Adebowale and Ghavifekr, 2019). In the light of previous studies, this study fills the gap on inclusive leadership organizational justice literature by providing guidance to leaders, managers on the importance of their capabilities and competencies in enhancing organizational citizenship behaviour. Specifically, the paper examines the role of inclusive leadership organizational justice on organizational citizenship behaviour and the mediating effect of inclusive learning culture in manufacturing companies. We argue that leveraging inclusive leadership competencies and capability organizational justice manufacturing companies employees citizenship behaviour and great effect of innovative learning culture can be seen from the behaviour and productivity of the employees since this engendered the ability of creativity in the companies. Arguably, the relationship is straight forward and direct. Drawing from the resource based view theory which emphasis on capability development and optimizing resource to achieve innovative learning culture leading to competitive edge (Barney 1991). The author affirms that inclusive leadership and organisation justiceare drivers of organizational citizenship behaviour with the aid of innovative learning culture as a mediating variable in manufacturing companies in the emerging market context. Thus, leading credence to the basic insight of the resource based view theory organisation justice gives directional attributes that enhances organizational citizenship behaviour and also emphasis the term innovative learning culture for employees empowerment.

The remainder of this paper is arrange in the following manner, section 2 comprises theoretical foundation and literature review, section 3, describe methodology, section 4 presents research results, section 5 presents discussion, conclusion, limitation, contribution to literature, managerial / theoretical implication and suggestion for future studies.

Objective of the Study

The main objective of this study is to examine the effect of inclusive leadership, organizational justice on organizational citizenship behaviour in manufacturing industries in south Nigeria, it becomes imperative to set out some specific objectives for the study, the specific objectives are:

1. To investigate the effect of inclusive leadership on organizational citizenship behaviour.
2. To examine the effect of organizational justice on organizational citizenship behaviour.
3. To determine the mediating role of innovative learning culture on the relationship between, inclusive leadership, organizational justice and organizational citizenship behaviour

Theoretical Foundation

In this study, resource based view theory used as underpinning theory to develop a theoretical framework. Resource based view theory is considered as an organizational theory which signifies that organization internal and external resources are significant and management pays attention to that resources. According to Barney (1991), organization resources must be rare, imitable, non-substitutable and valuable to become a source to get a competitive advantage. Additional value creation is connected to the ability of managers to innovate and optimize resources, since human resources and organizational culture are considered as vital resourcesfor organization in explaining organizational innovations leading to sustainability of firms (Tehseen and Ramayah, 2015, Barney 1991, Grant, 1991). Studies revealed that there are two major assumption of resource based view theory such as resources should be bundled and organizational capabilities underlying production should be heterogeneous across organization and these variation might be for long term and imperfectly mobile (Barney, 1991, Wernerfelt, 1989). Moreover, organizational resources are considered as the inputs that are used for production process, while organizational capability deems the capacity that used for both tangible and intangible resource to execute some task (Grant, 1991).Manufacturing companies innovative ability and success depends on how well they use their capabilities and resources. Inclusive leadership are linked to a manager's knowledge, skills, capabilities and values that can enhances firm innovative learning culture that guarantee sustainable competitive advantage (Tehseen and Kamayah, 2015). In this context, inclusive leadership are leadership styles, that can enhance, support and improve organizational citizenship behaviour. Leadership with strong competencies can sense and seize market opportunities (Nabiswa, and Mukwa, 2017, Wade and Hulland, 2004). Organizational citizenship behaviour plays a significant role in enhancing innovative learning culture and organizational performance in perspective to resource based view theory (Makabila, 2019). While organizational justice deals with procedural rule and work guidance procedure.

Innovative learning culture is considered as a strategic resource for an organization that helps in determining organizational performance (Barney, 1991, Genk, 2013). Arguably, inclusive leadership capabilities are valuable and intangible resources that accounts for the success of organization citizenship behaviour. Consistent with the resource based view theory leaders with strong skills, experiences and personality can exploit opportunities and or neutralize threats facing their firms. From the resource based view theory perspective, inclusive leadership are intangible assets that can drive organizational citizenship and innovative learning culture of manufacturing company.Which organizational justices are the procedural and ethical practices in work behavior roles

Conceptualizing Inclusive Leadership

The concept of inclusive leadership was first introduced by Nembhard and Edmondson (2006). They proposed and defined inclusive leadership as words and deeds by a leader or leaders that indicate an invitation and appreciation for others contribution. Carmeli et al (2010) defined inclusive leadership as leaders who exhibit openness, accessibility and availability in their interactions with followers. Hollander (2009) suggested that inclusive leadership always provide supports for their followers. Some exemplary characteristic of inclusive leadership include open communication to invite input from followers, concern about the interest, expectations and feelings of their followers and being available and willing to provide assistance to their followers, (Hollander, 2009). As such inclusive leadership shares some similarities with servant leadership in which leaders shows a willingness to listen to ideas, care and provide support for followers to complete their task, (Van Dierendonck, 2010). Inclusive leadership is also in line with other leadership style such as transformational leadership (Choi et al, 2015). However, inclusive leadership is more attentive to followers needs (Hollander, 2009).While transformational leadership is more on achieving shared or organizational goals (Kanungo, 2001), inclusive leadership promotes employees skills, autonomy and responsibilitiesNiskhaid and mayer (2009).Nonetheless, as the concept is rather new, empirical research on the outcome of inclusive leadership arescanty. The available literature has merely documented effects of inclusive leadership on employees voice behaviour and team performance and the mediating role of caring ethical climate (Qi and Liu, 2017) why and when leaders affective state influence employees upward voice (Liu, Song, Li and Liao, 2017) leadership styles and organizational citizenship behaviour for the environment, the mediating role of self-efficacy and psychological ownership (Ullah et al, 2021) leadership and employees pro environmental behaviour (Afar, Maqsoom, Shanjehan, Afridi, Nawaz and Fazliani, 2020). In this study, we define inclusive leadership as a process of collaborative mechanism through which employees in an organization effectively takes on leading roles and action thereby eliminating obstacles, fortifying relationship between leaders and employees, supporting all employees to feel involved to influence policies, decisions and procedures in an organization.

Conceptualizing Organizational Citizenship Behaviour

Organizational citizenship behaviour is one of the indicators of employees' performance measures. Organizational citizenship behaviour is an important objective of sustainability of employees' workplace behaviour in the firm. Organizational citizenship behaviour refers to meaningful behaviours which are not restricted to those written in the appointment letters or contract of the employees. They are cooperative behaviour which are not directly recognized by a formal reward system (Organ, 1990). Organizational citizenship behaviour generally, includes behaviour that goes beyond the call of duty (Danish et al 2014, Aboramadan et al, 2020, Tran and Choi 2019, Randel, Gavin, Shove, Ehrhart, Chung, Dean and Kedharnath, 2018, Panicker, Agrawal and Khandelwal, 2018, Shore Cleveland and Sanchez, 2018, Zeng and Xu, 2020). Previous studies have confirmed five dimension of organizational citizenship behaviour conscientiousness, Altruism, Civic Virtue, Sportmanship and Courtesy (Organ, 1988, Han, Wang and Yan, 2019, Organ, 1997). Conscientiousness refers to discretionary behaviour that goes beyond minimum-role requirements, altruisms involve helping other organizational members with relevant tasks or problems. Civic virtue indicates a willingness to participates responsibly in the life of the organization. Sportsmanship involves tolerance-related behaviour in less-than-desirable situation to avoid complaints being made, and lastly, courtesy refers to efforts to prevent work-related problems with others (Mackenzie, Podsakoff and Fetters, 1993).

Additionally, Williams and Anderson (1991) proposed a conceptualization of organizational citizenship behaviour with two factors, organizational citizenship behaviour individual, here individuals is used as a specific target for other employees to copy such behaviour e.g. Altruism and courtesy and organizational citizenship behaviour organization; here the organization is regarded as the primary beneficial e.g. conscientiousness, sportsmanship and civic virtue. Prior studies suggest that organizational citizenship behaviour is a combination of three attributes, first, it happens in the office and employees initiate it, secondly these activities are governed by motivation and lastly, these actions leads to protection and benefit of the organization for success and sustainability (Lamm, Tosti-Kharas and King, 2015, Lamm, Tosti-Khara and William, 2013). In this study, we define organizational citizenship behaviour is that extra role of responsibility self undertaken by the employees in workplace, these self undertaken role are not contextual to the employees, but these role are taken by the employees to straighten the activities and performance of the organization.

Conceptualizing Innovative Learning Culture

Innovative learning refers to the process of creating, keeping, conveying and delivering modern or new knowledge in the organization that has a significant influence on leadership. Innovative learning plays an important role in the survival, development and growth of any organization in a highly competitive market. According to Sanzo, Santos Garcia and Trespalacions (2012), innovation learning culture in organization refers to the dynamic process of building, acquiring and integrating knowledge to develop organizational resources and capabilities that will enable the organization in attaining superior performance. Moreover, innovative learning is most beneficial for organization that are growing in an uncertain and dynamic environment (Megheirkovni, 2017). Additionally, organization culture is deemed to be a set of basic values, perception, wants and behaviour learned by members from institutions (Schein, 2011). According to Wallachi (1983), organizational culture consist into three types such as innovative culture, supportive culture, and bureaucratic. In this study, we are focusing on innovative learning culture, in determining inclusive leadership organization justice and organizational citizenship behaviour. Innovative learning culture refers to an organization that is skilled at creating, acquiring and transferring knowledge and modifying its behaviour to reflect new knowledge and insights (Garvin, 1993). Confessore and Kops (1998) revealed that in a learning organization, teamwork, collaboration, creativity and knowledge sharing are significants Yang, Watkins and Marsick (2004) added that organizational learning culture involves seven action imperatives: Continuous learning, inquiry and dialog, team learning, empowerment, an embedded system, system connection and strategic management.

Continuous learning represents an organization effort to create learning opportunities for all its employees. Inquiry and dialog refers to promoting, questioning, feedback and experimentation. Team learning specifies the encouragement of collaboration and team cohesion. Empowerment indicates processes to create and share a collective vision. An embedded system signifies an organization efforts to establish systems to capture and share learning. System connection refers to global thinking and action to connect the organization to its internal and external environment. Finally, strategic leadership reflects the extent to which leaders model and support learning at the individual, team and organizational levels. In this study we defined innovative learning culture as a culture where organization learn from their past beliefs, ideas and actions that becomes a reason to failure and focus on the future by using innovative ideas, risk-taking strategies, creative culture that is ignored in the past. Arguably, innovative learning culture main focus is on organization inner system and new ideas (Riaz, Ramzan, Ishaq, Akram and Karim, 2012).

Conceptualing Organisational Justice

Organization justices is defined as employees' perception of the extent to which they are treated fairly and honestly (Elovainio, Van den Bos, Linna, Kivimaki, Ala-Mursula, Pentti and Yahtera, 2005). Danish et al, (2014) shared the view that organizational justice refers to the firmness perception of individual in terms of how organization treat them financially, emotional and ethical needs and with accordance with rules and regulation. Conceptually, organizational justice includes three main elements; distributive justice, procedural justice and interactional justice. Distributive justice refers to the perceived fairness of the outcome that an individual receives from an organization. The fairness of distribution of outcome is perceived differently based on comparison with others (Al Salem and Alhaiani, 2007). Accordingly, individual satisfaction is a function of outcome. Procedure justice refers to the perceived fairness of the rules and procedures that regulate a process (Nabatchi, Bingham and Good, 2007). The key principles for enhancing perception of procedural justice comprise impartiality, neutrality independence voice to be heard and grounds for decisions (Bayles, 1990). Procedural justice views satisfaction as a function of processes and procedures. Specifically, when employees perceived organizational processes and procedures to be fair, they will be more satisfied and likely to exhibit positive attitude (Bingham

1997, Tyler and Lind, 1992). Interactional justice refers to the perceived fairness of interpersonal treatment received during the enactment of organizational procedure (Bies and Moag, 1986). Examples of interactional justice include action that display social sensitivity, such as when supervisor treat employees with respect and dignity. Interactional justice consists of two sub-categories; Informational justice and Interpersonal justice (Folger and Cropanzano, 1998). Research has identified that these two sub constructs overlap considerably, but they should be separated because each exerts differentials effects on justice perceptions (Colquitt, 2001, Colquitt, Conlvn, Wessor and Porter, 2001).

Linking Inclusive Leadership, Organizational Justice and Organizational Citizenship Behaviour and Innovative Learning Culture

Inclusive leadership support behaviours based on key features of availability and openness, which implying fair treatment. This is the notion of organizational justice. Arguably, a leader active and inclusive behaviouris a key factor in promoting follower engagement in team- work. Employees who receive fairtreatment increases their commitment level to promote their efficiency organization justice. Supportive behaviours of inclusive leaders improves organizational procedural justices in decision making (Bayles, 1991). (Folger and Cropanzano, 1998). Thus, inclusive leadership acts as a catalyst for organization justice. If employees feels that they are given delegated authority and included in administrative decision, they are more likely to exhibit and maintain organizational citizenship behaviour (Bogler and Somech, 2005, Danish et al, 2014). Tepper and Taylor (2003) posit that employees exhibit organizational citizenshipbehaviour with enthusiasm when they perceived fairness frommanagement. We argue that organizational justice is positively linked to organizational citizenship behaviour for these main reasons, firstly, when employees perceived high organizational justice, this makes employees to be satisfied with the working procedures and organization routine, ultimately, the employees will engage in extra role behaviour (Bingham, 1997, Aboramadan et al, 2020).

Secondly, organizational justice engendered employees trust in the organization, which is relevant to the civic virtue, dimension of citizenship behaviour (Robinson, 1996, Robinson and Morrison, 1995, Konovsky and Pugh, 1994). And lastly, fairness in the organization gives employees a strong sense of teamwork (Li, Zhu and Luo, 2010). We argue that in a learning organizations, employees are more likely to exhibit organizational citizenship behaviourwhen innovative learning culture provides employees with immense prospect to learn through active participation (Danish et al, 2004). Automatically employees are highly independent in their job profiles leading to emphasis on conformity and standards (Lepine and Ban Dyne, 2001, Watkins and Marsick, 1997, Lepine and Van Dyne, 2001). To summarized, organization learning culture facilitates better opportunities for reciprocal exchange among employees, promoting employees interaction and knowledge sharing, because interaction and involvement in knowledge sharing helps to strengthen employees relationship with others (Confessore and Kops, 1999, Islam, Anwar, Khan, Rasli, Ahmad and Ahmad, 2012, Chang, Tseng and Chem, 2012, Li, et al, 2010).

Inclusive leadership may have a positive impact on organizational citizenship behaviour in three circumstance, first, based on the resource based view theory (Barney, 1991, Grant 1991 and Ramayah, 2015), the supportive behaviour of inclusive leaders result in favorable treatment which reciprocally ensure competitive advantage (Wang, 2008). organizational citizenship behaviour is way for employees to reciprocate (Aryee, Budhwar, and Chen, 2003, Konovsky and Pugh, 1994, Oryan, 1988). Second, inclusive leaders with helping behaviour, assistance can be regarded as credible role model by employees, and, such contribute to building trust in leaders. Prior studies have supported a positive link between inclusive leadership and organizational citizenship behaviour Wilkins Butt, and Annabi (2018) found that organization identification on leadership performance positively influences organizational citizenship behaviour in U.K.

University, Campus. BauwensAudenaertHuisman and Decramer, (2019) found that leadership performance fairness is positively related to organization citizenship behaviour among academic staff in Belgium. Lawrence, Off and Bell (2012).Panicker et al, (2018) discovered that an inclusive workplace and organization citizenship behaviour are positively correlated in higher education setting and Adewale and Ghavifekr, (2019) found that organizational citizenship behaviour is positively impacted by leadership self-efficacy. Other empirical studies, TRan and Choi (2019) uncovered a positive link between inclusive leadership and organizational citizenship behaviour among service employees in Vietnam. Arguably, inclusive leadership are important drivers of manufacturing firm organization justice and organization citizenship behaviour.

Innovative Learning Culture as a Mediator

The main objective of the present study was to investigate the mediating effect of innovative learning culture on the relationship between inclusive leadership, organizational justice and organizational citizenship behaviour, the choice of innovative learning culture as a mediating variable was due to the following reasons;

First, Aboramadan et al (2020) introduced organizational learning explaining the positive relationship between inclusive leadership and extra-role behaviour. Similarly, Jared et al (2018) claimed that inclusive leadership was positively related to innovative work behaviour both directly and indirectly through psychological empowerment and cognitive evaluation theory was used to support their arguments. In addition to this, there have been inconsistencies and ambiguities in the operationalizing inclusive leadership by those who have adopted organizational level perspective. The evidence is cleared in the research work of Jared et al (2018) Deci and Ryan (1985). In these research one can underscore and pinpoint, significant differences of opinion over inclusive leadership and innovative learning culture with reference to these inconsistencies in the past research on the claim mediating actions, Baron and Kenny (1986) have recommended that when the relationship between a predator and criterion variable is found unexpectedly weak or inconsistent a mediating or moderation variable should be introduced. second, the present study proposed innovative learning culture as a potential mediating variable on the relationship between inclusive leadership, organizational justice and organizational citizenship behaviour by looking into the premise of resource based view theory which suggest that resource should be bundled and organizational capabilities underlying innovation and production should be heterogeneous across such organization. It is therefore suggested that the introduction of a mediating variable in the relationship between organization capabilities and human resources may allow specific understanding and prevent misleading conclusion regarding the resource based view theory. An inclusive leader openness to input from employees promotes continuous learning because employees have ample opportunities to extend their knowledge expertise and skills (Carmeli et al, 2010; Choi et al, 2015). Also intensified interaction between a leader and employees generates an understanding and clarity of innovative learning strategies. Furthermore, innovative learning culture supplies employees with rich opportunities to master new searched knowledge and thus enhances employees' feelings of receiving treatment from organizations (Real, Roldan and Leal, 2014; Li et al, 2010; and Yan et al, 2004).

Empirically, few studies have established a positive relationship between leadership and innovative learning culture for instance, Tran and Choi, (2019) round that inclusive leaders positively influence a culture of innovative learning in organization in Vietnamese, also Hsiao and Chang (2011) found that learning culture in organization significantly mediate the relationship between transformational leadership and innovative learning. In addition, few studies have shown a position relationship between organizational citizenship behaviour and innovative learning culture, Danish et al, (2014), Armenakis, Harris and Mossholder, 1993, Lepine and Van Dyne (2001), Watkins and Marsick, 1917 Bateman and Oryan (1983). These studies emphasized a positive impact of organizational citizenship behaviour on learning culture in the sense that developing an innovative learning culture approach encourages employees to help colleagues especially in difficult circumstance, to ensure conformity of standard, co-operative behaviour. Innovative learning culture which deals with vision and strategy, harnessing the competence base, organizational intelligence creativity and idea Management empirical studies relating organizational citizenship behaviour and innovative learning culture are few. For example, Dundai and Tabancali, (2012) Silva and Caetano, (2014). However, Janssen (2004) examine the moderating role of organization justice on innovation learning culture, he found a positive relationship between innovation learning and organizational justice. Moment, Ebrahimpour and Ajirloo (2014) investigated the effect organizational justice on innovation work behaviour and learning culture. They found a strong correlation between organizational justice and innovation learning culture and work behaviour. Additionally, Almanson and Minai (2012) explored the relationship between organizational justice and innovation learning and work behaviour in Jordan government sector, they found a direct and significant relationship between innovative learning and work behaviour. Based on the above analysis, we hypothesized thus;

H_1: Inclusive leadership does not significantly impact organizational citizenship behaviour of employees in manufacturing companies.

H_2: Organizational justice does not significantly impact organizational citizenship behaviour of employees in manufacturing companies.

H_3: Innovative learning culture does not significantly mediate between inclusive leadership, organizational justice and organizational citizenship behaviour of employees in manufacturing companies.

RESEARCH METHODOLOGY

Researchers paid much attention to research methodology portion as this determine the purpose of any kind of research (Rehman, Mohamed and Ayoup, 2019) to achieve the research objectives and try to solve the theoretical and practical problem, there is a need to use suitable technique (Rehman, et al, 2019). Therefore in the current study to see research nature, problem and objectives we are following a quantitative approach and data were collected through a questionnaires at the same time because cross sectional design was used (Rehman et al, 2019). A cross sectional survey enables researcher collect information on what is going on at a given point in time, the research design allows the researcher to test hypothesis quantitatively. Based on a list of 1800 largest manufacturing enterprise in south-south Nigeria, we contacted them in the manufacturing industry specifically those supplying raw materials in factory site, for data collection all of them showed a willingness to be involve in our study, we purposefully selected these companies based on two main criteria, first being in the manufacturing sector. These employees are more likely to show organizational citizenship, behaviour because organizational citizenship behaviour has been given more attention in the manufacturing sector than in production industry (Moorman, 1991, Sharif, Yaqub, and Baig, 2015). Second, through our initial interview with these companies human resource executives, we learnt that their employees exhibit organizational citizenship behaviour.

Model Specification

ORGCB = f (INCLS, ORGJS, INVCT)……….... Equation (1)

ORGCB = β_0 + β_1INCLS + Ui……………………… Equation (2)

ORGCB =β_{11} +$\beta 1_2$ORGJS +Uii…………………… Equation (3)

Population and Sample Size

This study choose manufacturing companies in south-south Nigeria and rspondents were owners, managers and employees of the manufacturing companies. For this study only listed manufacturing companies that were of Nigeria public websites and a total number of 1800 functional companies were selected. The regarding sector of manufacturing were production, construction, mining, quarrying and agriculture. The sample size was determined by Taro Yamani formula.

n = N1 + N (e)2

Where;
n = sample size
N = population size
e = error margin 5%

n = 18001 + 1800 (0.05)2
n = 18001 + 1800 (0.025)
n = 18001 + 4.5
n = 18005.5

n = 327 (sample size).

Sample Size

According to Comrey and Ice (1992), a sample size lesser than 50 is deemed weaker, within 51-100 considered weak, within 101 to 200 considered adequate, within 300 is good, 500 respondent considered good and 1000 is considered excellent. In this study, our respondent were managers, owner and employees as these are persons that have worked, held position of authority and know better about leadership styles, innovative culture, organizational citizenship behaviour and organizational justice. In addition, manager / owner and employees are educated person and understand better regarding organization and give better result.

A total of 327 questionnaires, 300 questionnaires returned back, 27 questionnaires were excluded due to misleading and missing values and 300 questionnaires were used for analysis purpose response rate in 91.7%.

A total number of 327 questionnaires were distributed among manager / owners and employees by using postal survey due to Coronavirus pandemic. A five liker scale point was used in designing questionnaire that ranges from 1 (strongly disagree) to 5 (strongly agree) there are many reasons to use a five likert scale point. First, respondent rate can be imporoved by using a five-liker scale point because respondent fill the questionnaires with devotion and honesty. Second, respondent feel comfortable and easy due to the time constraints factor. Third, the frustration level of respondent minimizes in five liker scale point as compared to seven-liker scale. Area cluster sampling is suitable in a situation where population is spread over a wider geographical area (Sekarah and Bougie, 2016). In this study, we are using area cluster sampling to collect data from manager / owners and employees of manufacturing companies because population is spread over a wider geographical area, formation of the cluster was based to see states in Nigeria. There are a total 17 state in south Nigeria that are following with manufacturing companies. Lagos 17.8%, Oyo 14.7%, Rivers 10.8%, Cross Rivers 8.3%, Delta 7.4%, AkwaIbom 6.7%, Bayelsa 5.4%, Edo 5.1%, Imo 4.1%, Abia 3.6%, Ebonyi 3.5%, Enugu 3.2%, Anambra 0.8%, Ondo 0.3%, Ekiti 0.1%, Osun 6.2%, Ondo 2.0%. Each state is considered as one cluster and from 17 cluster, 6 cluster (Edo, Delta, Bayelsa, Rivers, Cross Rivers, AkwaIbom) were randomly chosen because 84.4% manufacturing companies are sited in these 6 states due to the presence of oil and agricultural development. According to Sekaran and Bougie (2016), one of the researcher suggest that by using cluster sampling. First, define cluster then choose cluster randomly (Selaarano and Bougie, 2016). These are various advantage of area cluster sampling that are as follows, first, Area cluster sampling minimize the cost of data collection because it covers cluster that are important and leave those cluster that are not important, second Area cluster sampling is useful when concerned respondent spread in a wide area and by using this sampling technique researcher can cover the major portion of the population (Selaaran and Bougie 2016), third, Cluster sampling technique covers the advantage of two sampling technique such as stratified random sampling technique and simple random sampling technique, fourth, Cluster sampling has another advantage that researcher can collect data from one or more cluster, fifth, Area cluster sampling is considered an important sampling technique in the case where respondent spread over a large area.

Variables and Measurement

Consistent with previous studies, this study adapted well-established scale in the literature we measured inclusive leadership with five item developed by Carmeli et al (2010), sample items are, the managers is ready to listen to any request, the manager in available for professional questions, I would like to consult with him, the managers is open to heaving new ideas. The manager encourages me to access him on emerging issues, the manager is an ongoing presence in this team someone who is readily available. The scale reliability reported by a previous study (Carmeli et al, 2010) showed that the Alpha Cronbach of 0.94.

Five item adapted from Rahim, Magner, Antonioni and Rahman (2001) were used to measure organizational justice, sample items are: the reward I received from my organization are in accordance with my level of performance I believe that my reward accurately reflect my contribution to the organization, employees contribution are integrated into strategic, planning of the organization ,procedural rules are followed in discipline an employee, employees normally seek redress, through procedural rules. The reliability of the study was reported as adequate with Cronbach Alpha of 0.85.

Organizational citizenship behaviour was measured with five items adapted from Lee and Allen, (2002), Willian and Anderson (1991) sample, items include, I go out of my way to help co-workers, I assist new workers in their duties, I offer ideas to improve the functioning of the organization, I ensure sale volume always increase, I always concentrates on dealings with mistakes complains and failures. The reliability of Alpha cronbach was 0.88.

Innovative learning culture was measured with five items adapted from Yang et al (2004), sample items include; employees learning is an investment not an expenses, my organization culture is result oriented, basic values include learning as a key to improvement, once we quit learning we endanger our future, learning is a way to impact organization values. The alpha reliability for this construct was 0.78.

Table 1: Variables and Theoretical Underpinning

Variable Name	Dependent/Independent	Theoretical References
Inclusive Leadership	Independent variable	Nembhard and Edmondson, 2006, Carmeli et al, 2010, Choi, Tran and Kang, 2009, Hollander, 2009, Nishi i and Mayer, 2009, Qi and Liu, 2017, Choi et al, 2015, Choi, Tran and Kang, 2017.
Organizational Justice	Independent variable	Tepper and Taylor, (2003), Bingham, (1997), Danish et al, (2014), Li, Zhu and Lao, (2010), Bogler and Somech, (2005), Robinson (1996).
Organizational citizenship behaviour	Dependent variable	Podsakoff et al (2000) Spitzmuller, Dyne and Llies (2008)
Innovative learning culture	Mediating variable	Confessore and Kops, (1998), Garvin, 1993, Yang, Watkins, and Marsick (2004).

To take into account systematic variation in individual responses, four individual difference variables were included as control variables, Gender, Age, Educational Qualification and Organizational tenure. These four demographic variables were assessed using the survey questionnaires. This study treats inclusive leadership, organizational justice, organizational citizenship behaviour and innovative learning culture as individual level variables that are based on individual employees manager / owners perception of their leaders and organization.

First, in this study, we are interested in the influence of inclusive leadership in fostering a specific behaviour and outcome at the individual level, and the impact of inclusive leadersbehaviours on individuals, attitude and behaviour towards their organizations, that is, employees evaluation of their immediate leaders inclusive behaviour.

Second, our focus in this study is the mediating role of innovative learning culture in promoting a specific work and organizational environment that is conducive for employees, such as creating continuous learning opportunities, supporting all employees, encouraging creativity how these characteristics have been mediating inclusive leadership behaviour, allowing for organization justice and procedural rules to be followed and most importantly, the reaction of the employees to these characteristics.

Assessment of Common Method Variance in Accordance with Podsakoff, Mackenzie

Lee and Podsakoff (2003) suggests that assuring respondent of confidentiality can help reduce respondent evaluation apprehension and make them less likely to edit their responses, we minimized common method bias by assuring respondent of our commitment to confidentiality we stated this on the covering letter attached to each questionnaires.

Empirical Findings and Discussion

Out of 327 questionnaires, 300 were valid and suitable for different analysis conducted, this represent 91.7% response rate which is adequate for data analysis (Bryman and Bell, 2015). In terms of the numbers of employees, 80 (53.3%) of the firms have between 1 to 10 employees, 46 (30.7%) have between 11-20 employees, 21 (14%) between 21-30 employees, 40 (29.5%) between 11-40 employees, 40 (29.5% between 1-6 employees, 40 (29.5%) between 11-29 employees, 29 (20.6%) between 13-26 employees, 10 (0.10%) between 3-9 employees. With respect to the years of working experience 116 (64%) respondent have been working with their firms between 0 and 5 years, 50 (35.0%) responded between 6 to 10yrs while 54 (32.0%) respondent have been working with their firms between 10-35 years.

Table: Means values and standard deviation of participant responses.

S/N	Items	Mean	Standard Deviation
1.	The manager is ready to listen to any request	3.793333	.990231
2.	The managers is available for professional questioning I would like to consult with him	3.82	.9472368
3.	The managers is open to hearing new ideas.	3.896667	.8612751
4.	The manager encourages me to assess him on emerging issues.	4.036667	.8589421
5.	Managers is an ongo ing presence in the team someone who is readily available	4.1	.8034208
6.	The reward I received from my organization are in accordance with my level of performance.	3.766667	1.132769
7.	I believe that my reward accurately reflects my contribution to the organization.	3.673333	1.331615
8.	Employees contribution are integrated into strategy planning of the organization.	3.743333	1.303503
9.	Procedural rules are followed in disciplining an employees.	3.763333	1.248674
10.	Employees normally seek redress th rough procedural rules.	3.766667	1.179063
11.	I go out of my way to help my co-workers.	3.626667	1.366815
12.	I always assist new employees in their duty via training.	3.69	1.430871
13.	I offer ideas to improve the functioning of the organization.	3.72	1.367663
14.	I ensure sales volume always increase.	3.843333	1.355821
15.	I always concentrate on dealing with mistakes, complain and failure.	3.66	1.214902
16.	Employees learning is an investment risk an expenses.	3.54	1.160268
17.	My companies organization culture is result oriented.	3.786667	1.208867
18.	My companies basic values includes learning as a key for improvement.	3.693333	1.196129
19.	Once we quit learning we endanger our future.	3.913333	1.118029
20.	Learning is a way of impacting organizational values.	3.786667	1.157131

Table 2 shows means values and standard deviation of participant responses. A mean score of (1.00 to 1.99) = strongly disagree), (2.00 to 2.49) – disagree, (2.50 to 3.49) – undecided, (3.50 – 4.49) = agree and (4.50 to 5.00) = strongly agree). The result suggest that the respondent agreed with the following statement based on inclusive leadership ability to develop openness, creativity and purposeful ideas, that is the managers is ready to listen to any request (3.79), managers are always available for professional questioning (3.82), managers is open to hearing new ideas (3.89), the manager encourage me to assess him on emerging issues (4.03), managers is an ongoing presence in this team, someone who is readily available (4.1), the reward, received from my organization are in accordance with my level of performance (3.76), I believe my reward accurately reflects my contribution to the organization aims and objectives (3.67), employees contribution are integrated into strategy planning of the organization (3.74), procedural rules are followed in disciplining an employee's (3.76), employees normally seek redress through procedural rules (3.76), I go out of my way to help my co-workers (3.62), I always assist new employees in this duty via training (3.69), I offers ideas to improve the functioning of the organization (3.72), I ensure sale volumes always increases (3.84), I always concentrate on dealing with mistakes, complain and failures (3.66), employee learning is an investment not an expenses (3.59), my companies organization culture is result oriented (3.78), my companies basic values includes learning as a key for improvement (3.69), once we quit learning we endager our future (3.91), learning is a way of impacting organizational values (3.91). The respondent strongly agree that inclusive leadership, organizational justice initiate process that creates openness, creativity and value (3.78).

Table 3: Regression result variables (N = 300)

Model	**F**	R^2	**?**	**P value**
M_1 inclusive leadership	120.66(0.000)	0.2858	0.4769	0.000
M_2 organizational justice	146.20(0.000)	0.326	0.5338	0.000
M_3 Organizational citizenship behaviour	199.63(0.000)	0.399	.6610	0.000

Regression result in table 3 suggested that inclusive leadership ($R^2 = 0.2858$) accounts for only 24% variation in organizational citizenship behaviour of employees in manufacturing industry in south- Nigeria. Organizational justice ($R^2 = 0.326$) explain, 36% variation in organizational citizenship behaviour. This implies that other factors that are not considered with organizational citizenship behaviour in this study accounts for 76% and 64% variation in organizational citizenship behaviour and innovative learning culture in manufacturing companies. Following Pallant (2007), standardized Coefficient (Beta) was used to access the strength of inclusive leadership and organizational justice. The repression analysis result (F = 12.66 (0.000), ? = 0.4769, P < 0.000) support the alternate hypothesis (H_1) reject (HO), inclusive leadership significantly impacts organizational leadership behaviour and H_2 (F = 146.200(0.000), ? = 0.5338, P < 0.000) that organizational justice significantly impacts organizational citizenship behaviour. The repression findings indicate that inclusive leadership (? = 0.4769, P = 0.000) has a significant association with organizational citizenship behaviour (? = 0.6610 P = 0.000). The null hypothesis was shown to be false, which the alternate hypothesis was found to be true (H_1) this support the works of Barney, 1991, Grant, 1991, Ramayah, 2015, Hollander, 2009, Kanungo 2001, Bagler and Somech, 2005, Danish el at, 2014) in their submission that inclusive leadership acts as a catalyst for organizational justice. If employee feels that they are given delegated authority and included in administrative decisions, they are more likely to exhibit and maintain organizational citizenship behaviour. There is a significant association between organizational justice and organizational citizenship behaviour (? = 0.5338 P = 0000). As a result the null hypothesis in diminished, while the alternative hypothesis (H_2) is adopted, meaning that there is a substantive connection between organizational justice and organizational citizenship behaviour this is in line with Binghan, 1997, Aboramadan, et al, 2020, Robinson, 1996, Robinson and Marrison, 1995, Li, Zhu and Luo 2010). They claim that organizational justice should promote organizational citizenship behaviour by engendering employee trust in the organization, which is relevant to the civic virtue dimension of organizational citizenship behaviour. The mediating impact of innovation learning culture was investigated using PLS structural equation model (PLS –SEM) the root analysis in figure (2) and table 4 revealed that innovative learning culture mediation the relationship between inclusive leadership organizational justice and organizational citizenship behaviour as a result, the null hypothesis (HO_3) was dismissed, while the alternate hypothesis was adopted, meaning that innovative learning culture mediated the interaction between inclusive leadership, organizational justice and organization citizenship behaviour. This back –up Tran and Choi, 2019 Hsino and Changi, 2011, Darish et al, 2014, Armunakis, Harris and Mossholden, 1993, Lepine and Van Dyne, 2001, Dundai and Tabarieali, 2012, Janssen, 2004 Moment, Ebrahimpour and Ajirlo 2014, Almanson and Minai, 2012. They claim that a positive innovative learning culture encourages employees especially in difficult circumstances, to ensure conformity, and corporation behaviour. These findings suggested that there is a direct and indirect connection between innovative learning culture, inclusive leadership organizational justice and organizational citizenship behaviour.

Source	SS	df	MS	Number of obs =	300
				F(1, 298) =	120.66
Model	64.9619125	1	64.9619125	Prob > F =	0.0000
Residual	160.434754	298	.538371658	R-squared =	0.2882
				Adj R-squared =	0.2858
Total	225.396667	299	.753835006	Root MSE =	.73374

orgcb	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
incls	.4769364	.0434182	10.98	0.000	.3914912	.5623816
_cons	2.359284	.1672588	14.11	0.000	2.030126	2.688442

Source	SS	df	MS	Number of obs =	300
				F(1, 298) =	146.20
Model	74.1853067	1	74.1853067	Prob > F =	0.0000
Residual	151.21136	298	.507420671	R-squared =	0.3291
				Adj R-squared =	0.3269
Total	225.396667	299	.753835006	Root MSE =	.71233

orgcb	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
orgjs	.5338225	.0441491	12.09	0.000	.4469389	.620706
_cons	2.092127	.1740207	12.02	0.000	1.749662	2.434592

Source	SS	df	MS	Number of obs =	300
				F(1, 298) =	146.20
Model	74.1853067	1	74.1853067	Prob > F =	0.0000
Residual	151.21136	298	.507420671	R-squared =	0.3291
				Adj R-squared =	0.3269
Total	225.396667	299	.753835006	Root MSE =	.71233

orgcb	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
orgjs	.5338225	.0441491	12.09	0.000	.4469389	.620706
_cons	2.092127	.1740207	12.02	0.000	1.749662	2.434592

Source	SS	df	MS	Number of obs =	300
				F(1, 298) =	146.20
Model	74.1853067	1	74.1853067	Prob > F =	0.0000
Residual	151.21136	298	.507420671	R-squared =	0.3291
				Adj R-squared =	0.3269
Total	225.396667	299	.753835006	Root MSE =	.71233

orgcb	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
orgjs	.5338225	.0441491	12.09	0.000	.4469389	.620706
_cons	2.092127	.1740207	12.02	0.000	1.749662	2.434592

Source	SS	df	MS	Number of obs =	300
				F(1, 298) =	199.63
Model	90.4213304	1	90.4213304	Prob > F =	0.0000
Residual	134.975336	298	.45293737	R-squared =	0.4012
				Adj R-squared =	0.3992
Total	225.396667	299	.753835006	Root MSE =	.67301

orgcb	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
invct	.6610552	.0467866	14.13	0.000	.5689812	.7531291
_cons	1.569569	.1857964	8.45	0.000	1.20393	1.935208

DISCUSSION

This study has three basic contributions, first, it extends the application of resource based viewed theory by applying it to understanding key determinant of organizational citizenship behaviour, drawing from resource based view theory, the findings of this study indicates that resource based viewed theory is one of the most powerful means of explaining the dynamic capability and leaders behavioural attitude in terms of resource, skills, knowledge available in the organization, how to incorporates these values to improve employees values, attitude and behaviours toward organizational citizenship behavior, also the theory explain organizational justice as a concept in view of employees procedural norms in dealing with issues, this goes to further contribute to organizational citizenship behaviour (Konovsky and Pugh, 1994, Trevino, 2005). The result of the current study add to the existing studies on organizational citizenship behaviour by identifying the motives and involvement mechanism for engaging in organizational citizenship behaviour in relation to inclusive leadership through the resource based viewed theory process, this may promote further studies to focus on dynamic capability theory to explain the effect of capability theory to explain the effect of leadership competencies, strategic leadership on organizational citizenship behaviour.

Second, our study contributes to enriching the existing literature on both leadership organizational justice, innovative learning culture and organizational citizenship behaviour, we found that inclusive leadership and organizational justice was an effective way to catalyze employees' organizational citizenship behaviour (Carmeli et al, 2010). On findings on the positive relationship between inclusive leadership and employees' organizational citizenship behaviour is also congruent with the results of previous leadership studies that shows that leaders behaviour induces employees voluntary behaviour for enhancing organizational effectiveness (Farooqui, 2012). This may attract researcher awareness to the study of inclusive leadership in relation to other variables such as ethical standard, best practices.

Last, this study uncovered an underlying mechanism, linking leadership, organizational citizenship behaviour and organization justice by identifying the significant role of innovative learning culture as a mediating variable. This study found that innovative learning culture positively mediated the relationship between inclusive leadership, organization justice and organizational citizenship behaviour. Thus, the study raises the possibility of the mediating mechanism linking other specific variables to employeesbehaviours.

Our study addresses the idea that innovative learning culture had positive effect on inclusive leadership, organizational justice and organizational citizenship behaviour. This result provided an important resource for understanding industry context, affecting employees behaviours and attitude towards organizations in Nigeria which is our research context. Nigeria is strongly influenced by mixed economy, in which both the citizens and government are allowed to own public and personal property in the economy, in which individualism group orientation and cooperative work style are highly valued. This cultural context, leads Nigerian citizen to pay attention to learning and helping others in the organization. We also recognized that our study focused on manufacturing companies which has recently faced intense competition due to government policy on privatization and commercialization of companies in Nigeria, also the Nigerian government have adopted another policy in trying to engage the services of entrepreneur, this is known as public and private partnership. Thus, innovative learning in these companies has been promoted as a key source of organizational survival as well as a driver of employees positive behaviours like organizational citizenship behaviours to contribute to the improvement of the organization (Iman, Abbas, Muneer and Qadri, (2013). We assumed that inclusive leadership may be present unevenly in nigerianfirms context. These country and industry specific condition exerts a large role in shaping the distinct relationship between inclusive leadership, organizational justice and organizational citizenship behaviour. Our explanation is in line with prior research showing that organizational citizenship behaviour is enacted differently in different cultural context (Farooqui, 2012). This is also congruent with Podsakoff et al (2000) viewpoint that cultural contexts affects the strength of the relationship between organizational citizenship behaviour and it antecedents.

Managerial Implications

This study has proved the positive effects of inclusive leadership, organizational justice. Innovative learning culture on organizational citizenship behaviour, we advised that managers,

entrepreneurs should raise awareness among supervisor, foreman on the positive effects of inclusive leadership, organizational justice on employees' organizational citizenship behaviour. This lead to the generation of greater supervisor commitment to the application of inclusive leadership at work. Leadership inclusiveness should be adopted in the mindset of manufacturing companies managers as it increases managers consciousness, in relation to the creation of a systematic multicultural environment. Inclusive leadership creates opportunities for managers to engage in the decision-making process, which implies that they will act in a collaborative and participatory manner and will go beyond their required work in terms of extra role behaviour. Manufacturing companies should reinforce the concept of inclusive leadership, organizational justice through training, seminars and workshop. On other note, innovative learning culture should effectively be employed to produce knowledge and provoke change. Managers of manufacturing companies might use innovative learning culture as a framework to understand how companies develop strategies, make decisions and foster organizational citizenship behaviour among their employees. Consequently, manufacturing companies are called to promote innovation learning culture with both the entrepreneurs, managers and employees. Companies should also provide avenues for continuous dialogue and collaboration since this will result in fruitful outcome at both organizational and individual levels. Furthermore, to promote the effectiveness of inclusive leadership, organizational justice, innovative learning culture and organizational citizenship behaviour, human resources practice and policies such as training, performance assessment and reward system should be aligned with and lend support to an inclusive leadership and organization justice.

Moreover, in order to promote organizational citizenship behaviour, managers should pay attention to building organizational justice practices and enhancing learning culture effectively through proper collaborative processes such as providing constructive feedback mechanism and appropriate mentoring that may motivate employees' organizational citizenship behaviour at workplace (Aryee et al, 2012, Skarlicki and Latham, 1996).

LIMITATIONS AND FUTURE RESEARCH

Some limitation of these research need to be highlighted to provide future research opportunities, first, our data were collected from different service (Cluster sampling) there is larger sampling error which is prone to biases when using this method. Second, our research examined inclusive leadership, organizational justice on organizational citizenship behaviour via innovative learning culture, future research should consider other mediating variable factors which might pay an intervening role among the examined relationships. Mediating factors such as climate of creativity can be addressed (Ashikali, Groeneveld and Kuipers 2020). Third, as a cross sectional study, our research is restricted from making causal inference on the relationship between inclusive leadership, organizational justice and organizational citizenship behaviour, we have assume that inclusive leadership, organizational justice enhance organizational citizenship behaviour. However, it is possible that some aspect of organizational citizenship behaviour may cause leaders to exhibit more inclusive behaviour towards employees who help the leaders and others in the organization than toward employees who don't. future research should conduct longitudinal research or systematic experiments to investigate the causality between inclusive leadership and other variables. Finally, collecting qualitative data or utilizing mixed research methods would provide in-depth analysis of how inclusive leadership encourages organizational citizenship behaviour and enable a climatic of learning innovation.

CONCLUSION

Our study contributes to the existing literature by revealing some aspect of inclusive leadership organizational justice and organizational citizenship behaviour. The evidence from this study will help managers understand the relationship among inclusive leadership, organizational justice, innovative learning culture and organizational citizenship behaviour. Moreover, our study extends the organizational citizenship behaviour literature by proving the mediating role played by innovative learning culture. In summary, we believe that the current study will provide researchers with some key aspect to investigate the field of study further.

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UPSCALING PRODUCTS QUALITY AND CORPORATE PROFITABILITY IN NIGERIA

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ABSTRACT

Incessant corporate failure resulting from inferior product quality that adversely affects profitability, good corporate image, as well as sustainability has been an issue of concern to business analysts and other key stakeholders in Nigerian business landscape. Producing quality products, rendering quality services and continual upscaling of product quality are panacea for increase market share, profitability and business growth. This paper examines the impact of upscaling product quality on corporate profitability. The paper contributes to extant literature on the imperative to scale up product quality with specific focus on its impact on corporate profitability of product and service delivery firms in Nigeria. Qualitative research approach was adopted, relevant literatures were reviewed and the findings revealed that the efforts should be made to upscale product quality as this can boost market share and profitability. The findings further revealed that business growth, sound corporate financial health and sustainability can be achieved through the delivery of upscaled quality products and services. Based on these findings, the study recommends the the continual value addition and upscaling of product quality; business operators, managers and employees should adhere strictly to products and services quality standard's provisions of the organizations. For organizations to be profitable and stay ahead of their competitors in unstable business environment, emphasis should be laid on products and services quality. Also, organizational managers should incorporate policy measures that will ensure a culture of high-quality products and services delivery in all facets of organizational market offerings. Furthermore, regulatory, monitoring and supervisory institutions should no cut corner while discharging the statutory responsibilities.

Keywords: Products quality, profitability, quality services, sustainability and upscaling

INTRODUCTION

According to Kotler and Armstrong (2018), products are a key element in the overall market offering. Marketing mix planning begins with building an offering that brings value to target customers. This offering becomes the basis on which the company builds profitable customer relationships. A company's market offering often includes both tangible goods and services. At one extreme, the market offer may consist of a pure tangible good, these are products that of physical nature such as furniture, car, or clothing; no services accompany the product. At the other extreme are pure services, for which the market offer consists primarily of a service. Examples include services provided by airlines, legal firms, financial institutions, medical outfits, as well as consultancy firms.

Product simply refers to anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include more than just tangible objects,

such as cars, clothing, or mobile phones. Broadly defined, products also include services, events, persons, places, organizations, and ideas or a mixture of these. Services are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything. Kotler and Armstrong (2018)

LITERATURE REVIEW

Theoretical Review

Structure Conduct Performance (SCP) Paradigm

The performance of firms is commonly measured by profitability which lay emphasis on some selected theories. Prominent among these theories are the structure-conduct performance paradigm, The structure-conduct performance paradigm posits that market concentration promotes collusion among large firms in an industry and consequently aids higher profitability. It also implies that market concentration, with improve quality products and enhance service delivery remarkably, tends to have favourable and direct impact on firm's performance and profitability (Goldberg and Rai, 1996; Worthington, Briton and Rees, 2001). The Structure Conduct Performance model and the Efficient Structure Hypothesis emanated from the earliest industrial organization theories in industrial economics and constitute both structural and non-structural approaches for examining the correlation between market structure and firm performance.

Relative Market Performance Hypothesis

The relative market performance hypothesis is an outgrowth of structure-conduct performance paradigm. It submits that only firms that control large market share and offer well-differentiated products gain market power required to increase their profits through the adoption of non-competitive price-setting strategies (Berger, 1995). Meanwhile, the efficiency structure hypothesis offers a clearer perception of the possible relationship between market structure and firm performance. The efficiency structure hypothesis posits that when efficient firms behave aggressively in the market, their market shares and size improve. These foster their political strength, aid their ability to control prices and output, and eventually maximize their profits in their respective market (Lloyd-Williams, Molyneux and Thornton, 1994). It also lays credence to the positive association between concentration and profit, which emanates from highly efficient production processes and management that lower costs of production. On the other hand, the quiet-life hypothesis holds the assumption that individuals in charge of firms with relatively large market shares tend to trifle with efficiency in the use of resources while merely relying on their price-setting power for profit maximization (Punt and Rooij, 1999). Owing to this view, large firms will make use of their market power quietly and tactically for realization of profit. This is achieved without paying due attention to efficiency and productivity.

Scale-Efficient Firm Hypothesis

The scale-efficient firm hypothesis argues that when firms operate at an optimal scale of production with quality products, they lower their costs relative to others thereby obtaining higher profits while retaining higher market share. In addition, this view relates to the heterogeneity in economies of scale of production among firms.

X-efficiency hypothesis

X-efficiency hypothesis suggests that differences in firm profitability are due to technical efficiency as well as superiority in management and production relative to others (lanatha, 2011).

Resource-Based View

Aside from the aforementioned hypothesis, other two broad theoretical approaches are quite relevant in studying the firm performance. These are the resource-based view and the market-based view. The resource-based view centres on firm-specific resources employed by the business organization to increase its performance and earn more profit. However, the market-based view emphasizes firm's environment and the features of the market (Lazar, 2016).

Conceptual Framework

Product Quality and Profitability

The main objectives of upscaling quality are to boost market share and profitability. Greater quality reduces manufacturing costs due to lower scrap levels, less rework and reduced raw material costs. Tulsian (2014) explained that the word profitability is composed of two words profit and ability. Profit refers to the total income earned by the enterprise during the specified period of time while profitability refers to the operating efficiency of the enterprise. Dogan (2013) profitability is the ability of a given firm earn profit. Iyoha (2012) profitability can be measured using total return on assets and return on equity and others. Return on equity is defined as net income divided by total assets. Profitability is relative tendencies of profit making in alternative courses of action or decision, (IIaboya, 2005).

Product Quality and Corporate Image

Adequate emphasis has not been laid by banks in terms of promoting a favourable corporate image and this attitude has affected their performance in the market, more so, in the face of the prevailing staff competition among banks. The environment in which banking business operates is in constant change and it constitutes an important factor in that it affects management decision and actions. For any business, two types of environment exist. The operating environment which may be classified into external forces comprising economic, social, political, cultural, governmental, technological; internal forces comprising the top management, the employees, and the task force; and the public environment which is made up of the bank's several policies. The environment within which banks operate today does not help matters of all due to the negative issues emanating from the business environment. One example is the moral decadence that has pervaded the entire society. Ayele, (2016).

Profitability Management

According to Rrodposhti and Chashmi (2011) management of profitability takes place in three ways namely: By restructuring numerous transactions (expense and revenue), by taking advantage of modification of accounting procedures. Lastly through management accruals approach. Profitability is a product of cashflows and so it can be managed. profitability management is a strategy by managers in the business organization to manipulate the earning levels within the business activities through creative and improved quality products. (Grougiou, Leventis, Dedolus & Owusu- ansah, 2014).

Corporate Performance and Profitability.

The performance variable is measured as the return on assets. It is the worth of operating income. Rreturn on assets is used because it shows the profit earned per naria of the annual income divided by total assets which reflect how well the company is using its real investment to generate profit. It also reflects the management capability in utilizing the company's financial and investment resources to generate profits. Hossan and Habib (2010) performance is the degree of achievement of the mission at work place. Mostly researchers used the term performance to express the range of measurements of transactional efficiency and input or output efficiency. Profitability helps to evaluate the performance of a company.

Total Quality Management (TQM)

According to Hossan, & Habib (2017), Total Quality Management (TQM) refers to an

administrative way to deal with long haul accomplishment through consumer loyalty. In a TQM exertion, all individuals from an association take an interest in further developing cycles, items, administrations, and the way of life wherein they work.

Components of Total Quality Management

Complete quality administration can be summed up as an administration framework for a client centered association that includes all workers in nonstop improvement. It utilizes technique, information, and successful interchanges to incorporate the quality discipline into the way of life and exercises of the association. Large numbers of these ideas are available in present day quality administration frameworks, the replacement to TQM. Here are the 8 standards of all out-quality administration:

Client centered: The client eventually decides the degree of value. Regardless an association does to cultivate quality improvement—preparing representatives, incorporating quality into the plan interaction, or overhauling PCs or programming—the client decides if the endeavors were beneficial.

Complete representative association: All representatives partake in pursuing shared objectives. Complete representative responsibility must be gotten after dread has been driven from the work environment, when strengthening has happened, and when the executives has given the appropriate climate. Elite execution work frameworks coordinate constant improvement endeavors with ordinary business tasks. Independent work groups are one type of strengthening.
Cycle focused: A major piece of TQM is an attention on process thinking. A cycle is a progression of steps that take inputs from providers (inner or outside) and changes them into yields that are conveyed to clients (inside or outer). The means needed to do the cycle are characterized, and execution measures are ceaselessly observed to recognize unforeseen variety.
Incorporated framework: Although an association might comprise of a wide range of useful claims to fame regularly coordinated into upward organized divisions, it is the flat cycles interconnecting these capacities that are the focal point of TQM.
Miniature cycles amount to bigger cycles, and all cycles total into the business processes needed for characterizing and carrying out technique. Everybody should comprehend the vision, mission, and core values just as the quality approaches, destinations, and basic cycles of the association. Business execution should be checked and imparted persistently. Hossan, & Habib (2017),
A coordinated business framework might be designed according to the Baldrige Award measures or potentially join the ISO 9000 principles. Each association has a one of a kind work culture, and it is essentially difficult to accomplish greatness in its items and administrations except if a decent quality culture has been cultivated. Accordingly, a coordinated framework interfaces business improvement components trying to ceaselessly improve and surpass the assumptions for clients, representatives, and different partners.
Vital and methodical methodology: A basic piece of the administration of value is the key and precise way to deal with accomplishing an association's vision, mission, and objectives. This interaction, called vital arranging or key administration, incorporates the detailing of an essential arrangement that coordinates quality as a center part.
Ceaseless improvement: An enormous part of TQM is constant interaction improvement. Ceaseless improvement drives an association to be both logical and innovative in finding ways of turning out to be more serious and more powerful at meeting partner assumptions.
Truth based dynamic: In request to realize how well an association is performing, information on execution measures are vital. TQM necessitates that an association persistently gather and

investigate information to further develop dynamic exactness, accomplish agreement, and permit forecast dependent on previous history.

Correspondences: During seasons of hierarchical change, just as a feature of everyday activity, compelling interchanges have a huge impact in keeping up with confidence and in propelling workers at all levels. Correspondences include systems, strategy, and idealness.

Empirical Review

Isah (2017), conducted a study to investigate the corelation between quality management and earning capacity of firms in Nigeria. It observed that external stakeholders rely on information contained in the financial statement to make vital economic decisions. The study covered the period of 2009 to 2015. The study used data extracted from the financial statement of 14 listed deposit money banks in Nigeria. The study also employed panel data and multiple regression technique in analyzing the data. The variables include dependent variable earnings quality and independent variables which includes firm size, profitability, leverage, liquidity and information intensity. It used the Chang et al 2008 model of discretionary loan loss provision was use as proxy of earning quality. The findings are that firm size is one of the attributes that affects the earning quality of deposit money banks in Nigeria. It concluded that large banks should window services to enable them respond quickly to profit making opportunities.

Ngunjiri (2017) conducted a study on the relationship between earnings management and financial performance in Kenya. Sixty quoted firms in Nairobi Securities Exchange were the population of the study. The study adopted a descriptive research design and analyzed the data using regression models. The dependent variable is earning management and independent variables are market to book value, financial performance firm size. The study found out that earnings management positively and significantly influenced the stock return among firms listed at Nairobi securities in Kenya. The study also found out that the coefficient for market to book value positively influenced stock return among companies. they concluded that earning management, firm size and market book value ratio positively and significantly influenced financial performance companies listed at the Nairobi Securities Exchange in Kenya.

Hassan and Ahmed (2018) studied how corporate governance, earning management and financial performance of Nigeria manufacturing firms. Secondary data were extracted from annual reports from 2008 to 2016 and univariate OLS multiple regression was used as a tool for data analysis. The independent variables are board composition, institutional shareholding and executive compensation while dependent variables are EBIT, absolute discretionary accruals and true financial performance. The findings are that corporate governance significantly impact on both the adjusted and unadjusted firm performance in different magnitude and directions. in conclusion it is established that board composition is inversely related with true performance

CONCLUSIONS

The findings further revealed that business growth, sound corporate financial health and sustainability can be achieved through the delivery of upscaled quality products and services. Based on these findings, the study recommends the the continual value addition and upscaling of product quality; business operators, managers and employees should adhere strictly to products and services quality standard's provisions of the organizations.

Lastly, we suggest that for organizations to be profitable and stay ahead of their competitors in unstable business environment, emphasis should be laid on products and services quality. Also, organizational managers should incorporate policy measures that will ensure a culture of high-quality products and services delivery in all facets of organizational market offerings. Furthermore, regulatory, monitoring and supervisory institutions should no cut corner while discharging the statutory responsibilities.

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CONTENT CHANGE MARKETING STRATEGY AND ORGANIZATIONAL SURVIVAL IN POST COVID-19 DOMESTIC AVIATION INDUSTRY IN NIGERIA

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ABSTRACT

This study investigated content change marketing strategy and organizational survival in post COVID-19 domestic aviation industry in Nigeria. The study adopted the descriptive survey research design. Both primary and secondary methods of data collection were employed to obtain relevant data for analysis. The instrument of data collection employed was questionnaire. The study population comprised of the 10 major domestic airline companies (Air Peace, Azman Air, Medview Airline, Dana Air, Arik Air, First Nation Airline, Aero Contractors, Max Air, Overland Air and IRS Air) that make up the Nigerian domestic aviation industry which are also enlisted in the Nigerian Civil Aviation Authority (2020). The study adopted the entire population as the sample since the population is not too large. However, 5 copies of structured questionnaire were administered to top management staff from each of the 10 firms that make up the Nigerian domestic aviation industry, making it a total of 50 respondents. The data was analyzed with Pearson's Product Movement Correlation statistic through the aid of statistical packages for social science version 23.0. The result of the findings revealed that that there is significant and positive relationship between content change marketing strategy and organizational survival in post COVID-19 domestic aviation industry in Nigeria. The study therefore, concluded that content change marketing strategy significantly relates with organizational survival thus this implies that the implementation of content change marketing strategy in domestic aviation operations will prove significantly in the adaptive capacity, agility and improvisation in the post COVID-19 domestic aviation industry in Nigeria. Based on the conclusion, the study recommended that managers in the Nigerian domestic aviation industry should seek knowledge of content change marketing strategy in their quest for survival in the post COVID-19 business era; managers in the Nigerian domestic aviation industry should adopt content change as strategy for building adaptive capacity and mitigating the harmful effects of disruptions that spring up within the business environment.

Keywords: Content Change Marketing Strategy, Organizational Survival, Adaptive Capacity,

Agility, Improvisation.

INTRODUCTION

Change is a dominant fact of life, even human life itself is transient; rules and decrees change over time, societies transform overtime, beauty fades with time, even business orientations evolve with time to suit the stakeholders' way of thinking at that particular time or period. Ability to adapt any business to these changing conditions has become one of the most sought-after business skills. The contemporary world is more than ever confronted with changes occasioned by the COVID-19 Pandemic which has devastated almost all areas of business including the aviation industry, marketing managers and organizations has begun to seek new ways of survival (Kelleci & Yıldiz, 2021). Also, there are growing concerns in the business press about how firms ought to organize their marketing activities to suit changing occurrences that shape customers' needs, wants, choices and preferences. Ahiauzu and Jaja (2015) expressed that the needs and wants of the consumer are in a rapidly changing mode in line with the changing nature of the world. These changes attract a whole lot of strategies to enable organization satisfy consumers dynamic needs in a changing operational environment.

According to Shakil (2012) for organization to meet up with the ever dynamic customer and business environmental requirements, there is need to change both the organisation structure and strategy which mostly is seen in their responsive as well as adaptive nature to customer and environmental changes. Sequel to this assertion, Ahiauzu and Eketu (2015) identify content change as a powerful marketing contrivance that organizations employ to resiliently pursue their objectives in the face of high tempo volatile and constantly quickening changes within a marketplace. This description befits the present day business environment where the COVID-19 Pandemic has scuttled existing business formation and placed a new norm against organizations' desire. Organizations' ability to create contents to cope with environmental uncertainties, threats, crises and unexpected events will strengthen their survival capacity (Bullough & Renko, 2013). The concept of content change marketing strategy, which is a research topic in business and management sciences, is relatively nascent and is gaining speedy acceptance in organizational science given its irreplaceable and pivot role in engendering survival among organizations in changing situations, and literature in this area is still in the developmental stage (Poradova, 2020; Akgün & Keskin, 2014).

The aviation industry has been identified as a key catalyst to economic growth in Nigeria. The importance of content change marketing strategy in the Nigerian aviation industry can hardly be over stated especially as the COVID-19 Pandemic continues to desecrate business norms in Nigeria as well as globally. The Nigerian aviation sector was greatly affected by the COVID-19 Pandemic change that disrupted virtually all businesses in the world. This aberration called COVID-19 Pandemic has created a new norm within the business environment and because it is an externality, aviation firms like every other business organization can only develop new modus operandi to help them resist emergency and recover from the disruption occasioned by these changes (Oladele, 2018). Earlier on, Martins and Tabiti (2015) advised that organizations should change their content or put up flexible marketing contents to respond to customer needs in the face of changing situations. As a joinder to Martins and Tabiti's opinion, Eketu (2015) advocates that organizations should focus on reengineering their organizational structure around core marketing contents to capture the changing behavior of customer which changes with the trend.

According to Adriana (2013), organizations use content change marketing strategy in pulling great efforts to mitigate change effects either by quickly responding to the changes or by adapting to them in a manner that could reduce their impact on the organization and its various activities. The relevance of content change marketing strategy is reflected in the advice of Bullough and Renko (2013) which emphasized the need for organizations to establish readiness and survival capacity for impromptu changes through content marketing strategy. Although this advice seems reasonable, the scientific basis for it is limited. Unlike individual readiness for change, content change marketing strategy in organization has not been subjected to extensive theoretical and empirical tests. Hoşgorur (2016) focused school business organizations; Akgun and Keskin (2014) investigated firms' product change and organizational resilience capacity thus most of these studies were conducted in different contexts and foreign demography and as such do not provide adequate knowledge on how managers within Nigerian aviation sector can integrate content change in their marketing strategy to improve organizational survivability. The kernel of this paper was to push back the frontiers of ignorance in this area as it sought to explain the empirical relationship between content change marketing strategy and organizational survival in the post COVID-19 aviation industry in Nigeria.

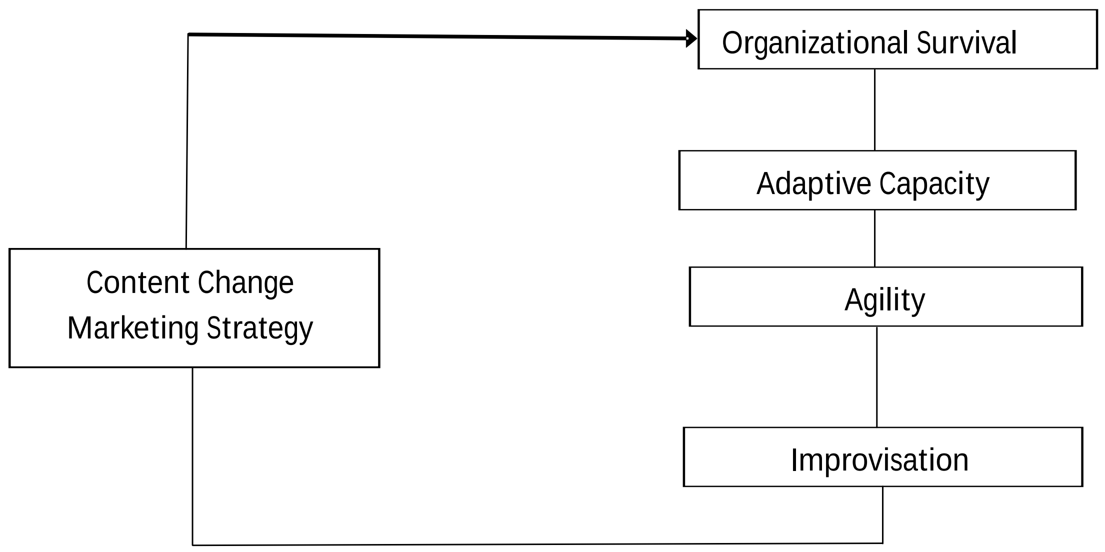

Figure 1: Conceptual framework of content change marketing strategy and organizational survival in the post COVID-19 aviation industry in Nigerian.
Source: Researcher's conceptualization model from literature review, 2021.

Theoretical Foundations of the Study

Dynamic Capability Theory

The dynamic capability theory was developed by Teece, Pisano and Shuen in 1997. The theory describes an organization's ability to purposefully adapt its resource base to the change in the business environment (Attafar, Soleimani, Shahnazari & Shahin, 2012). The dynamic capability theory implies a firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments, and it examines how firms address or bring about changes in their turbulent business environment through reconfiguration of their firm-specific competencies into new competencies (Teece, 2007). The theory explains the mechanism that links resources and product contents to competitive advantage and firm survival. The DCT further explains how firms gain sustainable competitive advantage, and

survive in competitive and turbulent business environments in several ways. The DCT operates on three fundamental presumptions: the capacity to sense and shape opportunities; the capacity to seize opportunities; and the capacity to maintain competiveness through reconfiguring the enterprise's assets (Teece, 2007). The implication of the DCT is that Nigerian aviation companies can capitalize on knowledge of the DCT to purposefully create and modify their marketing content to gain competitive advantage and ensure overall firm performance and survival even in the face of environmental changes.

Understanding Content Change Marketing Strategy

Change content is one of the main issues in the marketing and public sector reform literature which has received considerable attention in the change management literature. Content change marketing strategy describes a collective term for all approaches to plan, bolster, and offer assistance to people, groups and organizations in making new changes. Change drivers stem from technological advancement, handle surveys, emergencies and consumer habit changes, pressure from new business entrants, acquisitions, mergers and organizational restructuring (Vinerean, 2017). According to Du Plessis (2017) content change marketing incorporates strategies that divert or redefine the utilization of assets, business processes, budget allocations and other modes of operation that significantly change a company or organization. Content change focuses on objectives, purposes, and goals of the strategy (Jalagat, 2016). Content change marketing strategy looks at organizations' marketing contents before, during and after an event in the life of the organization.

Organizational Survival

The competition is waxing stronger in almost all industries today and firms are adapting to survival capacity. Organizations are continuously striving for survival in the midst of environmental factors that spring up to impede on business performance. Surviving in the Nigerian aviation entails meeting up with the increasing air travel demands. Organizational survival has both subjective and objective denotations. However, the literary way to measure survival in organizations is to observe their continuous existence. Organizational survival implies firms' ability or state of continuing to live or exist, often despite difficulty, challenges or dangers (Ugwuzor, 2018). The concept of survival has been mostly regarded in disaster management studies as an important factor ensuring continuity, sustainability and future success in the case of disruptive events (Kantur, Petrosyants & Lomakin, 2020). Survival is measured by a company's ability to endure through volatile, unpredictable, complex and ambiguous elements that an organization could face: events such as the COVID-19 Pandemic. An organization that is geared towards survival must be prepared, act quickly and get positive results during the storm, which will eventually lead to coming out of the storm with a positive moment for growth (Obiekwe, 2018).

Adaptive Capacity

Adaptive capacity is the extent to which an organization has the ability to alter behavior, structures and systems in order to survive in the face of the environmental change (Lockwood, Raymond Oczkowski & Morrison, 2015). Adaptive capacity implies translating the demands of business environment into action. Adaptive capacity is a combination of two or more cultural values, including innovation and action orientation, that allow a firm to adjust to environmental conditions better than others, thereby, leading to superior performance (Armitage, 2005). Adaptive capacity is also linked to the concept of strategy and appears to be more complex than a simple set of cultural values. The ability to adapt to changing conditions is an underlying premise of the strategic choice perspective (Reeves & Deimler, 2011). Adaptive capacity represents the capability of an enterprise to react quickly to opportunities and risks and convert them into business advantage (Somers, 2009). Adaptive capacity refers to the capacity to respond to the needs of customers and clients (Adriana, 2013). The ability to make optimum choices: an intentional response to change based on the information regarding the environment - past, present and future. People must be empowered to take sensible risks, build new capabilities, experiment, adjust their behaviors, be fearless, learn from their failures and share their experiences with others (Williams, Fenton & Huq, 2015). Adaptive capacity is defined as the modification and alterations in the organizations or its components in order to adjust to changes in the environment (Teece, Peteraf & Leih, 2016). Adaptive capacity help organizations to embrace change or be changed to fit an altered environment.

Agility

The concept of agility means rapid, agile, and active movement (Sahid, Meleh & Belaissaoul, 2020). The root and origin of agility is derived from agile production and this is a concept that has been presented during later years. Agility is "the capacity of an organization to quickly recognize, utilize opportunities and tackle threats in an unstable environment (Okuwa & Onuoha 2016). One of the key lessons coming from the COVID-19 Pandemic is the lesson to create agility among organizations. Agility enhances the business's capability to rapidly adjust to changing natural conditions (Bessant et al, 2001). Agility has its roots in manufacturing context. It was defined as a manufacturing system which is able to meet the needs of a changing marketplace, shifts quickly between products, in real time in order to adapt to changing customer needs (Ferreira, Dantas & Seville, 2007). Early agility research described agility as the ability to reconfigure manufacturing system in order to respond to unpredictable changes in the market. The ability to reconfigure suggests utilization of structural and infrastructural elements, which adds to the position that agility is a more encompassing capability compared to flexibility (Attafar et al., 2012). By synthesizing existing technologies and production methods, combining managerial and manufacturing tools with the help of people and processes organizations are able to reach agility.

Improvisation

Factors from the external environment may become so complex and as such renders planning unfeasible or counter-productive. The organization may also face market and technological turbulence or an unpredictable environmental shock or crisis. These types of disruptions may compel the organization to improvise (opting for a suitable alternative). Another response to disruptions the firm can adopt is to proactively train itself to improvise crisis procedures – for instance, in the context of mental simulations of initial responses to aircraft accidents (Barreto & Ribeiro, 2012) or in response to the situated practices and problems of users implementing large-scale enterprise resource planning (ERP) change.

By improvising, an organization seeks to gain longer-term benefits beyond the situation at hand. It may also break free from flawed mental models of itself and its environment susceptible of preventing it from predicting otherwise foreseeable changes (Balachandra, Crossan, Devin, Leary, & Patton, 2005). Improvisation is commonly seen to promote greater organizational flexibility. Organizational Improvisation is an interdisciplinary and occasionally uncontained concept, the word improvise comes from the Latin providere, “make preparation for”, and its derivative improvisus, “unforeseen” (Oxford Dictionaries 2014). Improvisation thus involves dealing with the unforeseen without the benefit of preparation. Improvisation is organizational when it is done by the organization or its members. It therefore occurs at various levels, and different dynamics apply to it depending on whether improvisation happens within one (individual), between two or a few (interpersonal) or amongst many (organizational) individual actors

Empirical Review

There are existing studies supporting the relationship between content change marketing strategy and organisational survival. Lengnick-Hall & Beck (2005) investigated adaptive fit versus robust transformation: How organizations respond to school environmental change. The study adopted the descriptive survey research design and used questionnaire and personal interview as its data generation source. The study was analyzed through Z-test statistics with the aid of Statistical package for social sciences (SPSS) version 20. Findings of the study revealed that since change is natural phenomenon, organizations that are open to content change will have stamina to withstand changes inherent in the business environment. Similarly, Lengnick-Hall & Beck (2009) examined change tendency and strategic DCT and agility: Prerequisites for thriving in a dynamic environment. The study adopted the descriptive survey research design and used questionnaire and personal interview as its data generation source. The study was analyzed through Pearson's Product Moment Correlation with the aid of Statistical package for social sciences (SPSS) version 22.0. Findings obtained from the research indicate that organizations are open to change, and hold the view that proactiveness and adaptive skills gives organizations stamina to withstand environmental changes.

Akgun and Keskin (2014) investigated firms' product change and organizational resilience capacity. The study adopted descriptive survey research design and questionnaire type of information sourcing. The sourced data was analyzed with Spearman Rank Order Correlation and found that there is significant and positive relationship between product change and organizational resilience capacity. The study concluded that product change helps organizations to build resilience capacity in the increasingly changing business environment. Finally, Hoşgorur (2016) conducted a study on the views of primary school administrators' content change, and to reveal which strategies they use to manage change in schools. The descriptive survey research design collected data from primary school administrators through semi-structured interviews. Data were analyzed through content analysis. Some findings of the study reveal that content change is a proactive strategy that schools and other organizations adopt to meet educational goals in changing situations.

Ho_1: There is no significant relationship between content change marketing strategy and adaptive capacity in the post COVID-19 domestic aviation industry in Nigeria.

Ho_2: There is no significant relationship between content change marketing strategy and agility in the post COVID-19 domestic aviation industry in Nigeria.

Ho_3: There is no significant relationship between content change marketing strategy and improvisation in the post COVID-19 domestic aviation industry in Nigeria.

METHODOLOGY

This study adopted the descriptive survey research design. The study population comprised of the ten (10) major domestic airline companies that make up the Nigeria domestic aviation industry as enlisted in the Nigerian Civil Aviation Authority (2020). The study used a Census method to adopt the entire population as the study sample given that the population is not large. However, 5 copies of structured questionnaire were administered to top management staff from each of the ten firms that make up the Nigerian domestic aviation industry, making it a total of 50 respondents. The 50 copies of questionnaire were usable for the data analysis. Pearson's Product Moment Correlation was used in testing the various hypotheses in order to determine the hypotheses with the help of the Statistical Packages for Social Sciences (SPSS) version 23.0.

Test of Hypotheses

Ho_1: There is no significant relationship between content change marketing strategy and adaptive capacity in the post COVID-19 domestic aviation industry in Nigeria.

Table 1: Relationship between Content Change Marketing Strategy and Adaptive Capacity

		Content Change Marketing Strategy	Adaptive Capacity
Content Change Marketing Strategy	Pearson Correlation	1	.733**
	Sig. (2-tailed)		.000
	N	50	50
Adaptive Capacity	Pearson Correlation	.733**	1
	Sig. (2-tailed)	.000	
	N	50	50

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

Source: Field Survey 2021

From the SPSS output on Table 1, it can be observed that there is a correlation coefficient of 0.733** between content change marketing strategy and adaptive capacity, indicating a strong and positive relationship between content change marketing strategy and adaptive capacity. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between content change marketing strategy and adaptive capacity. This further implies that most of the changes in adaptive capacity in the Nigerian domestic aviation industry are caused by content change marketing strategy while others are caused by externalities. Based on this, we reject the null hypothesis that there is no significant relationship between content change marketing strategy and adaptive capacity in the post COVID-19 domestic aviation industry in Nigeria and accept the alternate that there is strong significant relationship between content change marketing strategy and adaptive capacity in the post COVID-19 domestic aviation industry in Nigeria.

Ho_2: There is no significant relationship between content change marketing strategy and agility in the post COVID-19 domestic aviation industry in Nigeria.

Table 2: Relationship between Content Change Marketing Strategy and Agility

		Content Change Marketing Strategy	Agility
Content Change Marketing Strategy	Pearson Correlation	1	.820**
	Sig. (2-tailed)		.000
	N	50	50
Agility	Pearson Correlation	.820**	1
	Sig. (2-tailed)	.000	
	N	50	50

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

Source: Field Survey, 2021

From the SPSS output on Table 2, it can be observed that there is a correlation coefficient of 0.820** between content change marketing strategy and agility, indicating a very strong and positive relationship between content change marketing strategy and agility. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a very strong significant relationship between content change marketing strategy and agility. This further implies that most of the changes in agility in the Nigerian domestic aviation industry are caused by content change marketing strategy while others are caused by externalities. Based on this, we reject the null hypothesis that there is no significant relationship between content change marketing strategy and agility in the post COVID-19 domestic aviation industry in Nigeria and accept the alternate that there is very strong significant relationship between content change marketing strategy and agility in the post COVID-19 domestic aviation industry in Nigeria.

Ho_3: There is no significant relationship between content change marketing strategy and improvisation in the post COVID-19 domestic aviation industry in Nigeria.

Table 3: Relationship between Content Change Marketing Strategy and Improvisation

		Content Change Marketing Strategy	Improvisation
Content Change Marketing Strategy	Pearson Correlation	1	.758**
	Sig. (2-tailed)		.000
	N	50	50
Improvisation	Pearson Correlation	.758**	1
	Sig. (2-tailed)	.000	
	N	50	50

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

.Source: Field Survey, 2021

From the SPSS output on Table 3, it can be observed that there is a correlation coefficient of 0.758** between content change marketing strategy and improvisation, indicating a strong and positive relationship between content change marketing strategy and improvisation. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between content change marketing strategy and improvisation. This further implies that most of the changes in improvisation in the Nigerian domestic aviation industry are caused by content change marketing strategy while others are caused by externalities. Based on this, we reject the null hypothesis that there is no significant relationship between content change marketing strategy and improvisation in the post COVID-19 domestic aviation industry in Nigeria and accept the alternate that there is strong significant relationship between content change marketing strategy and improvisation in the post COVID-19 domestic aviation industry in Nigeria.

DISCUSSION OF FINDINGS

The analysis of the study revealed a correlation coefficient of 0.733** between content change marketing strategy and adaptive capacity, indicating a strong and positive relationship between content change marketing strategy and adaptive capacity. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between content change marketing strategy and adaptive capacity. Similarly, the study analysis revealed a correlation coefficient of 0.820** between content change marketing strategy and agility, indicating a very strong and positive relationship between content change marketing strategy and agility. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a very strong significant relationship between content change marketing strategy and agility. Finally, findings of the study showed a correlation coefficient of 0.758** between content change marketing strategy and improvisation, indicating a strong and positive relationship between content change marketing strategy and improvisation. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between content change marketing strategy and improvisation.

The study findings are in conformance with findings from other related empirical studies.

Specifically, the study findings agree with the findings of Lengnick-Hall and Beck (2005) which revealed that since change is natural phenomenon, organizations' adaptive fit to changes is associated with content change actualization. Also, the study findings corroborates with the findings of Lengnick-Hall and Beck (2009) which explained that organizations that are open to content change will have stamina to withstand changes inherent in the business environment. The findings of the study are in line with the findings of Akgun and Keskin (2014) as they explained concluded that product change helps organizations to build resilience capacity in the increasingly changing business environment. Finally, the study findings are in tandem with empirical findings of Hoşgorur (2016) which revealed that content change is a proactive strategy that schools and other organizations adopt to meet organizational goals in changing situations.

CONCLUSION

The importance of content change marketing strategy in boosting organizational survival is manifestly evident in literature. This study explored the contributions of scholars on the nexus between content change marketing and organizational survival in the post COVID-19 domestic aviation industry in Nigeria. Based on the findings of the study, this paper concludes that content change marketing strategy relates significantly with organizational survival in the post COVID-19 domestic aviation industry in Nigeria. Thus, the implementation of content change marketing strategy in domestic aviation operations will prove significantly in the adaptive capacity, agility and improvisation in the post COVID-19 domestic aviation industry in Nigeria.

RECOMMENDATIONS

Based on the findings and conclusion from this study, this paper makes the following recommendations:

1. Managers in the Nigerian domestic aviation industry should seek knowledge of content change marketing strategy in their quest for survival in the post COVID-19 business era.
2. Managers in the Nigerian domestic aviation industry should adopt content change as strategy for building adaptive capacity and mitigating the harmful effects of disruptions that spring up within the business environment.

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SERVICE DIFFERENTIATION STRATEGY AND MARKETING PERFORMANCE OF DOMESTIC AIRLINE OPERATORS IN PORT HARCOURT

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ABSTRACT

This study investigated service differentiation leadership strategy and marketing performance of domestic airline operators in Port Harcourt, Nigeria. The study adopted the descriptive survey research design. Both primary and secondary data collection sources were used to obtain relevant data for analysis via the questionnaire. The study population comprised the seven (7) major domestic airline firms operating in Port Harcourt as enlisted in the Nigerian Civil Aviation Authority (2020). The study used a Census method to adopt the entire population as the study sample given that the population was not too large. However, 7 copies of structured questionnaire were administered to top management staff from each of the seven domestic airlines in Port Harcourt, making it a total of 49 respondents. After data cleaning only 47 copies of the questionnaire were usable for the data analysis. Pearson'siProductiMomentiCorrelation was used in testing the various hypotheses with the help of the Statistical Packages for Social Sciences (SPSS) version 23.0. Findings from the study indicated that service differentiation strategy has significant and positive relationship with marketing performance of domestic airline operators in Port Harcourt. The study concluded that service differentiation strategy has significant relationship with marketing performance of domestic airline operators in Port Harcourt. Based on the established fact, the study recommended that management of domestic airline firms in Port Harcourt should adopt policies that will help them develop unique and differentiated products to boost their marketing performance; management of domestic airlines should seek in-depth knowledge of service differentiation strategy as this can help in the improvement of firms' sales growth and market share.

Keywords: Service Differentiation Strategy, Marketing Performance, Sales Growth, Market Share, Domestic Airline Operators.

INTRODUCTION

Aviation is a major economic player with direct impact and multiplier effects on transportation, tourism, construction, manufacturing and other sectors in the country. Airline transportation represents the movement of people and cargo by aircraft and helicopters. It entails a transport

system that involves carriage of persons or goods using airplanes and helicopters (Abraham, Saheed & lluno, 2015). According to Adiele and Etuke (2017), air transport has become the safest mode of traveling in Nigeria considering the security situation in the country. Although, involves high costs, air transport is regarded as worthwhile even for relatively short distances given its speed. Historically, the development of aviation in Nigeria dates back to 1925 when the British Royal Air force (RAF) landed safely in Kano, this marked the beginning of the need for air travels in Nigeria. The federal Government of Nigeria initiated a policy to erect airports in every state capital in 1970s which led to flight operations on scheduled interval to various state capitals including Port Harcourt (Hassan & Dina, 2015). Hassan and Dinna (2015) note that airline operation was regulated until the deregulation policy of the late 1980s. The deregulation policy which became effective from 1991 has led to great competitions among airline firms in the aviation industry. Building strong business with high expectation on marketing performance now depends on how firms develop strategies in line with their purpose. This confirms with Onuoha and Olori's (2017) description of strategy as the panacea for organizational failure. According to Porter (2008), strategy allows a firm to channel programs and activities that conform to the goals of the firm especially when pursuing higher amount of return on investment.
Service differentiation strategy seeks direction to a favorable competitive advantage position in a market place (Porter, 2008). The object of service differentiation strategy is to develop a sustainable and profitable position against firms' rivals and other forces that determine competition in a market or industry (Rakita, 2013). Rakita (2013) further stress that service differentiation if well implemented enhances firms' performance. Service differentiation strategy can be a major predictor of marketing performance within the Nigerian aviation industry. Regrettably, differentiation strategy is difficult due to the lack of adequate understanding of the concept by domestic airlines in Port Harcourt. The absence of the knowledge of service differentiation strategy and its role on marketing performance is probably a major factor plaguing performance of domestic airline operators in Port Harcourt.

Although, several previous researches have empirically and theoretically highlighted the pivot role and relationship between service differentiation strategy and marketing performance, most of these studies were carried out within foreign demography and within different industry contexts. For instance, Ibidunni (2009) focused on food and beverage manufacturing companies in Nigeria; Ahmad (2012) focused on Jordan firms; Sebastian (2014) studied differentiation strategy in Kenyan supermarket; Hardy (2014) focused on convention hotels in San Francisco; Asieh's (2016) study focused on Ghanaian automobile industry; Baraza (2017) mirrored manufacturing firms in Kenya; Njuguna. There are little or no empirically evidenced studies depicting the relationship between above concepts particularly among domestic airline operators in Port Harcourt (to the best of our knowledge). This paper sought to fill the identified gap as it explored the relationship between service differentiation strategy and marketing performance of domestic airline operators in Port Harcourt.

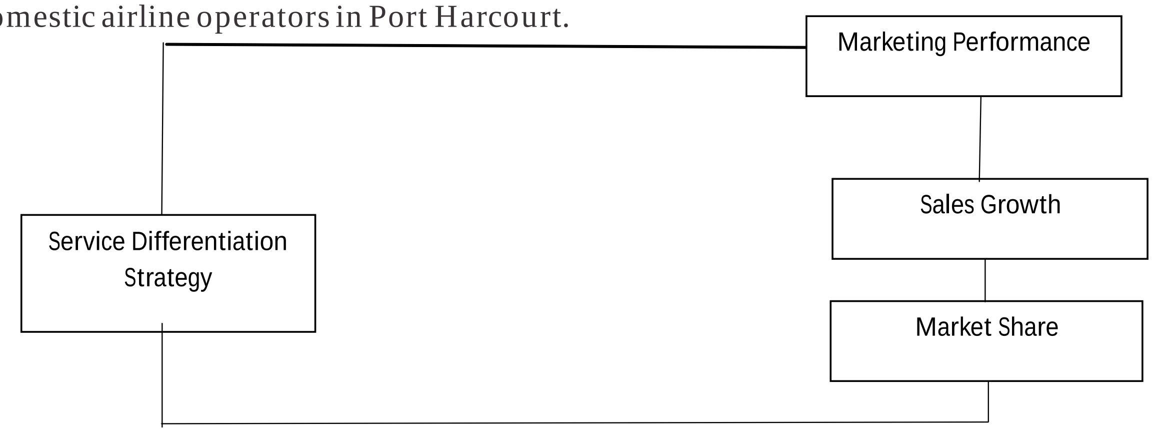

Figure 1.1: Conceptual framework of service differentiation strategy and marketing performance of domestic airline operators in Port Harcourt.

Source: Research Desk, 2021.

THEORETICAL FOUNDATION

This study is premised on the Resource-Based View. RBV assumes that the firm is a bundle of resources that an organization must secure from its environment to survive and improve its marketing performance (Ouma, 2016). According to Barney (1991) in Baraza (2017), the resource-based view is based on the concept of productive resources. The resource-based theory deals with the identification and exploitation of already existing resources more effectively and efficiently in the organization. Given the RBV theory of the firm, differentiation is taken as a strategic decision which can be used to fill gaps and improve marketing performance among domestic airline operators.

The Concept of Service Differentiation Strategy

The presence of numerous brands selling similar products and services in today's markets has posed a lot of fears among firms and has given customers the advantage of multiple choice making. The success and profitability of any product or firm is now dependent on how it markets itself in a way distinct from the competition. According to Jeff (2014), service differentiation is a strategy used by firms to provide buyers with services unique or different which makes the company's services distinct from those offered by competitors. Service differentiation is pervasive in industries or markets and firms that seek to differentiate themselves must always consider features that vary with competitors (Harely, 2014). According to Adinan and Abukari, (2013), a firm's service offering may be district on the basis of features not provided in the market. In the aviation industry, firms may differentiate their services on the basis of innovation, durability, consistency, reliability, credibility, power, professionalism etc. Dirisu et al., (2013) hint that differentiation is based on the product itself, the market approach, the delivery time by which it is served among other broad range of factors, thus differentiation aims more on firms reputation as a result of quality of service rendered, the delivery time and the unique way of packaging the products (Abu-Aliqah, 2012). Service differentiation requires that a firm choose features or attributes that differentiate its products in a way distinct from the competitors. Shammot (2011) argues that a firm must be truly unique and proficient at something or be perceived by customers as being unique to achieve premium price and high marketing performance.

Marketing Performance

The success and survival of any firm depends largely on its value creation capacity. Customers define and patronize what they perceive as value and this patronage translates into benefits of many kinds which can be viewed as the firm's marketing performance (Dirisu, Oluwole and Ibudunni, 2013). Marketing Performance is viewed as the effectiveness of firms in achieving their purpose. Dirisu *et al* (2013) describes marketing performance as a business jargon or construct that is applied in ascertaining the wellness status of the organization.

The Oxford Learners Dictionary (2010) defines performance as an act of performing; of doing something using knowledge as distinct from merely possessing it and any recognized

achievement. Epstein (2004) cited in Didia (2015) hints that performance can refer to either the 'ends' (results) or the 'means' (actions) that gave birth to the ends. For Nadube (2015), marketing performance as an aspect or part of business parameter that seeks to ascertain the relationship between marketing activities and its outcome. Since marketing deals with business functions aimed at facilitating, ascertaining and stimulating sales, effective marketing must result in identifying customer needs and wants, winning and retaining customer preferences geared towards improvement of overall performance (Baraza, 2017). This study adopts sales growth and market share as measures of marketing performance.

Sales Growth

Growth in firm's sales is viewed as an indication of firm success and market acceptance (Coal and Rao, 2006). In specific terms, sales growth is an indicator of firm's financial performance. Nwokah (2018) posits that sales growth is a parameter for evaluating business organizations competiveness. Nwokah (2018) further states that inventions or innovations positively affect profit via sales growth. To have growth in sales means that a firm records annual addition to sales figures of previous years thus, an amount of sales recorded by a firm in relation to a previous, corresponding period of time in which the later sales exceed the former. Because the increment in sales may vary from year to year (that is, may not be equal), sales growth highlights a significant measure of change in sales over recorded periods.

Market Share

Market share is regarded as one of the most crucial marketing performance measures any firm can achieve. A report by financial Technologies Group (2004) states that market share is one of the most important measures of any business performance as it draws from micro environmental variables (Nwokah, 2018). A firm's market share is crucial for both the firm's success and its investors. It gives investors better knowledge of the firm's competitiveness (Njuguna & Waithaka, 2020). In fact, market share is so important that it is used to judge firms marketing campaign effectiveness. According to Ouma (2016), market share means a relative measurement against firms' external benchmarks which indicate how well a firm is doing in relation to competition. It means the percentage of sales a firm acquires within a specific period of time and in a specific market. Market share refers to the percentage or proportion of the entire available market or market segment that a firm serves. It measures the preference of consumers for a firm's product offering over other similar product offerings from competitors. Market share represents a share of the industry's market prospect that is gained by a firm in that industry and it usually expresses the firm's revenue made from that market (Ouma, 2016). To increase market share, firms need to employ strategy such as cost leadership.

Empirical Review

Adinan and Abukari (2013) carried out an empirical study on the effects of product differentiation on profitability in the petroleum industry in Ghana. The study adopted explanatory research design method and used correlation analysis as well as regression analysis. Here, it was observed that differentiation strategy significantly impact profitability in the petroleum industry. Dirisu, Iyiola & Ibidunni (2013) studied product differentiation: A tool for competitive advantages and optimal organizational performance of manufactures in Nigeria. Regression analysis technique was employed to analyze the data and it was found that there is a strong positive relationship between product differentiation and organizational performance. Again, Asieh (2016) examined the impact of competitive strategies on corporate innovation of automobile industry in Ghana. Rukia (2015) explored differentiation strategy and performance of manufacturing firms in Kenya. Using Porter's competitive strategy typology, the study collected primary data using both self-administered questionnaires and analyzed the data using descriptive and inferential statistical techniques. Findings of the study showed that the differentiation was significantly related with the performance of manufacturing firms. Violinda, Dirgantara, and Sufian (2016) examined how differentiation strategy was related with organizational performance with specific focus on Semarang State University. The study relied on a random sample of 150 employees of Samarang State University and Structural Equation Modelling techniques. The study found that differentiation strategy was significantly related with performance of Semarang State University. Ju, Tong, Hu, and Sun (2017) studied the determinants and consequences of product differentiation strategy using Chinese indigenous exporters as their case study. The study employed structural equation modelling when analyzing data collected from 195 Chinese indigenous exporters, and they found that product differentiation strategy was significantly associated with export performance in a positive manner, and the effect was stronger for firms exporting to developed markets. In Nigeria, Adegbite, Osinowo, Omisore, and Ayinde (2019) sought to find out whether service differentiation was related with competitive advantage by specifically focusing on the country's National Railway Corporation. The researchers collected primary and secondary data from a sample of 100 commuters as well as internal performance reports respectively. Their results indicated that service differentiation had significant impact on creating competitive advantage for Nigerian Railway Corporation particularly in a standardized business environment. Ghahroudi and Sagheb (2018) explored effect of differentiation strategies on the performance of women's fashion clothing industry. The study collected data from 100 women's clothing mesons in Tehran Iran. The study results showed that differentiation strategy had significant effect on performance of women's clothing mesons. We therefore based on the foregoing, hypothesize as follows:

Ho_1: There is no significant relationship between service differentiation strategy and sales growth.

Ho_2: There is no significant relationship between service differentiation strategy and market share.

METHODOLOGY

This study adopted the descriptive survey research design. Population of this study was the seven (7) major domestic airline firms operating in Port Harcourt as enlisted in the Nigerian Civil Aviation Authority (2020). The study used a Census method to adopt the entire population as the study sample given that the population was not large. However, 7 copies of structured questionnaire were administered to top management staff from each of the seven domestic airlines in Port Harcourt, making it a total of 49 respondents. After data cleaning only 47 copies of the questionnaire were usable for the data analysis. Pearson's Product Moment Correlation was used in testing the various hypotheses with the help of the Statistical Packages for Social Sciences (SPSS) version 23.0.

Table 1: Result of the Reliability Test

S/No	Dimension/Measures of the Study	Number of Item	Cronbach's Alpha
1	Service Differentiation strategy	5	0.793
2	Sales growth	5	0.817
3	Market share	5	0.770

Source: Research data output, 2021.

DATA ANALYSIS

Table 2: Descriptive Statistics of Service Differentiation Strategy

	N	Sum	Mean	Std. Deviation	Variance
Our firm's services are unique and different from other firm's offerings.	47	77	3.64	.735	.540
We differentiate our product/service offerings through timely delivery, unique packaging and designs.	47	156	3.32	1.024	1.048
Our product packaging is different from others.	47	166	3.53	1.158	1.341
We deliver products timely to make our customers happy.	47	181	3.85	.691	.477
We deliver innovative products to our customers.	47	153	3.26	1.188	1.412
Valid N (listwise)	47				

Source: Field Survey, 2021.

Table 2 depicts high mean scores of the questionnaire items ranging over 3.00, this means that greater number of the respondents expressed very high and high extents of acceptance to the research question with respect to user service differentiation strategy. However, it can be seen that question 4 which sought to determine the extent to which domestic airline operators in Port Harcourt deliver products timely to make their customers happy, has the highest mean score of 3.85. This shows that question 4 has the strongest influence on the variables.

Table 3: Descriptive Statistics of Sales Growth

	N	Sum	Mean	Std. Deviation	Variance
Our firm records increase in sales annually.	47	201	4.28	.682	.465
Our new products are accepted by our target customers.	47	160	3.40	1.262	1.594
We acquire new customers every year.	47	154	3.28	1.036	1.074
Our customers happily make repeat patronage of our services.	47	201	4.28	.682	.465
Our customers enjoy our innovative product features.	47	160	3.40	1.262	1.594
Valid N (listwise)	47				

Source: Field Survey, 2021.

Table 3 depicts high mean scores of the questionnaire items ranging over 3.00, this means that greater number of the respondents expressed very high and high extents of acceptance to the research question with respect to sales growth. However, it can be seen that questions 1 and 4 which sought to determine the extent to which domestic airline operators in Port Harcourt record increase in sales annually and have customers that happily make repeat patronage of the services, have the highest mean scores of 43.28. This shows that questions 1 and 4 have the strongest influence on the variables.

Table 4: Descriptive Statistics of Market Share

	N	Sum	Mean	Std. Deviation	Variance
Our firm serves a reasonable percentage or proportion of the entire aviation domestic market.	47	158	3.36	1.072	1.149
We observe increase in our market share.	47	162	3.45	1.176	1.383
We develop new air routes in addition to existing general routes.	47	171	3.64	1.390	1.932
We enjoy high customer patronage of our services.	47	156	3.32	1.105	1.222
We always introduce new products to our customers.	47	206	4.38	.534	.285
Valid N (listwise)	47				

Source: Field Survey, 2021.

Table 4 depicts high mean scores of the questionnaire items ranging over 3.00, this means that greater number of the respondents expressed very high and high extents of acceptance to the research question with respect to market share. However, it can be seen that question 5 which sought to determine the extent to which domestic airline operators in Port Harcourt always introduce new products to boost market share, has the highest mean score of 4.38. This shows that question 5 has the strongest influence on the variables.

TEST OF HYPOTHESES

Ho_1: There is no significant relationship between service differentiation strategy and sales growth.

Table 5: Relationship between Service Differentiation Strategy and Sales Growth

		Service Differentiation Strategy	Sales Growth
Service Differentiation Strategy	Pearson Correlation	1	.910**
	Sig. (2-tailed)		.000
	N	47	47
Sales Growth	Pearson Correlation	.910**	1
	Sig. (2-tailed)	.000	
	N	47	47

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

From the SPSS output on Table 5, it can be observed that there is a correlation coefficient of 0.910** between service differentiation strategy and sales growth, indicating a very strong significant relationship between service differentiation strategy and sales growth. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a very strong significant relationship between service differentiation strategy and sales growth. This further implies that service differentiation strategy can be used to achieve sales growth of domestic airline operators in Port Harcourt. Based on this, we reject the null hypothesis that there is no significant relationship between service differentiation strategy and sales growth of domestic airline operators in Port Harcourt and accept the alternate hypothesis that there is a very strong, significant relationship between service differentiation strategy and sales growth of domestic airline operators in Port Harcourt.

Ho_2: There is no significant relationship between service differentiation strategy and market share.

Table 6: Relationship between Service Differentiation Strategy and Market Share

		Service Differentiation Strategy	Market Share
Service Differentiation Strategy	Pearson Correlation	1	.776 **
	Sig. (2-tailed)		.000
	N	47	47
Market Share	Pearson Correlation	.776**	1
	Sig. (2-tailed)	.000	
	N	47	47

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

From the SPSS output on Table 6, it can be observed that there is a correlation coefficient of 0.776** between service differentiation strategy and market share, indicating a strong significant relationship between service differentiation strategy and market share. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between service differentiation strategy and market share. This further implies that service differentiation strategy can be used to achieve market share of domestic airline operators in Nigeria. Based on this, we reject the null hypothesis that there is no significant relationship between service differentiation strategy and market share of domestic airline operators in Port Harcourt and accept the alternate hypothesis that there is a strong, significant relationship between service differentiation strategy and market share of domestic airline operators in Port Harcourt.

DISCUSSION OF FINDINGS

From the analysis of data gathered for this study, it was revealed that there is a very strong significant relationship between service differentiation strategy and sales growth. This further implies that service differentiation strategy can be used to achieve sales growth of domestic airline operators in Port Harcourt. Also, the results of the study findings revealed that there is a strong significant relationship between service differentiation strategy and market share. This further implies that service differentiation strategy can be used to achieve market share of domestic airline operators in Nigeria.

These findings compliment the findings of Adinan and Abukari (2013) which explored effects of product differentiation on profitability in the petroleum industry in Ghana and found that differentiation significantly impact profitability. Again, the result of the study shares same position with Dirisu, Iyiola and Ibidunni (2013) as they investigated product differentiation: A tool for competitive advantage and optimal organizational performance of manufacturers in Nigeria, and found that there is a strong positive relationship between differentiation strategy and marketing performance. The result of the study is not at variance with the findings of Asieh (016) who examined the impact of competitive strategies on corporate innovation of Ghana automobile industry, which found that there is a strong positive relationship between differentiation and corporate innovation thus implicit in the above results is that a firm adopting differentiation strategy will have more sales growth and market share. The study findings corroborate with the empirical findings of Rukia (2015) which explored differentiation strategy and performance of manufacturing firms in Kenya and that the differentiation was significantly related with the performance of manufacturing firms. Accordingly, Violinda, Dirgantara and Sufian (2016) found that product differentiation strategy was significantly associated with export performance in a positive manner, and the effect was stronger for firms exporting to developed markets; Adegbite, Osinowo, Omisore and Ayinde (2019) indicated that service differentiation had significant impact on creating competitive advantage for Nigerian Railway Corporation particularly in a standardized business environment; Ghahroudi and Sagheb (2018) showed that differentiation strategy had significant effect on performance of women's clothing mesons.

CONCLUSION

This study revealed that service differentiation strategy has significant relationship with marketing performance of domestic airline operators in Port Harcourt. Thus, the important role of service differentiation strategy in improving firms' marketing performance is recognized in both theoretical and empirical literature. Based upon the empirical findings and in line with the empirical findings of other studies, this study concludes that service differentiation strategy has significant relationship with marketing performance of domestic airline operators in Port Harcourt. From the study, it is believed that firms that implement service differentiation strategy are more open to the advantage of making more sales and acquiring large market share in relation to competitors, because the success and profitability of any product or firm greatly depends on how it markets itself in a way distinct from the competition.

RECOMMENDATIONS

Sequel to the established fact, we recommend the following:

1. Management of domestic airline firms in Port Harcourt should adopt policies that will help them develop unique and differentiated products to boost their marketing performance
2. Management of domestic airlines should seek in-depth knowledge of service differentiation strategy as this can help in the improvement of firms' sales growth and market share.

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IS RESPONSIBILITY ACCOUNTING IRRESPONSIBLE? A PRAGMATIC MANAGEMENT ANALYSIS

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ABSTRACT

Presently, business activities are so much in competitive than ever before and constantly upgrading with new dimensions along with dynamics business environment and market fluctuation. Business failure is a common factor if proper functioning and co-ordination is not appropriate put in place among the organizational subunits or responsibility centers where the individual managers are directly to be held responsible for their actions. In actualizing organizational goals, largely depend upon proper functioning across the organization which can be easily controlled by delegating authorities and responsibilities based on the size and structure of organizations. Responsibility accounting helps not only in evaluating performance but also in taking managerial decisions like cost control, investment appraisals, revenue budget to break even and then profit planning. Ethical dilemmas could be eliminated from business operations at all level if responsibility accounting is properly practiced. This study focuses on the reviews of the various literatures relating to responsibility accounting. A descriptive approach is used to review different literatures to understand the impact of responsibility accounting in business organizations. It is on this note we are in support of responsibility accounting indeed responsible in every aspect of business.

Keywords: responsibility accounting (RA), Irresponsible, A pragmatic, Managerial, Analysis

INTRODUCTION

Before now accounting has been in one dimension (financial accounting) giving accounting information to stakeholders based on the recording of financial statement from recording, classifying, analyzing, summarizing and interpretation of financial information to stakeholders. However, this does not concern with the internal management of an organization it was on this, came the introduction of INTERNAL ACCOUNTING. According to Obara (2021), highlighted internal accounting as management accounting which was divers collection or techniques that has been aiding management activities in resolving managerial problems, management problems in this areas, regards to manufacturing activities. Responsibility accounting is a management control system based on the principles of delegating authority and assigning responsibility. The authority and responsibility are delegated to the manager of responsibility centers. It works under responsibility centers (Biswas 2017). The implementation of responsibility accounting is quite recent and has come about as a response to the managers' need for better way

to control operations. Responsibility accounting provides financial information useful for evaluating managers or heads of department's performance on what is under their control. Each layer of management is held responsible for all their actions. The primary objective of responsibility accounting is to motivate lower level managers and workers who tend to be motivated by a system of measurement that emphasizes their individual performance. However, controlling costs and / or revenues in practice is a fundamental task. It is not always easy to decide whether a particular item of costs and / or revenues is controllable or not under hierarchical arrangements. Persons with position of responsibility need to be liable for activities under their control. The present paper examines the essence of responsibility accounting in public universities. (Phillip et.al.2016). In the next sections of this paper, we shall discuss on literature review, conceptual review, empirical review, findings and conclusion.

LITERATURE REVIEW

Conceptual Review

Responsibility accounting has been a vital tool in the checkmating departmental performance in an organization. However, responsibility accounting has assisted management of an organization in making decisions as well as enabling management to appraise various manager's performance. According to Lumen (2021), responsibility accounting refers to an accounting system that collects, summarizes, and reports accounting data relating to the responsibilities of individual managers. A responsibility accounting system provides information to evaluate each manager on the revenue and expense items over which that manager has primary control (authority to influence). A responsibility accounting report contains those items controllable by the responsible manager. When both controllable and uncontrollable items are included in the report, accountants should clearly separate the categories. The identification of controllable items is a fundamental task in responsibility accounting and reporting. Responsibility accounting is a basic component of accounting systems for many companies as their performance measurement process becomes more complex. The process involves assigning the responsibility of accounting for particular segments of the company to a specific individual or group. These segments are often structured as responsibility centers in which designated supervisors or managers will have both the responsibility for the performance of the center and the authority to make decisions that affect the center.

Often, businesses will use the segment structure to establish the responsibility accounting framework. You might think of segments and responsibility centers as two sides of the same. (Harold 2021). *BCCampus (2021) highlighted that* Responsibility accounting involves the budgeting, as well as the internal accounting for every responsibility center in a firm. Its goal is to help management with planning, creating, and control of the responsibility centers in a firm. This type of accounting primarily involves preparing monthly and annual budgets for every responsibility center. It also takes into account the cost and revenue of a firm. The management maintains the monthly, quarterly, or yearly reports, which are then sent to the manager responsible for that department. This type of accounting primarily involves preparing monthly and annual budgets for every responsibility center. It also takes into account the cost and revenue of a firm. The management maintains the monthly, quarterly, or yearly reports, which are then sent to the manager responsible for that department. the areas where his strict attention is needed. If the actual spending gets over the budget, then Mr. A has to trace the error and take corrective actions. In all, we can say that Mr. will be personally accountable for his department's performance. (Sanjay 2021). Owino et.al. (2021), Responsibility accounting has been an accepted part of traditional accounting control device for many years. The aims are to motivate lower level managers and workers who tend to be motivated by a system of measurements that emphasizes their individual performance.

Responsibility accounting model includes aspects of planning, control, feedback and decision-making. Based on planning, control, feedback and decision-making, responsibility accounting provides useful financial information in assessing efficiency and effectiveness of managers or department heads' financial performance directly under their control to date, responsibility accounting is an administrative accounting method that measures the results of each administrative position. Responsibility accounting follows administrative systems and links the reports of the individuals' performance with the principals of the different administrative unit's / responsibility positions. This makes it possible to know the extent of the achievement of these responsibility positions against their objectives. Responsibility accounting brings about decentralization of organizational activities into various units. Decentralization is the dispersion of decision-making authority among individuals at lower levels of the organization. In other words, the extent of decentralization refers to the degree of control that segment managers have over the revenues, expenses, and assets of their segments. When a segment manager has control over these elements, the investment center concept can be applied to the segment. Thus, the more decentralized the decision making is in an organization, the more applicable is the investment center concept to the segments of the company. The more centralized the decision making is, the more likely responsibility centers are to be established as expense centers. (Lumen 2021). Organizational activities have been decentralized into various center for an efficient and effective control measures so that various managers could be rewarded for well performance and query for non-better performance. According to *BCCampus (2021)*, fundamentals of responsibility accounting and responsibility centers recall the discussion of management control systems. These systems allow management to establish, implement, monitor, and adjust the activities of the organization toward attainment of strategic goals. Responsibility accounting and the responsibility centers framework focuses on monitoring and adjusting activities, based on financial performance. This framework allows management to gain valuable feedback relating to the financial performance of the organization and to identify any segment activity where adjustments are necessary. According to Agarwal R. (2021), described responsibility centers as a center that can be classified by the scope of responsibility assigned and decision-making authority given to individual managers and classified responsibility accounting into four major types such as cost centers, revenue centers, profit centers and investment centers. Responsibility accounting is a managerial controlling tool by which costs are related to individual managers in an organization. Irresponsible is the state or fact of being not responsible, not answerable, or un-accountable for something within one's power, control, or management. (Davis 2020).

Types of Responsibility Centers
Let present this in a pictorial form for easy assimilation.

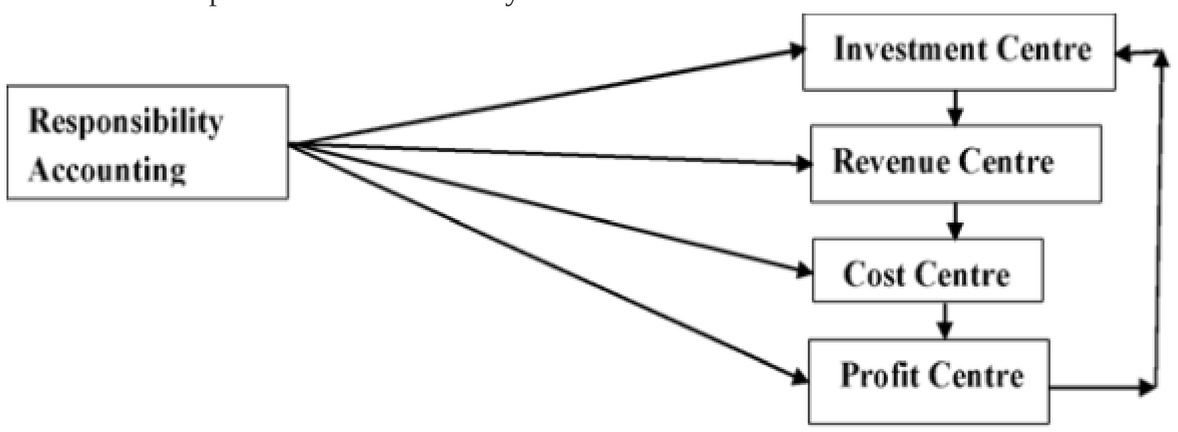

Fig. 1. Source. Survey 2021

organizations must exercise care when establishing responsibility centers. In a responsibility accounting framework, decision-making authority is delegated to a specific manager or director of each segment. The manager or director will, in turn, be evaluated based on the financial performance of that segment or responsibility center. It is important, therefore, to establish a responsibility accounting framework that allows for an adequate and equitable evaluation of the financial performance of the responsibility center (and, by default, the manager of the responsibility center) as well as the attainment of the organization's strategic goals. This is not an easy task. There are several factors that organizations must consider when developing and using a responsibility accounting framework. Some see responsibility accounting as a center of four while some sees as more than four. According to *BCCampus (2021)*, types of responsibility centers: cost centers, discretionary cost centers, revenue centers, profit centers, and investment centers.

Cost Centers
Liberto and Howard (2021), highlighted cost or expenses are divided into non-discretionary or discretionary costs. In other words, essential and non-essential expenses. Some expenses, such as vacation costs and luxury items, are not necessary to maintain a household and, thus, are classified as discretionary expenses. In other words, the income-earner can pay for these goods or services at their own discretion. Certain expenses, though, must be paid to keep things running, such as housing costs, taxes, and health insurance for individuals and payroll, warehousing costs, and transport for businesses. These are considered essential expenses, as the income-earner must pay them on a regular basis or else suffer the consequences.

A cost center is an organizational segment in which a manager is held responsible only for costs. In these types of responsibility centers, there is a direct link between the costs incurred and the product or services produced. This link must be recognized by managers and properly structured within the responsibility accounting framework. An example of a cost center is the customer's care department of a service provider. On one hand, since the customer's care department is structured as a cost center, the goal of the customer's care department manager is to keep costs as low as possible, since this is the basis by which the manager will be evaluated by upper-level management. On the other hand, the customer's care department manager, who is responsible for customer's relations, also wants to keep the customer certified with the organization's services as possible as the customers demand. If the customer's care unit fails from their responsibilities and disorganized, customers will not continue to give their patronage to the organization. Therefore, the customer's care department manager and upper-level management must work together to establish goals of the cost center (the customer's care department, in this example) that satisfy the strategic goals of the business—maintaining a clean and organized customer's care while minimizing the costs of managing the customer's care department. (*BCCampus 2021).*

Harold (2021), highlighted in a cost center the manager is responsible only for costs. Examples of cost centers include a production department, maintenance department, accounting department, human resource department, customer's service department, etc.

According to Agarwal (2021), a cost or expense center is a segment of an organization in which the managers are held responsible for the cost incurred in that segment but not for revenues. Responsibility in a cost center is restricted to cost. For planning purposes, the budget estimates are cost estimates; for control purposes, performance evaluation is guided by a cost variance equal to the difference between the actual and budgeted costs for a given period. Cost center managers have control over some or all of the costs in their segment of business, but not over revenues. Cost centers are widely used forms of responsibility centers. In manufacturing organizations, the production and service departments are classified as cost center. Also, a marketing department, a sales region or a single sales representative can be defined as a cost center. Cost center may vary in size from a small department with a few employees to an entire manufacturing plant. In addition, cost centers may exist within other cost centers. For example, a manager of a manufacturing plant organised as a cost center may treat individual departments within the plant as separate cost centers, with the department managers reporting directly to plant manager. Cost center managers are responsible for the costs that are controllable by them and their subordinates. However, which costs should be charged to cost centers, is an important question in evaluating cost center managers.

According to Tuovila (2021), a cost center is a department or function within an organization that does not directly add to profit but still costs the organization money to operate. Cost centers only contribute to a company's profitability indirectly, unlike a profit center, which contributes to profitability directly through its actions. Managers of cost centers, such as human resources and accounting departments are responsible for keeping their costs in line or below budget.

A cost center is a function within an organization that does not directly add to profit but still costs money to operate, such as the accounting, HR, or IT departments. The main use of a cost center is to track actual expenses for comparison to budget. A cost center indirectly contributes to a company's profit via operational excellence, customer service, and enhanced product value. The manager for a cost center is only responsible for keeping costs in line with budget and does not bear any responsibility regarding revenue or investment decisions. A cost center indirectly contributes to a company's profit through operational efficiency, customer service, or increasing product value. Cost centers help management utilize resources in smarter ways by having a greater understanding of how they are being used. Although cost centers contribute to revenue indirectly, it is impossible to discern the actual revenue generated. Any associated benefits or revenue-producing activities of these departments are disregarded for internal management purposes. The main function of a cost center is to track expenses. The manager of a cost center is only responsible for keeping costs in line with budget and does not bear any responsibility regarding revenue or investment decisions. Expense segmentation into cost centers allows for greater control and analysis of total costs. Accounting for resources at a finer level such as a cost center allows for more accurate budgets, forecasts, and calculations based on future changes.

Discretionary Cost Centers

A discretionary cost center is similar to a cost center, with one distinguishing factor. A discretionary cost center is an organizational segment in which a manager is held responsible for controllable costs when there is not a well-defined relationship between the center's costs and its services or products. Examples include human resources and accounting departments. Human resources departments often establish policies that affect the entire organization. For instance, while a policy requiring all workers to have annual safety training for fires, injuries, and tornadoes is beneficial to the entire company, it is difficult to evaluate the human resources department manager's performance in relation to impacting the products or services the company provides. As you might expect, reviewing the financial performance of a discretionary cost center is similar to that of the review of a cost center. (*BCCampus 2021).*

According to Liberto and Howard (2021), a discretionary expense is a cost that a business or

household can survive without, if necessary. Discretionary expenses are often defined as nonessential spending. This means a business or household is still able to maintain itself even if all discretionary consumer spending stops. Meals at restaurants and entertainment costs are examples of discretionary expenses. A discretionary expense is a cost that is not essential for the operation of a home or a business. In a corporate environment, discretionary expenses are usually costs linked with improving a company's reputation among its customers and employees. Tracking discretionary expenses enables businesses and households to identify where they can save money in times of financial difficulties. Discretionary expenses vary depending on the business or person. Expenses are divided into several categories, namely non-discretionary and discretionary. While non-discretionary expenses are considered mandatory housing, taxes, debt, and groceries discretionary expenses are any costs incurred above and beyond what is deemed necessary. These are generally considered wants, while non-discretionary expenses are usually referred to as needs. As such, discretionary expenses rarely have anything to do with a business or household's day-to-day operations and, instead, have to do with lifestyle and choice. Businesses and individuals pay for discretionary expenses with discretionary income the amount of money left over after paying for housing, food, taxes, and other necessities. When times are good, people have more money to spend, and they normally do so on things they don't need, such as luxury items and other services cars, vacations, restaurants, entertainment, electronics, etc. When times get tougher and short-term cash flow issues emerge, managers and individuals will first look to weed out any unnecessary costs.

Discretionary expenses are normally the first to go because stopping them is unlikely to have a major impact on a business or household. n a corporate environment, discretionary expenses are usually costs linked with promoting or boosting a company's standing in the market. Buying the raw materials used to produce goods is usually considered essential. Spending money on employee training programs is not usually considered essential. Individuals may also encounter moments when it is necessary to consider which of their expenses they can live without. For example, a person who runs into financial difficulties is more likely to prioritize paying utility bills over financing a vacation. As mentioned above, discretionary expenses are any costs that a consumer or business wants rather than needs. Some common discretionary items include: Vacations and travel expenses, Automobiles, Alcohol and tobacco, Restaurants and other entertainment-related expenses, Coffee and specialty beverages, Hobby and sports-related expenses, such as crafting, sewing, and gym memberships. It's important to point out again that what defines a discretionary expense depends on who's doing the buying. For instance, buying a new car may be considered a want for one person, but it may be considered essential for someone who has a long commute to work where driving is the only option.

Revenue Centers

Agarwal (2021), highlighted that a revenue center is a segment of the organization which is primarily responsible for generating sales revenue. A revenue center manager does not possess control over cost, investment in assets, but usually has control over some of the expense of the marketing department. The performance of a revenue center is evaluated by comparing the actual revenue with budgeted revenue, and actual marketing expenses with budgeted marketing expenses. The Marketing Manager of a product line, or an individual sales representative are examples of revenue centers.

A revenue center is an organizational segment in which a manager is held accountable only for revenues. As the name implies, the goal of a revenue center is to generate revenues for the business. In order to accomplish the goal of increasing revenues, the manager of a revenue center would focus on developing specific skillsets of the revenue center's employees. The banking sector in Nigeria is an example of a segment that may be structured as a revenue center. The employees should be well-trained in providing excellent customer service, handling customer complaints, and converting customer interactions into actual sales. As the financial performance of cost centers and discretionary cost centers is similar, so is the financial performance of a revenue center and a cost center. (*BCCampus 2021).*

Profit Centers

According to Segal T. (2021), A profit center is a branch or division of a company that directly adds or is expected to add to the entire organization's bottom line. It is treated as a separate, standalone business, responsible for generating its revenues and earnings. Its profits and losses are calculated separately from other areas of the business. Peter Drucker coined the term "profit center" in 1945. A profit center is a branch or division of a company that directly adds to the corporation's bottom line profitability. A profit center is treated as a separate business, with revenues accounted for on a standalone basis. The opposite of a profit center is a cost center, a corporate division, or department that does not generate revenue. Profit centers are crucial to determining which units are the most and the least profitable within an organization. They function by differentiating between certain revenue-generating activities. This facilitates a more accurate analysis and cross-comparison among divisions. A profit center analysis determines the future allocation of available resources and whether certain activities should be cut entirely. The managers or executives in charge of profit centers have decision-making authority related to product pricing and operating expenses. They also face considerable pressure as they must ensure that their division's sales from products or services outweigh the costs—that their profit center produces profits year after year, either by increasing revenue, decreasing expenses, or both.

A profit center is an organizational segment in which a manager is responsible for both revenues and costs (such as banking sector in Nigeria). Of the responsibility centers explored so far, a profit center structure is the most complex because a manager must be well-versed in techniques to increase revenues, decrease expenses, and thereby increase profits while also meeting the strategic goals of the organization. (*BCCampus 2021).* Harold (2021), highlighted that *Profit centers.* In a profit center the manager is responsible for its costs and revenues. For example, a company may have a consumer products division and an industrial division to more effectively market the company's products. Each division's manager is responsible for sales and expenses. However, if the company's executive team makes all of the investment decisions, the divisions are considered to be profit centers. A profit center is a segment of an organization whose manager is responsible for both revenues and costs. In a profit center, the manager has the responsibility and the authority to make decisions that affect both costs and revenues (and thus profits) for the department or division. The main purpose of a profit center is to earn profit. Profit center managers aim at both the production and marketing of a product. The performance of the profit center is evaluated in terms of whether the center has achieved its budgeted profit. A division of the company which produces and markets the products may be called a profit center. Such a divisional manager determines the selling price, marketing programmes and production policies. Profit centers make managers more concerned with finding ways to increase the center's revenue by increasing production or improving distribution methods. The manager of a profit center does not make decisions concerning the plant assets available to the center. For example, the manager of the sporting goods department does not make the decisions to expand the available floor space for the department. Mostly profit centers are created in an organization in which they (profit divisions) sell products or services outside the company. In some cases, profit centers may be selling products or services within the company. For example, repairs and

maintenance department in a company can be treated as a profit center if it is allowed to bill other production departments for the services provided to them. Similarly, the data processing department may bill each of company's administrative and operating departments for providing computer-related services. (Agarwal(2021).

Investment Centers

An investment center is a business unit in a firm that can utilize capital to contribute directly to a company's profitability. You may compare and contrast some parallels like the terms "profit center" or "cost center." Companies evaluate the performance of an investment center according to the revenues it brings in through investments in capital assets compared to the overall expenses. An investment center is sometimes called an investment division. An investment center is a business unit that a firm utilizes with its own capital to generate returns that benefit the firm.The financing arm of an automobile maker or department store is a common example of an investment center. Investment centers are increasingly important for firms as financialization leads companies to seek profits from investment and lending activities in addition to core production. The different departmental units within a company are categorized as either generating profits or running expenses. Organizational departments are classified into three different units: cost center, profit center, and investment center. A cost center focuses on minimizing costs and is assessed by how much expenses it incurs.

Examples of departments that make up the cost center are the human resource and marketing departments. A profit center is evaluated on the amount of profit that is generated and attempts to increase profits by increasing sales or reducing costs. Units that fall under a profit center include the manufacturing and sales department. In addition to departments, profit and cost centers can be divisions, projects, teams, subsidiary companies, production lines, or machines. An investment center is a center that is responsible for its own revenues, expenses, and assets and manages its own financial statements which are typically a statement of financial position and an income statement. Because costs, revenue, and assets have to be identified separately, an investment center would usually be a subsidiary company or a division.

(Adam 2021), It is important for managers to continually invest in the business. Managers must choose investments that improve the value of the business by improving the customer experience, increasing customer loyalty, and, ultimately, increasing the value of the organization. A limitation of the centers explored so far—cost center, discretionary cost center, revenue center, and profit center—is that these structures do not account for the investments made by the various responsibility center managers. The final responsibility center—investment centers—takes into account and evaluates the investments made by the responsibility center managers. The goal of the investment center structure is to ensure that segment managers choose investments that add value and help the organization achieve its strategic goals. (*BCCampus 2021).*

However, Harold (2021), described *Investment centers* as a center where the manager is responsible for investment decisions as well as costs and revenues. For instance, in a large corporation with many subsidiary companies, the corporation may give authority to the head of each subsidiary to make decisions on the needed investments. In that situation the manager is the head of an investment center. An investment center is responsible for both profits and investments. The investment center manager has control over revenues, expenses and the amounts invested in the center's assets. He also formulates the credit policy which has a direct influence on debt collection, and the inventory policy which determines the investment in inventory. The manager of an investment center has more authority and responsibility than the manager of either a cost center or a profit center. Besides controlling costs and revenues, he has investment responsibility too. 'Investment on asset' responsibility means the authority to buy, sell and use divisional assets. (Agarwal2021).

Sanjay (2021), highlighted the advantages of responsibility accounting into nine (9), these are:
1. It encourages the management to make a proper company structure and a person accountable for every responsibility center.
2. The manager is directly responsible for the outcome of their department, their direct attention, and engagement with the activities and team remains very high. Since a manager is responsible for the performance of their department, they are more attentive and aware of the happenings. It also helps them to explain performance variation (if any).
3. It assists in comparing the actual results with the budgeted.
4. This system makes employees more responsible and serious towards their work as they are aware that they are always under review.
5. Management also gets assistance in preparing the plan and structure for the future expenditure and revenue of a company.
6. Since it also works as a cost control system, it makes employees more 'cost-consciousness.'
7. This accounting system ensures that everyone is aware of the company, as well as individual goals.
8. It gives management a better control over the company's operating activities.
9. It results is prompt reporting, as well as quick corrective action.

Sanjay (2021), highlighted the disadvantages of responsibility accounting into seven (7), these are:
1. Often it gets difficult to meet the prerequisites of the successful responsibility accounting system. It makes the whole system inaccurate.
2. Since the system requires the presence of highly skillful managers, it raises the cost for the company.
3. This accounting system only works with controllable costs but does nothing about uncontrollable costs.
4. If a company is unable to communicate the goals and responsibility to the person properly, then the system may fail to give accurate results.
5. Suppose a company is unable to identify and share the triggers and variances to the manager timely. Delayed sharing or half-cooked figures will create more issues than it may solve.
6. There could be situations when there is a clash between the individual and company goals. It may thwart efficient implementation.
7. In the absence of an effective reporting system, this accounting method may fail to give accurate results.

However, there are five limitation of responsibility accounting. According to Solanki (2021), limitation of responsibility accounting is classified into five, these are:

Classification of Costs: For responsibility accounting system to be effective, a proper classification between controllable and non-controllable costs is a prime requisite. But practical difficulties arise while doing so on account of the complex nature and variety of costs.

Inter-departmental Conflicts: Separate departmental pursuits may lead to inter-departmental rivalry and it may be prejudicial to the interest of the enterprise as a whole. Managers may act in the best interests of their own, but not in the best interests of the enterprise. Delay in Reporting: Responsibility reports may be delayed. Each responsibility center can take its own

time in preparing reports.

Overloading of Information: Responsibility accounting reports may be overloading with all available information. This danger is inherent in the system but with clear instructions by management as to the functioning of the system and preparation of reports, etc., only relevant information flow in.

Complete Reliance Will Be Deceptive: Responsibility accounting can't be relied upon completely as a tool of management control. It is a system just to direct the attention of management to those areas of performance which required further investigation.

Theoretical Review

Contingency Theory

A contingency theory is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation the organization is facing in its environment. Contingent leaders are flexible in choosing and adapting to succinct strategies to suit change in situation at a particular period in time in the running of the organization. Contingent leaders look on various strategies in managing it organization by choosing at all times the best options suitable for the organization to achieve the organizational objectives. (Wikipedia 2021).

Agency Theory: An agency, in broad terms, is any relationship between two parties in which one, the agent, represents the other, the principal, in day-to-day transactions. The principal or principals have hired the agent to perform a service on their behalf. Principals delegate decision making authority to agents. Because many decisions that affect the principal financially are made by the agent, differences of opinion, and even differences in priorities and interests, can arise. Agency theory assumes that the interests of a principal and an agent are not always in alignment. This is sometimes referred to as the agency problem Agency theory is a principle that is used to explain and resolve issues in the relationship between business principals and their agents. Most commonly, that relationship is the one between shareholders as principals, and company executives, as agents. Agency theory attempts to explain and resolve disputes over priorities between principals and their agents. Principals rely on agents to execute certain transactions, particularly financial, resulting in a difference in agreement on priorities and methods. Most importantly the return on shareholder's wealth. The difference in priorities and interests between agents and principals, where the agent management trying to maximize profits in other to earn bonuses, principals are interested in the maximization of their wealth is known as the principal-agent problem. Resolving the differences in expectations is called "reducing agency loss." Performance-based compensation is one way that is used to achieve a balance between principal and agent. (Brook and Koop 2021),

Empirical Review

From the topic is responsibility accounting irresponsible? Is a question that is laid down for every accounting scholar to be answered. However, philosophical students need to carry out an empirical review to buttress their points. Here, we are going to look into other people findings on the criticism of responsibility accounting and to support of otherwise give an opinion in our own point of view.

Biwas (2017), did a study on responsibility accounting a review of related literature and highlighted that business failure is a common factor if proper functioning and co-ordination not possible among the organizational subunits or responsibility centers where the individual managers are directly hold responsible for their actions. Attaining organizational goals largely depend upon proper functioning across the organization which can be easily controlled by delegating authorities and responsibilities based on the size and structure of organizations. Responsibility accounting helps not only in evaluating performance but also in taking managerial decisions like cost control and profit planning. Ethical dilemmas can be removed from business operations at all level if responsibility accounting is properly practiced. This study focuses on the reviews of the previous literatures relating to responsibility accounting. A descriptive approach is used to review different literatures to understand the impact of responsibility accounting in business organizations.

Mahmud, et.al. (2018), carried out a study on Revisiting responsibility accounting and the relationships among responsibility centers and came up with the importance of better analysis and decentralization of decision-making is increasing in today's fast-paced, complex, and large-scale business operations. Responsibility accounting was introduced to accommodate the need for decentralization, accurate information, and analysis. The evolution of the concept of responsibility accounting (RA) and responsibility centers since the 1920s was reviewed. Based on the concept of responsibility accounting, managers responsible for their centers' costs should have authority over those centers' activities and expenditures. This study of RA's historical development reveals interrelationships of cost, profit, revenue, and investment centers. Organizations' daily activities—such as manufacturing, sales, and supply chain coordination—require capital investments, resulting in the investment centers' covering all other centers. Traditionally, operations or manufacturing has been considered a cost center, while marketing and sales have been considered a revenue center. The intersection of cost and revenue centers is the profit center, which needs information from both the cost and the revenue centers and is related to transfer pricing, and suggested a new center, namely research and development (R&D), to accommodate the ever-changing needs of development activities. Understanding the relationship among responsibility centers provides an organized information flow, which can enhance decision-making and cost control.

However, Manisha R. (2020), carried out a study on the importance of responsibility accounting and highlighted that organization hugely depends on its flow of organizational framework in order to maintain, monitor and manage their respective domains. The 3Ms (maintain, monitor and manage) are covered through the concept of Responsibility accounting. Responsibility accounting being a decision making and performance analyzing system plays a vital role in communicating the correct information to the right person. It helps in setting proper standards required in order to run an organization. The right flow can generate revenues and take an organization towards success and one with flaws is absolutely a disaster in itself. Therefore, this research reveals the importance of responsibilities and effectiveness of responsibility accounting in an organizational framework through different methods.

Thieu (2021), did a study on the impact of responsible accounting on organizational performance: a case study of pharmaceutical enterprises in Vietnam, and analyzed the impact, and provides more empirical evidence on the effect, of the responsible accounting model combined with scorecards on the organizational performance of pharmaceutical companies. The research methodology uses questionnaires survey distributed to pharmaceutical companies. Quantitative research was done with SPSS 25 software. After excluding invalid questionnaires due to many blank boxes, 306 questionnaires could be used by the author. Research results show that seven elements of the responsible accounting model combined with the balance scorecard all positively

affect the organizational performance of enterprises in the pharmaceutical industry including: (1) dividing organizational structure into centers of responsibility according to strategy; (2) assigning management to management according to vision; (3) allocating costs and revenue; (4) making budget estimates according to balanced scorecard (BSC); (5) evaluating estimates with reality by BSC; (6) making BSC analysis reports; and (7) rewarding based on BSC. Cost allocation and revenue are the factors that have the strongest impact on the organizational efficiency of pharmaceutical enterprises. Based on the research results, the researcher has proposed recommendations to improve the good application of the responsible accounting model combined with the balance scorecard, thereby contributing to improving the organizational efficiency of pharmaceutical enterprises.

Similarly, Nguyen (2020), carried out a study to explores factors that affect the performance of responsibility accounting at public universities in Vietnam, a survey of 130, out of 154 public universities in Vietnam and regression analysis methods was used. The results identify eight groups of factors affecting the performance of responsibility accounting at these establishments of higher education: Division of the organization into responsibility centers, Estimation and Reality, Cost and income allocation, University autonomy, Management decentralization, Estimation, Reward, and Report. Costs and income allocation for responsibility centers, university autonomy, and the division of universities into responsibility centers are shown to significantly affect the performance of public universities in Vietnam. The results show that the performance of responsibility accounting at public universities in Vietnam is influenced by decentralization of management, division of the organization into responsibility centers, reward, cost and income allocation, estimation, evaluation of the results achieved between the estimation compared with reality, release of reports and university autonomy. Among the factors, cost and income allocation, university autonomy, division of the organization into responsibility centers, reward and evaluation of results achieved between estimation and reality have strong impacts. The study findings also indicate that the school council does not affect responsibility accounting at these universities.

Nyakuwanika, et.al. (2012), carried out a study to analysis of effective responsibility accounting system strategies in the Zimbabwean health sector (2003-2011). The study set out to come up with strategies to ensure effective responsibility accounting system in the Ministry of Health and Child Welfare (MOHCW) in Mashonaland West Province of Zimbabwe. The study was largely prompted by the fact that despite having been professionalized in its functions, the Ministry was still facing a lot of challenges. The target population for the study was the management and a sample of 70 employees from the fourteen stations in the province was used. Systematic sampling (probability sampling) and purposive or judgmental sampling (nonprobability sampling) were used. It was observed that departments were operating with mandated budgets and that planning and control were not integrated. In addition, it was also observed that performance reports were being used to fix blame on management and that performance reports were not being distributed to sectional managers on a regular basis and recommended that when coming up with budgets for the province the leadership should allow station managers to participate in the budget formulation and their suggestions should be taken on board and incorporated in the master budget.

Similarly, Mojgan (2012), stated in his study when examining the role of responsibility accounting, that centralized operations in organizations become more complicated in case of business development, the need to delegate authorities and responsibilities will depend on the size of the business. In a decentralized business organization, directors are responsible for planning and controlling the corporate operation. If the authority to manage daily operations is transferred from high-level managers to middle managers, the former will have more opportunity to focus on strategic planning. The responsibility accounting system is designed to report and accumulate costs by individual levels of responsibility. Each supervisory area is charged only with the cost for which it is responsible and over which it has control. There are three basic types of responsibility centers: cost centers, revenue centers, and investment centers. When budgeted amounts are compared with actual amounts and deviations are found, responsibility accounting can be used to find the causes of such deviation and hence improve the function. We can also determine each manager's responsibility to achieve his attainable goals in the organization.

Findings of the study

Responsibility accounting is a system of finding out a causal relationship between activities and performance of the activities so that divisional performance can be evaluated easily that leads to the different segments of organizations through using the concept of decentralization. Under this, most non performing could be queried of non-challan attitudes towards the organizational goal congruency and if possible, to forester management by exemption. Decentralization varies from size of organization, normally large organizations use the responsibility accounting systems (activity based, functional based and strategic based). So, it is an effective method of cost control through coordinating different segments of operation where information content and notion of control are useful in enforcing controllability with adopting responsibility as well as accountability.

CONCLUSION

This paper has been critically looked into to a large volume of theoretical and empirical review on responsibility accounting has been done in accumulating the concepts of controllability, responsibility and accountability principles where investment, cost control, revenue, and profit planning are evaluated as guiding criteria to various sizes organizations can adopt and implement it in order to attain organizational objectives effectively and efficiently. when we talk about control mechanism, we mention the two types of control: absolute and relative control. Though responsibility accounting deals with the relative control (cost that are controllable) but absolute control (uncontrollable) is rare. So, only cost that are related can be controlled by using the cost center of responsibility accounting system. It is not a new concept in Nigeria and the world in general. It has already been practiced in the production sectors like automobile, textiles, food and beverages, breweries and etc. However, the servicing industries is also pictured. It revealed some useful information which is not free from certain limitations. This paper is based only on the secondary sources of data (published articles, books and on line materials) where primary sources of data are not generalized. Further research can be targeted towards a more longitudinal examination on overall manufacturing or service organizations in Nigeria. This system should be practiced in all organizations in Nigeria to ensure effective controllability, responsibility, accountability and to evaluate performance. So, responsibility accounting helps not only in control but also in planning as well as decision making too. Responsibility accounting not irresponsible but it is indeed responsible to an organization.

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