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FORWARD

It is with great joy that the maiden issue of Al-Hikmah Management Review, Volume 1, Number 1, has now been published. When the idea of floating a journal in the name of the Department of Business Administration of this great University came to mind like a flashlight, it seemed an impossible mission. The reasons for this being:

(1) The fear of how other Departments within the College of Management Sciences and other colleges would react to the idea;
(2) Whether the Vice-Chancellor would give his approval to the Department;
(3) Whether the journal would be able to attract articles from academics in other Universities within the country and beyond;
(4) Above all, whether there would be enough funds to publish the journal regularly.

Today, not only was the Department able to overcome the first fear listed above, the other highlighted fears are unfounded. We have indeed set the pace for others to follow thus making a history in our vocation by this singular event. We are glad that the maiden edition has attracted articles from academic staff in different universities within the country which is a pointer to the fact that the Journal will outlive us. We challenge academic staff, particularly future Head of Department, to nurture and sustain the journal under all circumstances and situations.

That the journal has seen the light of the day is due to the kind approval of the former Vice-Chancellor Professor Sulyman Age Abdulkareem and the continued support of the present Vice-Chancellor Professor. Taofeek Ibrahim. The Department is indeed very grateful to both of them.

The Department have deliberated on how to ensure the frequency of this journal in the future from the financial point of view. For this reason, the maiden edition of the journal would be officially lunched to raise money for the continuity of the journal. On behalf of the Department, I express my profound gratitude to the Editorial Advisory Board and the Editorial Members who have worked to make the appearance of this issue a reality.

E. O. Oyatoye (Ph.D.)
Chairman

AL-HIKMAH MANAGEMENT REVIEW

CALL FOR PAPERS

AL-HIKMAH MANAGEMENT REVIEW offers a highly readable research-oriented collection of articles dealing with virtually all major aspects of Management disciplines, as it is practiced world-wide. The journal welcomes articles in all areas of management and economics. Both theoretical and applied manuscripts will be' considered for publication. Theoretical manuscripts must provide a clear link to important and interesting management and economics applications.

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- An abstract of between 150-250 words, that gives a clear summary of the article;
- Not more than 25 pages double spaced;
- The author's bibliography in not more than 50 words; and
- A statement that the article has not been submitted for publication elsewhere.

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Determinants of level of Web-Based Financial Reporting in the Nigerian Banking Sector

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Abstract

Web-Based Financial Reporting is the dissemination of a, firm's financial statements on the internet as against the Traditional Paper- Based Financial Reporting. It is a new but fast growing Reporting technique by corporate entities all over the world which has attracted researchers to investigate what factors determine firms' choosing to report their activities via internet. It was, however, discovered that information published by firms using this medium varies. AS some publish full statements, others publish partial or highlight of their activities. We therefore attempted to' empirically study the determinants of the level of information firms provided on their web-sites by studying secondary data of five banks listed on Nigerian Stock Exchange for five years, 2007 - 2011. IFR was used as surrogate for the level of Internet Financial Reporting. It as well served as the independent variable. Liquidity (LDTY), profitability (PROFJ, size (SIZE) and leverage (LEV) were used as the independent variables. The data were analyzed using Ordinary Least Square. The results show that the trio of LDTY, PROF and SIZE relate significantly with the level of IFR and determine the degree of information firms publish their web-sites. It was recommended that financial regulatory bodies such as IASB, FASB, etc develop all-encompassing standard guiding IFR in order to avoid varying information provided on the internet.

Keywords: Financial Statement, Internet Financial Reporting, Traditional Financial Reporting.

Introduction

As the world migrated to intellectual era, information has become a key in organizational goals achievement. Information is an integral part of the modern business because it is a driven force that tells the world what it offers and can offer. It enlightens the world about ideas concerning enterprises thereby advertising, promoting and selling them there-from. A business is considered dead, if it cannot communicate with the outside world effectively. Business having recognized this glaring fact results to employing different means of attaining it considering distance, speed, cost and information materiality. Information required of enterprises varies depending on the nature of activities. However, going-concerns, regardless of their nature of activities do keep their shareholders informed of their performances-monetary and non-monetary over the year via their financial statements' preparations at regular intervals.

Corporate Reporting is the process of communicating information: financial and non-financial relating to the resources and performance of the reporting entity (ASSC, 1975). Financial statements are preparations of corporate entities at a regular interval for their users showing financial performance as at that period. The statement includes: Profit and Loss Account, Balance Sheet and Cash Flow Statement which keep the shareholders, investors (existing and prospective), customers (existing and prospective), government, policy makers and the likes abreast of their performances over the year.

Communicating this information in 19^{th} Century was purely paper- based. A paper-based financial reporting involves the use of computer systems for typing and printing of the said statement which would be distributed to the shareholders at the Annual General Meeting or via posting to distance shareholders. This mode as being experienced is costly, time ineffective and largely limited to the shareholders. Towards the end of the century, however, technological advancement leading to improvement in the Information Communication Technology (JCT) brought an alternative medium of information dissemination and thus financial reporting to corporate entities via internet.

Internet may be seen as a means of global communication that permits all computers worldwide to connect and exchange information. Il is a means that is capable of connecting millions of computers at a time around the world. Internet is a unique tool for information dissemination. Its uniqueness manifests in the flexibility of the mode of presenting information and ability to reach thousands of targeted and untargeted stakeholders at a single upload. Internet Financial Reporting (lFR), Web-Based Financial Reporting (WBR) or Electronic Financial Reporting (EFR) has been embraced by corporate bodies in disseminating their information- financial. and non-financial- to thousands of their stakeholders. This is really a paradigm shift as far as communication is concerned. It (internet) has provided a universally accepted and scientific solution to problems associated to the old medium of passing information. According to Oyelere, Lawal and Fisher (2003), IFR is comparatively new put a fast 'growing phenomenon. Most entities are fast adopting the E- Reporting due to numerous benefits associated with it. Some of these shall be highlighted in the subsequent section of the study. Web-based information dissemination has won the heart of both entities and stakeholders in that firms without web-sites are considered amateur or infant in this century.

The use of internet has won the minds of both firms and customers nowadays. Internet is now an essential means of communication and it represents a revolutionary method of accounting information communication as it is cheaper and more accessible to shareholders and other stakeholders (Johns and Xiao, 2004). The rapid and widespread adoption of web-based financial reporting has captured the interest of accounting profession in several parts of the world (Debreceny, Gray and Mock (2001). The invention of the internet enhances firms' opportunities of disseminating information without limits and to unlimited stakeholders for its timeliness, effectiveness and information management devoid of dilution or manipulation (Antin and Haas, 2001). A web-site may reach a wider audience and present more detailed information than traditional printed materials (Kaplan, 1996). Thus, companies are currently moving away from disseminating financial and non-financial information in hard copies of the annual report to internet reporting (Xiao, Yang and Chow

(2004)). Firms seem to be enjoying a less restrictive space, which allows them to make available broad and deep range of information, making it (information) available 24hrs a day from any online computer terminals anywhere in the world and reach audience of millions within seconds (Xiao. Jones & Lymer (2005); Jones, Alabaster and Hetherington (1999).

Having said this, however, information most corporate entities display on their web-sites varies in degree. Most report full, others partial while some just a highlight of their activities. Munther and Pillai (2013) reported that corporate entities vary in the degree of financial information disclosed on their web-sites. In the study entitled "Internet Financial Reporting: Analysis and Implications", they reported some prior empirical studies emphasizing variations in the level of IFR. Some ofthese studies include Davey and Homkajohn (2004), Kelton and Yang (2004), Smith and Peppard (2005), Momany and Shorman (2006), Celik, Ecer and Karabacak (2006), Oyelere and Mohammed (2007) and Salawu and Awolowo (2009).

Many studies have been conducted on the determinants of the IFR among firms across the world but have failed to consider or investigate factors responsible for the variations in the degree or level of information published on their web-sites. This study therefore aims at empirically investigating this gap by determining factors responsible for the variations in the degree or level of the IFR among listed banks in the Nigerian Banking Sector so as to prepare the minds of the financial regulatory bodies to harmonize the Internet Financial Reporting Standards world-wide.

This study will therefore investigate:

a. The relationship between level of IFR and liquidity of the Nigerian Banking Sector.

b. The relationship between level of IFR and profitability of the Nigerian Banking Sector.

c. The relationship between level of IFR and size of the Nigerian banking Sector.

In order to simplify our work, we put forth the following null hypotheses:

H_{01}: There is no significant relationship between the level of IFR and liquidity of Nigerian Banking Sector.

H_{02}: There is no significant relationship between the level of IFR and profitability of Nigerian Banking Sector.

H_{03}: There is no significant relationship between the level of IFR and size of Nigerian Banking Sector.

H_{04}: There is no significant relationship between the level of IFR and leverage of Nigerian Banking Sector.

Accounting information is a useful ingredient to the stakeholders and therefore needed to be well furnished. As the E-Financial Reporting is gaining momentum, the professional bodies shall take hints from this study to advise the concerned going-concerns on needed improvements so that the standards of IFR are not neglected and objectives of disclosing the information are achieved. This study will also be a guide against Financial Information Smoothing (FI) by corporate entities so that the users are not deceived or misguide and hence improvements in reporting sty les are achieved.

Literature review

Lymer, Debreceny, Gray and Rahman (1999) defined E-Financial Reporting as the public reporting of operating and financial information of corporate entities on World Wide Web (www) or related Internet-based communication medium. The IFR enhances excellent delivery of both financial and non-financial information to millions of users, who need timely information for timely decision making. This has resulted in an ever-increasing number of companies around the world adopting the "www" reporting medium (AICPA, 1994). Internet has turned to users' source of information which has been driving the corporate entities utilizing the advantage in making information about them available to attract their stakeholders.

Ashbaugh, Johnstone & Warfield (1999) provided preliminary evidence on the practices of Web-Based Financial Reporting. They concluded that firms that relate financial reports on their websites are bigger and more profitable than those that are not. Craven and

Marston (1999) in support of this finding conducted research on E- Financial Reporting of United Kingdom companies and concluded that size of a firm determines its choice of IFR. it was also in conformity with findings of Marston (2003), whose study was based on Japanese companies' practices of IFR. It was found that a company's size determines its choice of web-sites and hence reporting there from.

According to Ismail (2002), for decades, several empirical studies have been carried out on IFR which symbolizes a significant growth in its adoption as a form of information dissemination all over the world. Some researchers have studied the determinants of IFR in both emerging and developed economies while others concentrated on the merits and demerits, practices, nature and extent of financial reporting on corporate websites.

Salawu and Awolowo (2009) studied the level of E-Financial Reporting of two hundred and twenty firms quoted on the Nigerian Stock Exchange. The results showed that 54.1 % have official web- sites, with 14.1 % publishing their financial information on their web- sites. The results further indicated that virtually all the quoted firms in the banking and insurance sectors have official websites, though not all of them publish their financial statements online while those that do vary in the degree of information published. Bartulovic and Pervan (2014) also reported differences in the level of internet financial reporting when studied data of ninety-one firms on Zagreb Stock Exchange, Ljubljana Stock Exchange, Belgrade Stock Exchange, Sarajevo Stock Exchange and Banja Luka Stock Exchange. It was therefore concluded that the degree of IFR varies among companies and countries.

Also, Oyelere and Mohammed (2007) investigated the extent and nature of Internet Financial Reporting practices on listed firms on the Muscat Securities Market in Oman and Bahrain Stock Exchange. The results showed that 59% and 78% firms respectively on Muscat Securities Market and Bahrain Stock Exchange have websites. However, the results further revealed that 44% of the firms on Muscat Stock Market provide financial information while 80% of the

Bahraini firms supply financial information on their websites. Allam and Lymer (2002) studied the 50 biggest companies in the USA, UK, Canada, Australia and Hong Kong. They concluded that approximately all of these companies have "www" and they supply heir financial data via it.

Hassan, Jaffar and Johl (1999) studied the perceptions of the Chief Finance Officers of the listed firms on the Kuala Lumpur Stock Exchange on the useful, cost and effect ofIFR. The result revealed that 36% of the firms have web-sites and only around 46% publish their statements on it. It was also found that most perceived the benefits of adopting IFR outweigh its cost.

The extant literatures have it that the common factors that determine IFR by firms are size, profitability, leverage and liquidity (Ade and Verawaty, 2015). This study shall further investigate, however, if these factors also determine variations in the degree of information published by these entities on their corporate web-sites. Liquidity is a measure of a company's strength to meet its financial obligations when due, and this may be computed using some ratios. Cooke (1989) posited that firms with high liquidity ratios are financially stronger than those with low ratios. The stakeholders will therefore be interested in knowing the liquidity level of their firms, which will invariably determine what firms to publish on their webs-sites and to. What degree. A firm with high liquidity level may wish to publish more than that with low liquidity level. Profitability is measured as the profit firm earns in relation to its sales, total assets and equity. According Singhvi and Desai (1971), profitability determines the level of disclosure on financial statement. It is therefore asserted that profitable firms disclose more information than less profitable firms. Leverage describes the relationship between debt to equity and assets. I t assesses how the company is financed by debt in relation to stock (equity). Jensen and Meckling (1976) asserted that companies with high leverage have greater monitoring cost. Debt holders will have to protect their investments while managers and shareholders have to increase the level of monitoring by increasing the disclosure of information about its activities (Myers, 1977). Therefore, a levered firm discloses more information than a less levered one.

Stages of Web-Based Financial Reporting

Internet Financial Reporting involves three stages as highlighted in Debreceny et aI., (1999). These stages are as follows:

Stage one*:* duplicating the hard copy of financial statements on electronic paper such as Adobe's Acrobat Portable Document File (PDF).

Stage two: transformation of the hard copy into Hypertext Mark-up Language (HTML).

Stage three: using enhancements that cannot be incorporated in printed documents.

Advantages and disadvantages of IFR

Mohd Noor and Nurul Ain (2013) highlighted some advantages and disadvantages of Internet Financial Reporting in their paper entitled "A Study of Important Items of Internet Financial Reporting: A Case of Malaysian Auditors". Cost reduction, wider coverage and accessibility topped the list of merits (Debreceny et aI., 2002; Celik et aI., 2006). The IFR saves corporate funds on typing, printing, binding, transporting and distributing hard copies of firms' Financial Statements. These are the tedious procedures a Paper-Based Financial statement must go through before it is ready for use. Since each of these steps or stages is associated with its expense, adopting IFR reduces these expenses since it relates with typing and uploading the information on the "www" which can be viewed or accessed by millions of interested and even uninterested stakeholders at the same time all over the world.

According to Venter (2002), Sir Bryan Carsberg, the Secretary- General of IASC stated that: "Technology has altered irreversibly not only the physical medium of corporate financial reporting but also its traditional boundaries". Hence, IFR is more accessible than the traditional Paper-based reporting. Login on to the corporate web-sites permits any interested user to have access to information to the extent permitted. One other benefit of IFR is its attractiveness due to the configurations and decorations provided by web-designers. The researchers also find it more convenient for their exercises than the traditional method. Venter (2002) also stated that FASB Steering Committee mentioned potential benefits of online reporting to firms. These include: cost reduction in providing the information, time span reduction to disseminate the information, communication with users not previously identified and enhances small business to potential investors.

The disadvantages of IFR lies in the fact that exploring information on the internet requires some skills which may not be possessed by every interested persons most especially at the early stage of such an innovation or technological advancement (Mohd Isa, 2006). is may, therefore, pose a difficulty on information access unless entities also employ little of the olden means to cater for this group of stakeholders. To this end, Nel (2004) said despite the advancements in technology and the advantages attributed to Internet Reporting, both the Companies Act and the Johannesburg Stock Exchange, the key financial regulators in South Africa mandate corporate entities to distribute their annual statements at least in hard copies (South Africa Companies Act, Act 61 of 1973, Section 302). He therefore reminded that though as beneficial and advantageous as the IFR is, it is voluntary. Internet grants everyone access to information. It therefore allows even unauthorized access or hackers unless it is well protected or managed (Hansen, 2001).

Methodology

The study determined the variation in the level or degree of internet financial reporting in Nigeria. It is aimed at ascertaining factors that are responsible for some corporate entities reporting comprehensive financial reports while others do not on their web-sites.

The Nigerian Stock Exchange Factbook 2012 reported that Banking, Insurance, Conglomerates, Information Communication Technology (lCT) and Second-Tier Securities Market (SSM) topped the list of most active subsectors by turnover in the year 2010. The breakdown of the sectors gave a total of twenty entities. These entities represent the study population. These include: Zenith Bank, First Bank, Guaranty Trust Bank, United Bank for Africa, Access Bank, FinBank, Skye Bank, Fidelity Bank, Diamond Bank, Oceanic Bank International, Bank PHB, First City Monument Bank, Union Bank, Sterling Bank, Transnational Corporation, AIlCO Insurance, Japaul Oil & Maritime Services, Guarantee Trust Assurance, Capital Oil and Starcornms PIcs.

Going by the breakdown, Banking Sector represents 70% (14 firms) and thus our justification for choosing the sector as a case study. A random sampling of one-third of the fourteen banks was used to select the study sample size which gave a total of five banks.

These include:

Sterling, First city Monument, Skye, United Bank for Africa and Access Banks Plcs.

Secondary data of the sampled banks for a period of five years (2007- 2011) were sourced and analyzed using Ordinary Least Square via SPSS 16.0.

Pervan (2006) developed IFR Score Criteria to be used in measuring the level of voluntary Internet Financial Reporting comprising thirty elements. Each of these elements or criteria belongs to either of the following groups: information from the financial reports, other useful information, transparency of management and supervisory board and user support. For the purpose of this study, information from financial reporting score (eleven in number: Balance Sheet, Profit and Loss Account, Cash Flow statement, change in shareholders equity statement, audit report, notes to the financial statement accounting policies, segment reports, quarterly reports, half-yearly reports and reports from previous years) was used to determine the level or internet financial reporting representing our dependent variable while size, liquidity, profitability and leverage serve as the independent variables. We assigned equal score to each of the mentioned criterion for the purpose of this study '. The Total Internet Financial Reporting Score which is also the maximum) IS therefore eleven after a simple summation of all the criteria.

The hypotheses for this study were tested using the panel regression model specified below via SPSS 16.0.

$$IFR_{it} = \alpha_{it} + \beta_1 LQDTY_{it} + \beta_2 PROF_{it} + \beta_3 SIZE_{it} + \beta_4 LEV_{it} + e_{it}$$

Where:

IFR_{it} = level of Internet Financial Reporting of the Nigerian Banking Sector in year.

α_{it} = constant

$LDTY_{it}$ = liquidity of the sampled banks in year measured by dividing current assets by current liabilities.

$PROF_{it}$ = ROE (Return on Equity) of the sampled banks in year measured by dividing Net Income by assets multiply by 100.

$SIZE_{it}$ = Size of the sampled banks measured as logarithm of total assets.

LEV_{it} = debt-ratio of the sampled banks in year measured by dividing equity by long term liability.

e_{it} = error term

Results and discussions

The results and discussions of the data used in this study are presented in this section of the study.

Table: Descriptive Statistic

	IFR	LODT	PROF	SIZE	LEV
Mean	0.5156	0.2470	0.3596	0.3943	0.2917
Std.	1.7190	1.76210	5.5697	4.08143	2.37018
Skewness	..O.237	1.427	1.867	1.778	1.516
Kurtosis	..O.369	1.658	3.175	1.622	3.393
Minimum	19.00	244.00	-124.00	1318.00	1057.70
Maximum	87.00	7192.00	2.08	1382.00	1057.70
N valid	25	25	25	25	25

Source: Authors' compilation using SPSS 16.0.

The mean of IFR is 0.52 while that of LDTY, PROF, SIZE and LEV are 0.25, 0.36, 0.39 and 0.29 respectively. This indicates that the sampled banks enjoyed an approximate of52% variation level in their reports when their liquidity level was at 25%, profitability stood a~ 36%, size of 39% and leverage of 29%. Considering the standard deviation, the values of all the variables without exception is more than 1. The feature of a normal distribution demands that at least 68% of all its observations fall within the range of ± 1 standard deviation from the mean. All variables are therefore normally distributed. In the same vein, the results of the skewness and kurtosis show that all the variables are not normally curved. According to Park (2098), al normal distribution should have skewness of zero or very close to zero. Given our results, therefore, all variables except IFR to the left.

This indicates more positive observations because they are above the 0.0 normal level of skewness for distributions. With the exception of IFR which shows a kurtosi of -.369 below the normal kurtosis level o~ 0.0 indicating a lower than normal peak and thicker than normal tail,
every other variables show a higher than normal peak and thinner than

normal tails. This shows that extreme outliers are more pronounced in the distributions (with high peak).

Table: Output of Regression Analysis

Independent variables	IFR (dependent variable)			
LQDT	-.243 [-.337] {.OI4}***			
PROF .	.282 [.342] (.04i1***			
SIZE	.421 [.375] l.06i1*			
LEV	-.211 [.180] 1.1941			
	LODT	PROF	SIZE	LEV
R	.437	.342	.067	.180
R"	.191	.117	.005	.033
Adjusted R Square	.156	.079	-.039	-.010
Standard error	15.793	16.501	17.520	17.272
Durbin Watson	1.490	1.I01	1.040	1.0 is
F. sig.	.029	.094	.750	.3!!!!

Source: Authors' compilation using SPSS 16.0

t-statistics are shown in [] form while p-values are in {} form.
* *, * indicate significance 5% and 10% respectively.

From Table above, IFR, the surrogate for the determinants of the level of web-based reporting is negatively related with LDTY at 5% and LEV at insignificant level (more than 10% significant level). It is, however, positively related with PROF at 5% and SIZE at 10% significant level. This implies that a firm's liquidity level and debt- ratio of the sampled banks in the study affect their level' of IFR negatively. By this result, it implies that a more liquid firm publishes less of its financial activities than a less liquid firm. This is against our apriori expectation where we expected liquidity to be one of the selling points of banks in the sample so much so that it influences the level of information provided on their websites. In the same vein, firms with more debt financing also publish less details on their websites. This is in line with our expectation as more debts in financing though has its own benefits but its excess may be dangerous and thus deter firms from publishing more details on their websites.

On the other hand, from our results as well, a more profitable and bigger firm publish more of there financial details,. It further indicates that both SIZE and PROF affect the level c f l~ significantly as results depicted on the table with significant level of 10% and 5% respectively. Yes, these are expected as a firm's size and level of its profitability should influence the amount of information published.

The statistical results of 0.437, 0.342, 0.67 and 0.18 indicate a weak correlation between the variables. This is so because the computed R is less than the 0.875 rule of thumb. The coefficient of determination (R2) is used to measure the explanatory power of the independent variables on the dependent variables. Given the Table above, R^2 revealed 0.191, 0.117, 0.01 and 0.03 respectively for LDTY, PROF, SIZE and LEY. This implies that LDTY, PROF, SIZE and LEV determine approximation of 19%, 12%, 1 % and 3% level of variation of IFR of the sampled banks. It therefore means that other factors or variables determine the level of IFR of the Nigerian Banking Sectors apart from LDTY, PROF, SIZE and LEY.

We used Dubin- Watson's value to measure the autocorrelation of the variables. There is absence of autocorrelation in the model because the results of 1.490, 1.101, 1.04 and 1.015 for LDTY, PROF, SIZE and LEV respectively are positive and greater than zero. The overall significance (sig. F change) values of 0.029 and 0.094 indicate significance level of 5% for both the LDTY and PROF. However, SIZE and LEV are not fitted in the model due to the Sig. F Change values on the results.

Conclusions

Internet has become a growing phenomenon as an alternative means of publishing information for millions of firms' stakeholders across the world. The importance cannot be under-estimated relating to its ability to reach thousands in a single upload and accessibility to all, even untargeted customers. Despite these, there are variations in the degree of information provided using this medium. We investigated therefore factors that determine the level of variations in the amount of information Nigerian banks publish via their web-sites.

Extant literatures argued that among other factors, firm's liquidity, profitability, size and leverage levels determine the choice of IFR by firms. We further our study by empirically finding out if these same factors also determine the degree of information provided on the internet by putting four null hypotheses.

Hypothesis one predicted no significant relationship between level Internet Financial Reporting and liquidity of Nigerian Banking Sector. The results, however, show a significant level of relationship at 5%. We therefore reject this hypothesis. In the same vein, hypothesis two predicted no significant relationship between level IFR and profitability of Nigerian Banking Sector. The results as well showed a significant relationship also at 5% level. This hypothesis is also rejected. Hypothesis three predicted no significant relationship between a firm's size and level of IFR. The results in the same vein negated this by showing a significant relationship at 10%. We further rejected the third hypothesis. The fourth hypothesis predicted no significant relationship between a firm's leverage and level of IFR. The results actually agreed with this by showing an insignificant relation. We therefore failed to reject this hypothesis.

It can finally be concluded from the discussions so far that among other factors, profitability, liquidity and profitability determine the level of the degree of information Nigerian banks provide via the internet.

Recommendations

In order to have a uniform and well-guided principles regarding Internet Financial Reporting, it is therefore recommended that financial reporting regulatory bodies such as International Accounting Standard Committee (lASC), Financial Accounting Standard Board (FASB), and International Financial Reporting Standard Board (IFRSB) come up with standards guiding and regulating financial reporting on the internet. This will not only ensure uniformity, it will as well save the targeted stakeholders of detecting deficiencies in the reports and therefore not misled.

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A Quantitative Study of the Effects of Brand Image on Students' Attachment and Commitment

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Abstract

Brand image influences consumers' perception of a brand and, consequently, the association that comes to the consumers' mind when contemplating a particular brand. Using a sample of current students from Al-Hikmah University, this study investigated the possible effects of various components of a university's brand image on students' attachment and commitment to the brand of Al-Hikmah University. The study employed a non-probability convenience sampling method to gather data from a third of student's population at an event. Findings from the study showed that not all hypothesized effects were significant. The effect of the components of the university brand image on attachment was not strong enough. However, the study finding revealed that mission and vision, social environment, practicability, physical actualities and aesthetic had significant effects on attachment. Finding on the effects of the components of the university brand image on affective commitment was significant. Also, mission and vision, social environment, practicability and aesthetic also had significant effects on affective commitment. In relation to continuance commitment, the regression analysing the impacts of the components of the university brand image indicated a weak effect as only physical actualities had a significant effect. Another regression showed a significant effect of attachment on affective commitment. Attachment also had a positive effect on continuance commitment. The findings also showed that attachment had a positive effect on affective commitment. The study concluded that there is a positive relation between brand image and students' attachment and continuance commitment. The studytherefore, recommend that Al-Hikmah University needs to improve its gradation prospect, learning facilities, educational standards and external communications as these constructs did not have significant effects neither on attachment nor on affective and continuance commitment. If these areas are improved on, there is high probability of

gaining higher attachment to the university. This would, in *turn, have a positive impact on commitment and it would probably keep students satisfied and improve the university's overall image.*
Keywords: Affective commitment, continuance commitment, image, students' attachment

Introduction

Studies on branding continue to generate strong interest in marketing literature and this is driven by the realization of the power of brands (Alden, Steenkamp., & Batra., 1999; Kirmani, Sood, & Bridges, 1999; de Chernatony & Segal-Horn, 2001; Brady, Cronin, Fox & Roehm, 2008; Baalbaki, 2012). Building a strong brand in the market is the goal of many organisations because it provides a host of benefits td a firm, including less vulnerability to competitive marketing actions (Delgado-Ballester & Munuera-Aleman, 2005;Asamoah, 2012). The image of a brand and the emotional perceptions consumers attach o specific brands is a key determinant of long-term business-consumer relationships (Fournier, 1998; Dobni & Zinkhan, 1990).

Amongst the organisations adopting the use of branding strategies are educational institutions such as universities which have found it increasingly necessary to compete in the educational market using marketing techniques essential for differentiating a university and, thus, attract students (Melewar & Akel, 2005; Hemsley-Brown & Oplatka, 2006). Students have been considered as the most important actors in the university setting and attracting students is one of the most important issues for institutions (Wang, Chen & Chen, 2012). Consequently, the ability to build a strong brand for an educational institution can enable the institution (university) differentiate itself from competition and gaining competitive advantage by being perceived as more appealing than its competitors for its current and potential students.

Successful brand-building generates market value and creates differential advantage (Keller, 1993). A successful brand has been defined as a name, symbol, design, or some combination, which identifies the "product" of an organization and contributes to a sustainable differential advantage (Doyle, 1989). Brands are formidable weapons that firms wield in the battle for customers. This is derived from the quality that is established from long-term hard work which, inadvertently, becomes the key to winning customer loyalty, long-term survival and development which brings about added value known as brand equity to the product (Keller, 1993; Wang, Chen & Chen, 2012). According to Keller (2008) brand equity, from the customers' perspective, is derived from the knowledge a customer has of a product. The knowledge is predicated on the customers' brand awareness and brand image. Brand awareness can be expressed as brand a prospects recall or recognition of a certain product category (Keller, 2008; Ghodeswar, 2008). Brand image relates to the consumer's perception of the brand as reflected by the brand associations held in consumer memory. Brand image is the sum total of impressions that consumers receive from many sources (Keller, 1993; Nandan, 2005). As espoused by Louis and Lombart (2010), brand image results from the consumers' interpretation of all the signs which are emitted by the brand. The imperative of achieving a good brand image is not only for manufacturing organizations, it is also important for educational institutions. In general, brand image influences consumers' decision and, also aids decision making processes. This influence is pervasive and is also obtainable in the institutional context. Brand image can influence decision-making of potential students for choosing a university and also influence public's attitudes towards universities (Wang, Chen & Chen, 2012). Brands and products evoke perceptions that have the potential to affect the overall corporate image and reputation.

Educational institutions, like every other form of service organisation can be discussed from the perspective of a services brandink. The importance of branding in service organisations has led to revolutionary service solutions (De Chematony & Segal-Horn, 2001; McDonald, De Chematony & Harris, 2001). Although some studies have been done on brand building in relation to services in general (Chen & Chang, 2008; Dibabe, Wubie & Wondmagegn, 20 15),_studies on branding in higher education institutions (HelgesenccNesset, 2007) and universities in particular (Hemsley-Brown &Owlatka, 2006; Tas & Ergin, 2012; Lymar & Mohajerani, 2013) are limited; especially those focusing on tertiary institutions in Nigeria. In order to have an understanding of the role of branding in Nigerian universities, it is pertinent to examine its role in building students' attachment and commitment based on their perception of university's image. Stemming from these, this study therefore, assesses the possible effects of various components of a university's brand image on students' attachment and commitment using AI-Hikmah University, Ilorin. The specific objectives are to:

i. examine the effect of components of Al-Hikmah university's brand image such as mission and vision, graduation prospects, learning environment, and social environment on students' attachment to the university;

ii. assess the effects of components of Al-Hikmah university's brand image such as mission and vision, graduation prospects, learning environment, and social environment on students' commitment to the university;

iii. examine whether components of AI-Hikmah university's brand image such as mission and vision, graduation prospects, learning environment, social environment have positive effects on continuance commitment;

iv. determine the effect of students' attachment to AI-Hikmah University on affective commitment;

v. ascertain if attachment to Al-Hikmah University has an effect on continuance commitment.

In view of these objectives, research hypotheses for valida ion in this study are:

$H0_1$ Components of the university brand image such as mission and vision, graduation prospects, learning environment, social environment do not have positive effects on attachment to the brand.

$H0_2$: Components of the university brand image such as mission and vision, graduation prospects, learning environment, social environment do not have positive effects on affective commitment.
$H0_3$: Components of the university brand image such as mission and vision, graduation prospects, learning environment, social environment do not have positive effects on continuance commitment.

$H0_4$: Attachment has no positive effect on affective commitment.

$H0_5$: Attachment has no positive effect on continuance commitment.

Literature review

Brand

Brands often provide the primary points of differentiation by creating a unique image between competitive offerings, and as such they can be critical to the success of companies (Wood, 2000). This, therefore, makes it imperative to approach the management of brands strategically. A successful brand, managed strategically, and found successful is one that can be said to have achieved brand equity. This implies that such a brand has value both to a **A** company and to a brand's user. In a general sense, brand equity is defined in terms of the marketing effects uniquely attributable to the brand. That is, brand equity relates to the fact that different outcomes result from the marketing of a product or service because of its brand element. as compared to outcomes if that same product or service did not have that brand identification (Tuominen, 1999). An important characteristic of virtually all definitions of brand equity is that they focus on the incremental effect of the brand compared with some concept of what the customer response would be to the same product or service, if it were unbranded (Barwise, 1993). For consumers to respond to branding activities of organisations, they must be knowledgeable of the brand. It is this brand knowledge, measured from their awareness and perception (image) of the brand that determines the attitude towards the brand (Keller, 2008).

Brand Awareness

Brand awareness is a key and essential element of brand equity which is often overlooked (Aaker, 1996). Brand awareness can be described as the strength of a brand in a person's memory, which is defin Id as the ability to be identified in different situations (Ghodeswar, 2008). Aaker (1996) defines brand awareness as the durability of a brand that is embedded in the customers' memory. Therefore, brand awareness will be created by ongoing visibility, enhancing familiarity and powerful associations with related offerings and buying experiences (Keller, 2001). It consists of two main components, brand recognition and brand recall. Keller (1993) has defined brand recognition as a "consumer's ability to confirm prior exposure to the brand when given a brand as a cue". That is, the brand that has been seen or heard before is distinguished by the consumers (Aaker, 1996). Brand recall, according to Keller (1993; 2008) is defined as a "consumer's ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue". Thus, the brand is generated from the consumer's memory when mentioning the product class (Aaker, 1996).

Brand Image

Dichter (1985) espoused that image is "the total impression an entity makes on the minds of others"; it is "what the audience sees" Hatch & Schultz, 1997). In relation to a brand, it could be defined as a brand that is brought to the consumer's mind by the brand association (Keller, 1993), and as consumer's thoughts and feelings about the brand (Roy & Banerjee, 2007). In summary, brand image relates to the consumer's perception of the brand and is the sum total of impressions that consumers receive from many sources and the association that comes to the consumer's mind when contemplating a particular brand (Nandan, 2005; Shimp, 2007).

According to Keller (2008), strong brand image does create fl superior brand message of a particular brand over the rivalry brand. Consequently, customers' behaviour will be affected and determined by brand image (Burmann, Schaefer & Maloney, 2008). Consumers employ a product's brand image in deriving overall perceptions of the specified product as a product with higher brand image may be inferred by consumers as product of superior quality and value (Richardson, Dick & Jain, 1994).

Brand loyalty

According to Louis and Lornbart (2010*)*, a consumer truly loyal to a brand should not only buy that brand in a repeated manner but he should also develop positive attitudes towards it. Hence, it can be implied that there is a distinction between true brand loyalty and repeat purchasing behaviour. The differences between repeat purchasing behaviour and true brand loyalty have been discussed by Bloemer and Kasper (1995). They opined that repeat purchasing behaviour is no more than the actual rebuying of a brand, regardless of the consumer's degree of commitment to the brand. True brand loyalty, however, is the biased behavioural response expressed over time by a decision-maker with respect to one or more alterative brands out of a set of such brands, which is a function of psychological process resulting in a brand commitment (Bloemer & Kasper, 1995).

Attachment and commitment

Louis and Lombart (2010) advanced several definitions of attachment in relation to the brand. The first definition of brand attachment corresponds to the emotional link between a consumer and a brand. Another definition refers to the brand attachment as a psychological variable, which reveals a lasting and consistent affective relationship to the brand and expresses a relation of psychological closeness to it (Louis & Lombart, 2010). A definition suggested by Park, MacInnis, Priester, Eisingerich, and Iacobucci (2010) states that brand attachment relates to the strength of the bond connecting the brand with the self, involving thoughts and feelings about the brand and the brand's relationship to the self. Such strength of emotional attachment to an object may be associated with investment in the object (Thomson, MacInnis & Park, 2005).

Commitment is the binding of an individual to his brand choice as a result of the extensive decision-making process (Bloemer & Kasper, 1995). So, customer commitment is central in the developing and maintaining marketing relationships, because it is a key psychological force that links the consumer to the selling organization (Fullerton, 2005). Louis and Lombart (2010) distinguish between two types of commitment: affective and continuance commitment (also known as cognitive or calculated commitment). Affective commitment is focused on a positive emotional attachment (Gruen Summers, & Acito, 2000). Fullerton (2005) suggests that affective commitment includes shared values, identification, and attachment. It means that if customers are satisfied with buying products from a particular organization, then they are affectively committed to that organization. Affective commitment partly explains the concept of brand loyalty discussed above, because when a customer has positive attitudes towards brands, then the customer is more likely to become a regular buyer of that brand. According to Fournier (1998), affective commitment is the basis of consumer-brand relationships because consumers are connected to many brands that they consume.

In contrast, continuance commitment membership is psychologically bonded to the organization on the basis of the perceived costs of leaving the organization (Gruen, et al., 2000). This presupposes that the main reasons for continuance commitment are scarcity of alternatives and switching costs. Fullerton (2005) also distinguishes between continuance commitments in business-to-business organizations and in consumer services. In business-to-business organizations, the relationships are often maintained because of the binding agreements or contracts between the partners (Fullerton, 2005). In consumer services, continuance commitment can also exist in a form of the agreement between the customer and the service provider and be supplemented by a certain loyalty program provided by the supplier (Fullerton, 2005).

Associative Network Theory

The associative network theory of brand management proposes that brand associations are organized in memory networks, and that consumers use brand names as retrieval cues about product attributes and benefits and other diagnostic information stored in memory (Van Osselaer & laniszewski, 2001). An associative network memory model of brand knowledge, brand image is defined here as perceptions about a brand as reflected by the brand associations held in consumer memory. According to the theory, an individual can create, retain and access associations of a brand and subsequently access associations of memorable objects. Once accessed, the association can be used by an individual in various ways. Some of **Sector** these ways includes influencing perception and attitude towards the brand.

Empirical Evidence

Sondoh, Omar, Abdul Wahid, Ismail and Harun (2007) measured the effect of brand image on overall satisfaction and loyalty intention in the context of color cosmetic. A survey carried out on 97 females showed that functional and appearance enhances significantly affect loyalty intention. The statistical results showed that two brand image benefits, i.e. appearance enhances and functional have significant impacts on loyalty intention. The others, i.e. symbolic, experiential and social benefits have negative effects on loyalty intention.

Malik, Naeem and Nasir (2011) conducted a study measuring the impact of service quality on brand image, empirical evidence from hotel industry. The study adopted a quantitative investigation using a sample covering 100 customers of 8 four/five star hotels living in different cities of Pakistan during May and September, 2010. The obtained results showed that only empathy responsiveness and reliability perceptions were drivers to building hot "'1 brand image. The study also concludes that perceived assurance and tangibles did not contribute anything significant in boosting brand image.

A study focusing on the impact of brand image, trust and affect on consumer brand extension attitude, Anwar, Gulzar, Sohail and Sohail (2011) investigates if brand loyalty mediates the relationship of brand image, trust, and affect to consumer brand extension attitude. The data was collected through 200 female respondents and analyzed through correlation, regression and Sobel test. Results revealed that brand image, trust and affect are positively associated with the brand extension attitude. Further, it is found that brand loyalty mediates the relationship of brand image, trust and affects to brand extension attitude.

In a quantitative survey by Lymar, and Mohajerani (2013) on the possible effects of various components of the university brand image on students' attachment and commitment to the brand of Umea University by conducting a study using a convenient sample of 524 respondents who were current students of the university. The findings of the study showed that not all hypothesized effects were significant as some components of the university brand image on attachment were not strong enough. The study recommended that all hypothesized components of the university should be improved upon in order to obtain a higher attachment of students to the university.

Methodology

The study employed a non-probability convenience sampling technique for drawing the sample. Adopting Aubry (2011) study which based its sample on a third of the population at an event, he sample for the study consists of 206 students of Al-Hikmah University, representing a third of the population at an event in the school's auditorium. Data were collected with the aid of questionnaire from students of Al-Hikmah University. Copies of structured questionnaire were administered to students. Specifically, a self- administered questionnaire was used because it can prevent he respondents from being influenced by the researchers. The questionnaire consists of general information about respondents' background and questions relating to attachment and commitment.

The respondents were requested to assess each of the items on a five- point likert scale used for each statement. The main purpose and intent behind designing the questionnaire in such a simple way is to make it easy for the respondents to respond and thereby get a higher response to the questionnaire. Regression analysis was used to test the effect of attachment on affective commitment and then the effect of attachment on continuance commitment.

Results and Discussion

Table 1: Sample Profile

Characteristics	*Percentages*
Gender	
Male	40.4
Female	9.6

Source: Field Study 2015

Age Group		
16-20		
21-25	11.4	
26-30		33.6
Above 30		30.5
Source: Field Study 2015		*24.5*

The table above shows concern with respect to gender and age group, because it was important to see what proportion of male/female respondents answered the questionnaire. The table showed that the proportion of females was higher (59.6%) compared to males (40.4%). Although this proportion was not absolutely equal, it was quite representative of male and female participants. The second question was about age. The respondents were asked to choose between 4 options: 16-20; 21-25; 26-30; above 30. The results are shown in Figure 1 above, as it can be seen the number of respondents aged 21-25 and 26-30 were almost equal (33.6% and 30.5% respectively). So, these two age groups constituted the majority of respondents. Students, who were above 30, represented 24.5% of the respondents. The rest 11.4% were those aged 16-20, who were in the minority.

Cronbach's alpha.

A summary of the values of Cronbach's alpha for each construct used in the study is presented in Table 2. Nine out of twelve constructs were higher than 0.70, hence, reliable (Hair, Tatham, & Black, 1998; Cohen, Manion, & Morrison, 2007). However, some items were excluded due to insufficient levels of reliability. In order to assess the normality of distribution of these constructs, the skewness and kurtosis tests were performed. The selected items for practicability, physical actualities and external communications complied with normality assumptions.

Table 2.

Constructs	Cronbach's alpha
Mission and vision	0.800
Graduation prospects	0.738
Learning environment	0.716
Social environment	0.753
Practicability	One item
Educational	0.752
Physical actualities	One item
Aesthetic	0.732
External communications	One item
Attachment	0.925
Affective commitment	0.878
Continuance commitment	0.733

Significant at 5 percent

Table 3: Dependent Variables: Attachment

Variable	coefficients	
Mission and Vision	0.234	2.444
Graduation Prospects	0.014	0.158
Learning Environment	0.112	1.212
Social Environment	0.155	
R-squared	0.473	
Adjusted R-squared	0.434	
F -statistics	11.97	

Significant at 5 percent

t -statistic

The result shows high degree of goodness of fit. The coefficient of determination is 47 percent and the measure of overall fitness of the model (F statistic) is significant at 5 percent. The model result shows that proposed factors (mission and vision, graduation prospects, learning environment and social environment) have joint significant effect on attachment Individuals, of the four factors have significant effect on attachment to the brand Table 3 showed that four independent variables had a significant effect on attachment. It can be concluded that mission and vision, graduation prospects, learning environment and social environment had a significant positive effect on attachment. After having considered all the significant variables, it could be summarized that mission and vision had the highest significant level out of all of them, so, this variable indicated the strongest impact on attachment.

Table 4: Dependent Variable: Affective commitment

Variable	coefficients	t-statistic
Mission and		
Vision	0.206	2.289
Vision	0.069	0.841
Graduation Prospects		
Learning Environment	0.097	1.125
Social Environment	0.025	2.752
R-squared	0.534	
Adjusted R-squared	0.499	
F -statistics	15.29	

Significant at 5 percent

In order to test the effects of different components of the university brand image (independent variables) on affective commitment (dependent variable), table 4 shows that the R square of the model was 0.534, meaning that the components of the university brand image were responsible for 53.4% of variance in affective commitment with (F statistic) significant at 5 percent. R square should not be less than 0.5, so it could be concluded that this model was strong. This model had a significance level of p<O.05, F=15.29, representing a statistically significant relationship between the components of the

university brand image and affective commitment. It also meant that the impact of the components of the university brand image on affective commitment had a low probability of occurring by chance.

Table 5: Dependent Variable: Continuance commitment

Variable	**coefficients**	**t-statistic**
Mission and Vision	0.128	4.22
Graduation Prospects	0.015	0.139
Learning Environment	-0.061	-0.554
Social Environment	0.019	0.199
R-squared	0.241	
Adjusted R-squared	0.184	
F -statistics	4.22	

Significant at 5 percent

The effects of different components of the university brand image (independent variables) on continuance commitment (dependent variable) were also tested. Table 5 showed that the R square of the model was 0.241, which meant that the components of the university brand image were responsible for only 24.1 % of variance in continuance commitment. As the R square should not be less than 0.5, this model was considered to be weak. The significance level of the model was at $p<0.05$, $F=4.22$, so the components of the university brand image and continuance commitment had a significant relationship.

Table 6: Dependent Variable: Affective Commitment

Variable	coefficients	t-statistic
Attachment	0.873	20.241
R-squared	0.762	
Adjusted R-squared	0.760	
F -statistics	409.71	

Significant at 5 percent

The effect of attachment on affective commitment was examined by using a simple linear regression with attachment being an independent variable and affective commitment being a dependent variable. As It could be seen from Table 6, the R square of the model was 0.762, meaning that attachment was responsible for 76.2% of variance in affective commitment, so this model was strong. A level of significance at $p<0.05$ and $F=409.71$ represented a significant relationship between the attachment and affective commitment so; the effect of attachment on affective commitment had a low probability of occurring by chance. Table 5 demonstrated that the only one independent variable tested in this model had a significant positive effect on affective commitment. Attachment had a β value of 0.873 and a significance level of $p<0.05$.

Table 7: Dependent Variable: Continuance Commitment

Variable	coefficients	t-statistic
Attachment	0.467	5.972
R-squared	0.218	
Adjusted R-squared	0.212	
F -statistics	35.66	

Significant at 5 percent

This simple linear regression tested the effect of attachment on continuance commitment, where attachment was an independent variable and continuance commitment was a dependent variable.

Table 7 indicated that the R square of the model was 0.218, meaning that attachment was responsible for only 21.8% of varianc1e in continuance commitment, so the model was weak. A level of significance of p<O.O 1, F=3 5 .66 represented a significant relationship between the attachment and continuance commitment. It meant that the effect of attachment on continuance commitment had a low probability of occurring by chance. It could be seen from table 7 a over that the only one independent variable tested in this model had a significant positive effect on continuance commitment. Attachment had a β value of 0.46 and a significance level of $p<0.05$.The findings also showed that attachment had a positive effect on affective commitment. The final test was aimed to find the positive relation between attachment and continuance commitment. The test indicated a significant positive effect of attachment on continuance commitment. This is in agreement with the findings of the student by Anwar, Gulzar, Sohail and Sohail (2011) which submitted that bf and loyalty mediates the relationship of brand image, trust and affects to brand extension attitude, and that of Lymar and Mohajerani (2913) which revealed that not all the items of a University's brand image have a positive effect on a student's attachment.

Conclusions and Recommendations

The study concluded that several components of the university brand image had significant effects on students' attachment to the university. Mission and vision, graduation prospects, learning environment and social environment were found to have a significant ir~pact on attachment. It was also found that some components of the university brand image had significant effects on affective commitment of the students. Such constructs as mission and vision, social environment, learning environment and graduation prospects were found to have a significant impact on affective commitment. On the bases of these findings, the study recommended that Al-Hikmah University needs to improve its graduation prospects, learning facilities, educational standards and external communications as these constructs did not have significant effects neither on attachment nor on affective and continuance commitment. If these areas are improved on, there is high probability of gaining higher attachment to the university. This would, in turn, have a positive impact on commitment and it would probably keep students satisfied and improve the university's overall image.

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Enhancing SMES Performance In A Competitive Environment - A Rethink On Employees Training & Development

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Abstract

In contemporary business world, the increasing rate of competition and globalization demand intense need for skilled and trained employees. . However, Small and Medium Enterprises (SMEs) often neglect the strategic roles of training and development hence; lose their best talents to large corporations. Lack or inadequacy of employees' training and development among SMEs often results to poor performance, therefore little or no business expansion. This study attempts to investigate how SMEs performance could be enhanced despite competitive pressure through employees' training and development. A survey research design was adopted through the administration of 100 copies of questionnaires across twenty-five ~2 5) *selected SMEs in florin, Kwara State. The data were collected and analyzed using correlation and t-test analyses. From Pearson Product Moment Correlation analyses, N=79, positive correlation of 0.830 exists between employees' training and development and performance while 0.740 exists between employees training and development and competitive advantage. The results of the -test analyses revealed a weak involvement of SMEs in employees training and development due to owner's poor perception and high cod The study concludes that there is a need for regular employees' training and development for enhanced business performance and competitiveness. The study recommends among others that Small and Medium Enterprise Development Agency (SMEDAN) should reintegrate their commitments towards SMEs development through re-orientation and creating a platform for low cost training and development for SMEs operators.*

Keywords: SMEs, Employee, Training and Development,

Performance, Competitive Environment

Introduction

Recently, in many developing nations, there is an increasing focus on Small and Medium Enterprises (SMEs) as a means of tackling the rising scourge of unemployment, particularly among graduates. The SMEs sub-sector of any economy is globally acknowledged to contribute substantially in enhancing employment generation, poverty alleviation, equitable distribution of resources, income redistribution, technical and technological innovation, entrepreneurial skills development, more uniform industrial and economic dispersal, and general improvement in the living standard of the populace within an economic region. More so, they have been publicized as strategic in ensuring food security and encouraging rapid industrialization and reversal of rural-urban migration (Oyekanmi, 2003; Osalor, 2012). As various efforts have been made by the government, it is essential to acknowledge the fact that SMEs operators need to be versatile, creative and innovative to withstand the pressure of competitive business environment. Business environment changes on regular basis and as such, cause intense competition among SMEs and large corporations (Nwankwo, Kanu, Marire, Balogun & Uhiara, 2014).

How to survive and grow in such volatile business environment as caused by political, technological and regulatory change is a major challenge to many operators (Adebayo,2015).It becomes utmost essential for both large organizations and SMEs to seek ways to reinforce their competitive position and improve their productivity (Premkumar, 2003). Different strategies have been put forward by scholars on how businesses can compete favorably in a volatile business environment and among these are regular employees' training and development. In view of this, it is a widely held fact that human capital development through regular training and development constitute an important driver of success in any business organization especially the SMEs (Hayton, 2005). Training and development is a necessity in the workplace, and without it, employees cannot have a firm grasp on their responsibilities or duties. Osalor (2012) posits that a company that lacks a proper training and development programme cannot sustain a working business model, because such workplace is likely full of workers who have only a slight idea of how to complete their work.

Statement of Research Problem

Nigerian economy having been declared as African largest economy by the World Bank, SMEs are increasingly searching to take advantage of 1he enormous opportunities in the ever expanding economic system. However, in an. effort to explore these opportunities, SMEs face lots of challenges which often undermined their performance, Prominent among these are pressure of competition aid poor employees' training and development programme. Storey (1999) posits that a company that does not train its staff can expect an increase in miscellaneous expenses. These could include the CO! t of medical attention for staff because of injuries sustained from unskilled use of equipment and supplies, compensation 10 customers for defective products, and the cost of defending the, company against lawsuits. Poor employees' training and development often result to a number of issues in an organization. According to Haselid (2013), poor training and development leads to low productivity higher task for managers, dissatisfied employees, unsafe work environment, and loss of customers among others. Due to the huge cost involved in employees' training and development, some SMEs considered in-depth training is unnecessary and expect new employees to learn on the job from supervisors and older employees. However, this type of training has been proved inadequate as it creates problems for the business. More so supervisors and more experienced employees must always spend time monitoring unskilled workers, which distracts them from their work and increases the amount of time necessary to complete production.

A crucial aspect of running a successful business is to source motivated and retain the right employees (Ajayi, 2015). This is applicable to all organizations, irrespective of their size and age. However, despite the fact that SMEs account for a large percentage of total employment an~ production in Nigeria, studies on training and development have been largely ignored at SMEs level. Only recently, researchers began t~ explore the nee-I for capacity building among SMEs. Despite this the area of SMEs research in employees' training and development is still in an embryo stage. For a more in-depth understanding, there is a need to empirically investigate the essential role of employees' training anti development in relation to performance. How do employees' training and development assist towards gaining a competitive advantage? What are the various employees' training and development programmes at the disposal of SMEs? And why do some SMEs not engaged in employees' training and development? Providing answers to these are the stance of this study.

Research Objectives

The aim of this study is to examine the role of employees' capacity building through training and development on business performance in Nigeria. Specifically, this was carried out with a focus on two sub- objectives:

I. to examine the role of employees' training and development as a mean of enhancing SMEs competitive advantage.

II. to examine if employees training and development contributes to SMEs better performance in the study area

III. to examine the factor (if any) that undermine SMEs from active employees training and development programmes in the study area.

Research Hypotheses

I. Employees' training and development have no significant relationship with creating SMEs competitive advantage.

II. Employees' training and development does not in any way contribute to SMEs performance in the study area

III. Small size of operations, poor perceived benefits, high cost of training and development do not contribute significantly to inactive employees' training and development among SMEs.

Literature Review

Some decades ago, the problem of globalization, competition, deregulation and huge technological developments, have created highly unrest business environments that have changed dramatically human resource and other management practices (Ray & Ray, 2011). Now, managing human resources effectively has become more important than ever, and managers in organizations of all sizes, now realize how essential it is to have highly motivated and competent employees, if their organizations are to gain competitive advantage, and serve all of the multiple stakeholders (Werner, Schuler& Jackson

2012). According to Chang & Huang (2005) human resource, are viewed as strategic assets that create value when set in the operational system in a manner that can enhance firm's abilities to deal with an unstable environment. Hence, developing employees who art the human resource to deliver this value is essential towards achieving optimum business performance.

SMEs and SMEs Performance

The definition of SMEs changes with time and with the level of economic development (Anamekwe, 2001).This means that a firm that can be regarded as small and medium enterprise in advanced economies such as USA, Western Europe and Japan given their high level of capital intensity and advanced technology may be classified as large corporations in developing countries. In the same vein, a large organization in .1 ~60s or 70s may be medium or small enterprise today. The definition of SMEs therefore becomes relative and varies from institution to institution and from country to country depending on the country's level of development. Akande (2014) looked at SMEs as an enterprise that is self-initiated, largely self-finance, closely self- managed and relatively small in size when compared as part f the industry. National Council of Industries (N.C.I, 2009) classified and defined SMEs as follow:

Micro/Cottage Industry

This is an industry with total capital employed of not more than N1.5 million working capital but excluding cost of land and/or a labour size of not more than 10 workers.

Small - Scale Industry

An industry with total capital employed of over N 1.5 million but not more than N50 million, including working capital but excluding cost of land, and/or labour size of 11 - 100 workers.

Medium - Scale Industry

An industry with h a total capital employed of over N50 million gut not more than N200 million, including working capital, but excluding cost of land, and or a labour size of 101 - 300 workers.

Large - Scale Industry

An industry with a total capital employed of over N200 million, including working capital but, excluding cost of land or a labour size of over 300 workers.

Therefore, Small and Medium Enterprises (SMEs) are the business enterprises whose total cost excluding land is not less than one and a half million naira (N1.5m) nor more than two hundred million naira (N200m) only.

SMEs Competitive Advantage

The concept of the competitive advantage is given by Barney (2001) who argues that a firm has sustainable competitive advantage when it implements the strategy of the value creation that is not implemented by other competitors. In the same vein, David (2011) argues that a firm's internal resources are more important than external factors in order to achieve and sustain competitive advantage. In view of this. Kotler (2005) described competitive advantage as the capability of1n organization to do its activity in a way or in different ways that other competitors cannot realize. In the opinion of Analoui & Karami (2003) competitive advantage is a base for a good strategy and a good one creates competitive advantage. A firm thus has competitive advantage when it is able to create more economic value than its rivals (Barn y, 2001). Distinctive competencies help a firm stands out in it. smarltts when its competencies are superior to its competitors (Andre s, 1971). For SMEs, core competencies and distinctive competence re two main factors that induce competitive advantage. Kraja & Osrnani (2013) posit that competitive advantage is important for businesses. though not all businesses have it; however, they often find ways to have one.

It is of utmost important to note that business performance is usually tied to its competitive advantage. Kraja & Osmani (2013) sees performance as a measure of how well a mechanism or a process achieves its purpose. In a similar view, Moullin (2003) defines an organization's performance as "how well the organization is managed" and "the value the organization delivers to its cust9mers and other stakeholders. Due to its importance in modern business environment, SMEs exploit various sources of competitive advantage. The sources of competitive advantage for SMEs according to Lynch (2000) are differentiation, low costs, niche marketing, high performance or technology, high quality, vertical integration, service, synergy, culture, leadership and styles. Dress, Lumkin & Eisner (2007) further argued that competitive advantages are those outstanding benefits a firm enjoys from its tangible d intangible assets compared to the competitors. This is as illustrated in the table below.

Table 1 Firm Competitive Assets

	Tangible. assets	Intangible assets
1	Financial	Human
	Firm's cash account and cash equivalents Finn's capacity to raise equity Firm's borrowing capacity	Experience and capabilities of employees Trust Managerial skills Practices and procedures
2	Physical	Innovation and creativity
	Modern plants and facilities Favorable manufacturing locations State of the art machineries and equipments	Technical and scientific skills Innovation capacities
3	Technological	Reputation
	Trade Innovative production processes	Reputation with customers Reputation with suppliers Brand name
4	Organizational	
	Strategic planning processes Excellent evaluation and control systems	

Source: Dress, Lumpkin and Eisner (2007)

Employees' Training and Development

Enterprise's performance and its growth depend majorly on the numbers and quality of skills and knowledge of the employees which are considered as the assets of the firm. Mohammad, Abdul and Hassan (2014) argue that the knowledge, development, abilities and skills are the dimensions of the process of training and development. Dessler (2006) described training as the process of giving new and different skills to the employees for performing their tasks. Supporting this view, Armstrong (2012) suggests that training can be referred to as the practice of equipping employees with the right skills, knowledge, and abilities, with the aim of building organizational capabilities and increasing organizational performance. On the other hand, Kraja and Osmani (2013) described management development as all those action activities and programmes when recognized and controlled ha e substantial influence in changing the capacity of an individual to perform his assignments better likewise increases his potentials for future assignments. From the above. it can be argued that the sole aim of training and development is to enhance firm's performance. However, the results of training impart major contribution in the better performance is considered at strategic level in the organizations. Armstrong (2012) viewed managing human resource as the strategic and sound approach to the management of an organization's most valued assets - the people working there. Who individually and collectively contribute to the achievement of the objectives of the business. It has been further established that improved performance is only achieved through improved people. and this can occur only if appropriate training and development policies for employees are applied (Guest. 1991). Cardon and Stevens (2004) acknowledged that adoption of effective training and development policies by SMEs will not only bring about acquisition of new skills and knowledge among employees but bring about change of attitudes that will improve their aggregate performance. Cardonet a1. (2004) are of the opinion that through effective training and development practices. small businesses can get rid of traditional ineffective and inefficient practices, and thus be able to make best use of the firm's resources to achieve its objectives, In the same vein David and Nyong (1992) stated that small scale businesses that successfully add their HRM system with their vision and organizational objectives, will achieve their goals in a more organized manner.

Training and Development on SMEs Performance

As competition becomes tougher in modem business environment. there is increased need for employees training and development for optimum performance survival and growth. Since training and development in SMEs is an emerging concept, the firm must be objective driven to properly take control of their (training and development) activities as a means to achieving higher performance. Abduli (2013) posits that work performance management is a systematic process for improving the performance of a company, through a better organization of work with individuals and work groups. It is a way by which companies, labor groups and individuals achieve greater results at work, while understanding and managing them within a clear platform of purposes, standards and competencies. Similarly, Lockett (1992) described performance management as the process of making of individuals skilled employees and committed to achieving common objectives within a company, and at the same time, the company supports and encourages these achievements. On this background, it can be argued that a careful management of employees creates good opportunities in ensuring its efficiency in the process of production of goods and services which guarantees the welfare of the society. The survival of every enterprise is dependent on the effective management of human resources.

In recent times, business enterprises especially the SMEs have begun to realize that their performance is closely linked to their ability to attract. train and keep talented employees on the job. Every training and development programme for SMEs should therefore be such that impart a new set of skills needed in the current business environment (Abduli, 2013). For start-ups, this new set of skills should include training in formulating business plans, identifying markets, hiring skilled workers and complying with government regulations. On the other hand, for established SMEs, it should comprise developing skills in marketing and exporting; product development and process improvements; identification and use of new technology, including information and communication technologies (l.C.T); increasing co-operation among staff and promoting internal teamwork; enhancing networking with suppliers, clients and other firms; and generally improving adaptability and flexibility to respond to changing market conditions and clients needs. Organization for Economic Co-operation and Development (OECD, 2002a).Only through anticipating and working towards the development of proper type of employees, SMEs can expect to be successful in a dynamic global environment, competitive and ever-changing.

Theoretical Framework

Literatures in strategic management have shown that strategy compatibility with the resources owned is an important beginning for company's performance improvement. This study is anchored OR the Resource Base Theory (RBT) propounded by Barney in 1991. A fundamental assumption of this view is that organizations can be successful if they gain and maintain competitive advantage (Porter, 2005). The resource-based theory of the firm is anchored on the fact that a firm's HR system can constitute a distinctive source of competitive advantage (Werner et al. 2012). Foss (1997) states that resource-based theory distinguishes unique organization's resources that can be controlled or manipulated in order to implement the best strategy. In the RBV theory, the primary focus of an organization is resources and capabilities. Barney (1991) asserts that the survival or corporate excellence depends on its resources. as well as what strategies are chosen to empower those resources so that they can respond to the opportunities and challenges of the external environment. Although the RBV approach focuses on analyzing company internal organization resources, but it does not mean ignoring important external factors (Husnah, Aisjah and Djumahir, 2013). This approach links company's internal capabilities with external environment (what is requested and what is offered by competitors).

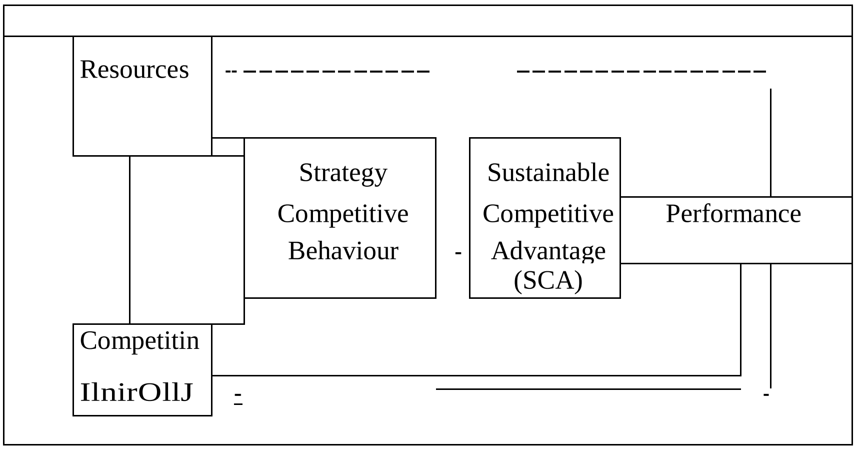

Figure 1 RBV Approach to Performance and Competition
Sources: Bridoux (2004)

As demonstrated in the box above, the relationship of strategy can be viewed as an on-going sequence of actions and reactions that are conditioned by resource of the companies and the competitive environment (Bridoux, 2004). The firm's strategy and performance has feedback effect on competitive environment and resources. All these changes result in new information that will result in ne~ resource development opportunities. The overview RBV, by looking at the relationship "business-strategy-performance", is referred to as the generic strategies of Porter (Husnah, Siti & Djumahir, 2013).

Materials and Method

A survey research design was utilized to generate data for this study. The population of interest consists of all manufacturing SMEs that were registered with Kwara State Chamber of Commerce Industry Mining and Agriculture (KWACCIMA) Ilorin Kwara State. The population frame is 260 as contained in the documents made available at the KWACCIMA secretariat as at February, 2014. A survey of 10Q copies of questionnaires was undertaken across the 25 selected manufacturing SMEs in Ilorin metropolis. The questionnaire was designed to generate responses on questions relating to the thematic areas of the study. The questions were based on a 5-point Liker attitude scale. Each level of the scale is represented as 5, Strongly Agree, 4, Agree, 3, Undecided, 2, Disagree and 1, Strongly Disagree. Out of the 100 copies of questionnaires distributed, a total of 79 (79.0% retrieval rate) were correctly filled and returned. The data were analyzed by Statistical Package for Social Sciences (SPSS) 16.0 version, using Pearson Product Moment Correlation analytical tool. Cronbach's Alpha Reliability Test was carried out, and the result shows 0.66 which means that the instruments used in gathering thy data were reliable and therefore exhibited internal consistency among items (questions) measuring each construct in the questionnaire.

Table 2: Bio and Classification Data of Responding SMEs N=79

	RESPONDING FIRMS	FIRMS	%
1.	Firms' BiD Data Profile:		
	AQC of the Firm:		
	Less than 10	12	15.2
	10-20	31	39.2
	21 Above	36	45.6
	Number of Emnlovees:		
	Less than 20	8	10.1
	20-40	30	38.0
	41-60	23	29.1
	61- 80	12	15.2
	Above 100	6	7.6
I.	Area of Operation:		
	Manufacturing (fabrication)	12	15.2
	Electronic	8	10.1
	Azro-Allied	15	19.0
	Pharmaceutical	4	5.1
	Furniture	18	22.8
	Nvlon Production	6	7.6
	Foods and Drinks	7	8.9
	Health Care	3	3.8
	Others	6	7.6
		I	
		I	

Source: Field Survey, 2015 .

Table 3: Training & Development Programmes among SMEs N = 79.

SIN	Nature of planning	No of Firms (N)	Percent	Cumulative percent
1.	No Formal training and development Programmes	15	18.9	18.9
2.	Active and well implemented Formal training and development Programmes	21	26.6	45.5
3.	Active but poorly implemented Formal training and development Programmes	31	39.3	84.8
4.	In-active & poorly implemented Formal training and development Programmes	12	15.2	100
	Total	79	100	

Source: Field Survey, 2015

Field Survey, 2015.

Table 4: Correlations

Model R		T and D	Performance	Com Advantage
Tand 0	Pearson Correlation	1	.830	.740
	Sig. (2-tailed)		.000	.000
	N	79	79	79
Performances	Pearson Correlation	.830	1	.526
	Sig. (2-tailed)	.000		.014
	N	79	79	79
Comp Advantage	Pearson Correlation	.740	.526	1
	Sig. (2-tailed)	.000	.014	
	N	79	79	79

b. Dependent Variable: SMEs participation

In the table above, correlation between training and developm~nt and Performance equals 0.830 and this is highly significant. The same holds for training and development and Competitive Advantage = 0.740, and Competitive Advantageand Performance = 0.526. These correlation coefficients are highly significant. These show that the relationship between the variables is strong and positively correlated.

Test of Hypotheses II (Using T- Test)

From Table 5 below, the average response is above 3.70 and standard error of the mean is 0.000 i.e. not significant. Five-point Likert-style rating scale of 5 = Very High, 4 = High, 3 = Fair, 2 = Low and 1 = Very Low was used to scale the responses.

Table 5 One-Sample Test

	a = 0.05					
	t	df	Sig. (2-tai!ed)	Mean Difference	95% Confidence Interval of the Difference: Lower	Upper
Small Size	3947.614	78	.000	3.775	3.61	3.94
Perceived Benefits	5752.862	78	.000	4.040	3.86	*4.2L*
High Cost	4917.783	78	.000	3.800	3.62	3.98

We reject Ho if the p-value for two-tailed test is less than value for a= 0.05, otherwise accept. Since p-value of 0.000 for two-tailed test is less than a-value of 0.05, we reject the null hypothesis and accept the alternative.

Summary of Findings

This study takes a look at how SMEs performance can be enhanced in a competitive environment with the focus on training and development. Data were collected by means of self- administered questionnaires to selected SMEs in K wara State. In an attempt to achieve the objectives, three set of hypotheses were formulated as a guide to the study. A total of 100 copies of questionnaires were distributed among the purposively selected sample. The study generated 79 percent response rate and the statistical analyses were carried out with the use of simple percentage, Pearson Product Moment Correlation and T-test. The result of hypotheses I and II revealed that there is a significant relationship between employees' training and development and aggregate SMEs' performance. This implies that the more SMEs are committed to employees training and development, the higher the likelihood of aggregate performance. More so, there is a positive correlation between training and development and SMEs competitive advantage. This validates the findings of (Abdul, 2013; Mohammed, Abdul and Hassan, 2014).

Abduli (2013) found out in an empirical investigation of 150 SMEs in the Republic of Macedonia that employees' training and development influences individual's performance which summed up to aggregate performance. Mohammed, Abdul and Hassan (2014) found that majority of SMEs in Pakistan that are surviving the dynamics of globalization and intense competitive pressure relies majorly on constant employees' training and development.

Conclusion This study has explored evidences from related literatures in order to develop a better and informed perspective on employees' training and development as a means of enhancing SMEs performance in the face of competition in Nigeria. The literatures reviewed acknowledged that for any modern business to survive amidst the increasing competitive pressure and volatile business environment, employees' training and development is invaluable. In this respect, SMEs must consciously develop and implement training and development policies. Based on the findings obtained from the analysis of the hypotheses, the study concludes that there is a need for regular employees' training and development for enhanced business performance and to gain a competitive advantage. It can be further concluded that SMEs' poor involvement in employees' training and development is due to poor owners' perception and high cost involved. It thus connotes that conscious change in owners' perception and availability of low cost training and development will increase the likelihood of employees' training and development practices among SMEs in the study area.

Recommendations

Based on the findings of the hypotheses tested and the conclusion drawn above, the study recommends the following:

i. that the Small and Medium Enterprise Development Agency (SMEDAN) should provide a platform for re-orientation and low-cost training and development facilities for SMEs as this will assist its affordability,

ii. operators of SMEs should consciously develop active employees' training and development programmes and implement them as this will enhance individual's competence which cumulate to aggregate performance and,

iii. The federal government should provide a special financial intervention through a special collaboration with international financing organization such as World Bank, African Development Bank, International Finance Corporation as this will ease SMEs financial burden.

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Impact Of Working capital Management On Profitability Of Listed Companies In Nigeria.

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Abstract
This study examined the impact of working capital management on the profitability of selected companies in Nigeria. The study was based on secondary data collected from 20 companies listed on Nigerian Stock Exchange (NSE) for the period of20 12-20 14. *A cross sectional survey design was adopted using 60 firm-year observations extracted from the annual report accounts of the selected companies. Multiple regression (ordinary least square) technique was applied to analyze the relationship between working capital management components and profitability. The results demonstrated that companies could increase profitability measured by return on investment by extending the account payable period. The result revealed that account payable period has a significant positive relationship with firm's profitability and other working capital components affect firm's profitability. It is therefore recommended that working capital investment policy should be matched with working capital financing to give positive effect on the firms' profitability.*

Key words: working capital management, working capital components, profitability, current assets, current liabilities.

The working capital management, from financial managers' point of view, is denied as a simple concept of ensuring the firm's ability to grasp differences between assets and short-term debts. The major focus of working capital management is to maintain an optimal balance between each of the working capital components (Nazir and Afza, 2009). It is a managerial accounting strategy which focuses on maintaining efficient levels of current assets and current liabilities to ensure that a firm has sufficient cash flow in order to meet its short- term obligations. The success of firms intensively depends on the ability of financial executive managers to effectively manage receivables, inventories and payables (Filbeck and Krueger, 2005). Working capital management plays an important role in managing firms. It can affect the success or failure of firms because it influences the enterprise profitability (Raheman & Nasr, 2007). However, the volume of profit a firm can generate is a function of several factors, within and outside the control of the organization (Egbide, 2009). Working capital management is an essential part of financial management and contributes significantly to a firm's wealth creation as it directly influences organizational profitability and liquidity (Raheman & Nsar, 2007).The firms should tradeoff between its profitability .and liquidity and decide the size of its working capital requirement. An attempt to increase profit without maintaining liquidity of the firm is also a problem. The firm should try to strike a balance between the two, therefore achieving of one objective should not be at the cost of the other.

This study aims to empirically examine the extent to which working capital management affects profitability of listed companies in Nigeria and thus assist managers to consider solutions for increasing value for stockholders.

Research question: Does Working Capital Management (WCM) affect Profitability?

Research objective: To examine if there is any relationship between profitability and working capital management.

Hypothesis formulated: There is a relation between working capital management variables and profitability of companies.

Literature Review

Smith (1973), Anand & Gupta (2002) and Egbide & Enyi (2008) supported the fact that the importance of working capital to management performance is evidenced. They established that many large firms failed as a result of mismanagement of working capital composition and application. Shin & Soenen (1998), Kieschruok, Laplante & Moussawi (2008) opined that poor management of working capital has contributed to bankruptcy of many firms. Egbide (2009) and Falope & Ajilore (2009) reported that all the compositions of working capital management affect profitability at varying levels of significance with a longer debtors' collection period. The study revealed that working capital management can create value for their shareholders if they are well managed. Rafuse (19&6) analyzed the different aspects of optimal working capital components. The study found that altering debtors and creditors levels would rarely produce any net benefit; rather, it will harm the sales or the financing options of the firm. Eljelly (2004) examined the relationship between liquidity and profitability of 29 Saudi joint stock companies for a period of 1996-2000. The study used net operating income as profitability measure (dependent variables) and cash gap (Cash Conversion Cycle) and current ratio as liquidity measures (independent variables). The study found that there is a strong negative relationship between liquidity and profitability. The Cash Conversion Cycle was of more importance as a measure of liquidity that affects profitability than the current ratio.

Richards & Laughlin (1980) developed a method of working capital as integral part of a broader framework of analysis known as the working capital cycle. The method is claiming to be superior to other forms of working capital analysis that rely on ratio analysis. According to Uremadu (2004), the importance of working capital can be seen from the time devoted by the financial manager to the day-to- day working capital decision. Lawrence (2000) examined status of working capital management in 300 companies including 150 companies with high level of sales and 150 companies with low level of sales. The study aimed to consider different methods of working capital management which are applied in varies size companies and also to provide a general view from common approaches used by all companies. The study concluded that there are differences in developing working capital management policies in different companies.

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Soenen (1993) examined the relationship between net trade cycle as an indicator of working capital and return on investment in American companies. The Chi-square test results showed a negative relationship between net trade cycle time and return on owners' properties. The negative relationship is different for different industries, a significant relationship for almost half of considered companies indicated that the negative relationship depends on type of industry.

Talebi (1998) studied status of working capital management in Iranian companies. Exogenous factors influencing companies' liquidity and impact of working capital management on liquidity were studied. The author concluded that there is vital need to strengthen fundamentals of working capital management in companies.

Ardekanian (2009) studied the relationship between working capital management and profitability. The author applied different financial ratios such as account collection period (ACP), average inventory period, average payment period (APP) and cash conversion cycle (CCC) to analyze working capital management and return on capital employed was used to measure profitability of 110 companies in 17 industries selected for six (6) years from Tehran Stock Exchange. Pearson correlation coefficient and regression analysis were applied to analyze data. The results indicated that there was a negative relationship between working capital management and profitability. Garcia-Teruel and Martinez-Solano (2007) provided an empirical investigation on the effects .of working capital management on the profitability of a sample of small and medium-sized Spanish firms. The results of their studies showed that managers were able to create value through decreasing their inventories and the number of days for which their accounts are outstanding. Gill *et al.* (2010) analysed the relationship between working capital management and profitability in 88 American firms listed on New York Stock Exchange for a period of 3 years from 2005 to 2007. The results demonstrated the significant relationship between the cash conversion cycle and profitability, measured through gross operating profit.

Methodology

The population of the study includes all companies in Nigeria listed on Nigeria Stock Exchange (NSE). A cross sectional survey design was adopted and a sample size of20 non-financial companies was selected among quoted companies in the Nigeria Stock Exchange which their financial data are accessible. The data used were extracted from the audited financial accounts of sampled companies. The research period covered three years (2012 - 2014). Statistical Package for Social Science (SPSS) was used to analyze the data. Multiple regression (ordinary least square) technique was applied to analyze the relationship between working capital management components and profitability.

Research variables

Dependent variable (Profitability)

To measure the profitability of a company, different indicators are used by different researchers. In this study, profitability is proxicd by return on investment (ROI). ROI is a measure of overall effectiveness of the firm in generating income (profit) with the available total assets. which is the perfect legitimate ratio (Fabozzi & Peterson, 2003). It is computed as Net income over Total assets.

Independent variables (Working capital management components)

Working capital management is measured by the working capital components namely ICP (Inventory conversion period), APP (Account payable period), ARP (Account receivable period) which are computed as follows:

I CP = Average stock/Cost of goods sales per year" 3 65days

Where: Average stock is calculated as: (opening stocks + closing stock)/2

Cost of goods sold calculated as: opening stock + purchases - closing stock

APP = Average creditors/Credit purchases" 3 65days

ARP = Average debtors/Credit sales*365days

Control variables

Size which is control variable that is specific to firms and general to the economy as a whole is taken into account in this study. The company size was measured by the natural logarithm of sales.

Model Specification

The following model specification was used to test the research hypothesis

$ROA_{it}=\beta_0+\beta_1 ARP_{it}+\beta_2 APP_{it}+\beta_3 ICP_{it}+\beta_4 SIZE_{it}+\varepsilon_{it}$

Where. β_0 = *intercept the regression*

β_1, β_2, β_3 and β_4 are the coefficient of the predictor variables

ε_{it} = *the error term*

Table 1: Model Summary

Model	R	R Square	Adjusted Square R	Std. Error of the Estimate
	=642(a)	.412	.302	.12345

a. Predictors: (Constant)
b. Dependent variable: ROl

Table 2: ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	.243	4	.062	4.917	.013 (a)
Residual	.518	47	.019		
Total	.761	51			

a. Predictors: (Constant),ARP,APP, ICP, SIZE
b. Dependent Variable: Rol

Table 3: Coefficient of Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.49	082		.081	.841
ARP	0.19	.007	.061	.312	.931
APP	**. 020	.003	**413	**2.307	.042
ICP	.010	.001	,**132	**. 814	.473
SIZE	.009	.009	.I5I	1.031	.335

a. Dependent Variable: Rol

Data Analysis and Results

ROI is return on investment and is the dependent variable used in this study to proxy profitability while ARP, APP and ICP represent the independent variables. Size is used as control variable to determine the data collected from the 20 selected companies for three years (2012-2014) and pooled together to make 60 firm-year observations. It should be noted that this study was based on one hypothesis that working capital components has significant effect on the profitability of listed companies in Nigeria. The result presented from table 1 (model summary) above, the R (correlation coefficient) is -0.642 and R square is 0.412 showed that 41.2% of the changes in ROI can be explained by these four variables ARP,APP, ICP and size.

Account receivable period has a standardized coefficient of 0.61 and a p-value of 0.931, while other standardized coefficient of -0.413 and - 0.132 with a p-value of 0.042 and 0.473 attributed to APP and ICP respectively. However, only account payable period (APP) that has a significant effect on the ROI with a standardized coefficient of -0.413 and p-value of 0.042 which is significant at 5% level of significance. This was based on the calculated ratios used for the companies over the time. It was observed that some of the companies actually had a longer account payable period and shorter receivable period. The negative sign indicates that APP and ROI behave in opposite directions. Whereas ARP and ICP are not significant at 5% and 10% levels, this implies that increases or decreases in account receivable period and inventory conversion period do not significantly affect profitability. Meanwhile the control variable (company size) also shows a positive but non-significant effect on profit. The negative sign also signifies that an increase in one variable will lead to an inverse change in the other variable and vice-versa.

Moreover, from the ANOVA table adjusted R square indicates that about 30.2% of changes in ROI are explained by the value of 4.987 which means that calculated F-value is (4.917) and is significant at 5% level of significance. Based on this fact F-value is significant at 5% level of significance which favoured alternative hypothesis while null hypothesis is rejected. In conclusion working capital management has a significant impact on profitability of listed companies in Nigeria.

Conclusion

The way working capital management is being managed is very important and has effect on company's profitability. Well planned policies which are adequately followed up will contribute to the success of the companies. The finding of this paper revealed that there is significant relationship between working capital management and firm's profitability. The combined effect of the components of working capital management showed on profit of a company has a relatively significant result. The results showed that account payable period is positively related with firm's profitability and this means that longer payable period can increase firm's profitability. According to results, relationship between other working capital manage1ent components and firm's profitability is not statistically.

Recommendations

The empirical findings of this study suggested that working capital investment policy should be matched with working capital financing to give positive effect on the firm's profitability.

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Stakeholder Approach To Corporate Social Responsibility: A Recipe For Sustainable Development

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Abstract

This study investigated the relationship between adoption of Corporate Social Responsibility (CSR) programmes and sustainable development with particular emphasis on MTN, Nigeria. Questionnaire administration technique via a structured questionnaire was used to source for data and information from stakeholders. Pearson Product Moment Correlation Coefficient and Pearson Chi Square analysis was used to analyze the data with the aid of Stat a II. 0 statistical software package. The study concludes that the adoption of CSR programs such as skill acquisition, youth empowerment, support for economic, education, and. health development etc indeed has a significant relationship on development of the society. It is recommended that government has a role to play in promoting CSR through creating legislative and regulatory framework that would encourage companies to balance social, environmental and economic concerns given the already intense pressure brought by stakeholders globally on utilization of resources in line with the principles of sustainable development that underpins the concept of CSR.

***Keyword**:* Corporate Social Responsibility, Stakeholder. Sustainability, Development.

Introduction

The escalating social and economic problems brought about by globalization have raised new questions as well as expectations about governance and social responsibilities. Perhaps, the upshot of growth in multinational companies, especially in developing countries, is a shift in the balance of power and responsibility between corporations and the state. With the extensive resources possessed by the giant companies, governments are increasingly looking at such companies to address social and economic problems. Multinational companies are seen as the key to development, through the provision of jobs, payment of taxes; transfer of technology and through charitable contributions to education and health care (Lunt, 2001). It is against this background that the growth of corporate social responsibility as an issue in modern society becomes germane.

The core idea behind Corporate Social Responsibility (CSR) is the promotion of business orientation that takes stakeholders interest into account (Maignan and Farell, 2004). CSR is driven by the philosophy that business is part of the society and as such ought to contribute positively to social goal and aspirations (Jones, 2005). It is an approach to decision making which encompasses both social and environmental factors. Thus, it can be inferred that CSR is a deliberate inclusion of public interest into corporate decision making and the honouring of a triple bottom line which are people, planet and profit. (Harpreet, 2009). CSR involves integration of three dimension; economic, environment and social concerns which are called the triple bottom line. The triple bottom line emphasizes that companies do not only have one objective, profitability, but that they also have objectives of adding environmental and social value to the society (Crane and Matten, 2004). The concept of sustainability is generally regarded as having emerged from the environmental perspective is about how to manage physical resources so that they are conserved for the future. Thus economic sustainability is about the economic performance of the organization itself. A broader concept of economic sustainability includes the company's impact on the economic framework in which it is embedded.

A well-implemented and strongly enforced CSR policy is a key to sustainable development. CSR is a comprehensive notion that takes into account economic, social, and environmental concerns and, at the same time, protects the interests of all stakeholders by requiring greater transparency. Inherent in social responsibility of corporations is the understanding among corporate managers that their business decisions must be made with consideration of a "wider range of constituents than shareholders, and thus [they] ought to consider the implications of their actions on employees, consumers, suppliers, the communities, and the environment." Stakeholders may also include civil society organizations and other non-governmental organizations (NGOs). This stakeholder view of a corporation's social responsibility requires a constant dialogue between corporate decision-makers and the company's various stakeholders. In the last few years, there has been increased awareness of corporate organizations about economic, social and environment expectation to the stakeholders. Proponents of CSR have argued that business should be held accountable not only for their economic responsibilities to shareholders, but also for the non-economic consequences of their activities on the society and the natural environments. Thus, organizations are now being called upon to take responsibility for the ways their operations impact societies and the natural environment. They are also being asked to demonstrate the social and environmental concerns in business operations in their interaction with stakeholders.

Statement of the Problem

There has been recent escalation of corporate social responsibility disclosure by corporations worldwide because of stakeholder's continuous consciousness and increased demand; this signals the significance of CSR. The theme of environmental and social responsibility appears in a number of political and legal documents and is gaining ever-greater importance at the international level. Today, corporate leaders face a dynamic and challenging task in attempting to apply societal ethical standards to responsible business practice. Thus, there is a great deal of ambiguity and uncertainty about what CSR really means, what drives a business to pursue it and the factors that influence its adoption. Organizations that incorporate CSR as a core business is not doing any special favor to the society but is indirectly creating more avenues for a greater growth, success and profitability for its business. Reputational damage may occur for failure to incorporate CSR.

Following the advent of mobile telecommunication in Nigeria arising from deregulation and liberalization of the sector in 2001, the Global System of Mobile communication (GSM) industry has been responsible for the employment of millions of Nigerian citizens either as distributors, or retailers of GSM phones, recharge card sellers, GSM phone repairers and even the workforce in the telecoms companies. Other benefits include ease of business transactions, communications, e-banking services etc. This is not to say it [didn't come with other demerits as well, such as health and safety Issues related to base stations and radio frequency, emissions, noise, air and ground pollution. Thus, stakeholders expect the company to manage the economic, social, and environmental impacts of its operations by including public interests into corporate decision making and honoring of a triple bottom line of people, planet and profit. This implies that its CSR policy must entail self regulation, adherence to rules and regulations, ethical standards, environmental responsibility and sustainability, consumer's satisfaction, employee welfare, communities and stakeholders' benefits.

Objectives of the Study

i. to investigate the relationship between adoption of CSR programmes and stakeholders development.

ii. to identify the specific areas of CSR engagements of N1TN, Nigeria

Research Hypothesis

H_0: - Adoption of CSR programs at MTN, Nigeria does not have significant relationship with stakeholders' development.

Literature Review

A. Theoretical Framework - Stakeholder Theory

An approach in defining and developing CSR is provided by the stakeholder theory (Post, 2003), which has indeed become one of the most important and frequently cited theories in the literature. It is upon this theory that this present study hinges. Stakeholder theory suggests that organizational survival and success is contingent on satisfying both its economic (e.g., profit maximization) and non-economic (e.g., corporate social performance) objectives by meeting the needs of the company's various stakeholders (Pirsch, Gupta, and Grau, 2d07). Widely acclaimed as one of the first to define stakeholder theory, Freeman (1984) stated that stakeholders are "groups and individuals who can affect or are affected by, the achievement of an organization's *mission"*. Motivation for satisfying stakeholders' demands stems from the fact that addressing stakeholders' needs can be correlated with a firm's survival, economic well-being, competitive advantages, and the development of trust and loyalty among its targeted customers. Each of the stakeholder groups has a right not to be treated as a means to some end, and therefore should and must participate in determining the future direction of the company which they have a stake (Freeman, 1984). Primary stakeholder groups consist of shareholders and investors, employees, customers, suppliers, public entities such as governments or other public organizations that set laws and govern economic, commerce and trade associations and environmental groups. Meanwhile, secondary stakeholders are diverse and they include those who are not directly engaged in the organization's economic activities but are able to exert influence or are affected by the organization.

B. Conceptual Clarifications

I. Corporate Social Responsibility

Chandler (2001) argued that while there is no universal definition of CSR. It generally refers to transparent business practices that are based on ethical values, compliance with legal requirement and respect for people, communities and the environment. Mate (2002) sees CSR as having five themes (human rights, worker rights, environmental impact, community involvement, and supplier relations and monitoring). These themes must reflect in the company core values and impinge on its policies, strategies, decision making and operations. Hediger (2010) defines CSR as a strategy to cope with externalities and serve as insurance for reputational risks that harm profit prospects and corporate values. McWilliams & Siegel (2001) define CSR as 'actions that appear to further some social good, beyond the interest of the firm and that which is required by law'. This voluntariness should however not be a substitute to regulation or legislation concerning social and environmental standards (Hediger, 2010). Caroll (1979) asserts that corporate social responsibility (CSR) encompasses philanthropy and community contributions but also reflects the way in which the firm interacts with the physical, environment and its ethical stance towards consumers and other stakeholder.

World Business Council for Sustainable Development (WBSCD, 1998) defines corporate social responsibility as "the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large. The World Business Council for Sustainable Development has described CSR as the business contribution to sustainable economic development. Building on a base of compliance with legislation and regulations, CSR typically includes "beyond law" commitments and activities pertaining to; corporate governance and ethics; health and safety; environmental stewardship; human rights (including core labour rights); sustainable development; conditions of work (including safety and health, hours of work, wages); industrial relations; community involvement, development and investment; involvement of and respect for diverse cultures and disadvantaged peoples; corporate philanthropy and employees volunteering; customers' satisfaction and adherence to principles of air competition; anti-bribery and anti-corruption measures; accountability, transparency and performance reporting; and supplier relations, for both domestic and international supply chains.

The above definitions of CSR show that no Organization can exist in a vacuum or isolation. Thus, every business organization operates within a society and the relationship it has with that society in which it operates can be summed up under it. CSR as a concept is mainly about whether or not a corporate organization should be responsible for its stakeholders, including its customers, shareholders, employees, suppliers and community. CSR is a powerful' tool carried out by companies working to deliver social cohesion and environmental sustainability as well as economic development, thereby contributing towards sustainable development and societal regeneration.

1. to alleviate the health challenges currently facing the country through feasible and sustainable projects geared towards improving life in various communities across Nigeria;
2. to provide access to educational opportunities; .
3. to provide for and facilitate the economic empowerment of Nigerian citizens by providing affordable capital, appropriate technology, and capacity building resources that can lift Nigerians out of poverty and providing opportunities through various microfinance based projects to help them reap the rewards of their own labour.

II. Sustainable Development

In 1987, the World Commission on Environment and Development through the Brundland report defined sustainable development as development that meets the needs of the present generation without compromising the ability of the future generation to meet their own needs (Wikipedia, 2013). The United Nations (2005) world summit outcome document refers to the interdependent and mutually reinforcing pillars of sustainable development and environmental development. Sustainable Development (SD) is generally understood as the process of achieving *human development* in an *inclusive, connected, equitable, prudent, and secure manner* (Gladwin, Krause and Kennelly, 1995). In other words, SD is intended to foster economic prosperity for *all* members of society while preserving the integrity of the environment (Blackburn, Dorm and Strader, [994). It can be considered a form of vision expression, value change, moral development or social reorganization (Gore, 1992) toward al desired future or better world (Galdwinet *al., 1995).*

Sustainability was defined by Hurst (2004) as simply aligning an organization's products and services with stakeholders' expectations, thereby adding economic, environmental and social value. The Institute of Directors, Southern Africa (2009) added that sustainability is the primary moral and economic imperative of the 21^{51} century It is one of the most important sources of both opportunities and risks for businesses since nature, society, and business are interconnected in complex ways that should be understood by decision-makers

Overview of Mtn, Nigeria CSR Programmes and Experience

MTN Nigeria is a leading telephony company in Nigeria. According to information available on the company's website, MTN’s over- riding mission is to be a catalyst for Nigeria's economic growth and development, helping to unleash Nigeria's strong develoP11fental potential not only through the provision of world class communications but also through innovative and sustainable corporate social responsibility initiatives. The arm of the company that formulates its CSR policies is called the MTN Nigeria Foundation Limited by Guarantee (MTNF Ltd/Gte). This CSR arm of MTN was established in July 2004 for the purpose of focusing MTN Nigeria's efforts in terms of its Corporate Social Responsibility initiatives to help reduce poverty and foster sustainable development. In September 2004, MTN Nitria Communications Limited consulted with wide group of stakeholders across the country to ascertain the needs of the Nigerian people. he findings of this rich consultative process enabled the development of a more focused strategy under the three portfolio areas, Education, Health and Economic Empowerment. Their mission statement is to improve the quality of life in these three areas on a sustainable basis.

Their objectives are:

1. to alleviate the health challenges currently facing the country through feasible and sustainable projects geared towards improving life in various communities across Nigeria;

2. to provide access to educational opportunities;

3. to provide for and facilitate the economic empowerment 0f Nigerian citizens by providing affordable capital, appropriate technology, and capacity building resources that can lift Nigerians out of poverty and providing opportunities through various microfinance based projects to help them reap the rewards of their own labour.

Summary of MTN Nigeria CSR Portfolio and Programmes

SIN	CSR	Pro2rammes
1.	Health Empowerme Portfolio	· MTNF Partners Against Aids In The Community · The MTNF Children's Development Centre (CDC) "Disability and U Road Show and Seminar" · MTNF Project C.L.E.A.N. (Cleaning the Local Environment around Nigeria · MTNF Sickle Cell Project Nigeria
2.	Educational Empowerme Portfolio	· MTNF Universities Connect Project · MTN Foundation Schools Connect · MTN Foundational UNlCEF Child Friendly School Initiative · The MTN Foundation-Muson Music Scholars Programme · MTNF - Junior Achievement Nigeria "Company Program'? · MTNF Learning Support Materials Initiative. · MTNF Science and Technology Scholarship Scheme · MTNF Schools Connect Lab Call Center · MTNF Learning Facility Supply Project · MTNF Youth Skill Development Project.
3.	Economic Empoweeme Portfolio	· The MTNF Rural Telephone Project (RTP) · MTNF Call Centre "How to set up your own handbook" · MTNF Lady Mechanics Initiative (LMI) · MTNF Milk F.L.O.W (Fulanis Living Optimally Willingly

Source: MTN Foundation Website Retrieved from www.mtn.org on August 2nd 2015

Methodology

The population of the study constitutes all the firms in Nigerian telecommunication industry with reference to MTN, Nigeria Communications Limited. The choice of MTN, Nigeria is because it is the market leader in the industry with the most expansive network (Nigerian Communication Commission, 2014). Purposive random sampling technique was employed to select the stakeholders such as subscribers, distributors and people living close to where MTN, Nigeria masts are erected. The study is a survey research based on primary data through the use of a structured questionnaire which was used to elucidate information from the stakeholders. Thus, it adopts a survey questionnaire distribution process. A sample was drawn from the population because it is almost impossible to survey the entire population, hence; sample of one thousand two hundred respondents (1200) with four hundred respondents in each local government with the highest population in the three senatorial districts of Lagos based on the National Population Census of 2006 namely: Lagos East (Kosofe Local Government), Lagos Central (Surulere Local Government) and Lagos West (Alimosho Local Government) constitute the sample size. The choice of Lagos state is because it is the commercial nerve centre of Nigeria.

The questionnaire was divided into two sections; section A focuses on demographic questions while section B bothers on questions relating to the subject matter of the research. Response format was in Likert scale forms, with indicators ranging from strongly agree to strongly disagree. The data obtained by means of questionnaires were analyzed and interpreted and were presented using simple frequency tables. Pearson chi square of data analysis was used to show the association and relationship between the adoption of CSR activities and stakeholder's development with the aid of stata 11.0 statistical package software was used to test the hypotheses at 5% level of significance. The analysis of data collected were based on one thousand and thirty eight (1038) i.e. 87% of questionnaires completed and returned out of a total of one thousand two hundred (1200) questionnaires administered to the stakeholders.

Results and Discussion

Table 1: Demographic Characteristics of Respondents

Demographic Factors	Frequency' (N=1038)	Percentage
Sex		
(i) Male	603	58
(ii) Female	435	42
Age(years)		
(i) Below 25years	330	32
(ii) 26 - 50	648	62
(iii) 51 years above	60	6
Marital status		
(i) Single	374	36
(ii) Married	588	57
(iii) others	76	7
Length of Usage (years)		
(i) 1 - 5	556	54
(ii) 6 - 9	354	34
(iii) 10vears above	128	12

Source: Authors' Field Survey, 2015.

Table 1 reveals that there are more male respondents than females, that is, male respondents have about 58% while females which have 42%

of the respondents. Also, the table shows that 32% of respondents were less than 25 years of age, 62% fell within the age of26-50 years which had the largest number of respondents, while 6% fell between ages of 51 years and above. Furthermore, 36% of the respondents were single, 57% were married while 6% fell were classified under others categories. Lastly, investigation on the length of usage of the MTN Network revealed that majority of the respondents with 54% had been using the network for at most 5 years, 34% had used it for 10 years while 12% had been using it for over 10 years. This is because the organization was established 14years ago after the liberalization of the telecommunication sector.

Research Hypotheses

Hypotheses testing of relationship between CSR programmes of MTN and Stakeholder's Development

Table 2: Correlation Matrix showing relationship between CSR & SD

	STAKEHOLDER	ECONOMIC	HEALTH	EDUCATION
	DEVELOPMENT	DEVELOPMEN	DEVELOPMEN	DEVELOPMENT
STAKEHOLDER	1.0000			
DEVELOPMEN				
ECONOMIC	0.9394	1.0000		
DEVELOPMEN				
HEALTH	0.8927	0.8921	1.0000	
DEVELOPMEN				
EDUCATION	0.9176	0.8938	0.8219	1.0000
DEVELOPMEN				

Source: Authors' Computation, 2014 Using STATA 11 Version.

Table 2 above shows the correlation matrix which is an indication of how the individual variables are related. It shows that OSR programmes which entails spending on the economic empowerment and development programmes (94%), health development programmes (89%) and education development programmes *($92^{0}10$)* is significantly correlated to stakeholder development and subsequently sustainable development. This is so since the values are higher that 50% (0.50). This implies that CSR practices and programmes is contributing positively to the development of the society; thus sustainable development. The null hypothesis is rejected and the alternative hypothesis is accepted which states that there is significant relationship between CSR programmes and stakeholder development in MTN, Nigeria. This is consistently in line with the findings of Osemene (2012) and Fasanya, Adegbemi, Onakoya (2013).

Table 3: Pearson Chi-square Analysis of the relationship between CSR adoption and Stakeholders Development.

SIN	Relationship	Pearson chi-square value	"ɪPr (value)	Remark
1	Micro credit & Wealth Creation	3.6e+03.	0.000·)	Significant
2	Environmental value	2.5e+0J.	0.000(··)	Significant
3	Socio-Economic Development	2.7e+03.	0.000(00)	Significant
4	Housing Support	2.4e+03.	0.000(")	Significant
5	Education Support	2.9e+03.	0.000(00)	Significant
6	Local Supplier Support	3.5e+03.	0.000(00)	Significant
7	Youth Empowerment	3.3e+03.	0.000(00)	Significant
8	Sustainable Product	2.8e+03.	0.000(00)	Significant
9	Skill Acquisition	3.le+03.	0.000(00)	Significant
10	Health Support	2.2e+03	0.000(00)	Significant

Source: Author's Computation, 2014 Using STATA 11 Version.
****Significant at 5% level and 95% degree of freedom.**

Table 3 below indicates that X^2 Tabulated Value Df = (6-1) (5-1) = (5) (4) = 20 at 0.05 i.e. 5% level of significance = 31.41 Decision rule: Pearson Chi-squares calculated were all statistically significant at 5% with 95% degree of freedom since all its values were greater than X^2 Tabulated Value of 31.41, the null hypothesis is rejected and the alternative hypothesis is accepted which states that the adoption of CSR programs at MTN, Nigeria has significant positive impact on stakeholders.

Conclusion and Recommendation

The findings of this study revealed that the adoption of CSR programs has significant impacts on development of the society. This goes to say that CSR directed at communities in forms of projects such as skill acquisition, youth empowerment, support for economic, education, and health development has a ripple effect on the bottom line. Furthermore it has demonstrated that the virtue of CSR in maximizing financial performance is not just a philosophy. It therefore recognizes that the concept of CSR is inevitable because of the ever growing concern about sustainable development, environmental degradation, new concerns and expectations of citizens, increased awareness of the public and investors on issues of company's responsibility. Based on the above, this study advocates the legitimization of CSR as a nonnative and neutral management practice. Given the already intense pressure brought by stakeholders globally on utilization of resources in line with the principles of sustainable development that underpins the concept of CSR the government has a role to play in promoting CSR because they establish and monitor compliance with the legislature and regulatory framework by private corporations, and so can encourage companies to balance social environmental and economic developments.

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National Culture Dimensions: A Review of Precepts Affecting The Nigerian Management Context

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Abstract

With the recent advocacy for intensified foreign investments in the country's economy by the current democratic administration, the need for the understanding of the differences in workforce according to the vast contexts that organizations operate within and the influence of the various levels of the national culture on their activities is pertinent for the survival of these businesses in Nigeria. The recent development among organizational behaviorists have shown that the notion of "one size fits all" in management practices may not be true for everybody. Because, every organization has its own culture, however, they cannot be devoid from the fact that they are still the products of the national culture of the context they exist within. This paper explores the influence of national culture on management practices, with a review of precepts from Hofstede's research on national culture as a basis for a conceptual discussion of the Nigerian business context in relation to three precepts from Hofstede's five national culture precepts on Nigeria i.e. power distance (PD), collectivism-individualism, gender egalitarianism (masculinity), uncertainty avoidance and future orientation.

Keywords: Diversity, national culture, human resource practices, globalization.

Introduction

Until recently, the American management best practices have been the preferred practices in the field of management which hitherto has led to many management practitioners believing that a 'single size fits all'. This also has consequently led to the notion that an effective manager in the U.S. will also be an effective manager in other parts of the world. Following several studies and researches carried out by experts in the field of organizational behavior (Inglehart and Baker 2000; Hofstede, 2003; French, 2010), this notion has recently been replaced with the understanding that managerial attitudes, behaviors, efficacies and values may actually be different across nations and their national cultures (Newman and Nollen, 2012). Thereby, influencing the management practices within the organization in different contexts. Furthermore, findings have shown that there is no single best manner to manage a business, therefore, differences in national cultures may warrant differences in practices of managing business across the globe (Newman and Nollen, 2012).

Although, to say that management practices are not universal across nations may be difficult to accept. This might be because of the increased rate in globalization. Globalization, most times, culminates to standardization. Taking the recent development which culminated as a result of the change in the political arena, Nigeria may soon become another business hub in the sub-Saharan region due to the clamor for foreign investors and encouragement of business development deals from multinational corporations from all over the world. And with this new development in the country. a awareness of diversity (both external and internal) should be intensified and this should reverberate through the parlance of management and choice of management practices in the country's business and organizational sectors. For instance Dangote groups are the same around the continent, but Dangote Nigeria's management practices may not be the same, because management practices differ across cultures even when organizations' products are the same.

The fact that management practices may not be the same everywhere is illustrated by examples with which most managers in developed economies are familiar. Pay-for-performance schemes are well known and work relatively well in the United States and the United Kingdom but are less known or adopted and not so successful in other countries. Also flexible working arrangements such as location flexibilities as well as zero hour contracts which are working well

as management practices across the UK and US may not work well or succeed within the Nigeria work system. This article explores the influence of national culture on the management practices and also strives to present the need for organizations (most especially multinational) to always create room for diversity and adapt their management practices to the national cultures in which they operate so as to enable the achievement of higher organizational performance and productivity.

National Culture and Organizational Management Practices

According to Adler (1986) culture can be accepted as an observable part of human behavior, shown or evident in social interaction and physical phenomenon such as organizations. However, in the minds of each person this interaction takes a more conceptual distinction which is related to a mental programming and symbolic framework. Inglehart, (2000) defined national culture as the phenomenon that modifies the aspect of a society's institution which encompasses their beliefs, knowledge, skills and values, all of which have been inculcated by the individuals of such society and accepted as a norm. In another study, Adler and Gundersen (2008) see national culture as those values, attitudes and behaviors that manifest themselves on the people within a society whose shared beliefs rest in those attributes.

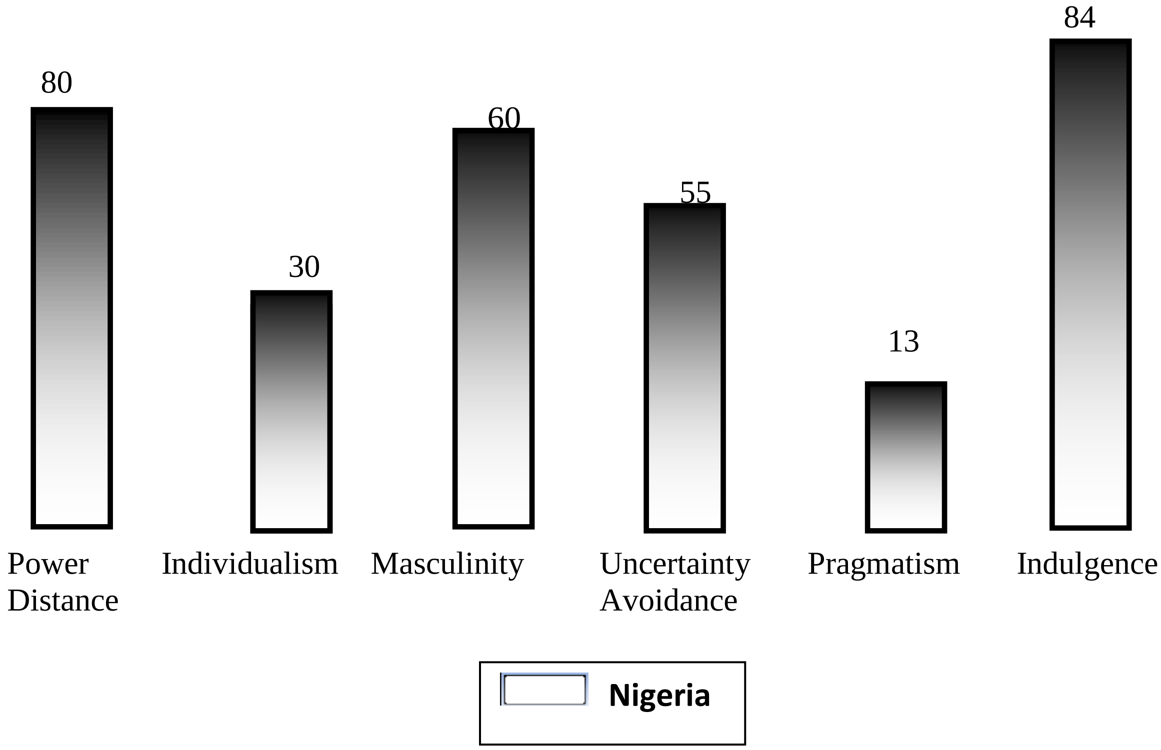
Hofstede (1991: 110) perceives national culture as "software of the mind" and to Jaeger (1986: 179),"common theories of behavior *of* business and organizational mental programs that are shared". Shared”.

In one of the .early studies on national culture, Child (1981) observed that the initial researches on national culture were conceptually underdeveloped for comparative study. This observation has recently been addressed and several attempts have been made to conceptualize as well as measure dissimilarities in cultures among countries while striving to relate cultural dissimilarities to differences in management practices (Haire, Ghiselli, and Lyman, 1963; Hofstede, 1980, 1991; Laurent 1983,1986; Trompenaars, 1993). Furthermore, it is evident that national culture differs and that a plethora of management practices, such as strategic decision making, leadership style, and human resource management are not the same by national culture (Schneider and DeMeyer, 1991; Puffer, 1993; Luthans, Dianne, and Stuart, 1993). The question that most enthusiasts asked, however, is whether these dissimilarities among national cultures and management practices have any impact on the business (bottom line) productivity. Accordingly, it can be argued that they actually do have an impact on business performance.

Consequent upon this fact is that national culture is a major organizing principle of workers' perception of work, their approach to work, as well as the manner in which they expected to be treated. National culture suggests that one manner of acting or one set of outcomes is preferable to another. Where management practices are found to be in disparity with these embedded values, workers are likely to feel unsatisfied, distracted, discomfort, and even lack commitment to their work place and in the work they do and, as a result, they may be less willing to perform well which will hitherto affect the business performance (Newman and Nollen, 2012). On the contrary, practices in management that encourage national culturevalues are more likely to bring forth predictable attitudes, self efficacy, and high performance (Wright and Mischel, 1987; Early, 1994) due to the consistency of congruent management practices with embedded behavioral expectations and activities that go beyond the workplace. In most cases, workers are undistracted from job performance by practices of management that require them to act in manners that are in congruent with extant national culture values .

According to Chatman and Jehn (1994), there is no single management practice that is greater than or superior to another with respect to performance outcomes. However, the congruent existing between the national culture characteristics and management practices produce better performance outcomes. Furthermore, the competitive advantage achieved from adequately adapted management practices stems from alignment between important characteristic of the external context (which in this case is national culture) and internal structure, strategy, practices and systems. Therefore, Multinational Corporations' management needs to understand that the implication of adaptation to the national culture will be higher productivity and better outcome for their organizations. Earlier, Hofstede posits that national culture can be a determinant of the workability of management practice in organizations depending on the context they are situated in. His study identifies work-related dimensions along which national cultures differ. This, Hofstede further defined in relation to four typologies (Mayfield and Mayfield,20 10) (with a fifth subsequently added in later studies).These include power distance, uncertainty avoidance, individualism collectivism, gender egalitarianism (masculinity) and short term orientation and long term orientation (Hofstede, 1986). His empirical study's outcome has been reproduced at various national levels and cultural framework accepted as pertinent and rational for describing dissimilarities among nations (Triandis, 2004). However, little empirical studies have utilized the propounded dimensions of Hofstede to delve deep into understanding the effectiveness of various management practices on performance and productivity in different culture groups (Sondergaard, 1994). Thus, this article aims to discuss three key dimensions of national culture in Nigeria using precepts of national culture earlier discussed in Hofstede (2003). This includes Power distance, Collectivism/Individualism and Gender egalitarianism (masculinity), due to their rated index according to the Hofstede's dimensions of the Nigerian national culture.

FIGURE 1 HOFSTEDE CULTURE DIMENSION INDEX FOR NIGERIA



Hofstede national culture dimension on Nigeria. www.geert-hofstede.com

Power Distance

Unequal distribution of power and its acceptance by the individuals of a society where it is evident is what Hofstede (2001) referred to as power distance (PD). Where this typology rates high, individuals in such context believe that power and status are unequally distributed and thus accept this notion as their way of life and hitherto encourage unequal distribution of power as a proper way for social system to be organized. This typology further shows that the existence of inequality in a society and its acceptance by the citizens of such a society who are regarded or regard themselves as the less powerful or less influential members without questioning or protesting the position will encourage hierarchy, autocratic leadership and centralization of authority (Hofstede, 2003). This, according to Hofstede in another study, may also include characteristics that are related to physical or mental, social status or prestige, wealth, power, laws, rights and rules (Miroshnik, 2002; Triandis, 2004; Hofstede, 2003). In work establishments, PD encourages the amount of formal hierarchy, acute centralization, as well as delimits the amount of employees' participation in decision making. Organizations in high PD countries such as Nigeria tend to be more centralized and have less employee participation in decision making process. Meanwhile, participation is one of the pertinent dimensions of work unit management. Evidence of firms found in the developed nations such as the US (which discourages high power distance) has shown that, involvement and participation was among four cultural precepts that decentralize organizations and that those companies with high staff involvement prove to be more efficient and expedient in growth than others who don't involve their employees' (Luthans et al, 1993).

However, the efficacy of employees' participation in high PD cultures is viewed with doubt. This is due to the fact that, workers in high PD countries are likely to perceive participative management with distrust, fear, disrespect and uncertainty because participation is not prominent with the national culture in those contexts. Consequently, superiors who advocate for participation in these nations may likely be seen as incompetent and weak.

Nigeria'S index according to Hofstede (2002), is high in this regard with a score of 80% crystallizing the fact that individuals accept centralization of power, hierarchy of command and accept inequalities in power among themselves which always leads to subordinates lack of proactive participation in activities, because they would rather prefer to wait and be told what to do by the boss/ leader (Hofstede, 2012). This is a cultural typology that is reverberating across all the cultures in Nigeria and in essence entrenched in the Nigerian national culture as an accepted norm (Rogers, 2012) which in fact can be attached to a form of social identity framework due to the fact that family groupings and communities alike accept that power is unequally divided.

Collectivism Versus Individualism

The extent to which societies maintain interdependency among their members where the norm accepted is identified with the term "we" instead of "I" is what Hofstede referred to as collectivism (Triandis, 1989; Hofstede and Hofstede, 2005). Furthermore, Newman and Nollen (1996) argued that individualism-collectivism "is the extent to which identity derives from the self versus the collectivity" (pg. 6).Therefore, in an individualistic culture, members of a society or community are expected to look out for themselves and those relating immediately to them (Sondergaard, 1994) which most of the time leads to innovativeness and creativity (French, 2010). A culture of collectivism, on the other hand, appreciates togetherness, where members are more reliant on groups, social classes, communities, extended families, or religious groups for status and identity (Hofstede, 1986).

Nigeria's index for individualism is quiet low with 30% to that of collectivism 70%, indicating that collectivism is the accepted norm in the context (Hofstede, 2003). The culture of the Nigerian people relates more with bonding together as a family, groups, and society. This foster's commitment ofthe members of a family or group because loyalty is expected from each member towards the family and other members (Ogbonna, 2010). In another study, Ogbonna (2010) posits that the culture in Nigeria is that which values community as an entity and members of such entity are tasked with protecting and representing this community accordingly. They viewed communalism as' a phenomenon that could be referred to as supersensible and material. Additionally, Social identification with the community is held in high regards as individual's identity is most especially subject to their community of origin and at all times they are expected to participate in activities such as politics, socialization and religion as well as festivals or other programs carried out in such community (Rogers, 2012). However, a culture of collectivism leaves members of such culture to be dependent on one another and gives little room for proactiveness or use of discretions, which in turn may impede development of such culture and encourage corruption (Newman and Nollen, 2012). In the work context, individualism is shown as autonomy, individual responsibility for outcomes and individual-level rewards. Collective practice in management values work unit solidarity and team-based rewards. The empirical study by Denison and Mishra (1995) revealed that entrepreneurial attitudes heightened as individualism increased in the U.S. while just the reverse was found in Nigeria and Portugal,which are more collective cultured societies.

Gender **Egalitarianism (Masculinity)**

According to Hofstede (2001), a culture with high masculinity portrays the importance attached to achievements, competition and success. Success in this context is being spelt out by the victor or exceptional performer. This value orientation is being inculcated right from the education system through to the organizational context (Hofstede, 2003). Cultures with high masculinity are often characterized by acquiring and doing rather than observing and thinking. These cultures prefer and attach importance to achievement and dislike failure. While feminine cultures prefer affiliation and look at failure as much less important.

Nigeria scored a relatively high percentage on this typology, with an index of 60% which indicates that it's a culture of high masculine dimension (Ogbonna, 2010). The cultural determinism of Nigerians towards this typology relates with the way they expect decisions to be made, mostly in relation to work where assertiveness is much more expected from the leader and failure is perceived as negative and therefore frowned upon (Jaeger, 1986; Lawler, 1990; Hofstede, 1996). On the other hand, a feminine culture would see failure as much less important but value affiliation more where emphasis would be on interpersonal relations as well as quality of working life of individuals (Newman and Nollen, 2012).

In the organization, this precept is shown in merit-based opportunities for higher earnings, advancement, rewards and recognition, features almost taken for granted in other nations such as the U.S. More feminine management practices stress the quality of interpersonal interactions and quality of work-life issues (Newman and Nollen, 2012).

Conclusion

As discussed in this paper, culture is a core part of every human socialization and its existence is deeply embedded in their everyday activities and it is mostly unaffected by change. This article is built on Hofstede's work, whose analysis was also based on customer services, sales and marketing employees of one large enterprise (although, part of the data he collected were related to manufacturing plants, he, however, did not include them in his cross-country comparisons). Hofstede's findings on Nigeria national culture revealed that the country's national culture index is high in the explored dimensions which include Power distance, Collectivism and masculinity

(Inglehart, 2000; Hofstede, 2003). However, individual differences can still be found within the way people behave which may induce the social identity of individuals to cultural dimensions and understanding (Newman and Nollen, 2012). It is also pertinent that managers (especially expatriates') should endeavor to adapt their management practices to the local culture in order to achieve high effectiveness. Managements' efforts to increase worker participation might increase the productivity of work groups or units in context with low PD culture such as the U.S., however, more worker inclusiveness is likely to decrease productivity, in contexts with high PD, such as Nigeria and Portugal including those in the East Asia. Furthermore, the use of merit-based pay and promotion should increase productivityin masculine nations, such as Nigeria and Germanic countries, but decreases it in feminine nations, such as Nordic countries. The same observation could also be arrived at with the collectivism-individualism cultures. Therefore, this article recommends that organizations are to be well advised to value national culture as a given phenomenon and adapt their management practices to conform with it accordingly. This also means that Nigerian organizations, for instance should not strive to become more like American firms or British firms, albeit the clamoring for adoption of 'best practices' much cognizance should be given to differences in national cultures. Because these difference limit the transferability of management practices from one to the other.

Notwithstanding, several criticisms of Hofstede's cultural dimensions have been recorded by academics which is typical of any pioneer discovery. Most of these criticisms were based on the fact that Hofstede relied solely on group level data rather than utilizing individual data in his research (Smith, 2002; McSweeney, 2002;Moira, 2009). Additionally, Hofstede's use of a single context (IBM) as bases for his research also attracted most of the criticisms (Moira, 2009). However, much valuable resources have emerged from his pioneer work on culture dimensions which have been helpful and influential in other researches (Imwalle and Schillo, 2004).

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Impact of Electronic Money On The Economy

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Abstract
Electronic money (hereafter refers to as e-money) is a recently development, which means that its technical, legal, economic and cultural components are not yet fully understood and embraced in the country. Electronic money is money or scrip that is only exchanged electronically, Thus. the primary objective of this study is to determine the impact of electronic money on Nigeria's economy, Since, it is impossible to cover all related issues regarding electronic money; University of florin community was used as the basis of study, Survey design was adopted which elicited necessary data from the selected sample. The total population of study consists of the entire students of University of Ilorin as at 201412015 academy session. The research adopted stratifies sampling method where 20 respondents each were selected from the fourteen faculties in (he University and simple random sample was used to select respondents from each stratum. Multiple regressions were used in analysing the data collected. From the analysis of data, the following conclusions were drawn: E-money has a unique advantage which is the fact that it can be used anytime and anywhere. It may probably become the best form of money used for international transactions, as it minimizes the difficulty of currency exchange and also minimises the use of conventional money, reduces the cost of cash management.

It could be established that a positive relationship exists between the usage of e-money and the overall economy. From the findings, this study recommended that Government should use the platform of electronic money to formulate monetary policies that will regulate the supply of money ill the economy, as this will reduce the cost of cash management and therefore stabilize the rate of inflation in economy.

*Key **words:*** Electronic Money, economy, monetary policy and usage

Introduction

Currently, what is being said everywhere is the use of electronic money, which also refers to ase-money. Because busIn.ess environment has changed dramatically over the last twenty or thirty years with electronic technology influencing every part of business and private lives, electronic money IS coming out on Its own. Solomon (1997) affirmed that because of technology, the electronic process of payment transactions has not only grown llnmens.ely, but IS poised to take over most payments and receipts of value involving money.

There have been many discussions among the stakeholders in financial, legal and technology sectors about the perfect elements, economic effects and future of the e-money, (Medvisky,2007). It IS an undeniable fact that since the Internet becomes indispensable phenomenon in our life, following result, seeking for secure and new way of online payments will always be on the agenda and how these affect our economy would be unprecedented, (Neuman, 2007). Furthermore, online electronic payment methods have become a necessity in modem way of life. In the social context, people generally welcome new breakthroughs and mostly ready to use all of them provided that having sufficient financial opportunities and legal guarantees as well, (Financial Services Authority, 2001).

Nigeria has undertaken economic reforms in attempt to get the economy back to a good standard after years of the economy being hindered by mismanagement. The economy is now on its way to reaching its full potential, due to the undertaken reforms which have greatly helped. Among these reforms is the cashless policy which started in Lagos and 'gradually spread to other parts of the country, though, is facing some challenges. The e-payment policy is aimed at reducing cost of cash management by banks, and consequently, reducing lending rates.A major derivative of this policy - mobile money services - appears to have been in operation with the launch of the service by a number of institutions. Their efforts are expected to make the policy a success. Therefore, this research work tends to determine the effects of electronic money on the economy, using University of Ilorin community as a case study.

Statement of the Problem

Electronic money is a recently development, which means that its technical, legal, economic and cultural components are not yet fully understood and embraced in the country. There is a great attempt at developing and testing the effectiveness of this policy in different stages, under different legislations,(examples include test run in Lagos, Abuja and Kano in the initial take off of policy) but there has not been any tangible attempt to determine its overall impact on the economy as a whole as far as this paper is concerned.

Even though electronic money is getting widespread attention, it has not gained enough acceptances because of the hesitation whether it would be successful or not, Abajue (201 O).Since the expansion of Internet, e-cornmerce, e-payment mechanism has become a popular issue both in commercial and consumers world. E-commerce has altered the way of trading and paved the way for new business products for consumers. Even though electronic transactions performed by using credit or debit cards have some risks, it has the tendency that it will continue to be popular in the future. Every consumer feels unconfident when they transact online payment through internet due to the risk of the personal and financial details being intercepted by unauthorized third parties. Therefore, there is a need for more secured, practical, user-friendly and easy electronic payment systems. In this context, e-money has come into agenda as a new and secured way of making online transactions which can provide anonymity. Particularly, for low value payments, electronic cash products which are still in their infancy, may soon offer a viable alternative to cash payment.

In this study attempt shall be made to present general elements and basic principles of e-money, and practically concentrate on its implication on the Nigeria economy.

Research Questions

i. What is the effect of electronic money on monetary policy of the country?

ii. What is the impact of electronic money on Nigeria's overall economy?

Objectives of the Study

The primary objective of this study is to determine the impact of electronic money on Nigeria's economy. The specific objectives of this study are to:

i. ascertain the effect of electronic money on monetary policy of the country?

j. determine the impact of electronic money on Nigeria overall economy?

Hypotheses

Ho_1 Electronic money will not have significant effect on monetary policy of the country.

Ho_2 Electronic money does not have impact on Nigeria's overall economy

Literature Review

According to Batalla (2001), the general public tends to define electronic money as 'monetary value charged and stored on an electronic support, in the form of a smart card or incorporated into the memory of a computer. The emphasis was on electronically! stored value to value in opposition to information to substitute one contractual debt for another, as in the case of credit cards; or alue in opposition to information to instruct a bank to transfer money tr0m an account, as in the case of debit cards, Robertson (1999); Sqlomon (1997). According to article 3 (b) of Directive *2000/46tffiC* of European Union: 'e-rnoney' shall mean monetary value as represented by a claim on the issuer which is: stored on an electronic device; issued on receipt of funds of an amount not less in value than the monetary value issued; accepted as means of payment by undertakings other than the issuer. The Commission intends to change the definition of e-money to achieve consistency with the payment services regime .

Furthermore, second criteria "issued on receipt of funds of an amount not less in value than the monetary value issued" is intended to be removed to prevent a potential loophole, in that issuance of an amount which is less in value than the monetary value might be sufficient to disqualify such products from being considered to be e-money, Bamodu (2003).'e-money is broadly defined as an electronic s ore of monetary value on a technical device that may be widely used d for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transaction, but acting as a prepaid bearer instrument' Elinor (1997).

Features of electronic money

There have been many proposals about the features of e-rnoney. At first, properties of traditional money, namely; medium of exchange, value, security, inter-operability and portability should be fulfilled, Laukka, (2002). Some claim that e-money does not perform ~ll the functions of conventional money, 'Since it currently performs only the function of medium of exchange, Sardoni & Verde (2006).However, the following are consider as the general features of e-money:

1. **Security and Reliability:** E-money infrastructure must be secured enough to prevent any interceptions. Transactions between the partners should be protected to the risk of cyber- crimes. The e-money system must be highly robust, unbreakable and available at all times in order to provide the same trust to traditional money. People generally are familiar with the fact that connection to a bank can be down due to technical problems, but they would certainly be quite annoyed if their e-money was crashed or unavailable, Laukka, (2000).

2. **Anonymity:** It is a way of protecting the privacy of the customer. Any transactions should be private. Although cash is fully anonymous, Stalder states that: 'All e-money systems have to-define a range of privacy between the two poles: total anonymity and full auditability', Stalder, (2005).

3. **Portability:** e-money should not be dependent on any physical location. There should be possibility to ~cure the e- money and store it somewhere on the net without limiting access to it at any random terminal on the condition. It must also be possible to use smart cards and other media for storing and using money. The e-money has to be distributable and transferable though open networks and storable on different devices and in different locations inside and outside these networks, Laukka, (2000).

4. **Off-line capable:** It should be possible to execute off-line transactions between the two exchanging parties without third parties. The system must not rely on online checks or account balance checking, that can be spent anytime and anywhere without any authentication, Laukka, (2000); Guttmann(2003).

5. **Divisible and Reusability:** Even though physical cash has some restrictions in terms of size and number that cannot be divisible in some certain cases, there must not be any restriction for the application of e-money. Just like traditional money, e-money should be used again and again by transferring to another person without bank intervention, Laukka, (2000).

Theoretical Framework

The theoretical framework of this study focused on two theories so as to modeless the subject matter effectively. These theories are diffusion of innovation (DOl) theory and financial liberation theory.

Diffusion of Innovation (DOl) Theory, developed by E.M. Rogers in 1962, is one of the oldest social science theories. It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result ofthis diffusion is that people, as part of a social system, adopt a new idea, behaviour, or product. Adoption means that a person does something differently than what they had previously (i.e., purchase or use a new product, acquire and perform a new behaviour, etc.). The key to adoption is that the person must perceive the idea, behaviour, or product as new or innovative. It is through this that diffusion is possible.

According to Roger (1962), there are five established adopter categories, and while the majority of the general population tends to fall in the middle categories, it is still necessary to understand the characteristics of the target population. When promoting an innovation, there are different strategies used to appeal to the different adopter categories (Roger, 1962).

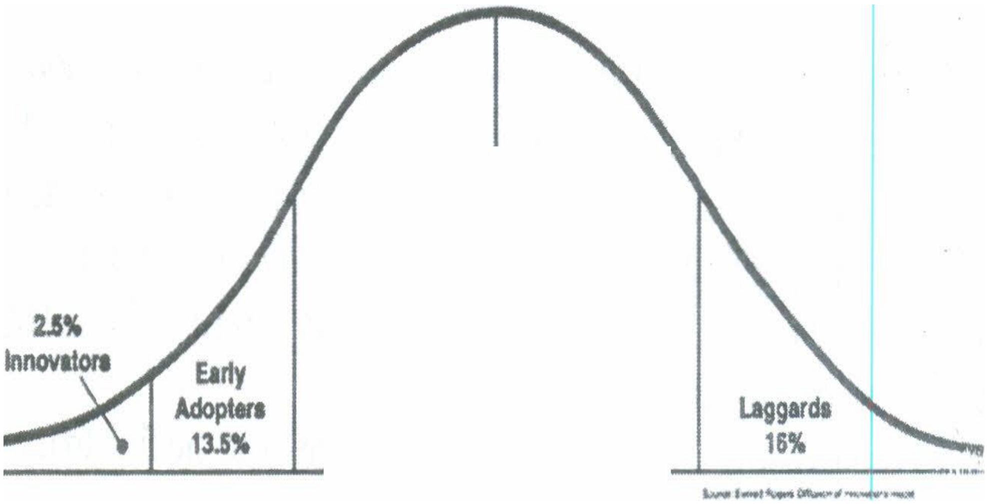
1. Innovators - These are people who want to be the first to try the innovation. They are venturesome and interested in new ideas. These people are very willing to take risks, and are often the *rust* to develop new ideas. Very little, if anything, needs to be done to appeal to this population.

2. Early Adopters - These are people who represent opinion leaders. They enjoy leadership roles, and embrace change opportunities. They are already aware of the need to change and so are very comfortable adopting new ideas. Strategies to appeal to this population include how-to manuals and information sheets on implementation. They do not need information to convince them to change.

3. Early Majority - These people are rarely leaders, but they do adopt new ideas before the average person. That said, they typically need to see evidence that the innovation works before they are willing to adopt it. Strategies to appeal to this population include success stories and evidence of the innovation's effectiveness.

4. Late Majority - These people are sceptical of change, and will only adopt an innovation after it has been tried by the majority. Strategies to appeal to this population include information on how many other people have tried the innovation and have adopted it successfully.

5. Laggards - These people are bound by tradition rd very conservative. They are very sceptical of change and are the hardest group to bring on board. Strategies to appeal to this population include statistics, fear appeals, and pressure from people in the other adopter groups.



Sources: *Rogers, Everett M* (1962). *Diffusion of Innovations (fin! edition)*

The stages, by which a person adopts an innovation, and thereby diffusion is accomplished, include awareness of the nee for, an innovation, decision to adopt (or reject) the innovation, initial use of the innovation to test it, and continued use of the innovation.

Financial Liberalization Theory

McKinnon [1973] and Shaw [1973] are the pioneers of financial liberalization theory; Fowowe [2008] showed that McKiTon and Shaw advocated financial liberalization was necessary to address the problems caused by the repressive financial policies of the countries development. In his book, "Money and capital in economic development," McKinnon [1973] emphasizes a fundamental way on the term financial savings that guarantee growth. It further emphasizes that governments must remove all barriers faced by financial intermediaries In analysis of McKinnon, the investment is considered indivisible, fully self-funded and requires a prior accumulation of capital. This indivisibility of investments, *to* which is added the difficulty of access to financing by the international capital markets, places developing countries in a particular situation where capital accumulation is severely compromised.

For Shaw (1973), financial liberalization has to point of originally a denationalization of the financial system. It is characterized by easing the functioning of the financial market by removing all obstacles. As described by McKinnon, financial repression in Shaw (1973) takes the traditional forms. The pioneering work of McKinnon and Shaw [1973] are a priority converging their ultimate goal: the development and economic growth. This goal is achieved primarily through a policy of financial liberalization in the context of perfect capital markets, which replaces the policy of financial repression adopted by several developing economies.

This paper is anchored on the financial liberation theory which believed that if the government remove barriers in economy that prevent easy transaction, this will lead to economy development.

Empirical Framework

Dahunsi & Akinyede (2014) use primary data to investigate ICT Perspectives on the Feasibility Analysis of the Cashless Economy in Nigeria. The sampling size to be used by the researcher in this study constitutes (300) banking customers and 20 credit officers in Nigerian banks. Nigerians are of the opinion that ATM is the best means of usage of cash-less banking and most of the services accessed with ATMs are cash withdrawals. This indicates that bank customers do not patronize other e-services thatATMS have to offer such as payment of bills, purchasing recharge card, e-transfers etc.

Mieseigha & Ogbodo (2013) studied the empirical analysis of the benefits of cashless economy on Nigeria's economic development. The study made use of accidental sampling method in the selection of a sample size of 520 persons out of an infinite national population of educated Nigerians. Well-structured questionnaires were administered to the selected 520 educated Nigerians for the purpose of reaching a dependable conclusion, however, only 468 copies representing 90 percent of sampled persons completed and returned the questionnaires. The study utilized two sources of data collection, the primary and secondary sources, data collected were statistically analysed using the simple percentages, while chi-square and Analysis of Variance (ANOVA) tests were used in testing hypotheses 1 & II respectively. The study concluded that that the cashless economy is an essential tool for transparency, accountability, and reduction of cash related fraud, and more importantly economic growth and development.

Methodology

The population of this study consists of all the students of the University of Ilorin. This is based on convenience for the researcher and also the technicality of the questionnaires administered which requires sufficient knowledge of electronic money. Therefore, as a result of the enormous number of the population, hence, the researcher adopted the use of stratified sampling in grouping the population into definite groups called strata. From these strata, the sample is selected by applying simple random sampling technique, Therefore, the population of University of Ilorin is grouped by respective faculties constituting the strata. 20 samples was drawn from each of the 14 strata (faculties) making it to be a total sample size of280 respondents. Therefore, 280 questionnaires will be self-administered by the researchers to the selected respondents. According to Dillman (2000) and Hill et a1. (2003), a sample size of 100 and above is sufficient to present good concise research findings and also, provide good representation of the population or organization investigated.

For statistical analysis of the data gathered, multiple regressions analysis was employed. The rationale for using multiple regression analysis is because it is a statistical tool that not only explores the

Relationship between two variables but also indicates the direction and magnitude of the effect of the independent variable (Electronic money) on the dependent variable (economic development).

Hypothesis 1:

H_{o1}: Electronic money will not have significant effect on monetary policy of the country.

Table 1 **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
I	.892'	.796	.794	.619

Source: Field Survey, 2015

a Predictors: (Constant), EFFECT OF e-money ON CASH CARRYING HABIT OF NIGERANS

Table 1 revealed the value of R-Square and adjusted R-Square model. The R -square value as shown in table 10 is 0.796 (79.6%) and the adjusted R-Square is 0.794 (79.4%). This means that the variability changes in monetary policy of the country could be accounted for by 79.4% adoption of e-money. This means that there is a positive relationship between economic policy and adoption of e-money.

Table 2 **ANOYA[b]**

Mode		Sum of	Df	Mean	F	Sig.
I	Regression	253.741	1	253.741	662.001	.0117[a]
	Residual	65.160	278	.383		
	Total	318.901	279			

Source: Field survey, 2015

a. Predictors: (Constant), EFFECT OF e-money ON CASH CARRYING HABIT OF NIGERANS

b. Dependent Variable: ERADICATION OF CONVENTIONAL MONEY (CASH) AS A RESULT OF e-money

Table 2 shows that the P-value is 0.027 which is less than alpha value (0.05). Therefore, the Null hypothesis which states that Electronic money will not have significant effect on monetary policy of the country is rejected, while Alternative hypothesis which states that Electronic money will have significant effect on monetary policy of the country is adopted.

Talble 3 **Coefficients'**

Model		Unstandard Coefficients		Standardized Coefficients	t	Sig ..
		B	Std. Error	Beta		
I	(Constant)	.937	.097		9.688	.027
	EFFECT OF e- ON CASH CARRYING OFNIGERANS	.997	.039	/892	25.729	.000

Source: Field survey; 2015

a. Dependent Variable: ERADICATION OF CONVENTIONAL MONEY (CASH), AS A RLSULT OF e-money

Table 3 shows the coefficient of the regression model. The intercept and slope (i.e B) as shown in the table are 0.937 and 0.997 respectively. This could be written in model form as y= 0.937 + 0.997x. Where y = "Monetary policy" and X = "adoption of e-rnoney", hence, Alternative hypothesis which states that Electronic III (111CY will have significant effect on monetary policy of the country is adopted.

Hypothesis 2

H_{o2}• Electronic money does not have impact on Nigeria overall economy

Table 4 Model Summary

Model	R	.R Square	Adjusted R Square	Std. Error of the Estimate
I	.965[8]	.932	.932	.308

Source: Field survey. 2015

a. Predictors: (Constant), BUSINESS OPPORTUNITIES AS A RESULT OF e-money

Table 4 revealed the value of R-Square and adjusted R-Square model.

The R -square value as shown in table 7 is 0.932 (93.2%) and the adjusted R-Square is0.932 (93.2%). This means that the variability changes in Nigerian economy could be accounted for by 93.2% adoption of e-money. This means that there is a positive relationship between Nigerian economy and adoption of e-money.

Table 5 ANOVA [b]

Model		Sum of Squares	Of	Mean	F	Sig.
1	Regression	221.542	1	221.542	2.335E3	.014'
	Residual	16.132	170	.095		
	Total	237.674	171			

Source: Field survey. 2015

a. Predictors: (Constant), BUSINESS OPPORTUNITIES AS A RESULT OF e-money

b. Dependent Variable: ECONOMIC DEVELOPMENT ENHANCEMENT

Table 5 depicts that the P-value is 0.014 which is less than alpha value (0.05). Therefore, the Null hypothesis which states that Electronic money will not have significant implication on the Nigeria economy is rejected, while Alternative hypothesis which posits that Electronic money will have significant implication on the Nigeria economy is thereby adopted.

Table 6 Coefficients

Mod		Unstandardized Coefficien		Standardiz Coefficient	t	Sig.
		B	Std. Error	Beta		
I	(Constant)	.118	.048		2.474	.014
	BUSINESS OPPORTUNITIE A RESULT OF e - money	.924	.019	.965	48.317	,000

Source: Field survey, 20 I 5

Dependent Variable: ECONOMIC DEVELOPME T ENHANCEMENT

Table 6 shows the coefficient of the regression model. The intercept and slope (i.e B) as

shown in the table are 0.118 and 0.924 respectively. This could be written in model form as y= 0.118 + *0.'J24x.* Where y = "Nigeria economy" and X = "adoption of e-money".

Discussion of Findings

This study investigated the effects of electronic money 01Jl the economy. Electronic money refers to the process enabling the payment or transfer of funds electronically; the findings indicated that majority of the respondents considered for the study have reasonable knowledge and have at least once used e-money. On this line, the study found out that e-money may be embraced by all in the future.

According to the finding, e-money is considered to be more convenient than conventional money (cash) as it can be used anyti1e and anywhere. It was however found out that e-money would not ultimately leads to total eradication of conventional money (cash), even though conventional money (cash) would not eventually remain as the necessary and ultimate instrument of transaction in the organization. This is because of the fact that e-money is considered to be an effective means of transaction and that it has increased people's satisfaction in transacting business as a result of the fact that transacting business with e-money is faster and less stressful than conventional money (cash). This also aligned with findings of Mieseigha & Ogbodo (2013) that the cashless economy is an essential tool for transparency, accountability, and reduction of cash related fraud, and more importantly economic growth and development.

of equal important is the fact that e-money has paved way for new business opportunities, which correspond that adoption of e-money related services in Nigeria would enhance economic development:

This also aligned with findings of Mieseigha & Ogbodo (2013) that the cashless economy is an essential tool for transparency. Accountability and reduction of cash related fraud. and more importantly economic growth and development.

Conclusions

From the research findings derived from the study analysis, the following conclusion are reached;

It is an undeniable fact that since the Internet becomes indispensable economic phenomenon, seeking for secure and new way of transactions will always be a paramount issue that must be considered as an economic agenda. E-money has a unique advantage which is the fact that it can be used anytime and anywhere. It may probably become the best form of money used for international transactions, as it minimizes the difficulty of currency exchange. It is reliable, faster, less cumbersome, and has low costs of transaction when compared with conventional money (cash). E-money is more secured than conventional money (cash). All that needs to be done to enhance its security is to take some simple precautions to make sure that transacting card or online account is not misused or distorted.

From the findings of the study, it could be established that a positive relationship exist between the usage of e-money and general acceptability of e-money. In another word, for e-money to be embraced by all in the future, depends on the level of effectiveness as well as the usage of e-money by the populace. Relative to this note is the fact that e-money may be accepted as a means of transaction by the general populace, which will have a direct impact on the economic development and which in turn will affect the economic policy of the country.

Recommendations

In the light of the above findings, the following recommendations are made.

Government should use the platform of electronic money to formulate monetary policies that will regulate the supply of money in the economy, as this will reduce the cost of cash management and therefore stabilize the rate of inflation in economy.

Also, government should ensure that the policy is adequately monitor and review periodically in order to meet the necessary chance in the country because it has significant impact on the overall e9onomy performance in term interest rate stability. This will enable existing and new business ventures to borrow money at predictable interest rate.

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Social Capital and Firms' Growth: Perspective from Consumer Goods Sector in South-West Nigeria.

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Abstract

The impact of social capital on firm's growth, especially in Nigeria, is still in doubt among stakeholders. The study examines the impact of social capital on firm's growth in food sub-sector of the Consumer Goods sector quoted on the floor of Nigeria Stock Exchange, based on a sample of 388 *management staff of the firms arrived at with Rakesh (2013) sample size formula. The study applied multiple regression analysis to analyze the data collected from the selected sample. The results show that mutual trust, level of education and involvement in social activity have positive statistically significant impact on firms' growth with coefficient of 0.783, 0.074 and 0.135 respectively. The study therefore concluded that social capital has a positive significant impact on firms' growth in Consumer Goods sector. Based on the findings, it was recommended that managers and entrepreneurs should promote mutual trust, get involved in social activities and associate with stakeholders in their industry to maximize the windows of opportunities and to grow the firm accordingly for the benefit of all stakeholders.*

Keywords - Social Capital, Finns' Growth, sector, mutual trust, education, social activities.

Introduction

Social Capital is as old as the entrepreneurs themselves, but may not have been termed Social Capital. It is an emerging concept in management cycle in recent decade and has proved productive in many instances. Halpern (2005) argues that the popularity of social capital for policy makers is linked to the concept's duality, because it has a hardnosed economic feel while restating its importance. Social capital has been used at various times to explain superior managerial performance, the growth of entrepreneurial firms, improved performance of functionally diverse groups, the value derived from strategic alliances, and enhanced supply chain relations. Social Capital is a resource that actors derive from specific social structures and then use to pursue their interests (Baker 1990).

According to Putnam (2000), social capital "refers to the collective value of all 'social networks' and the inclinations that arise from these networks to do things for each other". It is also defined as those resources inherent in social relations which facilitate collective action. Social capital resources include trust, norms, and networks of association representing any group which gathers consistently for a common purpose. A norm of a culture high in social capital is reciprocity, which encourages bargaining, compromise, and pluralistic politics. Another norm is belief in the equality of citizens, which encourages the formation of cross-cutting groups *(Garson, 2006).*

Colemanf1994) submits that social capital in the abstract is a neutral resource. His work tends to show how it can be used practically to produce of reproduce inequality, demonstrating for instance how people gain access to powerful positions through the directed indirect employment of social connections, while, World Bank (1999) defines Social capital as the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Social capital is not just the sum of the institutions which underpin a society- it is the glue that holds them together. Coleman (1994) concludes that Social capital is best defined by its function and not a single entity, but a variety of different entities with two common characteristics: they all consist of some aspect of a social structure, and they facilitate certain actions of individuals who are within the structure.

A firm's growth is the ability of an organization to maximize the use of resources at her disposal in order to attain the stakeholders' objective and their ability to surpass past records in terms of increase in sales, better access to funds, timely introduction of new products, process re-engineering, Social capital, therefore, is an un quantified resource possessed by an organization which can facilitate the growth of a firm. It is a form of influences enjoyed by an organization as a result of association of the management or the owner with differ-nt groups. These influences ranged from prompt assess to fund, winning of contracts, technical support, recommendations and so on.

Therefore, the extent to which these influences impact on the growth of firms is still a subject of debate in the business cycle. Based on this the paper seeks to establish the impact of social capital on firm's growth in Nigeria and specifically, in Consumer Goods Sector in South- West Nigeria.

Literature Review

This section reviews the necessary literature considered relevant to this work.

Sources of Social Capital

World Bank (1999) identified the following key sources of social capital in the context of social and economic development;

- Families - as the main source of economic and social welfare for its members, the family is the first building block in the generation of social capital for the larger society.
- Communities - Social interactions among neighbours, friends and groups generate social capital and the ability to work together for a common good

- Finns - Social capital benefits firms by reducing transactions costs, but can also have negative effects on a firm and society.

- Civil Society - Social capital is crucial to the success of any non- governmental organization because it provides opportunities for participation and gives voice to those who may be locked out of more formal avenues to affect change.

- Public Sector - the state and its institutions are central to the functioning and welfare of any society.

- Ethnicity - ethnic relations is important in the concept of social capital, whether it is immigration, microenterprise development, tribal nepotism or racial conflict, ethnic ties are a clear example of how actors who share common values and culture can work together for mutual benefit.

- Gender: Social networks of women like cooperatives, professional associations are important for women to obtain income and other necessities.

Social Capital Motives

Robison, Shupp, Jin, Siles & Ferrarini (2012) measure the relative importance of selfishness and four social capital motives using resource allocation data collected in hypothetical surveys and non- hypothetical experiments. The selfishness motive assumes that an agent's allocation of a scarce resource is independent of his relationships with others. This motive is sometimes referred to as the selfishness of preference assumption in neoclassical economics. Social capital motives assume that agents' allocation of a scarce resource may be influenced by their social capital or sympathetic relationships with others which may produce socio-emotional goods that satisfy socio-emotional needs for validation and belonging. The first social capital motive seeks for validation by acting consistently with the values of one's ideal self. The second social capital motive seeks to be validated by others by winning their approval. The third social capital motive seeks to belong. Recognizing that one may not be able to influence the sympathy of others, persons seeking to belong may act to increase their own sympathy for others and the organizations or institutions they represent. The fourth social capital motive recognizes that our sympathy or social capital for another person will motivate us to act in their interest. In doing so we satisfy our own needs for validation and belonging. Empirical results reject the hypothesis often implied in economics that we are 95% selfish.

Theory in Social Capital

This paper is based on the theory of Pluralism. Pluralism is a political philosophy that recognizes and affirms the diversity within a political body, which permits the peaceful coexistence of different interests, convictions and lifestyles. Political pluralists are not inherently liberals, who place equality as their guiding principles or conservatives who place liberty and tradition as their guiding principles, but advocates of a form of political moderation. Nor are political pluralists necessarily advocates of a democratic plurality, but generally agreed that this form of government is often best at moderating discrete values. Pluralists also seek the construction or reform of social institutions in order to reflect and balance competing principles. The advocates of the theory - Madison (1787) and Berlin (1997), posit that to avoid factionalism, it is best to allow many competing factions thereby advocating different primary principles to prevent anyone from dominating the political system. This relies, to a degree, on a series of disturbances changing the influences of groups so as to avoid institutional dominance and ensure competition (Wikipedia, 2015).

Empirical Review

Social capital is an emerging concept in management. This accounted for the scanty empirical evidence especially in Nigeria and Africa at large. But the study reviewed the available studies.

Knack & Keefer (1996) examine the correlations between confidence and civic cooperation norms, with economic growth in a big group of countries. They found that confidence and civic cooperation have a great impact in economic growth, and that in less polarized societies in terms of inequality and ethnic differences, social capital is bigger.

Narayan and Pritchet (1997) researched the assocactivity degree and economic performance in rural homes of Tanzania. They saw that even in high poverty indexes, families with higher levels of incomes had more participation in collective organizations. The social capital they accumulated because of this participation had individual benefits for them, and created collective benefits through different routes, for example: their agricultural practices were better than those of the families without participation (they had more information about agrochemicals, fertilizers and seeds); they had more information about the market; they were prepared to take more risks, because being part of a social network made them feel more protected; they had an influence on the improvement of public services, showing a bigger level of participation in schools; they cooperated more in the municipality level.

Measurement

Measuring social capital is a fundamental problem due to the intangibility of social capital as a resource and this accounted for why there is no widely held consensus on how to measure social capital. This has become a debate in itself: why refer to this phenomenon as 'capital' if there is no true way to measure it? Quantitative measurement has proven somewhat complicated. This has resulted in different metrics for different functions. In measuring political social capital, it is common to take the sum of society's membership of its groups. Groups with higher. membership contribute more to the amount of capital than groups with lower membership, although many groups with low membership (such as communities) still add up to be significant. While it may seem that this is limited by population, this need not be the case as people join multiple groups. In a study done b Yankee City, a community of 17,000 people was found to have over 22,000 different groups.

Many studies measure social capital by asking the question: "do you trust the others?" Other researches analyze the participation r voluntary associations or civic activities to ascertain if someone is an extrovert or an introvert.

The level of cohesion of a group also affects its social capital. However, there is no one quantitative way of determining the level of cohesiveness, but rather a collection of social network models that researchers have used over the decades to operationalize social capital. One of the dominant methods is Ronald Burt's constraint measure, which taps into the role of tie strength and group cohesion. Another network based model is network transitivity.

The way and manner a group relates to the rest of society also affects social capital, but in a different manner. Strong internal ties can in some cases weaken the group's perceived capital in the eyes of the general public, as in cases where the group is geared towards crime, distrust, intolerance, violence or hatred towards others. The Ku Klux Klan and the Mafia are examples of these kinds of organizations.

Sociologists Bankston & Zhou (2002) argued that one of the reasons social capital is so difficult to measure is that it is neither an individual-level nor a group-level phenomenon, but one that emerges across levels of analysis as individuals participate in groups. They argue that the metaphor of "capital" may be misleading because unlike financial capital, which is a resource held by an individual, the benefits of forms of social organization are not held by actors, but are results of the participation of actors in advantageously organized groups.

Foschi & Lauriola (2014) presented a measure of sociability as a proxy of social capital. The authors demonstrated that facets of sociability can mediate between general personality traits and measures of civic involvement and political participation, as predictors of social capital, in a holistic model of political behavior. Chaston (2010) suggested that the life cycle concept of an enterprise has stages that have to be crossed before the next stage of growth can commence. He then identifies five stages namely: launch capacity, expansion, organizational formalization, succession, and long-term growth. But, submitted that crossing each stage will require the entrepreneur to acquire new skills and prioritize managerial task inside the organization. The author further suggested that some of the entrepreneurs may take more time to move from one stage to another, while for some, it may be a fast progression. Financial backing, non- viable means to new technology, may be the reasons for not being able to cross the first stage (Dunn and Cheatham 1993). To be able to cross the second stage, the entrepreneur should be able to generate demand and increase sales through appropriate strategies. Once demand increases, there is a need for capacity expansion in order to match demand with appropriate supply to cross the third stage. Failure to implement a formal organization structure with professional manpower will pose challenges to cross the fourth stage (Anonymous 1984). While a well-established business will require a competent successor which an entrepreneur may decide to appoint an internal person or bring a new chief executive from outside of the company. But, an ineffective replacement for the founder may cause the business to fail to cross the fifth stage (Ip and Jacobs 2006).

Methodology

Primary data was employed in order to ensure active participation of the respondents and to give credence to the study. Data were collected with the aid of a well structured seven- point Likert scale, close-ended questionnaire. 388 respondents were selected based on Rakesh (2013) sample size determination formular and copies of the questionnaire were distributed on convenience basis to the management staff (top management, middle level managers and supervisors). Multiple regression analysis was used to establish the relationship between social capital and firm growth. This approach was employed as a result of its ability to predict the value of a variable based on the value of two or more other variables and it is supported by Jansen, Scherer and Schroeders (2015).

The model for this study is presented; Firm's growth = f(social capital),

Therefore increase in sales = f (collaboration, social activities, cross- fertilization of ideas, extrovert, education and mutual trust) .

$$\text{Increase in sales} = a_0 + a{,}C + a_{2+}SA + a_3CF + a_4EX + a_5ED + a_6MT + U$$

Where C = Collaboration

SA = Social Activities

CF=Cross-fertilization of ideas
EX = Extrovert

ED = Education

MT= Mutual Trust

Results Presentation and Analysis

Table: 1 Multiple Regression Results

Dependent: Increase in company sales turn over

VARIABLES	COEFFICIEN	T-VALUE
Constant	-0.069	-0.307
Collaboration	-0.102	-1.206
Cross-fertilization of	0.025	0.305
Social activities	0.135*	2.132
Extrovert	0.004	0.149
Level of education	0.074*	3.056
Mutual trust	0.783*	14.803
R^z	0.536*	
F-statistics	61.901 *	

Source - Authors' computation, 2015

Table 1 presents the regression result of the impact of social capital on firm growth. From the table, mutual trust, level of education and so\cial activities have positive significant impact on firm's growth. Howe er, collaboration, being an extrovert and cross-fertilization of ideas ras insignificant effect on firm's growth. Coefficients of all independent variables have expected positive sign except coefficient of collaboration. This can be explained by the extent of the influence of the group members. The more influential, the better the effect of collaboration and cross-fertilization of ideas on firm's growth.

The positive effect of social activity on firms' growth signifies t ne importance of social interaction between the firm's management add stakeholders in the community. This can be attributed to the impa t social capital has on firms' growth in-terms of ideas sharing, getting influence for window of opportunities and so on.

Level of education, based on the result also significantly promotes ~ firm's growth. This supports the view that human development in- terms of training and learning improves social interaction ang acceptability of an individual in the society, which ultimately enhances a firm's growth.

The results also confirm the importance of mutual trust on a firm's growth. This implies that trust facilitates acceptability and collaboration among individuals for the sake of organizational productivity that culminates in a firm's growth.

Furthermore, the overall result shows that the predictory power of the model is more than 50% and all the independent variables are jointly significant in explaining the impact of social capital on a firm's growth as explained by the significance of F-statistics as shown in table 1 above.

Conclusion and Recommendations

Based on the findings, social capital is a tool that enhances a firm' growth and management of an organization should tap to the fullest in order to maximize the opportunities and gain competitive advantage in their industry. Cross-fertilization of ideas in form of sharing tacit knowledge may ease management 'head-ache' and help resolve challenges that may affect the existence of the firm. Social activity which fosters social relationship among players in various industries is also a fundamental tool for a firm's growth in the information age.

The findings of the study indicate that level of education and mutua1 trust among stakeholders also build-up social capital which firms can employ for the growth of the organization. Taken together, the results clearly demonstrate the positive impact of social capital on firm ' growth. The study therefore recommends mutual trust, involvement in social activities and association for management of an organization in order to maximize the windows of opportunities and to grow the firm accordingly for the benefit of all stakeholders.

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Appendix I

APPENDIX I

Lists of food Products firms in Consumer Goods industry, staff strength and sampling distribution

SIN	**NAMES OF FIRMS**	**PLANT LOCATION**	**STAFF STRENGTH**	**SAMPLING DISTRIBUTION**
I	Dangote Flour Mills Plc	Apapa, Lagos	3.740	115
2	Dangote refinery Plc	Apapa, Lagos	746	23
3	Flour Mills Nig. Plc	Apapa, Lagos	2,920	90
4	Multi-Trex Integrated Plc	Ikosi Road, Lagos	57	2
5	*V.T.C* Nig Plc	Oshodi, Lagos	500	15
6	Cadbury	Ikeja, Lagos	1,471	45
7	Nestle Nig Plc	Ikeja, Lagos	2,038	63
8	Honeywell Mills Plc	Molete, Ibada Oyo State.	645	20
9	National salt Nig. Plc	Oregun.	483	15
TOTAL			12,600	388

Source: The Punch, (February 28, 2015). Capital market, Nigeria Stock Exchange Daily Activity Summary (equities), p. 53.

APPENDIX II

SAMPLE SIZE DETERMINATION

Rakesh (2013)

$SS = PSI[1+(PS*PE^2)]$

Where SS = Sample size

PS = Population size

P E ~ precision of error

$$SS = \frac{12600}{[1 + (12600 * 0.05^2)]}$$

$$= \frac{12600}{[1 + (12600 * 0.0025)]}$$

$$= \frac{12600}{[1 + 31.5]}$$

$$= \frac{12600}{32.5} = \frac{12600}{32.5} = \underline{388}$$

Empirical Analysis Of The Effects Of Consumer Behaviour on Purchasing Decisions Of Manufactured Goods In Nigeria

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Abstract

It is highly complicated to predict precisely the needs of consumerS how to provide for these needs and when the needs are to be met. It is therefore imperative for marketers to understand the buying behaviour of consumers, why they buy a particular product and what motivates their purchases. This study empirically examines the effects of consumer behaviour on purchasing decisions of manufactured goods in Nigeria using structured questionnaire, the simple lined regression technique and strata software packages. Results revealed that there exists a significant relationship between consume behaviour, effective marketing mix strategies and purchasing decisions of consumers of manufactured goods. It concluded thar firms and organizations should improve their marketing strategies through an understanding of the way consumers behave when buying and making purchasing decisions. The paper recommended that management of firms and organizations producing manufactured goods in Nigeria should add values in terms of services, features quality and style to their product at a reduced price so that the satisfaction (utility) a consumer derives from the product is enhanced and thereby encourage consumers to purchase more of the product and create brand loyalty.

Keywords: Consumers, Consumer Behaviour, Consumer Buying Situation, Consumer Buying Behaviour

Introduction

Man is an irrational animal that does not always respond positivel. to what he thinks is best for him. It is highly complicated therefore to predict accurately what consumers needs are, how to go about the provision of these needs and when the needs are to be met. Accorduu, to Chisnall (1975), the growing sophistication of modern living, the greater experience of the buying public and the dynamic nature of the environment have necessitated the need for marketers to inculcate ann develop a comprehensive knowledge of their consumers and their complete growing needs.

Marketers need to understand the buying behaviour of consumers. why they buy a particular product and the activities that motivate their purchase (Wilkstron & Clune, 2004). Consumers need to know the attributes of the product like the hidden quality, price and availability of the product. Through careful study of what constitutes consumer behaviour, efforts will be geared towards the improvement of the purchase decision. The behaviour that consumers display usually involves searching for what to purchase, reasons for purchasing and evaluating products that are expected to satisfy their needs (Bazerman & Chugh 2003).

According to Belch & Belch (2007), the field of consumer research is mostly focused on two major questions. First is how consumers go about making decisions and second, howdecisions should be made. Alvin & Bush (2005) opined that consumer research should create a balance between the studies of how to influence consumers and how consumers can defend themselves against such influences. One of the most influential areas within consumer behaviour is consumer decision making (Armstrong, Kotler & Cunningham 2005). At the conceptual level, various consumer decision making models have been proposed in the literature in recent times. However, many researchers believe that a specific situation and product oriented models are needed in studying purchasing (Armstrong, Kotler & Cunningham 2005). Strategic decision making refers to the process of decision making with long term commitments of resources which affect the budget available for other goods and services (Alvin & Bush (2005). The marketing performance of a product influences, immensely, the purchasing ability or habit of consumers.

A consumer in the market needs to be studied in order to know how consumers' motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumers. It is also scientifically essential and significant to study consumer behaviour because it assists researchers to know the aspiration, contentment and complaints the consume s derive from the use of a particular product (Krishna, 1992). Many early researches on consumer behaviour were based on economic theory that individuals act rationally to maximize their benefits (satisfaction) in the purchase of goods and services. Later, researchers discovered that consumers are just as likely to purchase impulsively and to be influenced not only by family and friends, by advertisers and role models, but also by mood, situation and emotion. All of these factors combine to form a comprehensive model of consumer behaviour that reflects both the cognitive and emotional aspects of consumer decision making. This study is therefore designed to contribute to existing studies in the area of the behaviour that consumers display or exhibit while searching for products and services that they expect will satisfy their needs which has been scantly recognized in the literature.

Objective of the Study

The main objective of this study is to examine the effects of consumer behaviour on purchasing decisions of manufactured goods in Niger' a. The specific objective examines the impact of effective marketing strategies on consumers' purchasing decisions of manufactured goods in Nigeria.

Literature Review

Consumers are not perfectly rational, sensible buyers. They do not always choose goods and services solely on price, performance and availability (Ann strong, Kotler & Cunningham, 2005). The truth is that many consumers are influenced by a whole host of emotional reasons like esteem and image.

Many of these non-rational reasons are hidden deep in their sub consciousness (Armstrong, Kotler &Cunningham, 2005). Through research, consumers show the real reasons why they buy what they buy. This requires time, money and expertise. Surprisingly, many organizations don't really know exactly why their customers buy or don't buy from them. Yet understanding customers is at the heart of marketing. Once the reasons why people buy or don't buy are discovered, the marketing mix can be changed to suit the buyer's needs and wants. Buyer behaviour involves both simple and complex mental processes. Marketers cannot capture human nature in its entirety but a lot can be learnt about customers through research, observation and thinking (Alvin & Bush, 2005). Therefore, since consumers are the major determinants of the success of a business organization, it is imperative to study why and how they make purchasing decisions.

The success of any manufacturing organization depends largely on adequate understanding of how consumers behave with regard to making purchase decisions.

Belch and Belch (2007) define consumer behavior as the process and activities people engage in when searching for, selecting, purchasing. using, evaluating, and disposing of products and services so as to satisfy their needs and desires. Consumer behaviour is also seen as those acts of individuals directly involved in obtaining and using economic goods and services (Margret & Kelvin, 2003). In the research conducted by Mil1es (2004), they used product attributes as an essential lvehicle for analyzing consumer's choice from various alternative products, on the assumption that the need satisfying attributes are related to the underlying individual need structure and what the manufacturer believes to be the needs of the consumers. It was found that it is possible for the consumers to be satisfied with a particular product to the extent that the product possesses some attributes which may be needed by individual consumer

Buying behaviour is the decision processes and acts of people involved in buying and using products (Kotler, *2q07).* Consumer

Buying Behavior refers to the buying behavior of the ultimate consumer. According to Kotler (2007), a firm needs to analyze buying behavior because:

- Buyers' reactions to a firm's marketing strategy has a great impact on the firm's success.
- The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers and therefore needs to analyze the what, where, when and how consumers buy.
- Marketers can better predict how consumers will respond to marketing strategies.

Types of consumer buying situation

Customers' approach to purchasing a product or service is influenced by their situation - whether they have money and how important, frequent, risky or urgent the purchase is to them in their situation (Mazursky & Aiello, 1987). Customers make more of an effort, and become more involved, if the purchase is relatively important to them - particularly if they have no previous experience of buying such a product or service. On the other hand, if the item being purchased is of low value and frequently bought, like a bottle of coke, it follows that the buyer will spend less time and effort and will have less involvement with the purchase. These frequent, inexpensive purchases generally have little risk, and require less information. This kind of purchase situations are referred to as 'Low Involvement Purchases' (McAlister, 1982). In these situations, consumers can fall into a routine purchasing pattern which requires little thought and even less effort. 'Routinised Response Behaviour.' occurs whenever the need is stimulated - a particular brand is automatically purchased.

According to McAlister, (1982), when purchasing an expensive, high - risk infrequent product such as a laptop computer for the first time, the purchaser requires a lot of detailed information and careful analysis before deciding which brand to buy. This is referred to as 'High Involvement'. Here the consumer goes through an extensive problem solving process - searching and collecting information, evaluating it and eventually deciding on a particular choice. Where the customer has had some experience of buying a particular type of product or service before, there is less risk attached and less information is required. This is called 'Limited Problem Solving'.

Consumers require different marketing mixes in different buying situations. If a purchase is urgent, the purchasing pattern will be different from another situation where more time is available. For example, the decision to call a plumber to install a new shower is different from calling a plumber to stop a leaking pipe!

Stages of the consumer buying process

Kotler (2007) classified Consumer Buying Decision Process into six stages. According to him, actual purchasing is only one stage of the process. It is to be noted however that not all decision processes lead to a purchase. These stages are:

Problem Recognition (awareness of need) - Here the difference between the desired state and the actual condition is recognized. For instance, hunger stimulates your need to eat. Product information by the marketer can further stimulate consumer's recognition of a need. F or example, an advertisement for a new pair of shoes may stimulate your recognition that you need a new pair of shoes.

Information search -- A successful information search leaves a buyer with possible alternatives. For example, a hungry consumer who wants to go out and eat may have to choose from various alternative sets of food depending on information search.

Evaluation of Alternatives - Consumers need to establish a criterion for evaluation depending on the features the buyer wants or does not want. Information from different sources may be treated differently.

Purchase decision - Here, consumers make decisions to buy by choosing from the alternatives.

Purchase - Actual purchase may differ from decision depending on product availability.

Post-Purchase Evaluation- This is determined by the level of satisfaction or dissatisfaction. How satisfied or dissatisfied a consumer is will determine whether a consumer has made a right decision. A satisfied consumer will definitely call for a repeat purchase.

Types of consumer buying behavior

Four types of consumer buying behavior were identified by Kotler (2007): They are:

Routine Response/Programmed Behavior- Buying low involvement products frequently carries low cost; needs very little search and decision effort; and they are purchased almost automatically, Examples include soft drinks, snack foods, milk etc.

Limited Decision Making - This is when a product is purchased occasionally. Here, you need to obtain information about unfamiliar brand in a familiar product category, perhaps. It requires a moderate amount of time for information gathering. Examples include Clothes- - know product class but not the brand.

Extensive Decision Making (Complex high involvement) - These are products that are unfamiliar, expensive and/or infrequently bought. It involves high degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. A consumer spends a lot of time seeking information and making decision, based on the information from the companies, friends and relatives, store personnel etc. A consumer goes through all the six stages of the buying process.

Impulse buying - Here, there is no conscious planning. The purchase of the same product does not always elicit the same Buying Behaviour. Product can shift from one category to the next.

Theories on consumer behaviour

There are various types of theories on consumer behaviour out of which two which are most relevant to this study are discussed. They are:

Substantive and Non-Substantive Theory

Substantive theory holds that consumer behaviour is seen as a rational response to purchase decision that stresses the value of products procured. Michael & Class (1987) opined that consumers learn mainly from their actual shopping experience and gradually simplify the buying process by developing habitual purchase pattern.

The non-substantive theory of consumer behaviour emphasized the lack of information available to consumers in relation to certain products. The theory perceives that an unrealistic and distributive goals and needs sometimes underlie many purchases.

Stimulus Response Theory of Learning

This theory holds that learning occurs as a person or animal responds to stimuli and is rewarded (reinforced) with need satisfaction for a correct response or penalized for an incorrect one when the same response is repeated in relation to a given stimulus.

Empirical review on consumer behaviour

Some researchers have shown a formidable interest on the effect ot information on consumer behaviour. Consumers get information from different sources. Most of the information are meant to inform an persuade the consumers to purchase Consumers feel better wthl adequate information about a product but may actually make little purchase decisions. Thus, it means that the consumers, having being satisfied with a particular product which they choose to avoid the risl of dissonance that could emanate from another product, may block O information concerning other brands and therefore remain loyal to the previously selected product.

Methilie & Nysveen (1999) reported that consumer behavior is greatly influenced by the small group to which the consumer belongs or aspires to belong. The result of his study concludes that inform J personal advice in face to face group is much more effective as behavioural determinant than advertising in the media. This is to s~~ that a prospective buyer is more likely to be influenced by words ~~ mouth. Oliver (1999) examined the validity of Lilien (19741) proposition which stated that repetition of advertisement has no effect on attitude formation but rather advertisement, as a factor, influences product attributes, beliefs and purchase intentions.

Parthasarathy & Vinoth (2010) noted that while product attributes may be appropriate for examining the problem, attributes 40 not provide understanding of which personal needs underlie the consumer predisposition to respond to specific products. Therefore, it can be concluded that a proper understanding of consumer behaviour to a certain product will surely involve an examination of the relationship between product attribute and individual need structure.

Oliveira-Castro, Foxall & Schrezenmaier (2005) also suggest that brand purchasing needs to be studied from two dimensions, namely "utilitarian and symbolic factors", because customers want to gain both "utilitarian and informational" benefits from their brand purchases. When a customer is buying a brand, he or she is actually buying not only the functions of the product but also the fulfillment of emotional needs. These are two possible explanations for the increased sales resulted from promotion, one is the increased purchasing quantity from existing consumers and the other is the new purchase from new consumers.

Methodology

The population of this study consisted of all the manufacturing firms in Nigeria. For the purpose of this study, 250 staff of Unilever Nigeria Plc was selected as the sample size for the study. The data for the study were gathered through primary source from respondents (customers) of Unilever Nigeria Plc - a manufacturer and marketer of food products such as Lipton, Vegetable oil, Roycol culinary, Close-up toothpaste and Vaseline located in Apapa, Lagos. The simple random sampling technique was employed to select the sample for the study. The response rate of return was 94.8%, making a total of 237 copies of the questionnaire completed and returned. The instrument (twenty - five item questionnaire) which contained structured questions with close ended answers was administered to the respondents who voluntarily decided to participate in the survey for two weeks. This was to ensure objectivity from the responses obtained from the sampled population. The simple linear regression technique and strata software package were used for the analysis.

Results and discussion

The general profile of the respondents comprising the basic details such as age, sex, education, marital status and occupation were analyzed and the results revealed that most of the respondents were female (60%) which implies that purchase decisions involve more female than male. The result further shows that 50% of the respondents were graduates, 21 % were NCE and OND holders. The remaining 29% were school leaving certificate holders.

Further, the analysis of the marital status of the respondents shows that 52% were single while 41 % were married. Only 2% of the respondents were widowed while 5% were divorced. The analysis of the data also shows that 30%, 40%, 25%, and 5% of the respondents were students, business tycoons, civil servants and other occupations respectively.

TEST OF HYPOTHESES

H_{01}: There is no significant effect of consumer behaviour on purchase decisions of manufactured goods in Nigeria.

Table 1: Summary of Model

Model	R	R square	Adjusted R square	Standard error of I the estimate j
I	.6W	.454	.378	.62171 I

Table 2: Anova"

Model	Sum of square	Df	Mean square	F	Sig·
L	27.632	12	2.328	6.022	.927
Residual	33.628	87	387		
Total	61.260	99			\

Table 3: regression analysis to test the effect of consumer behaviour on purchase decision

Explanatory variable	Coetlicients	Standard error
Constant	2.376	0.503
Quality	-0.116	0.133 I
Packaging	-0.041	0.178 \
Economical	0.176	0.279 \
Advertisement	-0.123	0.098
R^2	0.454	
Adjusted R"	0.378	
F	6.022	

Source: Researcher's computation, 2015.

The R2 in the regression table above shows that 4ii% of the dependents

variable (i.e. consumer buying behaviour) . is explained by independent variables. The F statistics is highly significant at 5% level of significance because 0.000 < 0.05.

H_{01}: There is no significant relationship between effective marketing strategies and consumer purchase decision of manufactured goods in Nigeria

TABLE 4: Summary of Model

Model	R	R square	Adjusted R square	Sta1dard error the estimate
L	.836"	.700	.654	170375

TABLES: ANÖVA

Model	Sum of square	Df	Mean	F	Sig.
L	99.197	13	7.631	15.407	.000
Residual	42.593	86	.495		
Tot:!1	I 141.790	99			

TABLE 6: REGRESSION ANALYSIS TO DETERMINE WHERE THERE IS SIGNIFICANT RELATIONSHIP BETWEEN EFFECTIVE MARKETING MIX STRATEGY AND CONSUMER PURCHASE DECISION

Explanatory variables	Coefficients	Standard error
Constant	2.024	0.666
Price	- 0.097	0.162
Product Quality	-0.760	0.184
Place	-0.128	0.344
Promotion	-0.439	0.220
R2	0.700	
Adjusted R'	0.654	I
F	15.407	I

Source: Researcher's computation, 2015.

R^2 shows that 70% of the dependent variables i.e. consumer buying behaviour is explained by independent variables. The F statistics is highly significant at 5% level of significance because 0.000 < 0.05.

Discussion of Findings

The results of the regression analysis in Table 3 shows that half of the under standardized coefficient of B is less than the standard error i.e. -0.058<0.133 which implies that the quality of manufactured product is not significant in explaining purchase decision of consumers at 5% level of significance. The result also reveals that half of the under standardized coefficient of B in packaging is less than the standard error i.e. 0.178 which shows that packaging is not significant in explaining purchase decision of consumers at 5% level of significance.

Furthermore, the economical analysis depicts that half of the under standardized coefficient of B is less than the standard error (0.088<0.279) indicating that economical is not significant in explaining purchase decision of the consumers at 5% level of significance. Half of the coefficient of B is also less than the standard error i.e. -0.0615<0.098 which means that advertisement will not be significant in explaining purchase decision of consumers.

Meanwhile, the F statistics shows the global fitness of the model. The value of 0.027 is significant at 5% because it falls at the rejection region. Therefore the null hypothesis is rejected while the alternative hypothesis is accepted.

The regression analysis result in Table 6 shows that half of the under standardized coefficient of B is less than the standard error i.e. - 0.049<0.162 which means that the price of manufactured products is not significant in explaining purchase decision of consumers at 5% level of significance. The result also reveals that half of the under standardized coefficient of B in product quality is less than the standard error i.e. -0.760 < -0.184 which shows that product quality is not significant in explaining purchase decision of consumers at 5% level of significance.

The place (distribution) analysis depicts that half of the under standardized coefficient of B is less than the standard error (0.064 < 0.344) indicating that place is not significant in explaining purchase decision of the consumers at 5% level of significance. Half of the coefficient of B is also less than the standard error i.e. 0.219 < 0.220 which means that promotion does not have significance in explaining purchase decision of consumers.

Meanwhile, the F statistics in Table 6 shows the global fitness of the model. The value of 0.000 is significant at 5% because it falls at the rejection region. Hence, the nu11 hypothesis is rejected while the alternative hypothesis is accepted.

Conclusion

The study examines the effects of consumer behaviour on purchase decisions of manufactured goods in Nigeria. It also examines the effect of effective marketing mix strategies on consumers purchase decisions of manufactured goods in Nigeria. Consumers of Unilever Nigeria PIc were interviewed in order to ascertain their purchase behaviour and decisions on the purchase of manufactured goods in Nigeria. The result of the study reveals that there exists a significant relationship between consumer behaviour and their purchase decisions of manufactured goods. The result also shows that there is a significant relationship between effective marketing mix strategy and consumer purchase decision.

The study will assist firms and organizations on how to improve their marketing strategies through an understanding of the way consumers behave when buying and making other purchase decisions. It will also assist marketers on how best to effectively adapt and improve their marketing strategies. The study also provides an understanding of how consumers think, feel, reason and select between different alternative brands or products.

Recommendations

Based on the outcome of this study, the following recommendations are germane:

(i) The management of firms and organizations producing manufactured goods in Nigeria should add values in terms of services, features, quality and style to their products at a reduced price so that the satisfaction (utility) a consumer derives from the products is enhanced. This will encourage consumers to purchase more of the product and create brand loyalty.

(ii) Marketers should promote their products through the adoption of marketing mix strategies such as sales promotion, advertising and personal selling in order to adequately inform, persuade and remind the consumers about the existence of both old and new products.

(iii)Finally, there should be awareness and enlightenment programs designed and organized by management to assist organizations to reach their potential consumers at the right time and in the right place and to stimulate and encourage their buying decisions.

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